



«Dynamise les entreprises sénégalaises»



Dyna “Forum de Départ” Plenary Session – 2 June 2004

FIFTH ANNUAL REPORT

1st October 2003 - 30 September 2004

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SUBMITTED TO: USAID/SENEGAL
PRIVATE SECTOR STRATEGIC OBJECTIVE (SO1)

SUBMITTED BY: CHEMONICS INTERNATIONAL
DYNAENTREPRISES PROJECT

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ANNUAL PERFORMANCE REPORT

DynaEntreprise Senegal

CONTRACTOR: Chemonics International, Inc.
CONTRACT #: 685-00-00-C-00002-00
REPORTING PERIOD: October 2003 – September 2004
USAID OFFICE: Strategic Objective 1

BACKGROUND

This is the 5th Annual Performance 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), 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".

ACRONYMS

ACEP	Alliance de Crédit et d'Épargne pour la Production
ACRA	Association de Coopératives rurales en Afrique et en Amérique Latine
AFEPES	Association des Femmes pour la Promotion de l'entreprise au Sénégal
APIMEC	Association Professionnelle des Institutions Mutualistes ou Coopérative d'Épargne et de Crédit au Sénégal
ARAN	Associations rurales des Agriculteurs de Notto
ARLS	Associations Rurales de Lutte contre le Sida
ASCVEC	Association des Caisses Villageoises d'Épargne et de Crédit
ASDI	Agence Suédoise de Développement International
ADESCAW	Association Socio-Educative et Culturelle des Agriculteurs du Walo
AT/CPEC	Assistance Technique aux Caisses Populaires et d'Épargne et du Crédit
BNSTP	Bourse Nationale de Sous-Traitance et de Partenariat du Sénégal
BOA	Basic Ordering Agreement
CAMC	Centre d'Arbitrage, de Médiation et de Conciliation
CAMPC	Centre Africain de Management et Perfectionnement des Cadres
CAPAF	Programme de Renforcement des Capacités des IMF en Afrique Francophone
CCBM/EBI	Comptoir Commercial Bara Mboup - Espace Bureautique Informatique
CECMAK	Mutuelle d'Épargne et de Crédit des Artisans de Kolda (MEC AK)
CESAG	Centre d'Études Supérieures en Gestion
CETF	Centre d'Enseignement Technique Féminine
CGAP	Groupe Consultatif d'Assistance aux Plus Pauvres
CIPE	Center for International Private Enterprise
CLEC	Caisses Locales d'Épargne et de Crédit
CLEC BAKEL	Caisses Locales d'Épargne et de Crédit de Bakel
CLIN	Contract Line Item
CMS	Crédit Mutuel du Sénégal
COCOGES	Collectif des Femmes Commerçantes du Groupement Economique Sénégalais
COFDEC	Collectif des Femmes pour le Développement de l'Épargne et du Crédit
CONACAP	Conseil National pour la Promotion et le Développement des Caisses Populaires
CREC	Caisses Rurales d'Épargne et de Crédit
CSE	Centre de Suivi Ecologique
CTC	Community Training Centers – Peace Corps
DID	Développement International Desjardins
ECI	Edelman Communications International
ENDA	Environnement Développement en Afrique
FDEA	Femme Développement Entreprise en Afrique
FEMUNI	Association des Femmes de la Cité des Nations Unies
FIARA	Foire Internationale de l'Agriculture et des Ressources Animales
FNGPF	Fédération Nationale des Groupements de Promotion Féminine
FNPJ	Fonds National de Promotion de la Jeunesse
GEC	Groupement d'Épargne et de Crédit
GERME	Gérer Mieux Votre Entreprise
GIE	Groupement d'Intérêt Economique
GOS	Government of Senegal
GRAMC	Groupe de Recherches et d'Actions avec les Minorités Culturelles
GTN	Global Technology Network
IBI	International Business Initiatives
ILO	International Labor Organization
INTER-CREC	Entre les Caisses Rurales d'Épargne et de Crédit

IPD-AOS	<i>Institut Pour le Développement / Afrique de l'Ouest Sahel</i>
ISPEC	<i>Institut Supérieur Panafricain d'Economie Coopérative</i>
IT	<i>Information Technology</i>
ITA	<i>Institut de Technologie Alimentaire</i>
KIR	<i>Key Intermediate Result</i>
LOP	<i>Life of Project</i>
MCEG NAFA	<i>Mutuelle de Crédit et d'Épargne et de Garantie (Nafa is "billfold" in Wolof)</i>
MEAC	<i>Monitoring, Evaluation, Analysis and Communication</i>
MEC	<i>Mutuelle d'Épargne et de Crédit</i>
MEC ARTZIG	<i>Mutuelle d'Épargne et de Crédit des Artisans de Ziguinchor</i>
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	<i>Panafrican Institute for Development / West Africa Sahel (IPD-AOS)</i>
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	<i>Groupement d'Épargne et de Crédit de Pkumel (GEC PKUMEL)</i>
PMC	<i>Performance Management Consulting</i>
PMP	<i>Performance Monitoring Plan</i>
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	<i>Results Tracking Table</i>
SAED	<i>Société d'Aménagement et d'Exploitation du Delta</i>
SEAD	<i>Small Economic Activities Development</i>
SMI	<i>Savings Mobilization and Investment</i>
SO	<i>Strategic Objective</i>
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'Épargne et de Crédit - Sédhiou</i>
UMEC U	<i>Union des Mutuelles d'Épargne et de Crédit d'UNACOIS</i>
UM PAMECAS	<i>Union des Mutuelles du Partenariat pour la Mobilisation de l'Épargne et du Crédit</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	<i>United States Agency for International Development</i>
USU	<i>Umbrella Support Unit</i>

I. Executive Summary

After four consecutive years of growth, the Dyna project achieved its Apex in Fiscal Year 2003 (FY2003) both in terms of activity level and dollars expended. This trend was necessarily broken in FY2004 as the project prepared for an eventual close out in November 2004.

Despite the slow down, Dyna successfully met and then exceeded the objectives set forth in its Annual Work Plan. Through careful planning, prioritization of efforts, and constant adjustments to changing conditions, Dyna managed to deliver a wide variety of support to a large number of BDS and MF clients throughout FY2004. Although all the regional offices were closed on schedule by the end of February, the Dakar office remained fully functional and open for all of FY2004.

The drastic and prolonged fall in the US dollar exchange rate was fully taken into account when Dyna formulated its FY2004 Annual Work Plan that was approved by USAID. Cost saving measures Dyna introduced in the fourth quarter FY2003 took effect in FY2004 and these were joined by new initiatives to cut costs so that technical assistance was supplied for as long as possible.

Over the course of the year, Administration processed 98 local contracts and purchase orders having a value of \$835 thousand dollars. These were divided roughly equally in number, though not in value, in support of BDS and MF clients. In FY2004 human resource issues demanded a lot of Dyna Admin staff-time as the number of local employees declined from 62 to 22 persons. All tasks to terminate office and expat residence leases were accomplished without any problems.

Administration of project inventory at MFIs and Dyna offices and storage required many person-days of effort. When regional offices closed, office equipment was transferred to local MFIs that requested it. In March USAID began verification visits to each region and pronounced Dyna's inventory listing of more than 5,000 articles to be statistically accurate. Letters transferring ownership of project-purchased equipment from the US government to 29 MFIs representing than 150 branch offices were sent out. Equipment purchased for MFIs after March 2004 and Dyna office equipment were to be transferred in October.

