

Republic of Senegal

Country Programme Evaluation

Executive Summary

1. This is the second country programme evaluation (CPE) carried out in Senegal by the Independent Office of Evaluation of IFAD.¹ The CPE covers the period 2004–2013, taking into account the 2004 and 2010 country strategic opportunities programmes (COSOPs). In the first place, the 2013 CPE verified the extent to which the 2004 CPE recommendations were integrated into the 2004 and 2010 COSOPs and their implementation. In terms of projects, the analysis of the portfolio focuses on six: i) Promotion of Rural Entrepreneurship Project – Phase II (PROMER II); ii) Agricultural Services and Producer Organizations Project – Phase II (PSAOP II); iii) Agricultural Development Project in Matam – Phase II (PRODAM II); iv) Agricultural Value Chains Support Project (PAFA); v) the recently approved PAFA-Extension; and vi) the Support to Agricultural Development and Rural Entrepreneurship Programme (PADAER). The CPE also covers, for learning purposes, the first phases of PSAOP, PROMER and PRODAM; but these phases were not rated. PAFA, which is halfway through implementation, has been evaluated solely for its relevance; the same applies to the two most recent projects – PADAER and the PAFA-Extension.
2. Since the beginning of its operations in Senegal in 1979, IFAD has funded 16 projects (see list of projects funded by IFAD in annex II), of which two were active in June 2013, for a total cost of US\$428 million; of this US\$208 million (48.6%) consisted of IFAD loans granted on favourable terms. The Government's contribution was US\$88.6 million (20.67%), that of beneficiaries was US\$18.9 million (4.41%). Cofinancing accounted for US\$112.5 million (26.26%), of which the West African Development Bank contributed US\$22.6 million (5.4%), the World Bank US\$20million (4.7%) and the OPEC Fund for International Development US\$9.1 million (2.2%). Bilateral funding included the contribution from the Spanish Food Security Cofinancing Facility Trust Fund (2.6%). IFAD approved its first COSOP in Senegal in April 1998, its second in 2004 and the most recent in 2010.
3. **National context.** The Republic of Senegal is one of the most advanced political regimes in sub-Saharan Africa in terms of democracy and is one of the most industrialized countries in the region. It is classified by the World Bank as a lower-middle-income country with a growth rate of 3.5%. But the poverty rate remains high – 46.7% in 2011 – and the rural sector contributes to 65% of poverty even though its population accounts for less than 55% of the national total.
4. Arable land, which accounts for only 19% of the country's area, is unevenly distributed between different agro-ecological zones. Since 2008, development of arable land has exceeded 79%, having been stable for a long time. Rice accounts for over 50% of cereal consumption, but two thirds of it are imported, mainly from Asia. Groundnuts still make a major contribution to the development of the agricultural sector and the economy in Senegal. Other crop such as millet, black-eyed peas and sesame offer good development potential, but they face a number of constraints such as access to credit and access to property, which remain difficult.
5. State investments in agriculture are becoming increasingly important and are in line with the commitments of the Maputo Declaration, but they failed to stimulate sector growth significantly between 2000 and 2008 (1.5% over the period) because the positive effects were constrained by factors such as low agricultural prices and

¹ The Independent Office of Evaluation conducted a country programme evaluation in Senegal in 2004.

marketing and subsidy policies that tend to erode or annul the benefits of investments in agriculture.

