

**AFRICAN DEVELOPMENT BANK  
AFRICAN DEVELOPMENT FUND**



**REPUBLIC OF SENEGAL**

**PORTFOLIO REVIEW REPORT**

**COUNTRY OPERATIONS DEPARTMENT  
WEST REGION**

**SEPTEMBER 2004**

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## **CURRENCY EQUIVALENTS**

**(as at December 2003)**

Currency Unit	=	CFA Franc
UA 1	=	US\$ 1.43958
UA 1	=	CFAF 798.365

## **WEIGHTS AND MEASURES**

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### **FISCAL YEAR**

1 January – 31 December

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## **ACRONYMS AND ABBREVIATIONS**

AATR	:	Road Works Autonomous Agency
AFRITAC	:	Africa Regional Technical Assistance Center
AGETIP	:	Public Interest Works Executing Agency
ANCAR	:	National Agricultural and Rural Advisory Agency for Producer Organizations
ASER	:	Senegalese Rural Electrification Agency
BD	:	Bidding Document
BGP	:	Project Management Bureau
BICIS	:	Banque internationale pour le commerce et l'industrie du Sénégal
CCP	:	Project Coordination Unit
CELCO-PAST	:	Transport Sector Programme II Coordination Unit
CFAA	:	Country Financial Accountability Assessment
CIMA	:	Inter-African Conference on Insurance Markets
CIPRES	:	Inter-African Conference on Social Insurance
CHR	:	Regional Hospital
CLS	:	Crédit Lyonnais Sénégal
CNAS	:	Senegal National Agricultural Credit Fund
CNCR	:	National Rural-Dwellers Consultation Council
CPAR	:	Country Procurement Assessment report
CR	:	Rural Communities or Rural Board
CSE	:	Ecological Monitoring Centre
CSP	:	Country Strategy Paper
DAGE	:	Directorate for General Administration and Infrastructure
DCEF	:	Directorate for Economic and Financial Cooperation
DCES	:	Directorate for School Construction and Infrastructure
DDI	:	Directorate for Debt and Investment
EOC	:	Emergency Obstetric Care
ISRA	:	Senegalese Institute for Agricultural Research
HIPC	:	Heavily-Indebted Poor Country
LDP	:	Local Development Plan
MAE	:	Ministry of Agriculture and Livestock
MEF	:	Ministry of the Economy and Finance
OMVG	:	Gambia River Basin Development Organization
OMVS	:	Senegal River Basin Development Organization
ONAS	:	Senegalese National Sanitation Office
OPEC	:	Organization of Petroleum Exporting Countries
PADERBA	:	Anambe Basin Rural Development Support Project
PAPEL	:	Livestock Support Project
ESAP	:	Energy Sector Adjustment Programme
NHDP	:	National Health Development Programme
PNDEF	:	National Education and Training Development Programme
PRSP	:	Poverty Reduction Strategy Paper
PGES	:	Environmental and Social Management Plan
PMIA	:	Agricultural Modernization and Intensification Project
PNIR	:	National Rural Infrastructure Programme
POAS	:	Land-Use and Allocation Plan
PRTPC	:	Tariff Reform and Competitiveness Promotion Programme

PSAOP	:	Farmer Organizations Services and Support Programme
SENELEC	:	National Electricity Company
SFD	:	Decentralized Financial System
SGBS	:	Société Générale des Banques du Sénégal
SODAGRI	:	Senegalese Agricultural and Industrial Development Company
SONACOS	:	Senegal National Oilseeds Marketing Company
SONAGRAINES	:	National Seed Company
TOFE	:	Table of Government Financial Operations
WAEMU	:	West African Economic and Monetary Union

## **EXECUTIVE SUMMARY**

### **1. Introduction**

This portfolio review of Bank Group operations in Senegal is based on the outcome of the multidisciplinary review mission fielded by the Bank in the country in December 2003, the findings of other supervision missions, dialogue on the 2002-2004 Country Strategy Paper (CSP) held in April 2003 and the conclusions of the Advisory Group on the Financing of the PRSP organized in June 2003 in Paris. It also takes account of the conclusions of the Paris Club held on 9 June 2004 in Paris. It informs the Boards of Directors about the progress made at the level of the portfolio since the last review in November 2001 as well as about constraints on the implementation of ongoing Bank operations. It makes recommendations to the Government and the Bank for improving the quality of the portfolio.

### **2. Context of Review**

2.1 This review, which outlines the portfolio as at 30 June 2004, was conducted in a special context, notably a context of economic recovery, one in which the implementation of the PRSP started, the structural reforms were continued through facilitation of private sector involvement in the development process and the improvement of governance resulting in the visibility and traceability of reforms as well as a reduction of factors likely to hamper the implementation of projects. Out of 17 (seventeen) active operations, 7 (seven) have not yet become effective. The ten (10) operations under review are mainly in the rural and social development sectors, which are the strategic sectors outlined in the Bank's assistance strategy in Senegal for the period 2002-2004 and aimed at reducing the vulnerability of agricultural activities and improving the quality of human resources.

2.2 Regarding growth, whereas in 2002 the real GDP growth rate, initially estimated at 2.4%, stood at 1.5% due to a 72% contraction in the production of groundnuts (compared with the preceding year) and a 7.7% drop in livestock production, 2003 witnessed a 6.5% growth in line with the growth objective outlined in the PRSP. Moreover, forecasts for 2004 and 2005 suggest growth rates above 6%. Inflation was reduced from 3% in 2001 to 2.3% in 2003, in accordance with the WAEMU community standard.

2.3 Fiscal consolidation continues to be one of the major concerns of the Government which succeeded in raising tax revenues to 17.7% of GDP in 2002 and 18% in 2003, that is levels higher than the 17% threshold fixed for WAEMU countries. Spending was also controlled so much so that the deficit stood at 2.6% of GDP in 2002 and 1.8% in 2003. The deficit for 2004 is estimated at 2.5% of GDP, thus reflecting an acceleration of the implementation of the medium-term investment programme and coverage of costs related to some structural reforms (pensions, postal and energy sectors and the groundnut sub-sector) in conformity with the priorities outlined in the PRSP.

2.4 Concerning external debt, the debt service-export ratio stood at 8.4% in 2003 as against 12.5% in 2000. This improvement is due to the interim relief granted by the World Bank, the IMF and the Bank under the HIPC initiative. Additionally, the prudent debt policy implemented since when the country reached decision point in June 2000 has started yielding fruits. Hence, the debt-export and debt-GDP ratios are expected to stand at 144% and 194%, respectively, that is below the sustainability thresholds (150% and 250%). To sustain this trend, the Government has pledged to pursue the prudent debt policy by: (i) resorting only to concessional loans; (ii) strengthening the control of all public sector loans; and (iii) regularly carrying out sustainability analyses. In

addition, after the country reached completion point in April 2004, the Paris Club met on 9 June 2004 to consider the Government's request for cancellation of all rescheduled debt. Senegal's creditor countries, which are members of the Club, and Brazil, have decided to cancel US\$ 94 million in net present value, which represents the Club's effort under the enhanced HIPC initiative. Lastly, most creditors have pledged to grant, on a bilateral basis, additional debt relief so that debt owed by Senegal to Paris Club creditors is reduced by an additional US\$ 336 million in net present value .

2.5 Bank contribution to the HIPC initiative is at present estimated, in nominal value, at US\$ 65.42 million, as against an initial estimate of US\$ 64.21 million in nominal terms (US\$ 56.8 million in net present value) spread over a period of six years (2000-2005). This increase is due to the extension of the period during which aid is provided so as to take into consideration the period when no debt relief was granted because of the suspension of debt to Senegal as a result of failure to reach the completion point within the prescribed time limit and the fact that the country had already benefited from a 40% debt relief in net present value during the interim period. Debt relief was resumed in April 2004 and will be terminated in May 2006. At the end of July 2004, Bank assistance to this initiative amounted to US\$ 24.13 million in nominal terms, representing US\$ 22.72 million in net present value.

2.6 *Structural reforms:* In the *primary sector*, the process of liberalization of the groundnut sub-sector is being pursued with the liquidation of SONAGRAINES in 2002 and the privatization of SONACOS, which will be completed this year. In the *secondary sector*, the main reform focused on the energy sub-sector with the adoption in April 2003 of a new-energy policy letter and a new schedule for the restructuring of SENELEC. Hence, to better regulate the supply of electricity, plans have been made to procure a 60 MW power plant and to implement an equipment rehabilitation programme coupled with the rural electrification programme. Privatization in the form of concession should be carried out at the end of 2004. In the area of *governance*, institutional improvements were pursued in financial management (combination of MTEF/budget process). The business environment has become increasingly competitive with the reform of the tax system (adoption of the single tax assessment to better adapt taxation to the small economic structures) and the investment code. The new procurement code adopted in 2002 is being revised to adapt it to the WAEMU guidelines.

### **3. Composition of Portfolio**

3.1 Since 10 October 1972, the date of its first intervention in Senegal, the Bank Group has financed 59 operations in the country, including 44 projects, 11 studies and 4 economic reform programmes for an overall amount, net of cancellations, of UA 546.45 million. Of this amount, UA 175.01 million is from the ADB window (32%), UA 340.35 million from the ADF window/Grants (66%) and UA 10.9 million from NTF resources (2%).

3.2 Out of 59 operations, 42 have been completed, 17 are active and 10 (ten) have been reviewed. Disbursements under these 10 (ten) operations, the subject of this review, amount to UA 33.77 million, representing a disbursement rate of 30%. Though a good number of the projects were approved in 2003, it is noteworthy that some projects which experienced difficulties during their implementation tend to age. These include in particular the Education II and Health I projects. Furthermore, by defining a risky project as any problem or potentially problematic project, with a strong probability of not attaining the set objectives, the Dakar City Sanitation Project is definitely the project that can be considered as risky project in the Bank portfolio in Senegal. This project was approved in July 2001 and signed in October of the same year. Since then, no disbursement has been made under the project and by applying Bank rules on cancellation, the Bank should, in October 2004, write to the Borrower to give it notice of cancellation of the project if nothing is

done in the meantime. We can include in this category the Education Project II (which was closed in June 2004) and the Health Project I, which would raise the total number of risky projects to three, representing 30% of projects which have so far been reviewed.

#### **4. Problems Relating to Portfolio Implementation**

4.1 The portfolio is facing problems of a general and a specific nature relating to project implementation. Concerning general problems, delays ranging from 15 to 24 months are recorded in the effectiveness of projects, resulting in project slippages on the implementation schedule adopted at appraisal. This, coupled with delays in the consideration of documents, results in a low rate of disbursement at the level of projects. There are also weaknesses in monitoring and evaluation, which makes it impossible to assess the impact of funded projects on the beneficiary populations. Additionally, the general lending conditions, namely the timely transmission to the Bank of quarterly status reports and audit reports and fulfilment of other specific conditions, are generally not met, leading to lack of dialogue on the projects concerned. Also, the attention of the authorities has been drawn to current provisions at the level of the Bank to ensure that these conditions effectively suspend disbursements if they are not met. Regarding audits in particular, weaknesses were noted in compliance with recommendations.

4.2 The project status indicator is still unsatisfactory (1.75). On the whole, the procurement of goods and services is satisfactory, but the executing agencies still have weak technical and organizational capacities and a poor mastery of the Bank's rules of procedure, coupled with the complexity and slowness of national procedures for the procurement of goods and services as well as non-adherence to deadlines for non-objection opinions. With regard to financial performance, the Government honours its financial commitments. In spite of this improvement, disbursement flows are still low, due to requests for payment accompanied by inadequate documentation, the existence of requests for payment that do not comply with contract clauses, non-adherence by the Bank to the maximum period of one month for the processing of disbursement requests and the irregular transmission to the Borrower of monthly disbursement statements.

#### **5. Actions Undertaken to Improve Portfolio Performance**

5.1 The Government has instituted a joint annual portfolio review the first of which was conducted during the period of this review, as well as quarterly internal meetings the first of which was held in July 2004. In addition, the Government started restructuring the Directorate for Economic and Financial Cooperation and the Directorate for Debt and Investment with a view to establishing a National Agency for International Cooperation and Development. Regarding the capacity of the executing agencies to manage and implement projects, steps have been taken to strengthen their human resource and equipment capacities and to train their staff in Bank Group rules and procedures for the procurement of goods and services. With regard to audits, the Government has undertaken to prepare and transmit them to the Bank and to other governmental audit bodies. The Government will henceforth ensure compliance with the general lending conditions, namely timely transmission to the Bank of quarterly status reports as well as other specific conditions.

5.2 At the level of the Bank, the annual benchmark of 1.5 supervision missions was exceeded for projects in the social development sector and complied with for those in the rural development, utilities and transport sectors. In addition, the quality of supervision missions has also improved not only in terms of the composition of teams (at least two experts) and duration of missions (at least ten days) but also in terms of the analysis of the status of projects, systematic entry of supervision mission reports into SAP and monitoring of the implementation of recommendations. Thanks to this frequency and the quality of supervision missions, dialogue has started to yield

fruits, particularly with the institution by the Government, at the request of the Bank, of a quarterly internal Bank portfolio review. The effective opening of the Senegal Regional Office in 2004 will help improve the frequency and quality of supervision missions. The Bank carried out the following actions in the area of audits: (i) transmission to the Senegalese party in 2001 of the matrix of actions of the 2000 Bank audit mission; (ii) two reminding letters sent in 2002 for review the implementation of the said recommendations; (iii) during this review, a statement was made on the implementation of actions in the 2000 matrix and the actions not yet implemented were incorporated into the matrix of actions of the 2003 review; and (iv) during the 2003 review, an exhaustive statement was made on the preparation and transmission of audit reports to the Bank. Concerning monitoring and evaluation, provisions currently in force at the Bank were transmitted to the Senegalese party. They entail the automatic suspension of disbursements where the general lending conditions are not met, in particular the timely transmission to the Bank of quarterly progress reports and audit reports, the fulfilment of other specific conditions and the mobilization of counterpart funds.

5.3 As regards external aid, the Bank has strengthened coordination with the other donors in order to optimize the impact of its resources on poverty reduction.

## **6. Recommendations**

The Boards of Directors are requested to take note of the status of the Bank's portfolio in Senegal and the conclusions.

## **I. INTRODUCTION**

### **1.1 Objectives and Structure of Report**

This portfolio review of Bank Group operations in Senegal is based on the outcome of the multidisciplinary review mission fielded by the Bank in the country in December 2003, the findings of other supervision missions, dialogue on the Country Strategy Paper (CSP) 2002-2004 held in April 2003 and the conclusions of the Advisory Group on the financing of the PRSP organized in June 2003 in Paris. It also takes account of the conclusions of the Paris Club held on 9 June 2004 in Paris. It informs the Boards of Directors about the progress made at the level of the portfolio since the last review in November 2001 as well as about constraints on the implementation of ongoing Bank operations. It makes recommendations to the Government and the Bank for improvement of the quality of the portfolio.

### **1.2 Context of Review**

1.2.1 This review was conducted in a special context, notably with economic recovery, start of implementation of the PRSP, continuation of structural reforms by facilitating private sector involvement in the development process and improvement of governance resulting in visibility and tracking of reforms and reducing factors likely to hamper the implementation of projects. The active portfolio comprises 17 (seventeen) operations, of which 7 (seven) are not yet effective. The review focused on the 10 (ten) operations whose activities have effectively started. These operations are concentrated mainly in the rural and social development sectors which are the strategic sectors outlined in the Bank's assistance strategy in Senegal for the period 2002-2004 aimed at reducing the vulnerability of agricultural activities and improving the quality of human resources.