Dyna's BDS team met its goals for the year by delivering a multitude of demand-driven assistance to the 3 major subsectors in which it has worked, as well to business associations it has supported. Activities took place throughout the 5 regions targeted by USAID under the project. To meet an increasing demand from BDS clients, Dyna received agreement from the USAID RCO to move funds into CLIN AC-BDS from CLIN AD-MF Support. This enabled it to support many activities that would otherwise not be possible. The Forum de Depart organized in June provided BDS clients and local suppliers contracted over the course of the project to deepen their understanding of each other to support their future collaboration.

Likewise, Dyna MF also met its Annual Work Plan objectives to computerize the largest of Senegal's MF networks, to build capacities of MF networks and to maximize the use of internal resources to assist MF clients while closing out Dyna/MFI partnership agreements. Six fully-formed networks, 8 emerging networks, and 28 individual caisses received targeted assistance in FY2004. An additional half-dozen were slated to receive Dyna Dakar office equipment at the project's close.

Dyna MF clients and consulting firms with whom they worked were completely engaged in the Forum de Depart held in June. Several consulting firms volunteered to lead focus groups held in advance of the Forum and eventually decided to form an association of consultants active in Senegal's microfinance sector.

MEAC led impact studies of both BDS and MF clients that are described in the report and its digital film activities continued strongly in FY2004. A film on the banana floods of 2003 was seen by the President of the Republic of Senegal and it helped contribute to the government's decision to assist farmers who incurred catastrophic losses. The PAMECAS kiosk work was completed and kiosks were deployed to all 28 branch offices. MEAC was the lead department in the organization of the Forum de Depart and the 11 focus group meetings leading up to it. The forum was attended by more than 500 persons and was widely seen as an important contribution to support the continued development of the BDS and MF sectors the project actively supported over the life of the project.

II. Administration

Dyna's Division of Administration and Finance (DAF) is organized in four departments: contracting, administration and logistics, human resources and accounting. This section of the Annual Report follows the same segmentation.

Dyna Administration played a central role in all activities in this, the final project year. Because of budgetary restrictions brought about by the extended decline in the value of the US dollar, drastic steps were taken to reduce expenditures and close regional offices on an advanced schedule as laid out in the FY2004 Annual Workplan. This was accomplished on schedule, as were all other activities previewed by DynaAdmin in its Workplan.

Office	Closure Date
Ziguinchor	5-Dec-2003
Thiès	15-Jan-2004
Kolda	15-Feb-2004
Dakar	Starting from 3/31/2004

Table 1: Dyna Office Closure Schedule

A summary of the steps taken to reduce expenditures while minimizing the impact on technical activities are found below:

- Early Closure of Regional Offices**
Following the successful formula of the DynaTamba office closure in June 2003, Ziguinchor, Thiès and Kolda offices were closed in December, January and February respectively. Specific activities included: payment of staff indemnities and cancelling employment contracts, cancelling utilities and collection of deposits, transferring project equipment to MF clients that had requested support, negotiating termination of leases, repairing rental property, and return of lease security deposits. Unallocated project equipment not of value to MFIs was returned to DynaDakar.
- Dyna Staff to Consultant Status**
Dyna informed permanent staff they could change their status to consultants which gave the project greater flexibility to secure staffing according to needs and budget. Eventually all but employees in the regional offices elected to acquire consultant status. This change resulted in an appreciable savings to the project since the net cost per consultant was less than at their prior status.
- Reduction in Operating Costs**
Dyna reduced the allowable days of missions to the field to 5 days and reduced the per diem to below USAID allowable rates. A ceiling was placed on cell phone reimbursements and calls to cell phones in the offices could only be made by the receptionist.
- Tight Budget Monitoring**
Budget was monitored closely to assess what activities could reasonably be supported. By working closely with the BDS and MF technical divisions it proved possible to continue technical activities at a very high level for the full fiscal year.

2.1 Contracts

Dyna's contracts department issued about one-half as many local contracts and/or purchase orders (PO) than previous years due to a reduced budget in the final year and the progressive closeout of Dyna's regional offices. Though less, the number of contracts/ POs was not small: Dyna issued a total of 98, nearly two per week, with a total value of 434,367,173 FCFA or \$835 thousand dollars (@520 FCFA/US\$). As in previous years, contracts and purchase orders were written with multiple deliverable schedules and payment penalties were applied if conditions of performance were not met.

	N° Local Contracts &/or Orders			Purchase	Value (FCFA)
	MF	BDS	MEAC	TOTAL	
FY2000	10	10	-	20	388,377,670
FY2001	41	46	-	87	873,526,526
FY2002	65	79	3	147	1,261,904,196
FY2003	122	86	8	216	1,739,890,999
FY2004	59	39	-	98	434,367,173
TOTAL	297	260	11	568	4,645,047,965

Table 2: Year to Year Local Purchases

The local purchases were divided roughly equal between the BDS and MF technical divisions with 47 and 51 issued, respectively. However, the value of the MF local purchases was 76% of the total thanks to the high value of the computer equipment purchases for CMS and others.

Local Sub-Contracts & Purchase Orders FY2004

	MFI		BDS		TOTAL		US\$ *
	Number	Value (FCFA)	Number	Value (FCFA)	Number	FCFA	
Sub-Contracts	21	299,252,619	26	33,519,760	47	332,772,379	\$639,947
Purchase Orders	38	78,175,471	13	23,419,323	51	101,594,794	\$195,375
Total	59	377,428,090	39	56,939,083	98	434,367,173	\$835,321
US\$		\$725,823		\$109,498		\$835,321	

* US\$ = 520 FCFA

Table 3: Local contracts and purchase orders

2.1.1 Local Purchases by Category

MFI Computerization (55% total local contract/PO by value)

As stated in the Annual Work Plan, computerization of the major MF networks was a key priority for FY2004. It was decided to purchase from local suppliers to have better after-sale service and quicker deployment to the MFIs. Significant Information Technology (IT) procurements were made for the MF networks of CMS, UMEC Sedhiou, ACEP and RECEC. In addition, the final version of software for the PAMECAS kiosks was written in the states, 28 kiosk display cases were built, and the software and digital films installed and deployed to each branch office.

MFI Organizational Development (11%)

This category includes strategic plans, accounting revision and follow-on work, improved management systems, general assemblies, and new product development.

Information Dissemination (10%)

This covers Dyna BDS activities such as the Thies Technofoire, restitution meetings, rural radio and dairy sector analysis and mapping, and the Dyna Forum de Depart.

MFI Equipment Purchases (not IT) (8%)

This includes purchases and labor to install security enhancements such as safes and reinforce doors and windows.

Assistance to BDS Sub-sectors (4%)

This includes installation of banana demonstration sites, digital film of Banana inundation, general assembly meetings of UNAFIBS and FENAFILS, business planning software for banana investments, maps and sector reports on dairy and rural radio

Impact Evaluations (5%)

Dyna BDS and Dyna MF Divisions conducted impact assessments on key business associations and MFI clients and on the ILO GERME training sponsored by Dyna.

Technical Assistance by ex-Dyna Staff (3%)

Consistent with Dyna's FY2004 Annual Work Plan, ex-Dyna staff was engaged to provide technical assistance to BDS and MF clients over the course of FY2004. This was done when it was shown to be cost-effective and more productive than soliciting outside consultants that were not as cognizant of the context of the technical assistance intervention.