Portfolio of projects

6. The **relevance** of the IFAD portfolio is assessed as satisfactory. The strategic recommendations of the 2004 CPE reinforce this, for example in geographical targeting, the targeting of beneficiaries in high-potential economic development zones, and project solutions aimed at facilitating access to credit. IFAD has given a great deal of consideration to the design of projects, but improvements have to be made, in particular by limiting expectations that are often unreasonable at this stage in the projects.
7. Project objectives are well aligned with government strategies and beneficiaries' needs. PSAOP II supported at the strategic level the disengagement of the public sector from productive and commercial activities, the decentralization of sector staff, and sustainable financing of agricultural services based on demand. The partnership with producer organizations is also strategic in reaching poor farmers (targeting and impact), adapting project activities to the needs of producers and establishing activities and support for projects in the long term. PROMER supports the sector policy for micro and small enterprises and the policies of IFAD and in the COSOP by focusing on the promotion of rural micro-enterprises and targeting non-agricultural activities. Investments in agricultural infrastructures constitute the largest category in terms of project spending. They are essential for transforming traditional subsistence agriculture into a market-based system of production. PRODAM has contributed to this by opening up access in communities. The PAFA and the PAFA-Extension align the portfolio with the strategies of IFAD and the Agro-Sylvo-Pastoral Orientation Law (LOASP), moving away from the multi-component agricultural production model and shifting towards economic profitability, providing a significant role for market operators and promoting dialogue among all players with a view to creating a market-chain system.
8. The **effectiveness** of the portfolio has been moderately satisfactory. PSAOP II has partly achieved its objectives. The National Agency for Rural Counsel (ANCAR), which was set up to encourage the provision of agricultural services on a demand basis, has not succeeded in establishing a national network for its local services because of a lack of financial resources, institutional instability and failure to adhere to its original mission. On the other hand, the objective of boosting small producers' access to services and varied and sustainable agricultural innovations was successful, and a competitive demand-driven research system was established.
9. PRODAM II also emphasized support for producers' organizations and investments in agricultural infrastructures, one of the major factors driving increased production. The choice of the type and size of infrastructures had a positive impact on effectiveness. Local community governance mechanisms that manage infrastructures also organize their maintenance and make savings towards replacements. But the CPE identified many instances where innovative capacities in organizations were constrained as soon as unexpected factors appeared. These limitations show that there is still potential for increased resilience.
10. Although the strategic objectives of PROMER II are seen as relevant, the level of complexity and ambiguity in its design resulted in problems in terms of effectiveness. Major delays in implementation affected the coherence of the country programme as a whole, and the approach to local development recommended by the 2004 CPE. In particular, the lack of precision in indicators prevented objective assessment of the extent to which results were achieved, particularly the capacity to establish strong enterprises capable of creating stable employment. The existing professional organizations, which are institutionally weak and lack the resources to increase membership, were supported with training but

to a lesser extent than businesses. Towards the end of the project PROMER adopted some of these measures, but insufficiently or too late.

11. **Efficiency** was also assessed as satisfactory. Among the projects included in this CPE, PSAOP II was the programme with the largest leverage effect. The contribution from IFAD was only US\$6.3 million – of which US\$300,000 was a grant – whereas the Government's contribution was US\$20.7 million and that of the World Bank, the cofinancer, was US\$20 million.
12. The average management cost² of projects included in this CPE is 14% of the total cost of projects. This is largely in line with the average management cost of IFAD projects in West and Central Africa. But delays in various projects affected their efficiency and had negative consequences for the portfolio as a whole.
13. There is little information about the effective economic profitability of projects. For PRODAM II there was an economic internal rate of return (EIRR) of 34%, double the rate anticipated before the appraisal report. The financial analysis of PSAOP II in the appraisal report gave an EIRR of 20%, above the estimated 12% opportunity cost of capital. The project's completion report does not include the calculation of EIRR at the end of the project. For PROMER II, the EIRR at the appraisal stage was estimated at 17%, but since the objectives were significantly downsized during project implementation EIRR at closure is likely to be less satisfactory than at the appraisal stage.
14. **Impact on rural poverty.** The portfolio helped increase the incomes of the impoverished rural population, but did so inequitably. This is largely a result of the increase in production and productivity, and hence particularly of PSAOP and PRODAM. The increase in incomes was also significant thanks to the market-chain approach, particularly the rapid increase in the number of contracts between producer organizations and PAFA market operators. With regard to PROMER, a number of examples show an increase in incomes, but there is little reliable information.
15. Overall, the projects contributed to the increase in households' agricultural yields and production. This is true for rice (intensive rice production) and maize production (village irrigation schemes) in the Walo area; millet and sorghum in the Ferlo area; and horticultural products in the Diery area as well as milk production (PRODAM), with an increase in production that was enough to ensure that beneficiaries were self-sufficient and able to sell surpluses without damaging long-term sustainability. PAFA, which is halfway through implementation, has produced record yields of millet, maize and sorghum. The second phase of PSAOP had notable effects on yields, production and household income, in particular through innovations introduced by competitive financing from the national agricultural and agribusiness research fund (FNRAA).
16. Capacity enhancement is a major element in the country programme. It has boosted governance capacities in managing, negotiating and making appeals, establishing market chains and adding value to products. Enhanced capacities in management and negotiation were evident in all projects, but there is room for further improvement.
17. In spite of environmental and climate challenges, the country programme has not implemented strategic or programmatic measures. It has, however, made targeted interventions such as raising awareness of the need to respect pasture-management plans, supporting the diversification of production and producers' organizations by following local agricultural advice and creating links with research with a view to adopting best practices to increase productivity. These measures are insufficient in view of the scale of the challenges facing Senegal in the agricultural