1.2.2 Regarding growth, whereas in 2002 the real GDP growth rate, initially estimated at 2.4%, stood at 1.5% due to a 72% contraction in the production of groundnuts (compared with the preceding marketing year) and livestock (-7.7%), 2003 witnessed a 6.5% growth in line with the growth objective outlined in the PRSP. Moreover, forecasts for 2004 and 2005 suggest growth rates above 6%. Inflation was reduced from 3% in 2001 to 2.3% in 2003, in accordance with the WAEMU community standard.

1.2.3 Fiscal consolidation continues to be one of the major concerns of the Government which succeeded in raising tax revenues to 17.7% of GDP in 2002 and 18% in 2003, that is levels higher than the 17% threshold fixed for WAEMU countries. Spending was also controlled so much so that the deficit stood at 2.6% of GDP in 2002 and 1.8% in 2003. The deficit for 2004 is estimated at 2.5% of GDP, thus reflecting an acceleration of the implementation of the medium-term investment programme and coverage of costs related to some structural reforms (pensions, postal and energy sectors and groundnut subsector) in line with the priorities outlined in the PRSP.

1.2.4 Concerning the external debt, the debt service-export ratio stood at 8.4% in 2003 as against 12.5% in 2000. This improvement is due to the interim relief granted by the World Bank, the IMF and the Bank under the HIPC initiative. Additionally, the prudent indebtedness policy conducted since the country reached the decision point in June 2000 has started yielding fruits. In fact, the sustainability analysis carried out at the completion point reached in April 2004 and macroeconomic forecasts have shown that the indebtedness ratios

should fall below the sustainability threshold. Hence, the debt-export and debt-GDP ratios are expected to stand at 144% and 194% respectively, that is below the sustainability threshold (150% and 250%). To sustain this trend, the Government has pledged to pursue the prudent indebtedness policy by: (i) resorting only to concessional loans; (ii) strengthening the control of all public sector loans; and (iii) regularly carrying out sustainability analyses. In addition, the Paris Club met on 9 June 2004 to consider the Government's request for cancellation of all rescheduled debt. Senegal's creditor countries which are members of the Club and Brazil have decided to cancel US\$ 94 million in net present value, which represents the Club's effort under the enhanced HIPC initiative. Furthermore, most creditors have pledged to grant, on a bilateral basis, additional debt relief such that debt owed by Senegal to Paris Club creditors is reduced by an additional US\$ 336 million in net present value.

1.2.5 Bank contribution to the HIPC initiative is at present estimated, in nominal value, at US\$ 65.42 million, as against an estimate of US\$ 64.21 million in nominal terms (US\$ 56.8 million in net present value) spread over a period of six years (2000-2005). This increase is due to the extension of the period of provision of aid to take into consideration the period during which no debt relief was granted because of debt suspension in favour of Senegal due to failure to reach the completion point within the prescribed time limit and to the fact that the country had already benefited from a 40% debt relief in net present value during the interim period. Debt relief was resumed in April 2004 and will be terminated in May 2006. At the end of July 2004, Bank assistance to this initiative amounted to US\$ 24.13 million in nominal terms or US\$ 22.72 million in net present value.

1.2.6 *Structural reforms*: In the *primary sector*, the process of liberalization of the groundnut subsector is being pursued with the liquidation of SONAGRAINES in 2002 and privatization of SONACOS scheduled for the year 2004. The privatization of the Fibre and Textile Development Company (SODEFITEX) was concluded at the end of 2003. In the *secondary sector*, the main reform centred on the energy subsector with the adoption in April 2003 of a new letter of energy policy and a new schedule for the restructuring of SENELEC. Hence, to better regulate the supply of electricity, plans have been made to procure a 60 MW power plant and to implement an equipment rehabilitation programme coupled to the rural electrification programme. Privatization in the form of concession should be carried out at the end of 2004. In the area of public finance, the Government pursued in 2003 tax reform which aims at ensuring the simplification and equity of the tax system, the broadening of the tax base and promotion of tax contractual liability; the promotion of investment and competitiveness and the improvement of taxpayer guarantees and combating of evasion. Specifically, the reform will be characterized by: (i) reduction of the corporation tax rate (CT) from 35% to 33%; (ii) institution of a flat-rate tax known as "Contribution Globale Unique (CGU) for small-scale enterprises using a simple mechanism that incorporates income tax, VAT, taxes on licences and the fixed contribution payable by the employer contribution Forfaitaire à la Charge de l'Employeur (CFCE); and (iii) reform of the investment code which aims at revamping investment incentives. Also, the management of public spending was further strengthened. In fact, the three WAEMU guidelines on public finances were adopted. A CFAA/CPAR plan of action was also approved in mid-2003 to strengthen the management of budgetary procedures as well as the Interministerial Board and CPAR procurement procedures.

### 1.3 Size and Composition of Portfolio

#### (a) Overview

1.3.1 Since 10 October 1972, the date of its first intervention in Senegal, the Bank Group has financed 59 operations including 44 projects, 11 studies and 4 economic reform programmes for an overall amount, net of cancellations, of UA 546.45 million. Of this amount, UA 175.01 million is from the ADB window (32%), UA 340.35 million from the ADF/Grants window (66%) and UA 10.92 million from NTF resources (2%).

**Table 1.1 : Summary of All Operations as at 14/06/04**  
( UA million)

Financing Window	Commitments Net of Cancellation	Disbursements	Rate of Disbursement
ADB	175.01	175.01	100
ADF/GRANTS	340.35	205.92	58.74
NTF	10.92	10.92	100
<b>TOTAL</b>	<b>546.45</b>	<b>391.85</b>	<b>71.70</b>

1.3.2 These interventions covered the following sectors : rural development (19.26%), industry and banks (26.34%), transport (6.5%), utilities (12.94%), social development (15.18%) and, lastly, institutional and reform support(19.78%). The rate of disbursement as at 14/06/2004 is 71.70% of commitments net of cancellations.

**Table 1.2: Distribution of Commitments by Sector (as at 14/06/04)**  
( UA million )

Sector	Number of Operations	Net Commitments	% by Sector	Amount Disbursed	% Disbursed
Rural Development	16	105.24	19.26	60.01	57.03
Industry/Banks	6	143.95	26.34	143.95	100.00
Transport	6	35.52	6.50	23.64	66.56
Utilities	13	70.70	12.94	54.77	77.47
Social	11	82.94	15.18	26.93	32.48
Multisector	7	108.07	19.78	82.52	76.36
<b>TOTAL</b>	<b>59</b>	<b>546.45</b>	<b>100.00</b>	<b>391.85</b>	<b>71.70</b>

1.3.3 Out of the 59 operations financed, 42 have been completed and 17 are active. Total net commitments of the 17 ongoing operations stand at UA 180.64 million.

#### (b) Overview of Ongoing Operations

1.3.4 Since the last Bank portfolio review in 2001 which covered 12 (twelve) operations, 2 (two) operations have been completed and 7 (seven) new operations have been approved under ADF VIII and IX. Between the last review and this one, 2 (two) operations have been closed. The first is the Tariff Reform and Competitiveness Promotion Programme (PRTPC). The second is the Energy Sector Adjustment Programme; with an undisbursed amount of UA 4 million which has been cancelled. The ongoing portfolio, more than 50% of which has been renewed, comprises 17 (seventeen) operations including seven in the rural development sector, one project in the transport sector, one project in the utilities sector, six operations in

the social sector and two operations in the multisector. The table below, extracted from Annex 2, shows the distribution by sector of these ongoing operations:

**Table 1.3 : Bank Ongoing Operations as at 14/06/04**  
( UA million)

Sector	Number of Operations	Net Commitments	% by Sector	Amount Disbursed	% Disbursed
Rural Dev.	7	55.22	30.57	13.57	24.60
Transport	1	15.00	8.30	5.76	38.40
Utilities	1	11.93	6.60	0.00	0.00
Social	6	72.94	40.38	23.08	31.70
Multisector	2	25.55	14.15	0.00	0.00
<b>TOTAL</b>	<b>17</b>	<b>180.64</b>	<b>100.00</b>	<b>42.41</b>	<b>23.50</b>

## II. REVIEW OF ONGOING OPERATIONS

The review covered only 10 (ten) of the 17 (seventeen) ongoing operations because the remaining seven are not yet effective. Out of the 10 (ten) operations under review, 4 (four) are in the agricultural sector, 4 (four) in the social sector, 1 (one) in the transport sector and 1 (one) in the utilities sector. Operations in the agricultural sector are: (i) the agricultural modernization and intensification project (PMIA); (ii) the livestock project II; (iii) the Anambé basin rural development support project; and (iv) the PNIR community road support project. Operations in the social development sector are: (v) the Education Project II; (vi) the education and nursery and secondary education support project; (vii) the poverty reduction project; and (viii) the Health Project I. Operations in the transport and the utilities sectors are respectively (ix) Diam Niadio-Mbour-Kaolack road project; and (x) the Dakar city sanitation programme. Although the average age of the projects under review is 4 (four) years, it should be pointed out that some projects which have experienced difficulties during their implementation, in particular the Education II and Health I projects, tend to age. Additionally, there is one risky project (Dakar sanitation project) with an overall rating of less than 1.5. Lastly, the amount of disbursements under all the loans and grants covered by this review stands at UA 33.77 million, representing a rate of disbursement of 30% (cf table of operations covered by the review, § 2.9, page 30).

### 2.1 Rural Development Sector

2.1.1 **Status of Sector** : The Bank Group has already financed 13 (thirteen) projects and 3 (three) studies in this sector. Some progress has been made since the last portfolio review of 2001. In fact, progress reports as well as audit reports are more regularly transmitted to the Bank. The State discharges better than before its financial obligations (repayment of debt and provision of counterpart funds for financing of projects). However, there are still delays in the fulfilment of conditions precedent to effectiveness and to the first disbursement (9 to 10 months), as well as in the procurement of goods, services and works. At present, two operations (the livestock development study and the small-scale local irrigation support project) were approved at the end of 2003 but the loan and grant for these operations are not effective. Four operations are being implemented, namely: the agricultural modernization and intensification project, the livestock project II, the Anambé basin rural development support project and the PNIR community roads support project. These projects are part of the Government's priorities in the agricultural sector aimed at ensuring food security, reducing poverty in rural areas and achieving participatory and sustainable development.

## A. Agricultural Modernization and Intensification Project (PMIA)

### A.1 Basic Administrative and Financial Data (UA)

<u>Amount</u> : ADF : 10 000 000	Disbursements : 9 710 014.52 Rate of Disbursement : 97.10%	Balance :289 985.48
Approval Date : 05/06/97	Date of Signature : 22/05/97	Date of Effectiveness : 31/08/98
Deadline for Last Disbursement : 30/12/04	Executing Agency : Ministry of Agriculture	
Audit : Fiscal Years 1999, 2000, 2001 and 2002 : carried out ; Fiscal 2003 and 2004 : Launching carried out	Date of Last Supervision Mission : December 2003	
<u>Objectives, Description and Components</u> : The Agricultural Modernization and Intensification Project (PMIA) aims at improving the country's food security by increasing production; increasing exports (fruits and vegetables); reducing imports of food products (cereals, fruits and vegetables), improving incomes in rural areas; and preserving natural resources. The project components financed by the ADF are: (i) crop intensification, by putting in place a credit fund accessible to producers; (ii) revival of horticulture, through the rehabilitation of three horticultural areas and the putting in place of a credit fund for private promoters; (iii) renewal and modernization of agricultural equipment, by putting in place a credit fund for private promoters to finance the purchase of small farm implements and ploughing equipment; and (iv) marketing and processing of agricultural products thanks to the project's support to the populations' fruit, vegetable and meat storage, preservation and sale infrastructure building initiatives and to the establishment of a loan fund to support marketing professionals.		

### A.2 Compliance with Conditions Precedent/Commitments

The effectiveness of the loan amounting to UA 10 million was declared in August 1998 with a seven month delay. The other conditions were met within the deadlines prescribed in the appraisal report. Since the last review of 2001, progress and audit reports have been transmitted regularly to the Bank. The mid-term review of the project was conducted. The Government paid in time all the counterpart funds provided for in the project financing plan. However, the external monitoring of the Ministry of the Economy and Finance and the Ministry of Agriculture and Livestock is yet to be strengthened.

### A.3 Procurement Performance

On the whole, the procedures for the procurement of goods, services and works were followed. A total of 33 (thirty-three) contracts were awarded and performed without major problems. The planned services were provided to the satisfaction of the Bank. A firm is being recruited to carry out the fiscal 2003 and 2004 audits. An amendment to the contract with the accounting firm providing accounting assistance to the project was signed in April 2004 to cover the 2003 fiscal year. A shopping was launched in March 2004 for the recruitment of an accounting firm for the 2004 fiscal year.

#### **A.4 Financial Performance**

Availability of foreign exchange and of local currency did not pose any problems. The rate of disbursement is 97.10%. In addition, it should be recalled that concerning the management and recovery of costs, the Government undertook, in the framework of the Livestock Support Project (PAPEL) loan, to ensure the sustainability of the PMIA credit system.

#### **A.5 Project Activities and Outputs**

Most of the project objectives were achieved as at 31 December 2003. At this date, the total amount of credits granted stood at CFA F 5, 628,833,537 for 2,697 projects including 107 through commercial banks and 2,590 through mutual associations. Some 21 (twenty-one) mutual associations and 4 (four) banks benefited from credits. The banks are Société Générale des Banques du Sénégal (SGBS) with 44 projects, Caisse Nationale de Crédit Agricole (CNCA) with 42 projects, Banque internationale pour le commerce et l'industrie du Sénégal (BICIS) with 12 projects and Crédit Lyonnais du Sénégal (CLS) with 9 projects. The rates of repayment are satisfactory. They vary from 70% to 100% depending on the financial institution with an overall rate of 96% at the end of December 2002 and 88% at the end of July 2004. The slight decrease is due to the floods of 2003 which affected the banana plantations of the Tambacounda Region. The financial institutions (banks and mutual associations) comply with the prudential ratios and prepare regularly the quarterly and annual progress reports. However, in spite of capacity building carried out by the PMIA, some mutual associations still show signs of weakness which should be addressed in the framework of the sustainability of the credit system undertaken by the Government. A third extension of the deadline for the last disbursement from 31 December 2003 to 30 December 2004 has been approved by the Bank in order to complete the development of the irrigated areas, finalize the study on the sustainability of the credit system and conduct the final project evaluation study (the provisional report is expected at the end of August 2004) to help take a decision as to the best way of ensuring the sustainability of the credit system.

#### **A.6 Impact on Development**

The project has had satisfactory outcomes and positive impacts on development. In fact, the credits benefited about 9 000 farmers 52% of whom are women. Out of a target 15,900 ha of annual crops, the project helped cultivate 20,636 ha (4,100 ha of rice, 4,038 ha of millet/sorghum, 1,085 ha of maize and 11,339 ha of groundnuts), that is an implementation rate of 129%. The project has also produced 6,784 herds of cattle (beef cattle), 1,489 herds of sheep (beef), about 500,000 broilers and six million eggs. Concerning the revival of horticulture, the project helped cultivate 1,349.5 ha of crops (313 ha of green bean and 297 ha of banana). The project accounted for 20% of the country's exports of vegetables (about 1 500 tonnes). The main rehabilitation works on the three horticultural areas (Kirèse, Thieudeme and Dieuguene) covering 235 ha have been completed. Concerning fisheries the private promoters are exploiting their pots. All problems related to mutual associations operating in the project area (authorization of the Ministry of the Economy and Finance) and to groups of users have been solved and the development of the areas for the farmers has been started.

## A.7 Overall Performance Assessment

The project activities have virtually been completed. The rates of credit recovery are satisfactory. The PMIA mechanism and credit system should be consolidated and sustained. The overall performance of the project is satisfactory, in spite of the three extensions granted by the Bank during the life of the project.