Business Associations (2%) and Capacity Building of MFI members (2%)

This category encompasses work with Dyna BDS clients such as the Handicap Associations of Dakar, Tamba and Kolda, FAFA, artisan and fishermen associations. MFI members' capacity was built through several Making Cents training sessions on entrepreneurial management.

2.2 Human Resources

Human Resources (HR) activity was dominated by work related to the closeout of the 4 Dyna offices and in Dakar the change in status of staff from permanent employees to consultants. On the first day of the fiscal year, Dyna had 62 permanent staff and by the last day it had dropped to 22. During the year the HR manager and DCOP traveled to the field to meet with departing staff and local *inspecteurs de travail*. All severance indemnities were paid, insurance payments concluded and relevant government accounts settled. Despite the early closures and premature departure of local staff, not a single employee felt the need to file a claim against the project.

While the exchange rate did not improve, it did not deteriorate further until October 2004. This coupled with effective cost-saving measures and provisional expenses that did not materialize permitted the project to keep a core staff of technical and administrative employees to continue technical activities for the full fiscal year.

The project's original COP left in April to start a new USAID project in Malawi and he was replaced by the DCOP without any effect on project performance. A similar pattern was seen in other key positions such as DAF, Contracts Manager, Microfinance and BDS Team Leader: when key staff left they were replaced by

another equally competent Dyna employee who was groomed to take over without any loss of productivity.

2.3 Administration & Inventory

2.3.1 Administration

Dyna Admin had numerous closeout tasks it executed during the year. These included: notification to government officials at IPRES, *caisse de sécurité sociale*, *inspection de travail*, customs and tax authorities, utility companies, landlords, insurance companies, clients and suppliers. Dyna successfully terminated the leases on four offices and three expat residences and returned all to original condition.

Chemonics' closed out its contract with USU on May 14, 2004. This contract was fully funded in the amount of \$957,517. When it ended, the two USU members working in Dyna MF were retained as consultants and one of them replaced Helen Sow, Dyna MF Division head, when she left the project in September for other employment.

Dyna Admin led the process to archive the voluminous number of project documents acquired over 5 years. The huge number of local contracts and the large number of staff and accounting documents required several months of work to archive and dispose of unneeded files. Over the last 6 months of the fiscal year an extensive DCAA (Defense Contractors Audit Agency) audit was undertaken at Chemonics in Washington DC requiring Dyna to respond to requests for supporting documents related to local expenditures. The auditors' feedback was that our prompt and thorough replies were excellent and no irregularities have been found.

2.3.2 Inventory

As regional offices closed, Dyna allocated its office equipment to local MFIs who had requested this form of assistance. In March Dyna submitted to USAID a comprehensive listing of all equipment acquired under the project that was either in the hands of MFIs or in Dyna's possession. USAID proceeded to conduct a physical verification by region of 30% of the equipment on our inventory list. With only a handful of items questioned that were later cleared, USAID pronounced our inventory to be accurate and approved our request to transfer ownership. Clients received registered letters to inform them of this decision.

Complying to a request by USAID, Dyna transferred several items including vehicles, air conditioners and electric generators to FEWSNET, Digital Freedom Initiative, Africare, Enterprise Works, and the Export Promotion Project.

At the close of the year Dyna prepared a new list of equipment acquired since March that was purchased for MFIs and added to it a proposed allocation of the remaining Dyna office equipment for distribution to Dyna BDS and MF clients. Unallocated equipment would return to USAID. USAID approved Dyna's request in November 2004.

2.4 Accounting

Mirroring the decrease in contracting activity in comparison to previous years, the Accounting department reduced in size from 4 persons to 2 by mid-year. The department was intimately involved in determination of severance payments and regularization of deposits and payments owed by departing staff. It also assisted the technical departments in the archiving of documents by supplying information to complete files.

The accounting, contracts, and technical departments worked closely together to maintain a budget monitoring system that revised budget forecasts and recorded actual payments as they occurred. As a result, the technical departments had accurate forecasts of money available for technical programming with maximum lead time to write terms of reference, launch tender bids, negotiate contracts and monitor deliverables. Thanks to close monitoring of the budget, Dyna was able to inform the USAID RCO of the need to realign CLINs so that the project could maintain the level of resources needed to provide technical assistance over the full project period. Thanks to these efforts the project beneficiaries will have received the maximum level of assistance possible over the full 5 years and the project will close with close to a zero balance in all of its CLINs

2.5 Other Administration Activities

Dyna received numerous requests during the year from other projects, government agencies, donors, and clients for information on the project and our project implementation methods. It responds to these by allowing visits to its offices and providing documentation that is available to the public.

The USAID project Wula Nafa sent three of its administrative staff to spend 3 days at our Dyna Dakar office in August to learn how we work. Of particular interest to them were our contracts department, human resources, accounting and reception. Working side-by-side with Dyna staff, Wula Nafa's employees closely observed our operations and we shared how our administration department functions to support technical activities. The DFI project also visited to speak with our BDS and Administration Divisions to share our data base and learn about how we managed and controlled the tender bid process of local contracting. The government agency ADPME and the *Ministre de PME, Entrepreneuriat Feminine et Microfinance* also received insights on our inner workings following their requests for this information.

Dyna Admin staff took on a large role to help stage Dyna's Forum de Depart in June. Staff sent out questionnaires, compiled data on the project's performance to date, assembled information used at the stands set up outside the plenary sessions, and served as hosts for the dozen pre-forum focus groups and workshops as well as at the Forum itself.

III. Business Development Services (BDS)

Dyna's BDS Division aims to develop Sénégal's private sector by removing market information asymmetries, promoting the use of appropriate technology, and strengthening private businesses, associations, and groups. It does this through activities that:

1. Disseminate information
2. Build knowledge and skills through training
3. Solidify achievements of Dyna BDS through sharing and transfer of knowledge and capacities to local structures

By sticking to its annual work plan, Dyna BDS was able to achieve its objectives for the year despite a reduced number of technical staff as it closed regional offices over the first two quarters. In response to a high demand from BDS clients, the RCO agreed with Dyna's request to transfer additional funds to CLIN AC-BDS from CLIN AD-MF. Thus, local associations and entrepreneurs were able to receive project assistance through the last days of the fiscal year.

As with Dyna MF, the BDS department was intimately involved in the preparations leading up to the Forum de Depart and in the closing weeks of the project it carried out impact studies on its work with Senegalese associations that provided insights to help the associations continue to strengthen and improve.

3.1 Information Dissemination

Dyna BDS has striven to improve the quantity and quality of BDS information dissemination in Sénégal so that buyers and sellers could effectively interact to create an efficient market for goods and services. Over the year Dyna BDS continued to sell its diverse collection of best practice manuals, sub-sector studies and training materials that it published over the life of the project. Updated editions of the popular Fiscalité Manual covering business registrations and tax codes and the annual Agenda were newly published in FY2004. UNACOIS undertook a series of training based on the Fiscalité material that was held without Dyna subsidy.

In FY2004 Dyna helped improve the 5 web sites it worked to create in earlier years and In late FY2004 USAID approved *Dyna's* request to transfer the ownership of the sites to local organizations that wanted to invest in them but were waiting for clear title. These sites have proven to be very popular. For example, as of September 30, 2004, one of the sites, www.appel-d-offres.sn, registered: 64,361 visitors and is sustainable from fees it charges users of the site. On this day it listed: 341 national & 47 international tenders, 830 tenders in archives, 21 expressions of interests in archives, 14 curriculum vitae, and 21 public announcements.