² This includes administrative and financial management, coordination and monitoring and evaluation.

sector. It should be noted that PADAER seems to be taking a more programmatic approach.

18. A number of sensitive structural issues affect the **sustainability** of the whole IFAD-supported programme at the national level. The political leadership of the agricultural sector remains unstable. Its weaknesses – poor coordination, dispersion of services in the Ministry of Agriculture and Rural Infrastructure – have led to failure or delay in several reforms planned under LOASP. And the Government continues to have problems in maintaining the benefits of the portfolio and in enabling local services to participate fully.
19. The IFAD-supported projects aim, with varying success, to offset structural weaknesses by enhancing capacities in dispersed technical and administrative services. This work is, however, limited to the duration of projects and remains weak in terms of exit strategies. Support from the Office of Agricultural Analysis, Forecasting and Statistics (DAPS) of the Ministry of Agriculture and Rural Infrastructure for the design of a sector monitoring system and implementation of strategic monitoring (Project for the Support of Monitoring and Evaluation of IFAD's Country Programme [PASYME] grant) has not led to a successful outcome. But the contribution of the country programme to the organization of producer organizations and umbrella associations to enable them to contribute to the development process – particularly with PSAOP but also with PAFA and PRODAM – should ensure greater sustainability. On the whole the CPE is not fully convinced of the sustainability of PROMER, except that the most robust enterprises of the 350 maintained at the end of the project, which were mostly under implementation before it started, are likely to survive with support from PADAER.
20. The capacity for **innovation and scaling up** was moderately satisfactory. The numerous agricultural and pastoral innovations are largely attributable to IFAD. They helped to increase production and supported the shift from subsistence agriculture to market production. And the IFAD portfolio contains many examples of technical innovations emerging from experiences in other countries that were reproduced in Senegal. In local terms the projects in the portfolio encouraged producer organizations and dispersed government services to adopt the innovations.
21. The CPE showed the potential and political will to scale up the innovations in Senegal. But the Government is constrained by its lack of fiscal capacity. Most producer organizations have neither their own capital nor borrowing capacity. The potential for scaling up is therefore limited by the lack of financial resources. Added to this is the fact that IFAD, in its unique programme approach up to 2016 via PADAER and then the PAFA-Extension, has an "extension approach based on the principle of integration and scaling up through extensions and by reproducing positive and beneficial experiences from past projects and currently implemented by IFAD and other bodies in Senegal". To date, however, partnerships and cofinancers for this approach have not been identified, priority innovations have not been selected and the intention to scale up IFAD's innovations do not necessarily correspond with the increase in the volume of loans scheduled by the Government.
22. Promotion of **gender equality and women's empowerment** was satisfactory. Although projects were generally not clear as to quantitative and qualitative targets, gender dimensions aimed at reducing inequalities between men and women were clearly evident and sustained in projects. The projects focused on the three objectives of IFAD's policy and achieved results under all of them. Structurally, the portfolio projects benefited from the work of a full-time employee dedicated to issues of gender equality (with monitoring and evaluation [M&E] and communication) and a regional contact officer in the IFAD country office ensuring support and follow-up for gender-related issues in the projects.