Indicator	Compliance with Conditions	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
Rating	2	2	3	2	3	2.40

## A.8 Problems and Recommended Actions

Problems	Recommended Actions	Schedule
- Sustainability of the credit system	-Complete the ongoing study on sustainability;  -Complete the final project assessment study ;  -Organize the Bank completion report preparation mission	To be carried out in August 2004  January-September 2004 (the study is under way and the provisional report is expected by the end of August 2004)  September 2004

## B. Livestock Support Project II (PAPEL II)

### B.1 Basic Administrative and Financial Data (UA)

<u>Amount</u> : ADF : 10 000 000	Disbursements : 2 385 678.28 Rate of Disbursement : 23.9%	Balance : 7 614 321.82
Approval Date : 17/05/2000	Date of Signature : 14/07/2000	Date of Effectiveness : 02/01/02
Deadline for Last Disbursement : 31/12/07  Audit : Fiscal 2002 : carried out ; 2003: launching under way	Executing Agency : Department of Livestock. Date of Last Supervision Mission : December 2003	
<p><u>Objectives, Description and Expected Outputs</u> : The sectoral goal of the project is to strengthen food security and contribute to poverty reduction. The specific objectives of the project are to: increase meat and milk production; and (ii) increase the incomes of the populations of the project area. The major expected outputs of the project are: (i) establishment of a genetic improvement centre; (ii) improvement of livestock conditions (health, feeding and housing); (iii) putting in place of a multi-purpose supervision mechanism and a research and development network; (iv) development, rehabilitation and strengthening of water points; (v) control of bushfires by creating 1,500 km of firebreaks; (vi) management of rangeland; (vii) driving of herds; (viii) soil restoration; (ix) reforestation of 1,500 ha; (x) control of water pollution (xi) re-sowing of some herbaceous and woody species; (xii) putting in place of a multidisciplinary team for the participatory approach, supervision and restructuring of farmers' organizations; (xiii) setting up of village and inter-village grassroots committees; (xiv) creation of five services delivery centres; (xv) building of the managerial capacity of farmers' organizations; (xvi) provision of support to collective activities; (xvii) milk processing through the creation of private dairies; (xviii) construction of 10 milk collection centres; (xix) creation of sales points and 20 warehouses; (xx) distribution on credit of doses of imported Zebu seeds and doses of Mombéliard and Holstein seeds, breeding stock, goats and sheep breeding stock; (xxi) construction of sheep pens, goat pens, haylofts, cow-sheds, vaccination yards; (xxii) installation of private veterinarians, stockbreeding auxiliary staff, environmental agents and private inseminators.</p>		

## **B.2 Compliance with Conditions Precedent/Commitments**

The loan agreement covering an amount of UA 10 million was signed on 14 July 2000. The effectiveness of the loan was declared on 1 February 2002, that 18 months after signature due mainly to the delay in the recruitment of project experts through a consulting firm. The other conditions have been fulfilled with the exception of condition (ii) relating to the preparation and submission to the Bank of environmental management plans. The deadline for fulfilment of this condition has been extended to 31 December 2004. The convention between PAPEL and PMIA to put in place a credit component has been signed in accordance with the loan agreement and came into force in January 2004.

## **B.3 Procurement Performance**

On the whole, the procedures for the procurement of goods, services and works were followed. A total of 14 (fourteen) contracts were awarded and performed (or are being performed) without major problems. The audit report on fiscal 2002 accounts was prepared and the audit of the 2003 accounts is being launched.

## **B.4 Financial Performance**

Availability of funds in foreign exchange and local currency did not pose any problems. The first disbursement was made on 6 August 2002 and the rate of disbursement of the ADF loan is 23.9%. The disbursement of counterpart funds is satisfactory and stands at CFAF 440,835,181, representing a rate of disbursement of 20%. The executing agency is requesting the Bank to process payment requests more rapidly.

## **B.5 Project Activities and Outputs**

The major project outputs concern the training of 30 inseminators, the carrying out of an artificial insemination campaign covering 620 cows, the rehabilitation of eight milk collection centres, a vaccination campaign against fowl disease, the putting in place of 50 village feed depots, environmental training, reforestation (16 000 plants), the carrying out of two campaigns, one for the promotion of the cultivation of fodder crops and the other for the constitution of fodder reserves and the control of bushfires, the provision of support to five producer organizations for the procurement of feed inputs, the preparation of the project manual of procedures, as well as the procurement of means of transport for the project coordination unit.

## **B.6 Impact on Development**

The first results obtained in terms of production are satisfactory. In particular, the project has resulted in the production of 150,000 litres of milk dispatched to Dakar and supported the putting in place of a dairy. There is already a positive impact on development generated by the actions already initiated such as the artificial insemination of 620 cows, poultry vaccination campaigns, the installation of village decentralized feed depots of a capacity of 800 tonnes, the revitalization of pastoral units, the constitution of fodder reserves and the building of the capacities of breeder organizations.

## **B.7 Overall Performance Assessment**

After the delays suffered in the start-up phase, the project is now being implemented without major difficulties. The pace of progress of activities is satisfactory. The credit component of the project has started. The overall performance of the project is good.

Indicator	Compliance with Conditions	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
Rating	2	2	2	2	2	2

## **B.8 Problems and Recommended Actions**

Problems	Recommended Actions	Schedule
Delays in the processing of documents	<ul style="list-style-type: none"> <li>- Reduce the period of processing of documents to one month (Bank);</li> <li>- Avoid frequent change of project officer</li> </ul>	From January 2004

## **C. Anambé Basin Rural Development Support Project (PADERBA)**

### **C.1 Basic Administrative and Financial Data (UA)**

Amount : ADF : 7 180 000	Disbursements : 592 490.02 Rate of Disbursement: 8.30%	Balance : 6 587 509.98
Approval Date : 25/04/2001	Date of Signature : 26/10/2001	Date of Effectiveness: 11/07/2002
Deadline for Last Disbursement: 31/12/2008 Audit : Fiscal Years 2002 and 2003 : Launching under way	Executing Agency : Senegal Agricultural and Industrial Development Company (SODAGRI) which will delegate the implementation of the project on the ground to the CCP Date of Last Supervision Mission: December 2003	
<p><u>Objectives, Description and Activities:</u> The sectoral goal of the project is poverty reduction and contribution to food security. Its specific objective is sustainable increase of production and farmers' incomes. The major project activities are: preparation and implementation of local development plans (LDP) of seven rural communities (RC) on the basis of diagnostic studies and land-use and allocation plans (POAS); literacy education and training of rural agricultural extension officers and producers (2,000); putting in place of a development fund for the seven rural communities intended for building social infrastructure (schools, health huts and posts, village water points, latrines building programme and village afforestation programme); improvement of about 100 km of farm-to-market roads; building of the capacities of rural communities and farmer-breeder professional organizations; revival of the development of the Anambé main area of a serviced surface area of 4 170 ha to achieve a crop intensify rate of 130%; building of pastoral infrastructure (7 vaccination yards and 25 water points); provision of support for the development and management of 200 ha of small areas for the populations of rural communities who do not have plots of land in the main area; and provision of support for the establishment of a decentralized credit system.</p>		

## **C.2 Compliance with Conditions Precedent/Commitments**

The loan was approved by the ADF on 25 April 2001 and the loan agreement was signed on 20 October 2001. The effectiveness of the loan amounting to UA 7.18 million was declared on 11 July 2002, that is nine months after signature of the loan agreement. The other conditions are partially fulfilled. The convention with the ISRA in particular is still to be signed. The draft convention has already been transmitted to the Bank. The deadline for fulfilment of this condition is 31 December 2004. The condition relating to the formulation of the water tariff system allowing for the servicing and maintenance of irrigation and drainage facilities and infrastructure is being fulfilled. In fact, the project has launched a shopping to recruit an expert to assist in the formulation of the tariff system and the provisional study report has already been received by the Bank. The half-yearly reports are submitted regularly. Because of the limited level of already implemented activities, the accounts of the 2002 and 2003 fiscal years will be audited at the same time.

## **C.3 Procurement Performance**

On the whole, the procedures for the procurement of goods, services and works were followed. Eight contracts were awarded and already been performed or are being performed without any major problems. A shopping has been launched for the preparation of a technical and economic study and bidding documents for works on small irrigated areas. The conventions with PMIA and ANCAR have been signed. The project has launched a shopping for the auditing of the accounts of the 2004 and 2005 fiscal years.

## **C.4 Financial Performance**

Availability of foreign exchange and of local currency does not yet pose problems. The Government is properly honouring its obligations of providing counterpart funds. In contrast, the rate of disbursement of the loan is low (8.30%). However, the Bank has received a request for CFA F 450 million for the local development fund which is being processed. The relatively low rate of disbursement can be explained to a larger extent by the delay in the implementation of the project's participatory approach which would prepare the populations well and mobilize them for the formulation of local development plans and land-use and allocation plans which are the basis for project interventions. This low disbursement rate is also due to the reticence of contractors to request mobilization advances in accordance with the contracts signed.

## **C.5 Project Activities and Outputs**

The project activities centred on the organization of campaigns to mobilize and sensitize the populations, the launching of technical extension works and the building of administrative offices and the head offices of the Federation of Anambé Basin Producers and of Anambé Basin Producer Association, the launching of renovation works of the low-income electrical and telephone grid as well as the procurement of vehicles. The studies relating to the preparation of LDP and POAS were prepared. The implementation of the convention signed with PMIA is already effective. The project will ensure that the implementation of all the project activities is accelerated and launched.

## C.6 Impact on Development

The preparatory phase has just been completed (studies, local development plans, information and sensitization) and the project is at its peak with the launching of investment financing activities. In addition, the project has initiated the credit extension phase because during the next marketing year, the extension process will be started ( a sum of CFA F 170 million of credit funds was disbursed and a convention with the agricultural modernization and intensification project is now effective), which will have an impact on production in the irrigated areas. Consequently, there is a strong probability that the project will attain its objectives in terms of development and will continue to generate benefits beyond the investment phase.

## C.7 Overall Performance Assessment

The PADERBA is not facing major constraints. However, special attention should be paid by the authorities by clarifying to producers of the Anambé basin the Government's decision concerning the cancellation or not of the debt. The implementation of the project suffered some delays in its start-up phase but could be speeded up thanks to a better organization of project activities and greater involvement of the Project Coordination Unit (CCP) in the management of the project. The validation and adoption of the local development plans of the targeted rural communities by the local authorities will make it possible to bolster and speed up the implementation of the project.

Indicator	Compliance with Conditions	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
Rating	2	2	2	3	2	2.20

## C.8 Problems and Recommended Actions

Problems	Actions	Schedule
Delays in the implementation of the project	Implement the project activities (credit, research and development, training)	Activities effective since the first quarter of 2004 ;
Convention with the ISRA	Finalize and sign the convention	Convention to be signed at the end of December 2004 ; the draft convention was transmitted to the Bank in July 2004

**D. Community Road Project in Support of the National Rural Infrastructure Programme (PNIR)**

**D.1 Basic Administrative and Financial Data (UA)**

Amount: 11 852 000	Disbursements : 196 858.33 Rate of Disbursement : 1.70%	Balance : 11 655 141.67
Approval Date : 03/04/2002	Date of Signature : 06/05/2002	Date of Effectiveness : 04/02/2003
Deadline for Last Disbursement : 31/12/2006 Audit : Fiscal Year 2003 : Not yet carried out	Executing Agency : PNIR National Coordination Unit attached to the Ministry of Agriculture Date of Last Supervision Mission : December 2003	
<u>Objectives, Components and Description</u> : The objective of the project is to contribute to poverty reduction and to the improvement of living conditions in rural areas. Its specific objective is to open up rural communities. The project comprises two components, namely: improvement of community roads; and (ii) project management. It envisages the improvement of about 1,800 km of roads in 90 rural communities.		

**D.2 Compliance with Conditions Precedent/Commitments**

The project was approved on 3 April 2002 and the loan agreement was immediately signed on 6 May 2002. However, the effectiveness of the loan and fulfilment of conditions precedent to the first disbursement were delayed owing to non-compliance of the designation of the project team with the provisions of the project appraisal report. The condition relating to the transmission to the Fund of half-yearly progress reports on the rural taxation reform process has not been fulfilled. In addition, the borrower should regularly furnish these reports and speed up the preparation of the law to reform rural taxation which, according to the loan agreement, should be submitted to the Bank on 31 December 2004 at the latest. The condition relating to the transmission to the Bank of the manual of road maintenance standards and guidelines was not fulfilled before 31 December 2002 as stipulated in the loan agreement. The project recruited a consultant financed by the World Bank to help prepare the manual. This condition should be fulfilled no later than 31 December 2004.

**D.3 Procurement Performance**

The first competitive biddings are being launched. They are documents relating to the conduct of detailed design studies, the preparation of bidding documents and supervision of works.

**D.4 Financial Performance**

Only the first revolving fund has been disbursed, which represents a rate of disbursement of 1.70%. This low rate is due to a relatively long phase of preparation of participatory diagnoses and local development plans, and conduct of engineering studies. On the other hand, the Government is honouring its financial commitments envisaged under the project.

## **D.5 Project Activities and Outputs**

In terms of output, the local development plans of 51 rural communities, together with annual investment plans, out of the 90 planned by the project have been prepared and validated by the Rural Boards and the authorities. The shopping documents for engineering and economic studies and the bidding documents for works have been launched and the award proposals have been approved by the Bank. The shopping documents on engineering-economic studies and bidding documents concerning the 39 remaining rural communities have already been approved by the Bank.

## **D.6 Overall Performance Assessment**

The project is properly launched and is being implemented normally. The rural taxation study should be monitored very closely. The overall project performance is not yet satisfactory.

Indicator	Compliance with Conditions	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
Rating	1	-	2	2	-	1.7

## **D.7 Problems and Recommended Actions**

Problems	Recommended Actions	Schedule
Delay in the fulfilment of other conditions relating to rural taxation and to the preparation of maintenance standards and guidelines	Comply with the other conditions relating to rural taxation and to the preparation of maintenance standards and guidelines.	December 2004

## **2.2 Transport Sector**

**2.2.1 Status of the Sector :** Since 1973, the Bank Group has financed 5 (five) projects and a road study in the transport sector in Senegal. Resources invested in the sector amount to UA 32.85 million. All these operations have been completed, with the exception of the last operation approved in July 2001 and whose activities have already started. The different loans granted were fully disbursed, apart from an amount of UA 2.065 million cancelled after completion of the concerned projects. The revised rate of project disbursement stands at 96.1%. It can be noted, as experience gained from these operations financed by the Bank Group, that the executing agencies involved have progressively familiarized themselves with Bank procedures through exchanges with the relevant services during supervision and monitoring missions and seminars on the procurement of goods and services. However, all donors have noted that state bodies are not efficient in planning and management. Institutional improvements such as the establishment of autonomous agencies, the privatization of road maintenance and of certain public enterprises in the sector are the major measures implemented by the Government with the support of donors to address this situation. At the same time, the executing agencies have benefited from institutional building through technical assistance, training sessions and restructuring. The objectives of the Second Transport Sector Programme (PST-2) which started in 2000 include the improvement of the

existing institutional framework and adaptation of road, rail, port and airport infrastructure to the needs of the various sectors of activity, placing emphasis on the opening up of rural areas hard to reach as concerns the road subsector.