The 5 sites transferred were:

Web Site Name	New Owners
www.appel-d-offres.sn	Cabinet Direco
www.senartisanat.sn	Comité du Village Artisanal de Thiès
www.banane-senegal.com	UNAFIBS
www.innovtech.sn	ASPI
www.bnstp.com	BNSTP

3.1.1 Events

Dyna BDS facilitated several events in FY2004 at which information about markets, products, sub-sectors, and appropriate technologies was provided to interested private sector entities. These included:

1. TechnoFoire in Thies
2. General Assembly and Information Dissemination Seminar for UNAFIBS (banana sector)
3. Creation of the dairy federation FENAFILS
4. Series of restitution days on the market opportunities for Neem

TechnoFoire Thiès

The local firms Wari Net and ACDEB co-organized the Thies Technofoire held in September with a minimum of financial support from Dyna. Over 2,100 paying attendees visited 40 booths that exhibited products related to health, agriculture, nutrition, and artisans. Exhibitors from Ziguinchor, St Louis, Kolda and Thies purchased booth space. This fourth and last Dyna Technofoire generated a profit of about 5 million FCFA on revenues of 15 million FCFA and expenses of 10 million FCFA.



Photo 1: Opening Ceremonies Technofoire

Seminar and General Assembly of UNAFIBS

UNAFIBS organized a 3-day seminar to reignite interest and investment in the banana sector following the 50-year floods of 2003 that destroyed more than 60% of the banana plantations in Senegal. The seminar's objectives were to:

- Make the Government of Senegal (GOS) aware of the progress made in the banana sector over the past 3 years and the devastation it incurred as a result of last year's floods;
- Expose donors, investors, and related projects to the opportunities offered by Senegal's banana sector;
- Present best practices to stakeholders to prevent a reoccurrence of flooding in areas at high risk and to improve overall quality of production;
- Position UNAFIBS as the voice for the sector.

The GOS announced soon after the seminar, that it would set aside a 530 million FCFA fund to reimburse loans made by producers affected by the flooding. In addition, Oiko-Credit, PMIA, and CNCAS agreed to work with UNAFIBS members to extend new credit finance. These commitments would likely not have been made without the lobbying of UNAFIBS, a national federation which Dyna helped create.

Restitution Meetings on Neem Sub-sector Study

During the year Dyna BDS financed a Neem sub-sector study describing the economic opportunities in the sector. To ensure wide dissemination of the results,

restitution days led by Agrécol Afrique, were held in Thiès and Tamba in August; a CD-ROM of the study was sold to participants for 2,500 FCFA. Without Dyna assistance, Agrécol Afrique and restitution participants are following up on the study's recommendations.

International GERME Workshop in Bamako

The second workshop of the international GERME network (RIG) was held in Bamako in November 2003. Nine (9) countries including Mali, Benin, Burkina, Niger, Cote d'Ivoire, Mauritania, Togo, Guinea and Senegal attended. The DynaThies BDS Coordinator, Massamba Diop made a presentation to summarize the results of the ILO-Dyna partnership to promote GERME training in Senegal. ILO, ASDI and other regional GERME providers were especially interested in Dyna's market development approach and our post-training monitoring visits and they plan to incorporate our ideas in their programs.

3.1.2 Publication Products

In FY2004 Dyna BDS sold publications produced in earlier years and developed new products to disseminate information to clients in rural areas. Besides direct sales, distribution agreements were worked out with projects and/or parastatels including PROMER, ADEPME, FRAO, and APIX.

New products for FY2004 included:

1. Computer-based Business Plan Simulator for Banana producers
2. Senegal Rural Radio Station Map and Description (CD-ROM map & text)
3. Senegal Dairy Production Site Map (CD-ROM & text)
4. Updated edition of *Manuel de Fiscalité*
5. Updated *Agenda de l'Entrepreneur*

3.2 Training

Some 1,094 persons in FY2004 received training introduced to the market by Dyna BDS during the life of the project. Of this amount, 212 participants received partial sponsorship from Dyna, paying the balance themselves. The other 882 were trained without any Dyna subsidy as the full cost of the training was borne by either the participant or an outside sponsor. This enlargement of the market for sustainable business training is precisely what Dyna had hoped would happen at the project's end.

The consulting firm GRAD located in Kolda is an illustrative example of a firm whose growth mirrored the Dyna project and which now satisfies a market for business training that wasn't previously served. GRAD's two principal training topics are computer software and GERME that it offered after winning Dyna tender bids. In time, GRAD expanded and found new clients and a profitable market for its services. In FY2004 without Dyna, GRAD trained 44 persons on computer software and signed computer maintenance contracts with GTZ, Caritas Kolda, and the FANKANTA project. Last year PROMER contracted with GRAD to provide GERME training to entrepreneurs. While Dyna has not historically counted the people GRAD trained in our performance indicators, these people were trained as a direct result of the project's presence and our maximization of local resource to provide demand-driven assistance.

3.3 Assistance to Professional Associations (PA)

Dyna BDS has concentrated its efforts on under-performing subsectors with large potential for expansion such as banana, poultry, and dairy and to a lesser extent fishing, market gardens, and soil conservation. Despite the closure of all 4 Dyna regional offices in the first ½ of the year, Dyna BDS managed an extensive number of activities in all rural areas and subsectors with which it has worked.

Market Gardens

In past years Dyna sponsored study tours for Kolda gardeners to learn from other well-structured associations. After the tours, three Unions were formed comprising 11 *groupements* in Saré Woura, 8 in Bagadadji and 13 in Saré Colly Sallé. Total membership in the three Unions is 877, 91% are women. In FY2004 Dyna assisted these three Unions to join and form a federated structure named REPROMARK.



Photo 2: REPROMARK Training

Dyna placed a Junior Expert at REPROMARK to provide technical assistance and help install new water irrigation systems that permit year-around production. At REPROMARK's request another consultant was hired to help with organizational development issues and improve overall management.

AGP Ziguinchor

Dyna assisted the *Association of Groupement d'Intérêts Economique de Pêche* (AGP) to develop a Strategic Action Plan and install a Coordinating Committee and AGP hired a full-time manager paid from its members' contributions. In September Dyna sponsored technical training on seafood transformation and packaging.

Poultry Producers of Ziguinchor

Dyna contracted with the firm *Vétérinaire Consult* to assist *Association Régionale des Aviculteurs de Ziguinchor* (ARAZ) to run a workshop in August attended by 46 poultry producers and 3 financing structures (CNCAS, PNUD PMIA) The meeting was a cooperative effort on the part of ARAZ, FAFA (*Fédération des Acteurs de la Filière Avicole*) and Dyna. The co-sponsorship is further example of the actors assuming greater responsibility to sustain technical activities after Dyna's departure.

Associations of Tambacounda

Dyna BDS' major efforts in Tamba centered on support to UNAFIBS, promotion of best-practices in banana production, and assistance to the *Associations des Handicapés Moteurs* (ARHMT) and the Association of Albinos (ARAT).

APEFA Training

The *Association pour la Pérennité de l'Entreprise Familiale* (APEFA) received training in early FY2004 on internal communication strategies. The training was based upon real cases involving APEFA members. A follow-up involved drafting a communication plan for APEFA for the next 5 years.