23. **Partners' performance.** IFAD's performance was assessed as satisfactory. IFAD is respected by ministries and other bodies and by actors in the agricultural sector despite its relatively small contribution. Weaknesses in project plans were flagged, partly the result of a lack of realism. But as a result of its direct supervision, IFAD appears to have assessed ongoing projects quite accurately. Supervision missions helped in the sharing of know-how, mid-term review missions were generally well organized and led to strategic recommendations for project implementation. But the planned programme approach intended to establish future cooperation between IFAD and the Government needs in-depth review in terms of programme coherence, the complexity of institutional arrangements, the added value generated by IFAD to Senegal's agricultural sector, and the contribution of IFAD's Senegal office to IFAD 9.
24. The performance of the Government was assessed as moderately satisfactory. The Ministry of the Economy and Finances is respected for its leadership and its compliance with counterpart commitments, though the financial contribution to the portfolio however still relatively low at 23%. Overall, the financial management system was adequate and the Government is participating in supervision missions and COSOP reviews. The M&E (PASYME) system was not implemented, which reflects a lack of leadership, particularly in DAPS. Various factors prevented PASYME from becoming operational, particularly the absence of genuine political will, a strategic framework in line with the vision of the agricultural sector, and appropriate, stable and dedicated human and technological resources. Major delays in the accreditation of the country programme manager (CPM) position in Dakar and delays in the approval of projects – two years for PADAER – limited the efficiency and coherence of the country programme. And the Government did not appear to do much to facilitate the scaling up of innovations in the IFAD-supported programme.
25. **Non-lending activities.** IFAD's Senegal office implemented numerous communication and **knowledge management** actions in and between projects. These are still ad-hoc, however, and hence their impact cannot be assessed. But the IFAD office recently adopted a communication and knowledge-sharing strategy that could benefit the country programme. This reflects the benefits of the effective knowledge management approach of the country programme. A number of strategic constraints inherent in the country programme were noted that confirmed the weaknesses identified by the CPE. Analysis and strategy recommendations could be useful in raising the quality of communication and knowledge management and creating better coherence with regard to policies and the development of partnerships, especially in terms of scaling up. But the issue of human and financial resources is still a challenge in view of the ambitious objectives.
26. **Policy dialogue** merits greater attention, particularly because IFAD's financial contribution in the form of loans is relatively small and because Senegal is now classified as a middle-income country. One of the most beneficial elements was support for civil society – producer organizations and NGOs – in appeals to the Government. As previously mentioned, policy dialogue was inherent in PSAOP as a result of its strategic scope, its leadership in focused participation by development actors – producer and research organizations and NGOs – particularly in agricultural advice based on demand and research. The fruitful partnership with the World Bank that grew out of the first phase of PSAOP contributed to its success. IFAD's support was constant and strategic, even when spokespersons for small producers were not well regarded by state authorities. Other projects in the portfolio continue to benefit and to build human and social capital.
27. The hands-on experience of the country office also contributes to the thematic group on rural development and food security. In March 2013, the group drafted a sector policy report with recommendations to the Government for improving the

performance of the agricultural sector. The report identified numerous constraints that caused irregularities in production. It also reported on IFAD's experiences, which demonstrate its significant influence, particularly in PSAOP. Now that IFAD has a presence on the ground, policy dialogue on COSOP issues such as rural finances and access to property needs to be increased at the national level, particularly because IFAD's financial contribution is modest and it has to maximize its influence on agricultural policy in the context of a middle-income economy.