## **E Diam Niadio-Mbour-Kaolack Road Rehabilitation Project**

### **E.1 Basic Administrative and Financial Data (UA)**

<u>Amount</u> : ADF : 15 000 000	Disbursements : 7 111 233.38 Rate of Disbursement : 47.41%	Balance : 7 888 766.62
Approval Date : 12/07/2001	Date of Signature : 24/10/2001	Date of Effectiveness : 15/02/2002
Deadline for Last Disbursement : 12/31/2005 Audit carried out for 2002 but yet to be carried out for 2003	Executing Agency : Autonomous Agency for Road Works (AATR) Date of Last Supervision Mission : May 2004	
<u>Objectives, Description and Components</u> : The sectoral objective of the project, which is an integral part of the PST-2, is to contribute to the improvement of the general state of the road network, in order to boost economic growth and reduce poverty. More specifically, the rehabilitation of the road is aimed at improving the level of service and reducing transport costs. The project components financed by the ADF are: (i) rehabilitation works on the Diam Niadio-Mbour and Fatick-Kaolack road sections; (ii) control and surveillance of works on the two sections; and (iii) auditing of the project accounts.		

### **E.2 Compliance with Conditions Precedent/Commitments**

The loan agreement was signed in October 2001 and the effectiveness of the loan was declared on 15 February 2002, that is four months after the date of signature. Hence, the project performance can be considered as satisfactory. Regarding the other conditions, the borrower is bound to provide to the Bank at the beginning of each year, from 2002 to 2005, evidence of putting at the disposal of the AATR resources for the implementation of the annual road maintenance programme approved beforehand by the Road Board. Thus, the Government made funds available to the AATR for the 2002 fiscal year. For fiscal 2003 and 2004, evidence of allocation of funds was transmitted to the Bank in May 2004.

### **E.3 Procurement Performance**

Shopping documents for the recruitment of a firm for the control and monitoring of works were prepared and launched in accordance with Bank rules and procedures. The same holds good for the preparation and launching of bidding documents relating to works on the two road sections (Diam Niadio-Mbour and Fatick-Kaolack) which received the non-objection opinion of the Bank on 21 May 2002. The launching of the competitive bidding on 18 August 2002 for the selection of contractors responsible for executing the works was also done in accordance with Bank rules and procedures. The same is true for the recruitment of a consultant to carry out the auditing of the project. From this point of view, the project performance is therefore satisfactory.

### **E.4 Financial Performance**

Availability of funds in foreign exchange and local currency no longer poses problems. The rate of disbursement is 47% and can be considered as satisfactory. Concerning the cost of basic contracts, a consultant carried out the update of the works on the

two road sections. The study showed a total increase in the cost of basic contracts of about 17%. The Government was requested to either scale down quantities and certain price components to maintain the initial budget or to bear the additional costs. The Government opted for the first solution consisting in scaling down quantities and certain price components. In addition, the ADF honoured all payment requests submitted to it for mobilization advances and advances for works and services provided, with the exception of amounts payable in Euros to the contractor CSE because of the problem of currencies of payment specified in the letter of contract. Considering the foregoing, the financial performance is fairly satisfactory.

### **E.5 Activities and Outputs**

The execution of the works, which was approved in July 2001, only began in November 2002 for Diam Niadio-Mbour section and in January 2003 for Fatick-Kaolack section due to: (i) the delay in the award of works contracts and recruitment of the consultant responsible for the control and monitoring of the works; and (ii) delays between the signing of contracts and the beginning of the contractual deadlines. In addition, the AATR had the successful contractors carry out the engineering studies which revealed the need to strengthen the initial project design by additional works. This gave rise to amendment No. 1 to the initial contracts. Work on road sections already open to traffic was carried out according to the contractual rules. Concerning financial performance, disbursement requests have not yet been honoured by the Bank according to the financial statement drawn up by the review mission. Lastly, following its non-objection opinion, the borrower has just transmitted the finalized and signed amendments to the Bank.

### **E.6 Impact on Development**

The integration of the environmental and social component was rendered effective by the AATR which carried out the following actions: (i) integration of an environmentalist into the review mission team; (ii) involvement of the Forestry Commission (Eaux et Forêts) in the implementation of the project (felling of trees and reforestation); (iii) involvement of contractors in the execution of works on various networks; and (iv) adoption of a participatory approach by involving local councillors in the overall and integrated management of the project. An Environmental and Social Management Plan (PGES) was integrated into the implementation plans. The PGES was prepared by CELCO with the participation of two environmentalists working respectively for the AATR and the review mission. This team, which is already operational, ensures the monitoring and supervision of the implementation of the PGES. From this point of view, the performance of the project is considered as satisfactory.

### **E.7 Overall Performance Assessment**

The overall performance of the project activities is as follows :

Indicator	Compliance with Conditions	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
Rating	2.5	2.3	2	2	2.5	2.26

## E.8 Problems and Recommended Actions

Problems	Recommended Actions	Schedule
Additional excavation, surfacing and road marking works due to an underestimation at project appraisal	The Government must scale down quantities and certain cost components	Study carried in January/February 2004 and amendment transmitted to the Bank at the beginning of August 2004
Failure to take into consideration at appraisal of certain environmental impact mitigation measures (networks, water, electricity, telephone, orchard, etc.)	The Government must scale down quantities and certain cost components	Study conducted in January/February 2004 and amendment transmitted to the Bank at the beginning of August 2004
External auditor not yet recruited	The Bank must expedite the issuance of the non-objection opinion	Opinion given in March 2004, auditor recruited and provisional report deposited at the AATR
Insufficient resources to cover the monitoring and supervision component of the works (20% of ECOWAS contribution already used)	The Government must find a solution to this situation	Problem solved by the Government
Late payments due to non-conformity of payment requests with contract currencies.	The borrower must ensure that payment currencies conform with those contained in contracts	Duration of the project

## 2.3 Public Utilities Sector (Energy, Water and Sanitation)

2.3.1 **Status of Sector:** Since the beginning of its operations in Senegal, the Bank has financed 13 (thirteen) operations in the utilities sector for a net commitments amount of UA 70.70 million. The operations centred on sanitation, rural electrification, urban electrification and support to energy sector reforms. The rate of disbursement in the sector is 77.47%. Some UA 4 million of the UA 10 million loan granted by the Bank under the Energy Sector Adjustment Project has just been cancelled due to failure of the plan to privatize SENELEC. This amount corresponds to the second tranche of the loan..

2.3.2 Despite this failure, support to the reforms helped in the restructuring of the energy sector which resulted in the adoption of a sector policy letter and the putting in place of new structures for the management of the sector, including the Energy Sector Regulatory Commission and Senegal Rural Electrification Agency (ASER). Discussions have been initiated by the authorities, with the support of the leading donors, with a view to privatizing electricity production and distribution. At the moment, the utilities sector has one active project, notably the Dakar City Sanitation Project.

## F. Dakar City Sanitation Project

### F.1 Basic Administrative and Financial Data (UA)

Amount: ADF : 11 930 000	Disbursements : 0.00	Balance :11 930 000
Approval Date : 12/07/2001	Date of Signature : 26/10/2001	Date of Effectiveness : 22/08/2002
Deadline for Last Disbursement : 31/12/2006	Executing Agency: Senegal National Sanitation Office (ONAS)	
Audit carried out for 2002 but not yet for 2003	Date of Last Supervision Mission : February 2004	
<p><b>Objectives, Description and Components :</b> The objective of the Dakar City Sanitation Project is to contribute towards the quantitative and qualitative satisfaction of the sanitation needs of the populations through (i) improvement of the collection and treatment of household waste water ; (ii) increase of household waste water purification capacity ; and (iii) institution building of the Senegal National Sanitation Office (ONAS). The project comprises six components, namely: (i) extension of the purification plant; (ii) restructuring of the household waste water pumping system in sites and services; (iii) information, education and communication programme; (iv) study, supervision and control of works; (v) project management; and (vi) institutional support.</p>		

## **F.2 Compliance with Conditions Precedent/Commitments**

All effectiveness conditions were fulfilled and the loan was effective on 22 August 2002. Conditions for the first disbursement have been fulfilled since 11 February 2004. The other conditions have not yet been fulfilled, notably: (i) the submission of an IEC programme monitoring and evaluation plan acceptable to the ADF on 30 June 2002 at the latest; (ii) the provision of evidence of the implementation of the findings of the organizational study on 31 December 2003 at the latest; and (iii) the provision to the Fund of evidence that the amount of the present sanitation fee has been raised to at least CFA F 60.70/m<sup>3</sup> on 31 December 2004 at the latest. It should be noted that the fulfilment of these two conditions was linked to those of the first disbursement of the loan. In the final analysis, compliance with conditions precedent and other commitments is not satisfactory.

## **F.3 Procurement Performance**

At first, it was planned that the physical execution of works will start from November 2002 in order to put the structures into service in December 2004. Fifteen months after the effectiveness of the loan, no contract has been signed. Apart from difficulties related to the fulfilment of the loan conditions by the Government, the delay in the start-up of the project is also due, on the one hand, to difficulties encountered by ONAS in the procurement of goods and services and, on the other hand, to lack of coordination between ONAS and the Bank. In the present context, on the basis of activities initially planned, the building of the structures will be completed only in September 2007. This delay is unacceptable for the component "extension of the Cambérène treatment station" because of the increased pollution of the beaches of Cambérène village and the obvious risk of a popular uprising. In fact, the station, of a nominal capacity of 9 600m<sup>3</sup> /s, now conveys about 14600m<sup>2</sup> /day such that a volume of about 5 000m<sup>2</sup> /day of waste water is discharged into the sea after only primary treatment. It is foreseeable that this situation will get worse, considering the very active water connection policy being implemented and the conveyance from Lake Guiers towards Dakar of additional 85 000m<sup>3</sup>/day of drinking water by the end of 2004. There is therefore an urgent need to rapidly start the project financed by the ADF. To find a solution to the problems outlined above, the Bank fielded, in November 2003, a supervision mission during which several implementation scenarios were considered with the Senegalese authorities with a view to shortening the time limit for the completion of the extension of the treatment station, without prejudice to the quality of the extension work and to the Bank's rules of procedure. Account was also taken of the fact that the World Bank has started the construction of a new unit which had be constructed entirely with ADF financing. In fact , in view of the delay in the implementation of the ADF project, the World Bank, in addition to the rehabilitation of the former Cambérène station and putting in place of tertiary treatment, financed certain structures of the new unit whose capacity is 10 000m<sup>3</sup>/ day. The main structures lacking in this new unit and which should to be constructed with ADF financing are the aeration tank and clarificator and their connection with the other elements of the unit. After consultation between the Bank, the World Bank and the authorities, the turnkey plant option was adopted. An individual consultant was recruited to assist ONAS in the preparation and launching of an international competitive bidding for the recruitment of a contractor for the extension works of the treatment station, with a two-stage option for the examination of bids for the recruitment of the contractor. The recruitment of a firm, on the basis of a short list approved by the Bank, for the control and supervision of the works is under way. The report on the examination of bids is expected by the Bank.

**F.4 Financial Performance : N/A.****F.5 Project Activities and Outputs :**

No activity was carried out until then.

**F.6 Impact on Development :**

The project is already nearly two years behind schedule and is putting the set objectives at risk.

**F.7 Overall Performance Assessment**

The overall project performance is as follows:

Indicator	Compliance with Conditions	Procurement Performance	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
Rating	1	1	-	1	-	1

**F.8 Problems and Recommended Actions**

Problems	Actions	Schedule
Procurement of turnkey plant for the Cambèrène station	The Government must transmit a request to the Bank for revision of the method of procurement of goods ; - Recruitment of an expert for the preparation of bidding documents	Action taken in the first quarter of 2004  Action taken in the first quarter of 2004
Increase of the sanitation fee	Application of the tariff increase of the new scale	Action to be taken in the second half of 2004

**2.4 Social Sector**

2.4.1 **Status of Sector:** The Bank has already financed 11 (eleven) operations in the social sector for an amount, net of cancellations, of UA 88.94 million. Four of the operations are ongoing, namely: the Education Project II; the Basic and Secondary Education Support Project; the Poverty Reduction Project; and the Health Project I. The rate of disbursement is 32.48%.

**G Education Project II****G.1 Basic Administrative and Financial Data (UA)**

<u>Amount</u> : ADF: 12 000 000	Disbursements : 7 950 753.67 Rate of Disbursement : 66.25%	Balance : 4 049 246.33
Approval Date : 17/12/1996	Date of Signature : 31/01/1997	Date of Effectiveness : 16/12/1997
Deadline for Last Disbursement : 30/06/2004	<u>Executing Agency</u> : Department of General Administration and Infrastructure (DAGE) of the Ministry of National Education (MES). Date of Last Supervision Mission : March 2004	
<u>Audit</u> : Fiscal Year 1999 : carried out : Audit firm being recruited for fiscal years 2000 to 2003.		
<u>Objectives, Description and Components</u> : The project objectives are : (i) broaden access to primary education ; (ii) improve the quality and efficiency of basic education and scientific and technical education ; and (iii) strengthen the training of trainers. The project comprises five components: (i) support to scientific education in eight secondary schools in the Saint-Louis and Kolda regions; (ii) strengthening of academic inspectorates and departmental inspectorates; (iii) preventive maintenance; and (iv) project coordination unit.		

## **G.2 Compliance with Conditions Precedent/Commitments**

Conditions precedent to the loan agreement were fulfilled since 1996 but the effectiveness of the loan was declared on 16/12/1997 due to non-compliance by the borrower with the modalities for the designation of the project officer stipulated in the appraisal report. All “other conditions” of the loan agreement that the Government had to implement during the life of the project were also fulfilled. The 1999 audit report was transmitted to the ADF while a firm is being recruited for the audit of the 2000, 2001, 2002 and 2003 fiscal years. The Project Department has transmitted all the required progress reports to the Bank. On the whole, the performance of the project with regard to the fulfilment of conditions precedent and commitments is satisfactory notwithstanding the delay in the effectiveness of the loan.

## **G.3 Procurement Performance**

Since 2002, the project is managed by a consultant/architect responsible for processing all documents. The other cadres of the project implementation unit have resigned and have never been replaced. Because of lack of staff, the performance of the project is unsatisfactory as concerns the procurement of works, goods and services.

## **G.4 Financial Performance**

As at 14 June 2004, the rate of disbursement of the ADF loan is 66.25% while that of Government counterpart funds is 68.42%. This level of disbursement of the ADF loan is due largely to the delay in the procurement of furniture for 400 classrooms rehabilitated and equipment for science laboratories. On the whole, the financial performance of the project is satisfactory.

## **G.5 Project Activities and Outputs**

Since the last review of 2001, the project has suffered a considerable delay in the implementation of activities. At present, the overall implementation rate is estimated at 92.40%, which shows a slight increase of about 10% in two years. The building of 410 classrooms is being pursued, including 190 in the Saint-Louis region and 220 in the Kolda region. On another score, the rehabilitation of 400 classrooms has been completed, including 142 in the Saint-Louis region and 258 in the Kolda region. The same holds good for the rehabilitation and extension of IDENs of Saint-Louis (Dagana, Podor and Matam). The level of progress of the construction/rehabilitation of 34 science laboratories in the Saint-Louis and Kolda regions is at present estimated at 95%. The pedagogical training of 130 science teachers and 30 laboratory assistants of secondary schools was fully carried out. All the furniture, office and data processing equipment and vehicles for the Education Projects Coordination Unit have been procured. On the whole, the performance of activities and outputs is satisfactory.

## **G.6 Impact on Development**

The project has a definite impact on development as it has contributed to the improvement of the enrolment ratio of the country and to the reduction of gender inequalities and inequalities between regions. However, the positive effects of the project would have been more numerous if the implementation of activities, particularly the building of classrooms and procurement of equipment, had not suffered long delays. On the whole, the impact of the project on the social and economic development of the country is satisfactory.

## **G.7 Overall Performance Assessment**

The overall assessment of the project is considered satisfactory in the light of the five performance indicators used. The table below shows the rating of each indicator.