3.4 Assistance to Sub Sectors

Dairy

On the 20th of December the Fédération Nationale des Acteurs de la Filière Lait locale du Sénégal (FENAFILS) was created to replace the Ad Hoc Dairy Committee begun with Dyna assistance. A detailed mapping of dairy production sites was completed with Dyna's assistance in September. However, construction of a demonstration dairy production site that Dyna hoped to co-finance with FENAFILS and the Projet d'appui aux Opérateurs et Opératrices de l'Agroalimentaire (PAOA) was not achieved before Dyna closed due to time and budget constraints.

Banana

Dyna helped to re-invigorate the sector after the devastating floods of a year ago by establishing 6 demonstration sites for best-practice banana production in Laboya, Sankagne/Foudou, Wassadou, Malifara, Adiaf and Koar. The quality of bananas produced at these sites can equal those imported from Cote d'Ivoire and triple the average yield per hectare.



Photo 4: Best Practice Banana Irrigation

Neem

Neem trees are commonly found throughout the Sahel and provide multiple commercial uses in cosmetics, pest control, and pharmaceuticals. The Dyna-commissioned neem sector study was completed at the end of FY2003 and disseminated in FY2004 via restitution meetings.

Rural Radio

Dyna encouraged stations to add entrepreneurial programming to their usual content and station staff was trained in equipment maintenance and management. In October and November 2003, Radio Xun Pang ran programs on management and market information for mangos, fish and livestock. Invited guests discussed aspects of the value chain (production, processing and marketing). The success of this programming interested the private company Manobi to sign a contract with Xun Pang to promote their products during these entrepreneur radio programs. Dyna staff collaborated with ENDA Graf and the PANOS Institute to prepare a geo-referenced map with description of Senegal's rural radio stations.

Vetiver

FY2004 developments include protection of irrigation canals in Podor (SAED) across 4 rural communities and 20 villages that led to vetiver nurseries established for 49 GIE in the zone, without Dyna subsidy. In Casamance the *Agence Française de Développement* (AFD) is using vetiver to protect dikes. Mr. Ansou Diom led vetiver training for Immo Cap employees fully paid by participants.

IV. Microfinance

The Dyna MF department listed three main goals in its FY2004 annual work plan: computerize the larger MF networks, build capacities of emerging MF networks and maximize the use of internal resources to assist MF clients while closing out partnerships with Dyna's MF clients. The department achieved these goals by adapting to changing budget realities and prioritizing its activities.

Microfinance investment activities took place during the full twelve months of this report despite the closure of all four regional Dyna offices by March 1, 2004. Even with budget restrictions, Dyna still invested \$1.067 million in Senegalese MFIs in FY2004 on purchases originating locally and in the USA. This significant number represents 12% of the total funds invested in microfinance over the course of the 5-year project.

The following summary of DynaMF activities for FY2004 covers the investments made in the MF sector and the categories of MF institutions that received them. Major activities included computerization of the largest networks in Senegal and organizational development assistance to help emerging networks and networks in consolidation to progress to fully formed networks. The Forum de Depart and MFI impact assessments rounded out the year's activities and set the stage for project-assisted MFIs to continue to build their capacity after Dyna closes.

4.1 Assistance by Client Categories

For the past two years, DynaMF categorized its MF clients by their level of professionalization which implied certain common types of investments needed to progress to more sophisticated levels of operations. The four main categories were:

1. Fully-formed Networks
2. Networks in Consolidation
3. Emerging Networks
4. Independent MECs and GECs

At year's end, all MFIs in category two had been transformed to category one with Dyna's assistance. A description of the project's investments in these groups of clients are presented below.

4.1.1 Fully-Formed Networks (6)

Clients in this category include the leading institutions in Sénégal: PAMECAS, ACEP, and CMS. Thanks in large part to Dyna's efforts, three more credit union networks joined this elite group in the past year: RECEC, UMEC, and UMECU. These six are the only MF federated networks legally recognized by the Ministry of Finance.

PAMECAS

This peri-urban network is Senegal's second largest credit union with a 22% market share, 28 branch offices, 140,000 members and about \$16 million in savings. Dyna's investment of nearly \$900,000 over the life of the project was used to install

computer hardware and train staff in the new information technology at all branches and headquarters. Prior to Dyna, PAMECAS recorded all transactions manually. PAMECAS computerized its branches slowly, requiring them to compete with the highest performers receiving equipment first. During the FY2004 one to two branch offices were computerized per month. During the second half of FY2004, Dyna completed the work to upgrade and install the kiosk software and load new film content for all the 28 branch office kiosks. Dyna produced 2 films for PAMECAS that described its financial products and explained how to open an account. Also, films from other projects including BASICS and ADEMAs were digitized by Dyna and installed in each kiosk.

ACEP

Dyna's previous assistance to ACEP consisted of a grant of 162.5 million FCFA that permitted ACEP to open 4 new branch offices. In FY2004 Dyna's had a network-wide impact on ACEP by installing an up-to-date computer system at ACEP's headquarters in Dakar. As a result ACEP is now better able to compile, analyze, and make decisions on data arriving from its multiple branch offices. Dyna contracted Bull Senegal to install 2 servers, 19 workstations, 8 inkjet and 7 laser jets printers. Following the computerization, ACEP underwent the second PlanetFinance rating in Senegal and achieved a rating of B+.

CMS

Dyna helped CMS to upgrade its management information system through the installation of a robust and secure computer system at each all of its branch, regional, and headquarters offices. CMS has 74 branches and satisfies a market share of about 50% with more than 200,000 members. Its portfolio of loans outstanding is almost \$28 million and its savings mobilized is \$48 million (at 520 FCFA/US\$). Dyna computer equipment purchased locally included: 81 desktops, 23 servers, CISCO routers, 41 dot matrix printers, 30 UPS 500 Va, 6 UPS 3000 Va, 10 8-port switches, 5 12-port switches, and windows and antivirus software. Also, two CMS computer technicians attended training on Linux and Cisco systems. Lastly, 25 safes were purchased and delivered.

RECEC

FY2004 assistance focused on organizational development assistance to strengthen RECEC's network headquarters. New operating processes and control systems were installed and formalized in a Manual of Procedures, and written job descriptions and savings and credit policies. A strategic action plan was written and an audit and inspection unit at the network level was created. *Stagiaires* ensured the implementation of changes at the network and branch office levels. In August 2004 the Minister of Finance accorded "network status" to RECEC, the 6th in Senegal.

UMECU

Over the life of the project, UMECU received from Dyna the greatest variety of assistance and the largest dollar investment of any MFI. It counts 50,000 members with \$10 million in savings, \$6.9 million in loans outstanding, and 52 offices. In FY2004 Dyna brought in an international consultant to work hand-in-hand with REMIX to assist UMECU to create a Credit and Communication Department. New loan products were described and credit and communication policies were formalized. Digital videos based on Dyna's BDS Fiscalite manual were produced and shown to UMECU-DEF members. Dyna collaborated with Lux Développement to assist UMECU.

UMEC

This credit union network of 26 offices is wholly contained in the department of Sedhiou. Assistance in FY2004 consisted of: teambuilding, equipment and computerization. Dyna also helped bring the government of Senegal's (GOS) attention to the large amount of loan arrears incurred by UMEC after the 2003 floods. Eventually UMEC received 130 million FCFA from the GOS in settlement.

4.1.2 Emerging Networks

This category of MF institutions consists of GECs or MECs that share a name but are not federated. The separate offices are legally registered entities with permanent staff and elected management structures. The smallest offices in these networks often lack the revenues to support acquisition of necessary human and physical resources to perform at high level. Also, the rural isolation adds to their challenge and large distances between offices of the same network make coordination and control very difficult to exercise.