28. **Partnership-building.** The country programme was moderately successful in establishing partnerships with national institutions. The Ministry of the Economy and Finances is a major partner for IFAD in financial matters and because it follows institutional reforms, especially the agricultural reform in which IFAD is involved. The Ministry of Agriculture and Rural Infrastructure (MAER) and its agencies and units is a natural partner in the country programme.
29. All projects had formal partnerships with local institutions and dispersed services, which contributed to the effectiveness of projects particularly by creating and enhancing cooperative links between the institutions and agricultural services, producer organizations and rural micro and small enterprises that are the beneficiaries of these projects. The vast majority of procurement contracts in projects are made with local institutions. IFAD cannot, however, make up for the shortfall in organizational and financial means that result from decentralization.
30. One of IFAD's strengths is its non-public partnerships with producer organizations, civil society and agricultural research institutions. The historic partnership set up by IFAD with producer organizations and umbrella associations is recognized for its work in helping to organize stakeholders and reinforce civil society systems. Local NGOs were fully involved in implementation of the various elements of this approach.
31. Partnerships with technical and financial partners are variable. The country programme was successful in a number of financing partnerships – with the World Bank, the West African Development Bank and the European Union Food Facility Programme – but IFAD was much less successful in attracting funds for scaling up innovations. IFAD needs considerably greater financial means than its own modest funds, which are insufficient to scale up and capitalize on the innovations it guided and supported. This is why the coordination by MAER and its mediation capacity are pivotal to IFAD's future programme in Senegal.
32. Regional and national grants offset the lack of financing for activities without loans. But their coherence, synergies and complementarity with loans were not clearly demonstrated. The effectiveness of links and collaborations between loans and grants varies. The CPE noted that most regional grants are not recognized in Senegal if regional implementing agencies are not based in the country or if the country office was not involved in or informed of the purpose and/or follow-up of the grant. This limits information sharing in IFAD, with knock-on effects on the country programme.
33. Overall, the CPE assessed non-lending activities as moderately satisfactory. With regard to knowledge management, policy dialogue is a tool for replicating and scaling up that could help IFAD to achieve its target of moving 80 million poor rural people out of poverty by 2015. To achieve this IFAD must establish partnerships with other actors to boost knowledge management, create the financial leverage essential for IFAD 9, and improve the overall efficiency of its work.

COSOP performance

34. **Relevance.** The 2004 COSOP in particular and the 2010 COSOP were designed after a process of consultation, with support from Senegal. The process was relevant in the context of Senegal, and the outcomes of the consultations were integrated into the COSOP document.

35. The 2004 COSOP conforms to IFAD's strategic frameworks, the poverty reduction strategy paper for Senegal and government priorities. Two of the objectives coincide with those of the 2002–2006 strategic framework: augmenting the capacities of poor rural people and their organizations and improving access to markets and financial services. The 2010 COSOP reinforced the third objective of the 2004 COSOP – increasing the productivity of rural economic activity – through access to technologies and entrepreneurial know-how. The 2004 COSOP focused on: i) relations between support for basic production factors, access to input supply and technologies, and growth in production; and ii) support for intermediary parties, markets and incentives for creating added value, and entrepreneurship. This aspect is particularly relevant to a programmatic approach as opposed to a series of independent projects, which are often unable to improve performance in the agricultural sector.
36. The objectives of the 2004 COSOP fully integrate the recommendation of the 2004 CPE to reinforce local development measures, particularly in relation to geographical coverage and targeting, coherence and coordination with other projects and local development actors, and collaboration between producer organizations and their public and private partners. The local development process relies on marketing initiatives, integration of small enterprises into structuring chains, and networks of micro-finance institutions, all of which are relevant to the 2004 COSOP.
37. The agro-ecological zones selected are in 10 of the country's 14 regions. This gives national scope to IFAD's interventions. Targeting according to the potential and opportunities of agro-ecological zones is relevant because it promotes the development of activities with high potential for success. Diversification of targeted segments by zone also diversifies the income sources of those involved and improves their food security.
38. The 2004 COSOP recommends designing projects as part of a coherent programme, improving linkages among projects and including them in a strategy to achieve complementarity and shared objectives. The programme approach up to 2016 is based on consolidation and scaling up of innovations tested in completed or ongoing projects. This programme approach requires careful consideration to ensure coherence in future cooperation between IFAD and the Government in line with the Paris Declaration and the Accra Agreements, and to benefit from flexible and efficient management. Strategic direction needs to be reviewed, particularly in terms of gender objectives, M&E to harmonize monitoring indicators, and time scales.
39. Environmental and climate change concerns were given little coverage in the 2004 COSOP. In the 2010 COSOP the diagnosis is bleak with regard to environmental issues. The only cross-cutting solution offered by the COSOP is implementation of the IFAD/Global Environment Facility (GEF) Adaptation to Climate Change, which in the view of the CPE falls short of a response as a result of its project approach to one of the biggest cross-cutting challenges in Senegal.
40. The 2004 COSOP specifies a number of cross-cutting initiatives and other anticipated grants, which was not the case in the 2010 COSOP. But they do not offer much guidance on combining instruments, for example ways in which non-lending activities could support strategic objectives and how synergies could be developed between IFAD loans and grants. The need for an M&E system covering the entire agricultural sector remains relevant, but ambitious given the lack of a sector framework and allocated resources.
41. **Effectiveness.** The objectives of strengthening the capacities of poor rural people and their organizations were in general achieved under the 2004 COSOP and are being addressed in the 2010 COSOP. Results achieved under PRODAM and PSAOP and the preliminary results of PAFA are satisfactory and have increased production