Indicator	Compliance with Conditions	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
Rating	2	1.5	2	2.5	2	2

## **G.8 Problems and Recommended Actions**

Problems	Recommended Actions	Schedule
Failure to carry out the 2000 to 2003 audits	Carry out the audits and transmit the audit reports to the Bank	Second half of 2004
Delay in the preparation of the national project completion report	Recruit a consultant and write the national project completion report	Fourth quarter of 2004
Works and procurement not carried out at the date of closure extended to 30/06/04	Finance the works and procurement not carried out	Third quarter of 2004 (not yet implemented)

## **H. Education Project III**

### **H.1 Basic Administrative and Financial Data (UA)**

<u>Amount</u> : Loan/Grant: 13 000 000	Disbursements : 4 254 359.97 Rate of Disbursement : 32.72%	Balance : 8 745 640.03
Approval Date : 13/09/1999	Date of Signature : 07/10/1999	Date of Effectiveness : 03/03/2001
Deadline for Last Disbursement : 31/12/2004	<u>Executing Agency</u> : Department of General Administration and Infrastructure of the Ministry of Education	
<u>Audit</u> : Carried out for 2001 and 2002 fiscal years ; not yet carried out for 2003	Last Supervision Mission : March 2004	
<u>Objectives, Description and Components</u> : The project aims to achieve the following specific objectives : (i) build the conception, managerial and planning capacities of the Ministry of Education ; (ii) broaden access to basic education ; and (iii) develop and improve the quality of general secondary education (EMS). The project, the implementation of which was initially planned for a period of four years, comprises the following components: (i) institutional support; (ii) strengthening of basic education; (iii) strengthening and improvement of the quality of secondary education; and (iv) project management.		

### **H.2 Compliance with Conditions Precedent/Commitments**

All conditions relating to the loan agreement and to the grant protocol agreement were fulfilled and effectiveness was declared on 3 March 2001, that is 15 months after signature of the loan. This long delay was due to non-compliance by the borrower with the modalities for designation of the project officer stipulated in the appraisal report. Regarding the other conditions, the Government has not yet transmitted to the Bank the list of teachers of schools and literacy education centres which must be opened in October 2004. The audit reports of the 2001 and 2002 fiscal years have been transmitted to the Bank. On the whole, the performance of the project as regards conditions and commitments is not satisfactory.

### **H.3 Procurement Performance**

Studies on and supervision of the construction of schools, literacy education centres, colleges and high schools had to be carried out by consulting firms to be recruited on the basis of short lists. In response to the Government's request, the Bank gave its non-objection opinion for this category of buildings to be built by the Department of School Contraction and Infrastructure (DCES) of the Ministry of National Education. This task was performed rapidly and is being monitored quite satisfactorily, considering the rate of execution of civil works. New consulting firms will be recruited on the basis of short lists for the monitoring of additional construction works. With regard to the procurement of services, furniture and equipment, performance is satisfactory.

### **H.4 Financial Performance**

The rate of disbursement of the ADF loan and grant is 32.72% and the rate of disbursement of Government counterpart funding is 49.13%. The low rate of disbursement of 32.72% can be explained by: (i) the fact that the studies, supervision and activities of the control firm (CFA F 208 million) were carried out by the DCES; (ii) the fact that the recruitment of three regional technical coordinators (CFAF 54 million) was given up and that DCES experts are carrying out the control work; (iii) the fact that the recruitment of an executive director (CFAF 334 million) and an accounting officer (CFAF 17 million) was abandoned for an accounting firm (CFAF 55 million); and (iv) the fact that the ETFP studies (CFAF 204 million) were conducted with financing from a Canadian fund. On the whole, the financial performance of the project is not entirely satisfactory.

### **H.5 Project Activities and Outputs**

The project, which took off late as regards its activities, is now implemented to the tune of 64.50%. The following activities are yet to be implemented: additional works and structures to render the primary, secondary and high schools functional; school projects; training and retraining of teachers and inspectors; recruitment of the project coordinator; and procurement of articles and equipment. The performance of project activities and outputs is, on the whole, satisfactory.

### **H.6 Overall Performance Assessment**

The overall performance of the project and rating per performance indicator are as shown in the table below:

Indicator	Compliance with Conditions	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
Rating	1.5	2.5	1.5	2.5	2.5	2.10

## H.7 Problems and Recommended Actions

Problems	Recommended Actions	Schedule
Failure to recruit coordinator	Recruit a project coordinator	Action taken in July 2004
Failure to transmit the 2003 audit report to the Bank	Submit the 2003 audit report to the Bank	31 July 2004 (report already transmitted to the Bank)
Absence of additional structures to render the schools built functional	Transmit to the Bank the finalized architectural document of the works and structures concerned	31 July 2004 (not yet transmitted)

## I Poverty Reduction Project

### I.1 Basic Administrative and Financial Data (UA)

<u>Amount</u> : ADF LOAN/GRANT : 11 750 000	Disbursements : 5 141 811.95 Rate of Disbursement : 43.76%	Balance : 6 608 188.,65
Approval Date : 30/06/1999	Date of signature : 19/08/1999	Date of Effectiveness : Loan : 06/04/2001 Grant : 19/08/2001
Deadline for Last Disbursement : 31/12/2004	<u>Executing Agency</u> : Project Management Bureau (BGP) of the Ministry of Family Affairs, Social Development and Solidarity	
<u>Audit</u> : Audits of 2001 and 2002 fiscal years carried out ; Audit firm being recruited for 2003	Date of Last Supervision Mission : March 2004	
<u>Objectives, Description and Components</u> : Following are the specific objectives of the project : (i) raise the educational level, technical and professional skills and self-development capacities of the target groups ; (ii) increase their income-generation capacities ; and (iii) ease their access to basic services. The project comprises the following four components: (i) building of the capacities of beneficiaries and partners; (ii) micro-finance and income-generating activities; (iii) infrastructure, equipment and water supply; and (iv) project management.		

### I.2 Compliance with Conditions Precedent/Commitments

All conditions precedent were completely fulfilled in 2000/2001 and the loan effectiveness and first disbursement declared on 06/04/2001. The audit reports of accounts closed on 31 December 2001 and 2002 were submitted to the Bank in August 2003 and January 2004 respectively. This situation can be explained in part by the delay in the effectiveness of the loan. The other conditions have already been fulfilled. The audit report of the accounts of the 2002 fiscal year were transmitted to the Bank in January 2004 and the Bank has transmitted its remarks on the document to the borrower.

### I.3 Procurement Performance

The project signed a convention with six SFDs responsible for financing beneficiaries without the approval of the Bank. Hence, these conventions will be completely financed by Government counterpart funds. Regarding the AGETIP, it is carrying out properly procurements relating to infrastructure works. In general, procurement rules and evaluation criteria contained in bidding documents are not always respected. Overall, the performance of the project in the procurement of works, goods and services is considered unsatisfactory.

#### **I.4 Financial Performance**

The rates of disbursement of the ADF loan and grant are 43.76% and 47.3% respectively. The rate of disbursement of Government counterpart funding is 85%. On the whole, the financial performance of the project is satisfactory.

#### **I.5 Project Activities and Outputs**

The overall project implementation rate is 66%. Activities centred on (i) provision of institutional support to targeted structures involved in the implementation of the project activities under the component concerning the building of the capacities of beneficiaries and partners; (ii) conduct of studies for a strategy adapted to the target groups, recruitment of implementation partners and mobilization of credit funds under the micro-finance and income-generating activities component; and (iii) recruitment of project managers of civil engineering contractors and two water engineering contractors under the infrastructure, equipment and water supply component. Additionally, the programmed works are being executed. The level of performance of project outputs can be considered satisfactory.

#### **I.6 Impact on Development**

The project already has visible effects in the areas of literacy education and income-generating activities. Generally speaking, the project will have a positive impact on development in Senegal in general and particularly on the poor populations who will have greater access to economic and social infrastructure such as village markets, local savings and loan funds and literacy education centres.

#### **I.7 Overall Performance Assessment**

The overall assessment is satisfactory. The project performance is as follows:

Indicator	Compliance with Conditions	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
<u>Rating</u>	2	1.5	2	2	2	2

#### **I.8 Problems and Recommended Actions**

Problems	Recommended Actions	Schedule
Choice of six SFDs for credit and signing of conventions with the six SFDs without the approval of the Bank	- Carry out an internal audit of the six SFDs - Finance the conventions signed with the six SFDs with Government counterpart funds	- Action implemented in the second quarter of 2004 ; - Action implemented
Constraints on the implementation of activities with respect to the remaining implementation period	- Request the Bank, on the basis of a programme of activities, to extend the deadline for the last loan and grant disbursement	A consultant has been recruited to evaluate the activities implemented

## **J Health Project I**

### **J.1 Basic Administrative and Financial Data (UA)**

<u>Amount</u> : ADF : 10 000 000	Disbursements : 6 239 722.04 Rate of Disbursement : 62.40%	Balance : 3 760 277.96
Approval Date : 10/12/97	Date of Signature : 27/05/1998	Date of Effectiveness: 11/10/1999
Deadline for Last Disbursement : 31/12/2004	<u>Executing Agency</u> : CAS/NHDP of the Ministry of Health, Hygiene and Prevention	
<u>Audit</u> : The audit report of the 2002 fiscal year has been transmitted to the Bank and the 2003 report is being drafted	Date of Last Supervision Mission : March 2004	
<u>Objectives, Description and Components</u> : The goal of the project is to contribute towards the improvement of the health status of the population, more specifically in the regions of Tambacounda, Kaolack and Fatick. This goal is in line with the priorities set out in the National Health Development Plan (NHDP 1998-2007) and the activities outlined in the Health Sector Integrated Development Programme (PDIS 1998-2002). The project, whose implementation is planned over a period of five years, comprises the following components: improvement of basic health care; (ii) consolidation of the first level referral system; (iii) extension of the referral capacities of regional hospitals; (iv) institutional building of medical regions; and (v) project management support.		

### **J.2 Compliance with Conditions Precedent/Commitments**

All conditions precedent had been fulfilled since September 1999 and the effectiveness of the loan declared on 11 October 1999, that is two years after project appraisal due to non-compliance of the choice of project officer with the provisions stipulated in the appraisal report. Two other loan agreement conditions have been fulfilled and two partially fulfilled. The audits for fiscal 2000 and 2001 were carried out and the reports transmitted to the Bank which has made its recommendations. The financial statements were certified. All problems raised in the preceding review were solved, particularly the absence of requests for use of vehicles, the absence of vehicle log books, and failure of the counterpart to defray banking charges. The Government transmitted to the Bank the audit report of the 2002 fiscal year carried out by the firm Synergies. The audit of the accounts of the fiscal year closed on 31 December 2003 is being carried out. On the whole, compliance with conditions of the loan agreement has not been satisfactory.

### **J.3 Procurement Performance**

The CAS/NHDP, DAGE of the Ministry of Health, AGETIP and UNICEF initiated and coordinated all activities concerning the procurement of goods and services related to the implementation of the project. After three and one half years of implementation, the project coordination unit masters better the Bank rules and procedures. The project performance with regard to the procurement of works, goods and services is satisfactory.

### **J.4 Financial Performance**

As at 14 June 2004, the rate of disbursement of the loan is about 62.40%. The Government has honoured its financial commitments under the loan agreement. The rate of disbursement of counterpart funds is 91%. The financial performance of the project is satisfactory..

## **J.5 Project Activities and Outputs**

The project is being implemented by way of a programme approach with a view to attaining the objectives of the Integrated Health Development Programme (PDIS). The CAS/NHDP is put in place to manage the activities of the PDIS which is financed by about twenty partners. The physical implementation rate is estimated at 74% as at 14 June 2004, and the rate of disbursement at 62.40%. Overall, the project is being properly implemented and bottlenecks are being cleared progressively. The extension of the date of closure of the project up to 31 December 2004 will help finalize all the planned activities, with the exception of the component Training of Competent EOC Teams for which alternative solutions are being considered jointly with the World Bank, in particular building of the capacities of the CGO and decentralization of training, so as to attain the set objectives. Default by SANFAM (an NGO) led to the cancellation of its contract. SANFAM has to reimburse CFA F 16 449 079 at the end of October 2004 at the latest. Another NGO is being recruited to replace it. On the whole, the performance of the project is considered satisfactory.

## **J.6 Impact on Development**

The building and equipping of rural maternity hospitals, the operating theatre of the CHR, the health hut, and the training of CES in gynaecology, anaesthesia, intensive care, and hospital management will have a satisfactory impact on economic development by improving the health of the people of Senegal. Moreover, the development of community activities by NGOs within the beneficiary populations will contribute to a better knowledge of health problems, and to the building of the capacities of the populations who will contribute to development in a more productive and more efficient manner.

## **J.7 Overall Performance Assessment**

The overall assessment is satisfactory. The project performance is as follows:

Indicator	Compliance with Conditions	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
<u>Rating</u>	1.5	2.5	2.0	2	2	2.0

## **J.8 Problems and Recommended Actions**

Problems	Recommended Actions	Schedule
Keep time limits with respect to the deadline, for closure of the project(December 2004)	Closely monitor the civil works and alternative proposal for format	Ongoing
Default by SANFAM	Ensure that SANFAM reimburses the full amount of CFA F 16 449 079	Fourth quarter of 2004

## **2.5 Aged Projects and Risky Projects**

2.5.1 Aged Projects: By defining an aged project as one that is at least eight years old, the portfolio therefore has no aged projects. However, there are three active projects approaching

this threshold, namely the Education Project II in the social development sector aged seven years and the Agricultural Modernization and Intensification (PMIA) and Health I projects aged six years in the rural development and social development sectors. On the part of the borrower, this situation is due primarily to delays at the level of effectiveness of projects varying between 15 and 24 months, resulting in a slippage of projects on the implementation schedule stipulated at appraisal. This is due to (i) non-compliance with the conditions of designation of project officers stipulated in the appraisal reports; (ii) late transmission of documents relating to section 5.01 of general conditions applicable to loan and guarantee agreements of the Fund, notably a copy of the appropriation law of the year of the loan, an attestation certifying that the indebtedness ceiling has not been exceeded issued by the Ministry of the Economy and Finance, and a copy of the legal opinion issued by the President of the Council of State. This situation is compounded by lack of mastery of Bank rules and procedures by the executing agencies, absence of a monitoring and evaluation mechanism and weak organizational and managerial capacities of project implementation units. On the part of the Bank, long delays in the processing of bidding documents and disbursement requests contribute to the ageing of projects.

**2.5.2 Risky Projects:** By defining a risky project as any problem or potentially problematic project with a high probability of not attaining the set objectives, the Dakar City Sanitation Project is the main project that can be considered as risky project in the Bank portfolio in Senegal. This project was approved in July 2001 and signed in October of the same year. Since then, no disbursement has been made and applying the Bank rules on the cancellation, the Bank should, in October 2004, notify the borrower of cancellation of the project if in the meantime nothing is done. The Education Project II (which was closed in June 2004) and the Health Project I can be included in this category, which will bring the overall number of risky projects to three, that is 30% of the projects that have been reviewed. It should, moreover, be pointed out that certain constraints persisting since the last review of 2001 may shift certain projects to the category of risky projects. The constraints include: (i) delays in the effectiveness of projects and the examination of documents for the above-mentioned reasons; (ii) weaknesses in the monitoring and evaluation of projects, non-compliance with general loan conditions (quarterly progress reports, audit reports, etc.); and (iii) non-fulfilment of other specific conditions because of lack of mastery of Bank procedures, poor expertise of project implementation units and absence of project monitoring and evaluation. The Government has pledged to remove these constraints and, hence, to improve the performance of the portfolio. It has therefore instituted a quarterly internal review of the Bank's portfolio, the last of which was conducted in mid-July 2004. The review report was transmitted to the Bank early in 2004. In addition, the designation of the project officer in July 2004 and his assumption of duty in the last quarter of 2004 will contribute to remove these weaknesses.