In FY2004 Dyna aided 8 networks and their multiple branch offices. The type of assistance provided each are found below, segmented by region.

Dakar (7 MFIs assisted)

ACRA - Dyna provided organizational development assistance to help ACRA form a federation of its highest performing caisses. ACRA deposited a request with the Ministry of Finance to establish a Union of 12 caisses in Thies and Dioubel. Key achievements realized by ACRA were a harmonization of operations at its various caisses, reinforcement of the capacities of elected officials and staff, and the successful implementation of a general assembly to form a union of caisses in compliance with all legal requirements.

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. This network now counts 11,500 members and all MECs are legally registered.

PPMEH - Completed monitoring of interns by REMIX, safes and office equipment.

IMCEC CCF - Final evaluation report of training completed. Marketing-communication documents developed. Received IT equipment and IT training for staff and elected officials as well as 5 dual-control safes.

FNGPF – Termination of work by 11 interns and received Making Cents training; received safes. Technical assistance given to put in place a federated union

UFC- Received safes and security enhancements

AFEPES - This new network created in 2003 united 8 independent credit unions with 30,000 members. Dyna provided the following technical assistance:

- Differentiated the MEC's activities from AFEPES' other non-financial activities;
- Helped AFEPES develop an Action Plan to harmonize MEC operations;
- Defined and trained staff and elected officials on their roles and responsibilities;
- Wrote strategic plans and standardized accounting forms and procedures. The implementation of the plan was assisted by 4 stagiaires on-site;
- Received safes.

Ziguinchor (1)

INTERCREC – Received equipment from Dyna regional office close-out and IT training.

4.1.3 Isolated MECs and GECs

Twenty-eight isolated MECs and GECs benefited from the following project assistance over the last year. Despite the closure of regional offices Dyna carried out a large and varied number of activities in all rural areas.

Dakar (2 MFIs assisted)

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

UGF PAME – Received the final report on training.

Thies (11)

MECART Notto – Accounting revision completed.

CAPEC SAM SA NGOR – Training of staff and elected officials completed; safes and other security measures installed at 4 rural service windows.

ARAN and ARLS – Technical assistance provided in organizational development; office equipment

MEC FADEC – Accounting revision completed; office equipment

MEC PROPEM – Accounting revision completed; office equipment

AFEPEPES – Dyna helped to separate credit union operations from the parent association and trained staff and elected officials.

MECARTH, CAPEC JOBASS, MFC, Liberté et Développement - Office equipment

Tambacounda (9)

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 – Trained staff and committee members; received and reviewed final monitoring and evaluation report.

MEC TINAARE and MEC ANAMBE – Training

GEC GANDA – Accounting revision and Making Cents training

Kolda (3)

MECADER– Interns worked under the supervision of local consulting firms to provide direct assistance to implement consultant recommendations.

Mutuelle des Artisans de Kolda – Follow-up monitoring visits following previous quarter's training of staff and elected officials.

CECMAK- Office equipment

Ziguinchor (3)

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

MUPROP – Conducted study tour to MECHANN; office equipment

PKUMEL – Office equipment

4.2 Sectoral Training

Aside from the client-specific training described earlier, Dyna co-sponsored MF training advertised to the general public that attracted a large number of trainees over the year. Dyna supported 75% of the cost for IT staff from RECEC, UMEC, and UMECU to attend the 1st Regional Tradeshow of Information Management Systems for Microfinance Institutions in Ouagadougou. Following the show RECEC, UMEC and UMECU tested 3 specialized MFI software programs. Dyna supported one CAPAF during the year for MFI Business Planning on Microfin Software; Making Cents training included Esprit d'Entreprises and Entreprendre.

4.3 Impact Studies and Forum de Depart

Part of DynaMF's annual work plan was to inform and prepare clients for the project close so that they could consolidate the capacity building assistance received under the project and understand their position and role in Senegal's microfinance sector. This was accomplished by personal visits to MFIs in all regions, impact assessment studies and "*journées de restitution*" of results, institutional stakeholder meetings, and the *Forum de Depart*.

4.3.1 Impact Studies

Staff from Dyna's MF and MEAC departments conducted site visits throughout the second, third and fourth quarters and met with MFI clients to assess the work carried out to date, future needs and actions to be taken. Individual MFI assessment reports were written up by Dyna technicians and return visits were held to expose credit union staff and elected officials to the findings. These restitution sessions proved to be a valuable technical assistance to the structures as they forced a reevaluation of what was accomplished and what constraints existed. In nearly all cases the project's impact at MFIs was dramatic with measurable improvement in the following:

- technical capacity;
- greater respect of BCEAO regulations governing credit unions;
- visible improvement to security and professional appearance of offices;
- newly developed accounting and client tracking reports put in place and used.

Dyna technicians also provided direct assistance by leading training sessions at MFIs to ensure equipment received under the project was properly accounted for in MFI financial statements.

4.3.2 Forum de Depart

Key objectives of the Forum were to exchange information on the project approach, effectiveness of technical service delivery, impact of the project on sectors Dyna worked, and future opportunities and challenges for project stakeholders.

In advance of the forum Dyna held numerous meetings with clients and local service providers to define the content and develop material that was presented. The outcomes of this work were as follows:

- Defined the themes explored through 7 BDS and MF focus group sessions in advance of the forum and presented in plenary session;
- Prepared and administered questionnaires distributed to BDS and MF clients and service providers;
- Prepared contents of material exhibited in stands at the forum;
- Prepared presentations given at conference;
- Wrote press kits and hold press conference;
- Updated client data bases.

Dyna engaged Access Finance to prepare a 4-page summary of the forum in its quarterly journal titled "*Microfinance & Développement*". Four hundred copies of the journal were distributed to forum participants.

Following a meeting in Dakar with the President of Chemonics and the USAID Mission Director it was decided that Dyna would award prizes to its "best" MF and BDS clients. The awards would go to those structures who best exemplified the qualities of performance promoted throughout the life of the project. A questionnaire was sent to all project-assisted MFIs that looked at the following criteria:

- Respect of contracts terms and timely submission of performance indicators;
- Dynamism and performance of MFI;
- Innovations instituted and evidence of being demand-driven;
- Transparency in all aspects.

Thirty-eight MFIs returned completed questionnaires that were independently evaluated by a jury of representatives from USAID, APIMEC (*association professionnelle des institutions mutualistes d'épargne et de crédit*), Dyna, USU, and two directors of local consulting firms. The first, second and third price winners for MF were: FNGPF Ziguinchor (2 million FCFA), ACRA Terokh (1 million), RECEC Grand Yoff (500 thousand).

Several consulting firms volunteered to lead focus groups held in advance of the Forum and eventually decided on their own to form an association of consultants active in Senegal's microfinance sector.

V. Monitoring, Evaluation, Analysis and Communication (MEAC)

MEAC largely achieved its work plan for FY2004 despite the project's budgetary constraints. A key objective it had going into the year was to disclose information on the timing of the project closeout to Dyna's partners and clients and to widely diffuse the experiences and knowledge amassed since the start of the project. It was able to do this through the preparations leading up to the Forum de Depart and the event itself, BDS and MF impact studies, digital films, and project reports.

Details on key MEAC achievements in FY2004 are presented below.