capacities and crop marketing. Access to productive capital has increased the income of small producers and their investment capacities (wealth creation). Access to training to enhance capacities and skills, input supply and technologies, has increased production. PRODAM and PAFA have been particularly successful in increasing production, and PAFA has been innovative in using information and know-how for the benefit of markets.

42. The improvement in access to markets was driven in particular by the third objective of the 2004 COSOP and addressed under the first strategic objective of the 2010 COSOP. Again, the section on portfolio effectiveness shows interesting results, particularly with regard to support for market chains and the development and organization of systematized largely under PAFA. Access to financing is envisaged through collaborations with local professional associations. The weakness highlighted in the section on the effectiveness of projects is that financing packages – guarantees, leverage etc. – are limited to the lifetime of the projects. With regard to small producers, the achievements of PSAOP were highlighted in the structuring of producer organizations and access to services based on demand, and restructuring of local research with a view to reform of the agricultural sector.
43. But the objective of increasing rural people's access to entrepreneurial skills, driven by the second objective of the 2004 COSOP – increasing the productivity of rural economic activities – and addressed under the second objective of the 2010 COSOP – improving rural people's access to entrepreneurial know-how – achieved limited results. This objective is driven in particular by PROMER and PAFA in the two COSOP programmes and by PADAER in the 2010 COSOP. The section on the effectiveness of PROMER reveals weaknesses in implementation that led to results that were below expectations in quantitative and qualitative terms. Before scaling up the results of PROMER, PADAER will have to draw on the lessons learned if the promotion of market chains and professional organizations is to achieve positive results under a coherent programme approach. PAFA, which is halfway through implementation, has promising innovations in the processing of products; here again, the PAFA-Extension project should note lessons it can learn regarding the scaling up of innovations.
44. COSOP recommended the facilitation of access to non-financial services. Access to production factors – pastoral units, planning, etc. – is linked to land security. And results in the transfer and security of agricultural land are mixed. The case for improving land security is being examined and the position of rural people in terms of access to financing is to be reviewed to achieve the improvements in living conditions recommended by the COSOP.

Overall assessment of the Government-IFAD partnership

	<i>Rating</i>
Portfolio performance	4
Non-lending activities	4
COSOP performance	4
Overall IFAD/Government partnership	4

Rating scale: 1 = highly unsatisfactory, 2 = unsatisfactory, 3 = moderately unsatisfactory, 4 = moderately satisfactory, 5 = satisfactory, and 6 = highly satisfactory