## **2.6 Assessment of Frequency and Quality of Supervision Missions**

The average rate of supervision missions during the 2002-2003 period was in conformity with the Bank standard. The quality of supervision missions also improved in terms not only of the composition of teams (at least two experts) and duration of missions (at least ten days), but also of the analysis of the status of projects, systematic inclusion of supervision reports in the SAP and monitoring of the implementation of recommendations. The institution by the Government of a quarterly internal review of the Bank's portfolio and the opening of the Senegal Regional Office will help improve the quality and frequency of supervision missions.

## 2.7 Cross-Cutting Issues

2.7.1 Bank Group intervention strategies in Senegal as a whole contribute to poverty reduction. They aim at promoting governance and participation and improving the living conditions of the populations, particularly vulnerable groups like women. They also contribute to the conservation of natural resources and the environment and the strengthening of the capacities of both public and private structures. Lastly, as part of its support to regional integration and NEPAD, the Bank intervenes, apart from basic allocation, to finance community projects that benefit Senegal, especially in the areas of road, rail and energy infrastructure, following banking and financial standards.

2.7.2 **Governance:** Senegal is still facing governance problems as shown by the complexity of private investment administrative procedures, legal and judicial procedures and government procurement procedures. One of the consequences of these governance problems is the low absorptive capacity of available investments. To address these problems, the Government adopted a vast good governance programme which aims to take up major challenges such as: (i) compliance with principles stipulated in the WAEMU transparency code concerning public finance reliability; (ii) timely availability of data on appropriation and settlement laws and TOFE; (iii) improvement of the management of public finances; and (iv) reform of the justice sector, combating corruption and development of the private sector.

2.7.3 Bank interventions take into account these governance-related issues. Hence, the tariff reform and competitiveness promotion programme has contributed to the improvement of fiscal and customs transparency. The private sector adjustment support programme contributes, among other things, to the implementation of the two CFAA/CPAR plans of action and to the promotion of private sector involvement in the development process. The Department of Forecasts and Statistics and the Poverty Reduction Unit Support Project will build economic information production and dissemination capacities and will prepare reference indicators for a better monitoring of the PRSP. Specific issues relating to justice will be taken into account in another project whose request has been received by the Bank and is being considered.

2.7.4 **Gender Issues:** Gender issues are at the centre of the preoccupations of most Bank interventions in Senegal. Thus, the three ongoing projects in the education sector complement the National Education and Training Development Programme (PNDEF). They help increase the gross girl enrolment ratio (TBS), lower the women illiteracy ratio and reduce the disparity between girls and boys in terms of access to and attendance at school. In the area of health, the two ongoing projects back up the National Health Development Programme (NHDP) and contribute to improve the rate of access by women to health services, reduce the infant mortality rate and check the spread of HIV/AIDS. The poverty reduction project is developing capacity-building, task reduction and income-generating activities for women. Two projects in the rural development sector are helping to improve the living and working conditions of women.

2.7.5 **Regional Integration:** The Bank is making its contribution in the process of implementation and consolidation of integration through ECOWAS, WAEMU and NEPAD, with emphasis on road and energy infrastructure, the social sectors as well as banking and financial standards. Some national projects in the transport sector foster integration by facilitating the movement of border populations. Other action, are initiated through other

regional bodies like the Treaty on the Organization for the Harmonization of Business Law in Africa (OHADA), the Inter-African Conference on Insurance Markets (CIMA) and the Inter-African Social Insurance Conference (CIPRES). In addition, specific programmes are implemented around water resources shared by the riparian countries of the Senegal river, under the OMVS, and the Gambia river, under the OMVG. With regard to the production of statistical data, Senegal benefits, among other things, from the AFRITAC project (cofinanced by the Bank) with respect to technical assistance in the area of currency, public finance and statistics. In fact, projects financed by the Bank in the context of regional and sub-regional integration contribute towards the modernization of Senegal's institutional framework and towards the broadening of the scope of economic decisions which are increasingly taking into account the requirements of efficient integration at both the regional and international levels.

**2.7.6 Environment:** All Bank ongoing projects are classified environmentally before appraisal and the requirements of environmental standards are taken into consideration. Such classification helped take into account in the appraisal reports measures to mitigate the environmental impact of projects like Dakar City Sanitation, Diam Nadio-Mbour-Kaolack Road and the PNIR. . Additionally, the tariff reform programme helped provide the legal bases for intervention in this sector, with the adoption of the environment code in 2000. Environmental protection is also a concern of the Bank in projects in the rural development sector, especially with the intensification of dry farming whose objectives include the development and dissemination of farming techniques that limit the rising of salts as concerns irrigated crops.

**2.7.7 Population:** Senegal's population is estimated at around 10 million in 2002, some 52% of whom are women. About 59% of the population live in rural areas. The rate of urbanization is 48% on average but very uneven according to the regions. It is 97% in the Dakar region, compared with 10% in the Fatick and Kolda regions. The average population growth rate is 2.7%, higher than the African average (2.4%). There are imbalances in terms of distribution in space which imbalances are aggravated by persistent migratory movements towards the country's major urban centres, particularly Dakar. This situation is very disturbing for a country whose food situation is precarious, economic growth is still subject to climatic variations and the balance of the State budget depends to a large extent on external aid. All these issues are taken into consideration in projects in the rural development, public utilities, transport and social development sectors.

**2.7.8 Poverty Reduction:** The proportion of the population living below the poverty line dropped from 54% in 2000 to 48.5% in 2003. Poverty is still localized more in the rural areas of the Centre and East than in the urban areas. All ongoing operations help to improve these indicators and reduce poverty through: (i) the development of small-scale irrigation and rural electrification; (ii) intensification and diversification of agricultural and animal production; (iii) strengthening of the decentralization process and building of the capacities of producers; (iv) broadening of access to education by developing the educational system's intake capacities, mainly at the early childhood level, in primary and secondary education and at the level of literacy education; (v) improvement of teaching and learning conditions in primary schools and colleges by providing, among other things, better security, health and hygiene conditions and broadening access to higher education using a decentralization approach. The poverty reduction project financed by the ADF has the following objectives: (i) raise the level of education, and strengthened technical and professional skills and self-development of the target groups ; (ii) increase their income-generation capacities ; and (iii) ease access to basic services. In the area of health, emphasis is placed on: (i) the consolidation of the

achievements of the Health Project I by pursuing capacity building, support to supervision and to the functioning of operating theatres, the development of emergency obstetric care (EOC), control of diseases such as malaria, sexually transmitted infections (STI/HIV/AIDS) as well as the major childhood diseases; (ii) the extension of some major innovations of the project to other regions, particularly support to the Matam region in the area of reproductive health and control of sexually transmitted diseases; and (iii) participation in the resolution of national priorities not yet covered as concerns health infrastructure, notably in the new region of Matam.

## **2.8 Overall Assessment of Portfolio Performance**

2.8.1 The table below shows that the overall performance of the operations under review is satisfactory, with a rating of 2 on a 0 to 3 scale.

### **2003 Review Rating**

Indicator	Status	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
<u>Rating</u>	1.75	2	2	2.20	2.20	2

2.8.2 Compared to the 2001 review performance, there is an improvement of the portfolio with an overall rating which increased from 1.6 in 2001 to 2.0 in 2003.

### **2001 Review Rating**

Indicator	Status	Procurement of Goods and Services	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
<u>Rating</u>	1.87	1.38	1.6	1.36	1.85	1.6

### 2.8.3 Analysis of the various indicators in the 2003 review:

- (i) *Status of projects*: With a rating of 1.75, it appears that this indicator is not yet satisfactory. There are still delays in the effectiveness of loans and grants ranging from 15 to 24 months, which situation often causes slippage of projects on implementation schedules adopted in project appraisal reports. Weaknesses have also been noted regarding project monitoring and evaluation, which makes it impossible to assess the impact of funded projects on the beneficiary populations. Moreover, general loan conditions, namely the timely transmission to the Bank of quarterly status reports and audit reports and fulfilment of other specific conditions, are generally not fulfilled because of the absence of a performance chart relating to compliance with the said conditions. The consequence of this situation is lack of dialogue on the projects concerned. With respect to audits particularly, a weakness has been noted at the level of preparation, implementation of recommendations stemming from the audit reports and dissemination of reports to governmental audit structures. In fact, the situation in relation to this indicator has not improved since the last review of 2001.
- (ii) *The indicator relating to the procurement of goods and services* has improved slightly compared with 2001, but is barely satisfactory. The weak technical and organizational capacities of executing agencies and the poor mastery of Bank rules of procedure explain to a large extent this situation. This is compounded by the complexity and slowness of national procurement procedures as well as non-compliance with deadlines for non-objection opinions.
- (iii) *Concerning financial performance*, the results are satisfactory particularly because the borrower honoured his financial commitments. This performance is mitigated by the low level of disbursements and the irregular submission of accounting and financial statements and persistent long delays in payments. Such situation is due to the inadequate systematization of the preparation of accounting and financial statements, poor documentation of payment requests, payment requests that do not comply with contract clauses and non-compliance by the Bank with the time limit of one month maximum for the processing of disbursement requests as well as the irregular transmission to the borrower of monthly disbursement statements. Lastly, in comparison with the 2001 review, it can be noted that the borrower has made efforts to honour his financial commitments.
- (iv) *Regarding performance concerning adherence to the implementation schedule of the project*, the situation has improved from unsatisfactory in 2001 to satisfactory in 2003 due largely to the intensification of dialogue, compliance by the Bank with the annual standard of supervision missions and start of the implementation of the recommendations of the various supervision missions.
- (v) Lastly, the active portfolio projects have a satisfactory impact on development as demonstrated by the 2.20 rating.

## 2.9 Disbursements

2.9.1 The amount of disbursements under all the loans and grants covered by this review stands at UA 33.77 million, representing a rate of disbursement of 30% as shown in the table below.

### Operations under Review (UA million)

Sector	Number of Operations	Net Commitments	% by Sector	Amount Disbursed	% Disbursed
Rural Development	4	39.03	34.62	12.88	33.0
Transport	1	15.00	13.30	5.76	38.4
Public Utilities	1	11.93	10.58	0.00	66.63
Social Devt.	4	46.75	41.50	15.13	32.36
<b>TOTAL</b>	<b>10</b>	<b>112.71</b>	<b>100.00</b>	<b>33.77</b>	<b>30.0</b>

2.9.2 The rate of disbursement, if the other seven operations are considered, falls to 23.5% as shown in the following table.

### Bank Ongoing Operations as at 14/06/2004 (UA million)

Sector	Net Commitments	Amount Disbursed	% Disbursed
Rural Development	55.22	13.56	24.6
Transport	1500	5.76	38.4
Public Utilities	11.93	0.0	0.00
Social Development	72.94	23.08	31.70
Multisector	25.55	0.00	0.00
<b>TOTAL</b>	<b>180.64</b>	<b>42.41</b>	<b>23.50</b>

2.9.3 The following are the causes of this low rate of disbursement :

- (i) The presence in the active portfolio of seven projects that are not yet effective or operational (Dakar City Sanitation Project) ;
- (ii) Delays in the examination of documents by the Bank;
- (iii) Inadequate documentation by the executing agencies of payment requests;
- (iv) Non-conformity of payment requests with payment modalities specified in contract clauses;
- (v) Non-compliance with Bank deadlines concerning the processing of disbursement requests.

### **III. ASSESSMENT OF PROJECT MANAGEMENT AND IMPLEMENTATION CAPACITY**

#### **3.1 Government and Executing Agency Performance**

3.1.1 The Bank's operations in Senegal are coordinated by the Ministry of the Economy and Finance through two directorates, namely the Directorate for Economic and Financial Cooperation (DCEF) and the Directorate for Debt and Investment (DDI). The implementation of projects is ensured by technical ministries through executing agencies and project units. Though the overall performance of the portfolio is satisfactory, there are weaknesses in the coordination and implementation of projects due essentially to lack of communication between the Bank, the Ministry of the Economy and Finance, the technical ministries and the project executing agencies. Aware of these dysfunctions, the Government is restructuring the two directorates with a view to setting up a National Agency for International Cooperation and Development. Concerning specifically the Bank's portfolio and at the latter's request, the Government has just instituted a quarterly internal review the last of which was conducted in mid – July 2004. The review report was transmitted to the Bank at the beginning of August 2004.

3.1.2 Regarding the capacity of the executing agencies to manage and implement projects, there are still long delays in project implementation. Efforts are still to be made to build the country's capacity to implement projects. The strengthening of executing agencies with human resources and working equipment and training of their staff in Bank Group rules and procedures in the area of the procurement of goods and services should be the main thrusts of efforts to build national project implementation capacity. Concerning audits, it can be noted that they have not been carried out at the recommended annual rate. Additionally, there are weaknesses in the monitoring of the implementation of recommendations and dissemination of reports to governmental audit structures. Weaknesses in project monitoring and evaluation persist, which makes it impossible to assess the impact of funded projects on the beneficiary populations. Furthermore, the general loan conditions, namely the timely transmission to the Bank of quarterly status reports and audit reports and fulfilment of other specific conditions, are generally not complied with, resulting in lack of dialogue on the projects concerned.

#### **3.2 Bank Performance**

3.2.1 The Bank's performance in the area of assistance, monitoring and supervision has improved since the last review of 2001. Thus, in the area of supervision missions, the annual standard of 1.5 supervision missions was exceeded for projects in the social development sector and complied with for those in the rural development, public utilities and transport sectors. In addition, the quality of supervision missions has also improved in terms not only of the composition of teams (two experts at least) and duration of missions (at least ten days) but also of the analysis of the status of projects, systematic inclusion of supervision mission reports in the SAP and monitoring of the implementation of recommendations. Moreover, dialogue has started to yield fruits with the institution by the Government of a quarterly internal review the last of which was conducted in mid-July 2004. The review report was transmitted to the Bank at the beginning of August 2004. Lastly, the opening of the Senegal Regional Office in 2004 will help improve the implementation of the Bank's portfolio. In fact, the Office will comprise, apart from the resident representative, an economist

responsible for programmes, a rural development expert, a transport expert and two local staff members responsible for education/health and integration/private sector.

3.2.2 Since the last review, the Bank has undertaken the following actions in the area of audits and monitoring of their recommendations:

- (i) transmission to the Senegalese party in 2001 of the matrix of actions of the Bank audit mission of 2000;
- (ii) transmission of two letters of reminder in 2002 to review the implementation of the said recommendations ;
- (iii) update during this review on the implementation of actions in the 2000 matrix and the identification of actions not yet implemented and their incorporation into the matrix of actions of the 2003 review ;
- (iv) an exhaustive update during the 2003 review on the preparation and transmission of audit reports to the Bank.

3.2.3 Current provisions within the Bank concerning monitoring and evaluation were communicated to the Senegalese party. They will consist in systematically applying Bank rules of procedure in the area by the automatic suspension of disbursements when the general loan conditions are not fulfilled, in particular the timely transmission of quarterly status reports and audit reports, fulfilment of other specific conditions and mobilization of counterpart funds.

3.2.4 However, on the part of the Bank, there is still: (i) inadequate analysis of the quarterly status reports and audit reports; (ii) non-transmission to the Senegalese party of the said analyses; and (iii) long delays in the expression of non-objection opinions and in the processing of disbursement requests.