5.1 Monitoring

MRR and TRAINET Reports

MEAC surveyed its MF clients, compiled data on them for USAID's Microenterprise Results Reporting (MRR) and entered this information on-line along with that for the Dyna BDS division. Unfortunately, USAID's Trainet software could never be used due to virus attacks that caused significant loss of project data on those machines at Dyna where the software was installed. This problem was never resolved by USAID and training information was stored on Excel instead.

5.2 Evaluation and Analysis

Due to budgetary constraints the BOA pool of local consulting firms for MEAC activities was allowed to expire in September 2003. In its place, MEAC supervised assessments and impact studies of clients and Dyna BDS and MF department activities that were conducted by current and former Dyna staff.

MFI Impact Assessments

During the 2nd, 3rd, and 4th quarters MEAC accompanied Dyna MF technicians to Ziguinchor, Tambacounda and Kolda. In advance of the trips, background notes detailing Dyna's investments and the self-reported performance indicators were drafted on the visited MFIs that formed the basis of discussions. In Ziguinchor MUPROP, MUPROEL, PKUMEL, GEC ACRA at Boucotte, UNACOIS, INTERCREC and PAARZ were visited. In Tamba visits were made to the six GECs of FNGPF, ACRA GECs at Koar, Wassadou and Kédougou, UNACOIS, RAFEG, MECADER, GEC GANDA, CMECAT and MEC APROVAG. In Kolda MFIs visited included UNACOIS, MECADER, FNGPF, CEC MAK, MEC ANAMBE, GEC TINAARE, UMEC and ACEP.

Some conclusions from these studies were that the capacities of MFI staff had improved and credit union operations were more in line with best practices. Also, knowledge of the roles and responsibilities of technicians and elected officials were widely respected as a result of Dyna-sponsored training. As credit unions became more professional, some were able to attract additional sources of soft credit lines. Others lacking significant mobilization of member savings had difficulty generating adequate revenues on small loan portfolios, particularly for those suffering from high agricultural loan defaults. With the imminent departure of Dyna, some MFIs realized that they needed to depend more on themselves if they were to continue to develop.

BDS Impact Assessments

On the BDS side, a study was made of the Dyna BDS approach and the impact of its work with the subsectors of dairy, banana and poultry. Dyna's investments in the three sectors created an inclusive federated structure at the national level which was seen by sector stakeholders as a major achievement. National federations such as these can speak as one voice for the sector and work to identify and eliminate constraints holding back the sector's development. This role was perfectly played by UNAFIBS following the flooding of 2003 and is also evident in FAFA and FENAFILS. In the case of FAFA and FENAFILS, these nascent federations are beginning to put into place the structures that will enable them to play a similar role.

5.3 Communication

Forum de Départ

While conducting the impact assessments at MFIs described above, clients were notified in person of the timing of Dyna's office closures during its last project year. Though the MFIs were aware that Dyna was a 5-year project, the fact that it was winding down and would stop was not something that many had incorporated into their plans. Thus the visits served an important purpose, though the news that was conveyed was not warmly received.

This experience confirmed the need to hold a "*Forum d'Echanges et de Capitalisation sur l'Expérience de DynaEntreprises*" where all project stakeholders could meet to discuss where they were, what they had done over the life of the project, and where they wanted to be in the future. This event was included in Dyna's Annual Workplan, pending the availability of funds.

MEAC took the lead on the Forum's preparations and the technical departments of BDS and MF contributed to the development and implementation of the 7 focus group sessions of one-half day each leading up the Forum. MEAC supervised the two consulting firms awarded contracts to assist in the forum's preparation and execution. Performances Management Consulting (PMC) observed the 7 focus groups, compiled the results of a questionnaire distributed to clients and partners by Dyna, and led the forum plenary sessions. The firm Mediatique, was in charge of publicity and marketing and designed the information panels used in the Forum's exhibits area.

The work requiring the greatest amount of staff time preparing for the forum was to organize and hold the focus group sessions. Clients and local service providers made pro-bono contributions to help define the themes, lead the sessions, and draft reports on the conclusions of each session. Their contribution was evidence of their commitment to the forum and demonstrated the importance of the event to Dyna stakeholders.

In the second quarter MEAC expended substantial effort to provide detailed data to the team of three from IBM contracted by USAID to evaluate the Dyna project. MEAC made available films of focus group meetings held immediately prior to IBM's visit, provided full electronic and hard copies of reports and contact lists of service providers and clients, and coordinated multiple meetings requested by the evaluation team with Dyna staff.

Digital Video Production

In FY2002 Dyna began working with digital video media to record and communicate key project activities and outcomes. Since then it has proven to be an effective information dissemination tool that is easily distributed on CD ROM and viewed on computers.

Video clips of the focus groups leading up to the Forum were played at the plenary sessions, permitting those unable to participate in them to hear their colleagues' remarks. A series of sketches using UNACOIS members were made based on the *Fiscalité des Entreprises* booklet produced by Dyna BDS. Once made they were distributed through the UNACOIS network for viewing on CD-ROM.

Dyna assisted the project BASICS II and ADEMAs to digitalize their stock of films so that they could be added to the PAMECAS credit union kiosks Dyna developed. Other films were made by Dyna on the subject of hygiene to assist a Belgium project called the *Appui à la Région Médicale de Diourbel* (ARMD). Digital videos of 3 round-table discussions held with BDS and MF clients and local consulting firms during the visits of Chemonics' President and Sr. Vice President in March were provided to the IBM consulting firm.

During a visit of the US Ambassador and the USAID Mission Director to the region of Tambacounda, Dyna arranged for visits to partners, including banana plantations lost to flooding in Laboya. Extracts from this film were used to create a 5 minute video for UNAFIBS that was eventually seen by the President of the Republic of Senegal and in all likelihood led to the government's decision to provide debt relief from those banana producers most affected.

Case Studies

The 3 business school case studies produced last year that documented project activities in a renewable teaching format were burned onto CD-ROM and distributed to the local universities of ENEA, CESAG, ISM, and HECI.

Diverse Activities

MEAC prepared and manned the Dyna booth at the 3-day Thies Technofoire and handled requests for project materials such as the Case Studies, Sub-sector Studies, Videos, etc... by burning them to CD-ROM, photocopying hard copies, and/or sending them out by email.

5.4 Performance Indicators

5.4.1 MF Indicators

Many MF structures report the indicator data is extremely useful internally to better manage operations. The Cellule AT/CPEC also benefits as it reports that, thanks to Dyna, most structures now submit their financial statements as required. Dyna's performance indicators include both values that are accrued over the year such as number persons trained and cumulative loans issued as well as number of members, creditors and savers at the time of the report. For this report, the MFI indicators are reported as of June 30, 2004 instead of September 30 so that numbers for the maximum number of MFIs would be included. This decision negatively impacts the number of cumulative loans issued because loans issued in the last quarter of FY2004 are not added to the totals. However using a cut-off date of June 30

enabled Dyna to report on 349 or 89% of all the MFI offices it has assisted. The MFIs not reporting are mostly small, isolated GECs or MECs that are distant from Dakar. Because of their size, their absence does not significantly impact the data reported.

Most reported MFI performance indicators largely surpassed Dyna's targets, often by three to four times. Thirty-two of 39 institutions reported loan arrears of 10% or less, up from 21 in FY2003. Similarly, there were 30 MFIs with loan losses of less than 5% versus 27 the year earlier. This result should be taken in the context of the floods in 2003 and the write-off of a large number of agricultural loans. Even though the government covered the principal of defaulted agricultural loans, accounting rules requires that the loans be recorded as losses. And, the government did not make up for the loss of interest income between the time the borrower stopped paying and when the GOS reimbursed the principal.