Conclusions and recommendations

Conclusions

45. **IFAD's financial contribution to official development assistance (ODA) for the agricultural sector is relatively modest.** Although Senegal has significant external ODA (over 7% of Gross National Income), the allocation of internal resources for the agricultural sector grew faster than external resources, with a substantial leap in 2013, demonstrating the political will to go further than the minimum commitments of the Maputo Declaration. But these investments have not yet had the anticipated impact on agricultural growth, which was 1.5% between 2000 and 2008. Other factors have undermined the positive impacts of these investments such as inappropriate responses from agricultural services and an unfavourable climate for investments, with distortions and uncertainties caused by the fixing of prices and margins and the subsidy system for fertilizers in some of the main segments.
46. Despite the relatively modest financial contribution from IFAD compared with bilateral and multilateral sponsors, **the portfolio of projects has since 1979, contributed quite substantially to the development of the agricultural sector and the reduction in some systemic constraints in the sector.** This is particularly the case with PSAOP and its influence on LOASP and its partial support for institutional reforms, which included agricultural services. These received major financial support from the World Bank, and more recently PAFA, which is oriented towards economic profitability. Market operators had a major role, and dialogue among the actors on market-chains was promoted, especially the stabilization of prices.
47. **IFAD's contribution to the agricultural sector is reinforced by its promotion of beneficial development.** IFAD's investment in its partnership with the Government of Senegal benefited from the strengths and advantages developed during its long presence in Senegal. These support agricultural production and productivity through a combination of three factors: i) local advice and enhancement of the capacities of small producers and entrepreneurs; ii) investments in agricultural infrastructure and iii) support for markets and major agricultural value chains.
48. One component in the programming of this three-dimensional approach is the fact that IFAD's trademark in Senegal is to involve beneficiaries in project design and implementation and endogenous problem solving. Projects have developed targeting techniques that attract poor farmers and encourage women and young people and that are approved by farm organizations and state entities. They support the enhancement of the capacities of all parties, from local government services to private service providers and to increased literacy among women and rely largely on increased local capacity to generate the expected results. This aspect of programming was more effective for producer organizations than for the entrepreneurs targeted in the programme. A second component is linked to agricultural investments and infrastructures such as roads, water and irrigation systems, storage installations, and the availability of improved seeds and technologies. These investments are designed to be managed by groups of beneficiaries in line with their scale and nature according to local management capacities. The third more recent component in this approach is the increased attention to economic profitability, with a major role for market operators and the promotion of systematic dialogue among producers, processors and operators, focusing on agricultural market chains, thereby initiating greater participation by the private sector in local development, though this is as yet uncertain. The combination of these three elements evolved during the CPE period and enriched the country programme. A combination of these components is essential

for the future implementation of the programme approach recommended by IFAD and initiated in Senegal.

49. **IFAD remains a project-based institution, and this affects the sustainability of long-term benefits.** Although the CPE noted a degree of success in projects, it also identified a systemic lack of sustainability in results beyond the project period. This is probably the most common message conveyed by all participants in the CPE, whether beneficiaries, state representatives or staff at coordination units during the evaluation. IFAD's approach in its lending policies, which focused on defined results in a specific timescale, generates genuine and recognized benefits as a result of the skill of project management teams in allocating resources and the participation of the Government, producer organizations and the private sector in achieving specified objectives. But once a project is officially complete there are no more measurable objectives – though maintaining the benefits of the project could be an objective – or project surveillance to determine whether gains were sustained and if not why not, or any designated party to ensure that actors are capable of determining whether benefits are maintained. Farmers' organizations cannot always foresee risks, and public services are no longer recompensed for coordination work. All this requires significant work and skills. Such shortfalls indicate a systemic weakness that limits potential growth in productivity and project-specific incomes despite growing local ownership at the government and non-government levels. This situation shows that IFAD remains an institution whose work is project-based with insufficient focus on exit strategies, and that the systemic reforms initiated with LOASP to move to a reactive model focusing on farmers are incomplete and require further attention.
50. **IFAD is moving towards a single-framework programme, which is worthy of further consideration.** Without a framework or a shared understanding of what the programme approach should be, IFAD runs the risk that country teams will be unable to define this concept in a national context, thereby preventing a common basis for management, learning or scaling up of projects. A country programme approach does not mean combining all gains in one or two major projects with the same budget. According to the CPE, factors generally taken into account to initiate a programme approach are maximizing efficiency – fewer coordination units, for example, or a shared M&E system – without compromising objectives related to poverty reduction or the comparative advantages acquired. Another factor is the need for a sustainable long-term perspective that extends beyond the project period with better integration into government programmes. Another is the need to create synergies between loans and activities such as grants. The programme approach is an opportunity to establish a framework for flexible financing mechanisms to prevent the design of new projects during a country programme. A programme approach needs to have an M&E system that is not limited to outputs and projects, that focuses on programme results and outcomes and that can provide an information base for knowledge management and policy dialogue on cross-cutting issues such as certified seeds or empowerment of producer organizations and entrepreneurs.
51. The CPE noted risks in the current programme approach: inefficiency, over-extension of project management teams in terms of coverage of infrastructure, market chains, micro-enterprises and capacity development. There is also a risk of giving more attention to internal project management, which was assessed as unwieldy and complex, rather than continuing to innovate and looking to the outside for ways of sharing, learning and participating in more systemic solutions such as seed certification or access to credit. This highlights the importance of building complementary partnerships to share work and knowledge management more effectively – in South-South trade, for example – to maximize support for scaling up the most promising innovations. These aspects of the programme approach are even more important now that Senegal is a middle-income country.