#### **IV. AID COORDINATION**

##### **4.1 Assessment of the Government's Capacity to Coordinate External Aid**

4.1.1 Aid coordination is carried out by the Ministry of the Economy and Finance through two directorates, namely the Directorate for Economic and Financial Cooperation (DCEF) and the Directorate for Debt and Investment (DDI). Generally, development partners have reservations about the capacity of these two directorates to ensure an optimal coordination of external aid. Aware of these criticisms, the Government is restructuring the two directorates with a view to setting up a National Agency for International Cooperation and Development.

4.1.2 External aid coordination is also carried through joint reviews between the Government of Senegal and its various development partners. The last coordination meeting bringing together the Bank and the Government was held on 15 December 2003 and the next meeting is scheduled for December 2004. The other aid coordination body is the consultative group whose last meeting, which brought together all development partners, both bilateral and multilateral, on the financing of the PRSP, was held in June 2003 in Paris. In addition, the meeting of the Paris Club in June 2004 was an occasion for the Government to exchange views with its various partners on the long-term sustainability of Senegal's debt.

4.1.3 Regarding the implementation of the PRSP, the Government has just adopted thirty-four indicators for monitoring the Poverty Reduction Strategy. Concerning governance, following the recommendations of CFAA/CPAR appraisal missions, a Coordination and Harmonization Committee comprising Senegalese authorities and development partners providing budgetary support has just been established in June 2004 by order.

#### **4.2 Assessment of Bank Coordination with Other Donors**

The cycles of Bank operations in Senegal are the subject of exchange of information with the major development partners present in Senegal. These exchanges are carried out during joint field missions, round tables, meetings of the consultative group, during the preparation and monitoring of the implementation of the PRSP, meetings within the framework of SPA, meetings on strategic partnership with the UNDP, World Bank, and IMF with the experience of AFRITAC. Such consultation allows for an optimal allocation of resources to priority sectors with a strong impact on good governance and poverty reduction.

#### **4.3 Assessment of Cofinanciers**

4.3.1 External aid coordination between partners is carried out through: (i) periodical consultations between donors on the preparation of the PRSP; (ii) consultations on the formulation of the National Good Governance Programme; (iii) thematic workshops between donors; (iv) review of economic reform programme with the major multilateral institutions, (WB, IMF, ADB); and (v) reviews of relations between Senegal and the various development partners. During 2002, 2003 and 2004, the European Union chaired thematic workshops on public finance, transport and health, and the World Bank chaired those on rural development, coffee-cocoa subsector and the process of reaching the completion point of the HIPC initiative. France chaired the workshop on education, USAID took care of the private sector and Canada handled decentralization. These thematic discussions coordinated by the WB and UNDP were very useful in the process of finalization and validation of the PRSP. With the opening of the regional office in 2004, the Bank will chair some thematic groups on infrastructure within the framework of NEPAD, banking and financial standards, and combating money laundering.

4.3.2 The coordination of activities has already enabled the Bank within the framework of the ADF VII and VIII to cofinance, for example in the social sector, the Education Project III with French Cooperation, OPEC and the Government, the poverty reduction project with the Norwegian Development Fund (NDF) and the Government. Partners such as the WB, UNFPA and UNICEF supplement the activities of Health Project I especially in the framework of reproductive health activities. This impetus was pursued under ADF IX, resulting in the cofinancing of small-scale irrigation and rural electrification projects with the WB, Education IV with the AFD, Health II with the AFD, support to Statistics and the PRSP with the WB, EU and UNDP and private sector adjustment with the World Bank and the AFD. On the whole, the performance of coordination with the other partners is satisfactory.

### **V. STATUS OF LOAN REPAYMENT AND CONTRIBUTION TO BANK CAPITAL**

Since it reached the decision point (June 2004) of the HIPC initiative, Senegal owes no Bank loan repayment arrears. In addition, the country is up to date with equity subscription. The Bank's contribution to the HIPC initiative is now estimated in nominal

value at US\$ 65.42 million as against an estimate of US\$ 64.21 million in nominal terms (US\$56.8 million in net present value) spread over a period of six years (2000-2005). This increase is due to the extension of the period of provision of aid to take account of the period during which no debt relief was provided because of the suspension of debt in favour of Senegal due to failure to reach the completion point within the prescribed deadline and because the country had already benefited from 40% debt relief in NPV during the interim period. Debt relief was resumed in April 2004 and will be terminated in May 2006. As at the end of July 2004, the Bank's assistance to this initiative stands at US\$ 24.13 million in nominal terms, that is, US\$ 22.72 million in net present value. With the attainment of the completion point of the HIPC initiative in April 2004, Senegal will honour its debt service payments with more ease.

## **VI. PROBLEMS AND MEASURES TO BE TAKEN TO IMPROVE THE QUALITY OF THE PORTFOLIO**

### **6.1 Problems Encountered in the Implementation of Projects**

6.1.1 Since the last review, the Bank's portfolio has faced problems of a general and a specific nature. General problems include:

- (i) existence of three risky projects, notably the Dakar City Sanitation Project, the Education Project II and the Health Project I ;
- (ii) delays in the effectiveness of loans and grants ranging from 15 to 24 months;
- (iii) poor mastery of Bank rules and procedures by the project executing agencies;
- (iv) absence or delay in the preparation of audit and progress reports as well as their transmission to the Bank;
- (v) non-transmission by the Ministry of the Economy and Finance to governmental audit bodies of audit reports of projects financed by the Bank;
- (vi) absence or delay in the preparation of quarterly status reports and their transmission to the Bank. On its part, the Bank has not systematized the transmission of its observations to the Senegalese party in order to really sustain dialogue to ensure better monitoring of the various projects and programmes;
- (vii) inadequate compliance with other loan conditions and projects;
- (viii) often long delays in payments;
- (ix) often long delays in tender award procedures.

6.1.2 Specific problems include:

- (i) PMIA: the need to sustain the credit system;
- (ii) PAPEL: delays in the processing of documents;

- (iii) ANAMBE project: delays in the implementation of the project and in the finalization of the convention between the Ecological Monitoring Centre (ESE) and the Higher Institute of Agronomic Research (ISRA) ;
- (iv) Diam Niadio-Mbour-Fatick Road Project: existence of supplementary excavation, surfacing and road marketing works due to an underestimation during project appraisal;
- (v) Dakar City Sanitation Project: failure to start activities, change of method of procurement of Cambérène station and difficulties in increasing the sanitation fee;
- (vi) Education Project II: failure to carry out the 2000 to 2003 audits, prepare the completion report and execute works and procurements at the closing date fixed on 31 December 2003;
- (vii) Poverty Reduction Project: existence of difficulties related to the choice of decentralized financing systems (SFD) and to the signing of conventions with six SFD without the approval of the Bank. There are also project implementation constraints with regard to the time allotted;
- (viii) Health Project I: default by SANFAM and difficulties in meeting time limits in relation to the deadline for closure.

## **6.2 Solutions and Plans of Action**

6.2.1 To improve the quality of the portfolio, solutions and a plan of action have been prepared, in accordance with reference indicators, namely compliance with conditions precedent/commitments, procurement of goods and services, financial performance, activities and outputs and impact of projects on development. The plan of action is summarized as follows:

### **6.2.2 Compliance with Conditions Precedent/Commitments**

<b>Actions</b>	<b>Period/Deadline</b>	<b>Responsible Body</b>
1.1 Discuss loan conditions during the preparation phase and rapidly undertake to implement them in order to prevent them from becoming a factor of delay ;	At the time of project preparation/appraisal	Government/Bank
1.2 Where possible, appoint project officers before the negotiation of loan agreements ; Put in place a performance chart for compliance with loan and grant conditions ;	At the time of loan negotiation	Government/Bank
1.3 Put in place a performance chart for compliance with loan and grant conditions.	Permanent	DCEF/DDI/Govt

### 6.2.3 Procurement of Goods and Services

Action	Period/Deadline	Responsible Body
1. The DDI will draw up a performance chart indicating the type of procurement chosen and the deadlines for launching the procedures for selection of external auditors ;	Permanent	DDI/Government
2. The executing agencies should comply with Bank procedures relating to procurement ;	1 month	Executing Agency/Govt
3. The executing agencies should speed up the preparation and transmission of financial bids evaluation reports ;	1 month	Executing Agency/Govt
4. The Government should turn to specialists in the case of important contracts ;	Permanent	Government
5. The Bank should organize training session in procurement for the executing agencies of projects ;	Every two years	Bank
6. Expedite the issuing of non-objection opinions on financial bids.	1 month	Bank

### 6.2.4 Financial Performance

Actions	Period/Deadline	Responsible Body
1. Systematize the preparation of accounting and financial reports ;	Permanent	Executing Agency/DDI
2. The executing agencies should properly document payment requests and ensure that their requests comply with Bank procedures ;	Permanent	Executing Agency/DDI
3. The executing agencies should transmit regularly to the Bank the list of requests pending for more than two months ;	Permanent	Executing Agency/DDI
4. The Bank should keep deadline with respect to the processing of disbursement requests ;	1 month	Bank
5. The Bank should transmit the statement of disbursements to the executing agencies of projects and to the DDI.	Monthly	Bank

### 6.2.5 Implementation and Monitoring of Activities

<b>Actions</b>	<b>Period/Deadline</b>	<b>Responsible Body</b>
1. Organize internal portfolio reviews and transmit the review reports to the Bank for information ;	Quarterly	Government
2. In the area of auditing and quarterly reporting, the DDI should register, number and classify the existing reports ;	Permanent	DDI/ Government
3 The Government should ensure the launching of procedures for the recruitment of firms for the audits ;	When and if necessary	Government
4. The DDI should draw up a performance chart indicating, for each project, the date of closure of the fiscal year ;	Permanent	DDI/Govt
5. The Government should ensure that the audit reports of the Bank's projects are transmitted to the CVCCEP and other audit organs ;	Periodically	Government
6. Maintain communication between the MEF/technical ministries/executing agencies and the Bank ;	Permanent	MEF/Technical Ministries/Executing Agencies/Bank
7. Review the status of compliance with other conditions in the quarterly progress reports	Quarterly	MEF/Technical Ministries/Executing Agencies/Bank

### 6.2.6 Impact on Development

<b>Actions</b>	<b>Period/Deadline</b>	<b>Responsible Body</b>
1 Effective putting in place of a project monitoring and evaluation mechanism in order to better assess their impact on development.	Permanent	Government/DDI/Executing Agency

## 6.3 Lessons for the CSP and Future Portfolio Reviews

6.3.1 The review took place a year before the end of implementation of the 2002-2004 CSP. Referring to the CSP start-up conditions relating to the portfolio, the review helped establish that delays in the effectiveness of projects remained in the baseline scenario while the rate of disbursement remained in the low ebb scenario. In addition, the sanitation subsector has a risky project and the social sector, with nearly 20% of the active commitments, has two of the three projects that are ageing and two projects and two grants which are not yet effective. Considering these elements, the next assistance strategy should be focused on sectors other than the sanitation and social sectors.

6.3.2 Consequently, future portfolio reviews should pay special attention to the sanitation and social sectors. Additionally, special attention should be paid to the implementation of recommendations outlined in this review, particularly concerning performance indicators, namely compliance with commitments, procurement of goods and services, financial performance, implementation of activities and impact of projects on development.

## **VII. CONCLUSIONS AND RECOMMENDATIONS**

### **7.1 Conclusions**

7.1.1 The portfolio review has helped note the persistence of weaknesses in the monitoring and evaluation of projects, preparation of audit reports and implementation of recommendations stemming from the said reports, dissemination of reports to government audit structures and compliance with general lending conditions. The review has noted with satisfaction the honouring by the Government of its financial commitments. The review has brought to the attention of the authorities current provisions at the level of the Bank to ensure that failure to comply with the said conditions will effectively lead to suspension of disbursements. More detailed recommendations were adopted by mutual agreement in the monitoring matrix in Annex 3 of this report.

7.1.2 The review has taken good note of the Government's determination to correct these weaknesses in order to improve the mobilization and use of available project resources and to strengthen the monitoring mechanisms whose ultimate goal will be the improvement of the quality of projects in terms of their impact on the country's socio-economic development and the articulation of the activity of projects with the PRSP. Lastly, the review has taken note of the principle of a quarterly internal Bank portfolio review and of its effective implementation.

7.1.3 Regarding external aid coordination, the review has brought to the attention of the Government the need to improve such coordination by taking into account actions initiated by the various development partners for greater efficiency in the use of resources mobilized under the PRSP. The review thus took note of the Government's commitment to better coordinate external aid through, among other things, the systematization of the organization of bilateral annual reviews and the setting up of the National Agency for International Cooperation and Development.

### **7.2 Recommendations**

7.2.1 The recommendations made in this memorandum concern issues of a general nature raised during the review. Recommendations on issues specific to projects are in the actions monitoring matrix. Hence, the review recommends:

*For the Government:*

- (i) systematization of the holding of the quarterly internal review of the Bank's portfolio and transmission of review reports to the Bank for information;
- (ii) transmission to the Bank of quarterly internal review reports ;
- (iii) improvement of the coordination of actions initiated by the various development partners;
- (iv) institution of a monitoring and evaluation system enabling the monitoring of the socio-economic impact of projects on the basis of outcome indicators;
- (v) carrying out of the necessary audits and transmission of the audit reports to the Bank;

- (vi) transmission to the CVCCEP and other audit organs of audit reports of projects financed by the Bank;
- (vii) regular transmission to the Bank of quarterly progress reports as well as audit reports and inclusion in the quarterly reports of a statement on the status of compliance with other conditions;
- (viii) drawing up of a performance chart relating to compliance with loan and grant conditions and sustaining of communication between the MEF, technical ministries, executing agencies and the Bank;
- (ix) enlisting the assistance of specialists for important contracts and ensuring compliance with Bank procedures in the procurement process;
- (x) proper presentation of payment requests so as to reduce the time of processing them at the Bank;
- (xi) diligence in the establishment of the National Agency for International Cooperation and Development with a view to ensuring a better coordination of external aid;

For the Bank:

- (i) systematic application of the Bank's rules of procedure regarding the automatic suspension of disbursements where the general lending conditions are not met, in particular the timely transmission of quarterly progress reports and audit reports, fulfilment of other specific conditions and mobilization of counterpart funds;
- (ii) systematic application of the Bank's rules of procedure for projects eligible for cancellation;
- (iii) keeping of deadlines in the processing of disbursement requests;
- (iv) diligence in the issuing of BD non-objection opinions;
- (v) systematization of project launching workshops;
- (vi) organization, on a biannual basis, of training sessions in Bank procedures for projects and government services;
- (vii) transmission to projects and the DDI, on a monthly basis, of disbursement statements;
- (viii) quarterly communication of supervision mission programmes and close monitoring of missions on the ground;
- (ix) effective putting in place of project monitoring and evaluation mechanisms in order to better assess the impact of projects on development.