One of the most impressive MFI performance indicators is the increase in number and value of savings that surpassed the targets by 315% and 371% respectively. This achievement is a direct result of the positive project impacts noted earlier in section 4. The number of cumulative credits issued was 209% of the target, even without counting the last three months of FY2004. While not a tracked indicator, in FY2004 the number of loans outstanding increased by 233% and their value increased by 388%. This number is important because a large loan portfolio earns more interest revenue so the MFI can achieve operational and/or financial sustainability.

The share of Dyna-assisted institutions in FY2004 versus the sector grew to 86% up from 50% in the prior year demonstrating the broad and deep influence the Dyna project had Senegal's microfinance sector.

Despite operating with reduced staff and budget, Dyna trained 148 branch offices and 197 staff which were 247% and 140% more than the targets.

5.4.2 BDS Indicators

DynaBDS achieved its targets in FY2004 in three out of its four broad indicator categories, surpassing all but Indicator 1.3.2 by achieving 400% or more of the target.

Indicator 1.3.1

Dyna surpassed this target for number of participants paying for training by 365%. During the previous 4 years, training firms working for Dyna added new training products promoted by DynaBDS that included: GERME, Making Cents, *Fiscalité et Cotisations Sociales*, *Principes Fondamentaux de l'apprentissage*, banana best practices, silk screening, and arbitration and mediation. Of the 1,094 participants 90% attended BDS training sessions held without subsidy from Dyna – a testament to the sustainability and effectiveness of the Dyna BDS approach.

Indicator 1.3.2

The results for indicator 1.3.2, new products and services offered by BDS providers, was slightly under target because the target was set mid FY2003 and it did not take into account the progressive early closure of regional offices FY2004 and the approved Dyna BDS Annual Work Plan did not include activities to meet this target.

Collecting information on this indicator requires that DynaBDS technicians be present in the region as BDS providers do not go out of their way to inform Dyna when they introduce a new product or service. Nonetheless, despite these constraints Dyna is aware of 31 new products or services offered in FY2004.

Indicator 1.3.3

Indicator 1.3.3 captures the level of technical assistance other than training delivered to the private sector. Dyna achieved 136% of this target as 1,088 SMEs received specialized technical assistance in FY2004 via contacts formed over the life of the project between associations, business groups, and consulting firms. Dyna BDS's historic emphasis on reducing buyer-seller asymmetries via the dissemination of information led to the large number reported for this indicator.

Indicator 1.3.4

Nearly 85,000 SMEs, consulting firms, associations, and groups accessed market and technical information as a result of DynaBDS in FY2004. This number was 564% of the target of 25,000. Contributing to this number were events such as the Technofoire Ziguinchor, Business Foire at Mbour, Study Tours, and Dinner Debates. It also included sales of the numerous DynaBDS publications in print and on CD ROM and visitors to the six web sites established with project assistance.

An example of what happens when the private sector becomes engaged, since the web site www.appel-d-offres.sn was given ownership by USAID of its site, its investments in the site have led to a doubling of the number of visitors.

VI. ANNEXES

ANNEX I: Dyna Performance Monitoring Plan – MF (PMP – KIR 1.2)

ANNEX II: Dyna Performance Monitoring Plan – BDS (PMP – KIR 1.3)

KIR 1.2 : Improved Access to Financial Services

#	Indicator	Measure	Baseline		Fiscal Year 2004		
			Year	Value	Target	Achievement	%
1	# of institutions using full cost-recovery interest rates and fees	among institutions receiving assistance from DynaEntreprises	2000	2	29	28	97%
2	# of institutions with delinquency rates below 10% and loan losses under 5% of the institution's loan portfolio	# with delinquency rate below 10%	2000	2	34	32	94%
		# with loan losses below 5%	2000	2	34	30	88%
3	# of savers disaggregated by gender (from January 1st to June 30th 2004)	# of male savers	2000	6,796	63,792	226,462	355%
		# of female savers	2000	12,629	65,324	166,764	255%
		# of male groups savers	2000	85	1,301	23,291	1790%
		# of female groups savers	2000	1,353	6,469	23,212	359%
		# of mixed groups savers	2000	483	4,999	6,599	132%
Total Savers				21,346	141,885	446,328	315%
4	# of active borrowers disaggregated by gender (from January 1st to June 30th 2004)	# of male borrowers	2000	2,129	26,259	49,116	187%
		# of female borrowers	2000	4,640	37,986	21,931	58%
		# of male groups borrowers	2000	23	338	1,388	411%
		# of female groups borrowers	2000	435	4,577	3,017	66%
		# of mixed groups borrowers	2000	110	1,291	890	69%
Total Borrowers				7,337	70,451	76,342	108%
5	value of loans offered	value	2000	2,086,803,530	15,670,328,927	32,707,659,236	209%
6	value of savings collected	value	2000	964,648,290	12,644,470,642	46,867,269,892	371%
7	branch offices trained	number	2000	68	60	148	247%
8	managers & tellers trained by gender	number	2000	104	141	197	140%
		% women	2000	83%	50% of 141	99 women	140%
	Share of all decentralized financial system loans at the National Level provided by USAID funded partners	Ratio of loan value offered by Dyna partners to loans offered by all MFIs reported by the Min. of Fin.*	2000	0%	19%	85.85%	452%

* value of loans disbursed by DFS at national level (grands réseaux) during fiscal year 2004

	Institutions		Caisses	
	Number	% of Total	Number	% of Total
Dyna Clients at Period End	52		393	
Dyna Clients Reporting	39	75%	349	89%

CURRENT LOANS OUTSTANDING	30-Jun-03	30-Jun-04	% Change
Number	46,420	107,970	233%
Value (FCFA)	11,523,378,157	44,704,044,833	388%

KIR 1.3 : Increased Use of Best Technical and Managerial Practices

#	Indicator	Definition & Measure	BASELINE		Fiscal Year 2004							% OF TARGET
			YEAR	VALUE	Target	Achievement						
					TOTAL	DAKAR	KOLDA	TAMBA	THIES	ZIG	TOTAL	
1.3.1	# Participants from SMEs, consulting firms, associations and groups that purchase business training	Total # of fee paying participants	1999	226	300	94	135	138	707	20	1,094	365%
		# Private sector participants	1999	n/d	150	94	91	138	428	20	771	514%
		# Ag-related participants*	1999	n/d	100	69	96	2	103	0	270	270%
		# Female participants	n/d	n/d		24	28	52	421	14	539	-
		# Youth participants (18-30 yrs)	n/d	n/d		41	23	12	0	7	83	-
		# Disabled participants	n/d	n/d		14	0	9	0	0	23	-
1.3.2	# New products and services offered by BDS providers	Total # new products & services	2001	0	40	2	14	5	9	1	31	78%
		Total # ag-related products & services	2001	0	40	2	3	5	1	1	12	30%
1.3.3	# SMEs acquiring quality technical assistance (not training) from BDS providers	Total # of SMEs receiving BDS support	2001	0	800	354	332	302	30	70	1,088	136%
1.3.4	# SMEs consulting firms, associations and groups that access market and technical information	# SMEs accessing information	1999	5948	15,000	78,393	481	291	5,406	93	84,664	564%
		# SMEs accessing information (not web site)	n/d	n/d		763	12	30	1,184	0	1,989	-
		# SMEs purchasing information	1999	n/d	800	1,332	350	291	2,736	46	4,755	594%