52. The need for a unified M&E system covering the whole programme is undeniable. The decision of the Ministry of Finance to extend M&E to all projects in the agriculture sector supported by donors and internal government resources is updated in PADAER, but this entails careful examination of the conditions required for operationalizing the new "PASYME".
53. **IFAD has contributed significantly to strengthening the capacities of farmers' organizations, but less so for rural enterprises,** a more recent area of intervention. The CPE stresses IFAD's success in consolidating and structuring farmers' organizations and suppliers of government and non-government services. It emphasizes that PROMER was an exception given the long learning curve and only partial achievement of the initial objectives. IFAD probably has less experience in the promotion of rural enterprises than in agricultural development. In support of the rural enterprises now deployed under PADAER, sustainability must be increased with strategic support for mechanisms and implementation, with a focus on market chains as envisaged under PAFA and in line with the rest of the country programme.
54. **The environment, climate change and gender equality issues are insufficiently addressed in strategic and systemic terms.** IFAD was highly successful in including women and young people in beneficiary targeting. Indicators specific to the objectives at the country programme level and intermediate objectives would improve transparency and promote a proactive process that could be shared more easily with IFAD's partners. Environmental sustainability and climate change were taken into account as required during project implementation, but not in a strategic manner: this shortcoming was noted in self-evaluations by the IFAD Programme Management Department. In view of the significance of climate change for Senegal, this merits consideration at the country programme level.

Recommendations

55. **Recommendation 1.** The CPE recommends that the IFAD country programme in Senegal should continue to focus on project achievements, especially through the appropriate mix of approaches established and fine-tuned during the evaluation period – enhanced farmers' organizations, greater capital investment and improved commercial links and market chains. Good use of these gains supports the Government's goal of empowering agricultural producers and allowing them to obtain the support they need for food security and profitability.
56. **Recommendation 2.** The CPE recommends that if IFAD continues to support rural enterprises, it should limit its support to agricultural market chains such as those linking manufacturers of agricultural products useful for farmers' organizations or post-harvest processes that add value to production. Such an approach would increase the potential viability of enterprises and involve them more fully in the development of market chains. This support would have to be part of the programme approach currently customized by PADAER of enhancing organizations such as chambers of commerce and professional associations rather than supporting individual enterprises or setting up new organizations that may not survive when project financing terminates.
57. **Recommendation 3.** The CPE recommends that in the next COSOP, IFAD should define its programme approach concept and identify ways of protecting its benefits, noting that a country programme needs to be supported by a country strategy that covers lending and non-lending activities. The programme approach needs to have an M&E system that focuses on the results and impacts of the programme and that stimulates policy dialogue and documents innovations.
58. **Recommendation 4.** The CPE recommends that the Senegal country programme work with other donors to increase capacities in the Ministry of Agriculture for sector-level surveillance. Surveillance should include post-project inspections, with

an "after-sales service" element in the next COSOP to ensure that gains achieved during projects will continue. Support for the new decentralization laws in 2004-2006 could be a useful experience in this respect. Valuable lessons can be drawn from past PASYME experience in terms of problems to be solved, especially by focusing on outcomes rather than inputs and outputs, and accurate calculation of the start-up and operating costs for such a system, including decentralized tasks such as data collection and analysis.

59. **Recommendation 5.** The CPE observes that IFAD's projected orientation and impact on policy will be difficult to achieve with the current budget allocated to Senegal. The evaluation therefore recommends that the West and Central Africa Division assess the extent to which (i) grants, which are significant for Senegal, can serve to support COSOP objectives and give more support to loans, especially country-specific grants, (ii) the allocation of resources for non-lending activities such as policy dialogue, knowledge management and partnerships can be improved and aligned with COSOP objectives for policy dialogue on issues such as land ownership, rural finance and gender equality.
60. **Recommendation 6.** The CPE recommends that the COSOP and its future projects should focus on results in gender equality issues and increase the attention given to climate change and environmental sustainability. This will require greater attention to the strategic plans of the ministries involved in these cross-cutting issues, especially during the development of the next COSOP.