## ANNEX 1 SENEGAL: BANK GROUP COMMITMENTS (UA thousand)

PROJECT	Window	Date of Approval	Date of Signature	Date of Effectiveness	Closing Date	Deadline for Disbursement	Amount Approved	Amount Cancelled	Commitments Net of % Cancellations	Amount Disbursed	Amount Outstanding	Disbursement Ratio (in %)	Commitment Structure
<b>AGRICULTURE</b>													
GUILDER VALLEY DEVELOPMENT	ADF	08/24/1978	11/03/1978	10/03/1980	12/31/1989	03/29/1988	1,980,262.00	165,753.48	1,814,508.52	1,814,508.52	0.00	100.00	
ANAMBE H-A-D (CONSOLIDATION PHASE)	ADF	01/27/1992	05/13/1992	08/18/1992	12/31/1998	09/23/1998	7,828,942.00	42,753.38	7,786,188.62	7,786,188.62	0.00	100.00	
ANAMBE HYRO-AGRIC DEVELOPMENT	ADF	04/14/1986	04/25/1986	08/29/1986	06/30/1994	03/12/1992	6,963,153.00	1,635.33	6,961,517.67	6,961,517.67	0.00	100.00	
BUSHFIRE CONTROL-REAFFORESTATION	ADF	12/16/1983	02/09/1984	06/09/1986	06/30/1997	02/14/1997	5,157,891.00	21,027.94	5,136,863.06	5,136,863.06	0.00	100.00	
STOCK BREEDING PROJECT	ADF	06/18/1991	05/13/1992	11/13/1992	06/30/1999	07/19/1999	8,565,784.00	2,100,000.00	6,465,784.00	6,039,761.14	426,022.86	93.41	
INDUSTRIAL FISHING REVIVAL STUDY	TAF	01/18/1989	05/29/1989	09/11/1992	06/30/1997	07/24/1997	664,078.00	198,823.19	465,254.81	465,254.81	0.00	100.00	
SALDE-WALA HYDRO-AGRIC DEVELOPMENT	ADF	08/24/1984	11/05/1984	10/27/1986	12/31/1992	12/18/1992	6,447,364.00	0.00	6,447,364.00	6,447,364.00	0.00	100.00	
PETITE COTE ARTISANAL FISHING	ADF	03/12/1985	04/25/1986	03/06/1989	12/31/1997	09/06/1997	6,217,101.00	15,485.38	6,201,615.62	6,201,615.62	0.00	100.00	
BASSE CASAMANCE RURAL DEVELOPMENT	ADF	17/09/1987	12/11/1987	05/12/1988		31/12/1999	17,039,500.00	8,300,000.00	8,739,500.00	7,482,500.00	1,257,000.00	85.60	
AGRICULTURAL MODERNIZATION AND INTENSIFICATION PROJECT	ADF	05/06/1997	05/22/1997	10/23/1998	06/29/2003	12/20/2002	10,000,000.00	0.00	10,000,000.00	9,625,940.00	374,060.00	96.26	
STUDY FOR THE CONSTRUCTION OF THREE HILLSIDE DAMS	TAF	04/30/1998	05/27/1998	12/05/2001	12/31/2002	01/28/2003	1,090,000.00	0.00	1,090,000.00	522,638.83	567,361.17	47.95	
LIVESTOCK PROJECT II	ADF	05/17/2000	07/14/2000	02/01/2002	12/31/2007	11/19/2002	10,000,000.00	0.00	10,000,000.00	1,211,682.84	8,788,317.00	12.11	
ANAMBE BASIN RURAL DEVELOPMENT SUPPORT PROJECT	ADF	04/25/2001	10/26/2001	07/11/2002	12/31/2008	11/07/2002	7,180,000.00	0.00	7,180,000.00	123,458.00	7,056,542.00	1.70	
RURAL INFRASTRUCTURE PROJECT	ADF	04/03/2002	05/06/2002	02/04/2003	12/31/2006	12/31/2006	11,852,000.00	0.00	11,852,000.00	198,151.00	11,653,849.00	1.70	
SMALL-SCALE IRRIGATION SUPPORT PPROJECT	ADF	10/22/2003					14,310,000.00	0.00	14,310,000.00	0.00	14,310,000.00	0.00	
LIVESTOCK DEVELOPMENT STUDY	ADF	11/05/2003					794,420.00	0.00	794,420.00	0.00	794,420.00	0.00	
<i>Total Agriculture</i>							<b>116,090,495.00</b>	<b>10,845,478.70</b>	<b>105,245,016.30</b>	<b>60,017,444.11</b>	<b>45,227,572.03</b>	<b>57.03</b>	<b>19.26</b>
<b>TRANSPORT</b>													
TRANSPORT SECTOR REHABILITATION	ADF	12/17/1990	05/07/1991	10/30/1992	31/12/1998	01/19/1999	4,936,839.00	190,969.27	4,745,869.73	4,745,869.73	0.00	100.00	
LOUGA-NGNITH ROAD CONSTRUCTION	ADF	10/09/1974	12/19/1974	03/30/1977	02/28/1979	09/29/1980	3,684,208.00	212,411.38	3,471,796.62	3,471,796.62	0.00	100.00	
DIOSMONE FIMELA N'DANGANE ROAD	ADB	01/24/1973	04/07/1973	09/16/1974	12/31/1975	05/10/1976	1,100,000.00	0.00	1,100,000.00	1,100,000.00	0.00	100.00	
CAP SKIRRING ROAD STUDY	ADB	09/13/1974	12/19/1974	09/30/1975	03/31/1976	04/15/1976	200,000.00	17.51	199,982.49	199,982.49	0.00	100.00	
CAP-SKIRRING ROAD PHASE I	ADB	02/23/1977	06/09/1977	02/17/1978	12/31/1980	03/10/1987	5,000,000.00	138,106.53	4,861,893.47	4,861,893.47	0.00	100.00	
CAP-SKIRRING ROAD PHASE II	ADB	02/27/1979	03/23/1979	12/27/1979	06/30/1994	08/05/1992	6,145,000.00	1,194.86	6,143,805.14	6,143,805.14	0.00	100.00	
DIAM NIADIO-MBOUR ROAD	ADF	07/12/2001	10/26/2001	12/29/2002	12/31/2005	12/01/2003	15,000,000.00	0.00	15,000,000.00	3,122,092.68	12,741,467.77	15.06	
<i>Total Transport</i>							<b>36,066,047.00</b>	<b>542,699.55</b>	<b>35,523,347.45</b>	<b>23,645,440.13</b>	<b>12,741,467.77</b>	<b>66.56</b>	<b>6.50</b>
<b>PUBLIC UTILITIES</b>													
TELECOMMUNICATION NETWORK	ADB	08/26/1986	02/13/1987	02/17/1988	06/30/1994	02/21/1992	11,120,000.00	4,379,674.20	6,740,325.80	6,740,325.80	0.00	100.00	
CAYOR CANAL ENVIRONMENTAL IMPACT STUDY	TAF	10/30/1992	12/22/1992	12/29/1995	06/30/1997	08/29/1997	1,657,894.00	88,044.97	1,569,849.03	1,569,849.03	0.00	100.00	
BASSE CASAMANCE TOURISTIC DEVELOPMENT	ADB	10/14/1975	03/26/1976	02/23/1978	06/30/1978	07/17/1978	400,000.00	99,527.23	300,472.77	300,472.77	0.00	100.00	
RURAL AND URBAN ELECTRIFICATION	ADF	08/26/1986	02/13/1987	06/29/1988	06/30/1994	11/14/1992	6,373,680.00	3,957.25	6,369,722.75	6,369,722.75	0.00	100.00	
SAINT-LOUIS CITY ELECTRIFICATION	ADB	12/21/1976	06/09/1977	08/29/1978	06/30/1979	01/25/1980	2,900,000.00	0.00	2,900,000.00	2,900,000.00	0.00	100.00	
ELECTRICITY SECTOR RECOVERY	ADB	09/23/1986	02/13/1987	09/01/1988	12/31/1992	02/09/1993	10,340,000.00	3,400.00	10,336,600.00	10,336,600.00	0.00	100.00	
RUNOFF STOCKING STUDIES	TAF	04/24/1980	06/20/1980	02/14/1984	12/31/1992	02/18/1992	939,473.00	1,116.63	938,356.37	938,356.37	0.00	100.00	
CAP-VERT REGION DRINKING WATER SUPPLY	ADB	12/16/1975	03/26/1976	02/23/1978	01/01/1981	01/06/1982	4,500,000.00	20,252.29	4,479,747.71	4,479,747.71	0.00	100.00	
SANITATION OF DAKAR AND ITS SURROUNDINGS	ADF	04/30/1975	05/08/1975	01/27/1978	09/30/1980	04/06/1983	4,605,260.00	3,864,882.81	740,377.19	740,377.19	0.00	100.00	
SANITATION OF DAKAR (PHASE II)	ADF	12/16/1982	02/21/1983	12/28/1983	06/30/1994	10/24/1991	12,001,308.00	15,743.92	11,985,564.08	11,985,564.08	0.00	100.00	
CAYOR CANAL CONSTRUCTION STUDIES	TAF	12/18/1989	02/15/1990	10/24/1990	12/31/1996	03/25/1996	2,431,577.00	13,128.46	2,418,448.54	2,418,448.54	0.00	100.00	
SECAL PROGRAMME	ADF	10/28/1998	12/11/1998	12/24/1998	12/31/2001		10,000,000.00	0.00	10,000,000.00	6,000,000.00	4,000,000.00	60.00	
DAKAR SANITALTION PROJECT	ADF	07/12/2001	10/26/2001	12/29/2002	12/31/2006		11,930,000.00	0.00	11,930,000.00	0.00	11,930,000.00	0.00	



**ANNEX 2: PORTFOLIO OF ONGOING PROJECTS AS AT  
14/06/04 (UA)**

Project Title	Approval Date	Signature Date	Deadline For Last Disbursement	Date of Effectiveness	Date of Last Disbursement	Amount Approved	Cancellation	Outstanding Amount	Amount Disbursed	Net Commitments	Rate of Disbursement %
<i>Agriculture Sector</i>											
1. AGRI.MODERNIZATION AND INTENSIFICATION PROJECT	05/06/1997	05/22/1997	12/31/2004	10/23/1998	12/05/2004	10,000,000.00	0.00	289,985.48	9,710,014.52	10,000,000.00	97.1
2. STUDY FOR THE CONSTRUCTION OF THREE HILLSIDE DAMS	04/30/1998	05/27/1998	07/31/2004	12/05/2001	13/05/2004	1,090,000.00	0.00	413,767.28	676,232.72	1,090,000.00	62.0
3. STOCKBREEDING PROJECT II	05/17/2000	07/14/2000	12/31/2007	02/01/2002	19/05/2004	10,000,000.00	0.00	7,614,321.82	2,385,678.28	10,000,000.00	23.9
4. SUPPORT FOR ANAMBE DEVELOPMENT	04/25/2001	10/26/2001	12/31/2008	07/11/2002	05/05/2004	7,180,000.00	0.00	6,587,509.98	592,490.02	7,180,000.00	8.3
5. RURAL INFRASTRUCTURE PROJECT	04/03/2002	05/06/2002	12/31/2006	02/04/2003	18/03/2004	11,852,000.00	0.00	11,655,141.67	196,858.33	11,852,000.00	1.7
6. SMALL-SCALE IRRIGATION PROJECT	10/22/2003					14,310,000.00	0.00	14,310,000.00	0.00	14,310,000.00	0.0
7. LIVESTOCK DEVELOPMENT STUDY	11/05/2003					794,420.00	0.00	794,420.00	0.00	794,420.00	0.0
<b>Total Agriculture</b>						<b>55,226,420.00</b>	<b>0.00</b>	<b>41,665,146.23</b>	<b>13,561,273.87</b>	<b>55,226,420.00</b>	<b>24.6</b>
<i>Transport Sector</i>											
1. DIAM NADJO-MBO ROAD	07/12/2001	10/26/2001	12/31/2005	12/29/3798	10/16/2003	15,000,000.00	0.00	9,237,023.40	5,762,973.60	15,000,000.00	38.4
<b>Total Transport</b>						<b>15,000,000.00</b>	<b>0.00</b>	<b>9,237,023.40</b>	<b>5,762,973.60</b>	<b>15,000,000.00</b>	<b>38.4</b>
<i>Public Utilities Sector</i>											
1. DAKAR SANITATION PROJECT	07/12/2001	10/26/2001	12/31/2006	12/29/2002		11,930,000.00	0.00	11,930,000.00	0.00	11,930,000.00	0.0
<b>Total Public Utilities</b>						<b>11,930,000.00</b>	<b>0.00</b>	<b>11,930,000.00</b>	<b>0.00</b>	<b>11,930,000.00</b>	<b>0.0</b>
<i>Social Sector</i>											
1. EDUCATION II	12/17/1996	01/31/1997	12/31/2004	12/16/1997	10/24/2004	12,000,000.00	0.00	4,049,246.33	7,950,753.67	12,000,000.00	66.3
2. SUPPORT TO THE DEV. BASIC EDUC. AND SECONDARY EDUCATION	09/13/1999	10/07/1999	12/31/2004	03/03/2001	09/30/2004	11,500,000.00	0.00	7,679,513.99	3,820,486.01	11,500,000.00	33.2
3. SUPPORT TO THE DEV. BASIC EDUC. AND SECONDARY EDUCATION	09/13/1999	10/07/1999	12/31/2004	03/03/2001	10/04/2004	1,500,000.00	0.00	1,266,638.14	233,361.86	1,500,000.00	15.6
4 HEALTH PROJECT I	12/10/1997	05/27/1998	12/31/2004	03/09/2000	10/15/2004	10,000,000.00	0.00	3,760,277.96	6,239,722.04	10,000,000.00	62.4
5. POVERTY REDUCTION	06/30/1999	08/19/1999	12/31/2004	04/06/2001	28/08/2004	10,000,000.00	0.00	5,984,807.81	4,015,192.19	10,000,000.00	40.2
POVERTY REDUCTION	06/30/1999	08/19/1999	12/31/2004	08/19/2001	10/21/2004	1,750,000.00	0.00	922,348.16	827,651.84	1,750,000.00	47.3
6. EDUCATION IV	06/25/2003	07/21/2003				13,840,000.00	0.00	13,840,000.00	0.00	13,840,000.00	0.0
EDUCATION IV	06/25/2003	07/21/2003				1,000,000.00	0.00	1,000,000.00	0.00	1,000,000.00	0.0
7 HEALTH II	06/18/2003	07/21/2003	12/31/2009			10,000,000.00	0.00	10,000,000.00	0.00	10,000,000.00	0.0
HEALTH II	06/18/2003	07/21/2003	12/31/2009			1,350,000.00	0.00	1,350,000.00	0.00	1,350,000.00	0.0
<b>Total SOCIAL Sector</b>						<b>72,940,000.00</b>	<b>0.00</b>	<b>49,852,832.39</b>	<b>23,087,167.61</b>	<b>72,940,000.00</b>	<b>31.7</b>
<i>Multisector</i>											
1. Support to the Directorate of Forecasts and Statistics	12/12/2002	02/07/2003	12/31/2007			1,550,000.00	0.00	1,550,000.00	0.00	1,550,000.00	0.0
2. Private Sector Adjustment Support Programme	12/10/2003	01/16/2004	12/31/2005			24,000,000.00	0.00	24,000,000.00	0.00	24,000,000.00	0.0
<b>Total Multisector</b>						<b>25,550,000.00</b>	<b>0.00</b>	<b>25,550,000.00</b>	<b>0.00</b>	<b>25,550,000.00</b>	<b>0.0</b>
<b>Grand Total</b>						<b>180,646,420.00</b>	<b>0.00</b>	<b>138,235,002.02</b>	<b>42,411,415.08</b>	<b>180,646,420.00</b>	<b>23.5</b>

### ANNEX 3 : ACTIONS MONITORING MATRIX

Problems Identified	Action To Be Taken	Schedule	Responsible Body	Remarks
Delays in the effectiveness of loans and grants	<ul style="list-style-type: none"> <li>. Discuss conditions right from the preparation stage and rapidly begin to implement them to stop them from becoming a factor of delay;</li> <li>. Appoint, if possible, project officers before negotiating loan agreements.</li> </ul>	Effectiveness at most 3 months after signature	ADB, MEF, Technical Ministries  ADB  Technical Ministry concerned Technical Ministries	These actions must be submitted to the Bank beforehand
Often long periods of payment	<ul style="list-style-type: none"> <li>. Correctly document payment requests ;</li> <li>. Ensure that payment requests conform with contract clauses before submission to the Bank ;</li> <li>. Regularly transmit to the Bank the list of documents pending for more than two months</li> <li>. Comply with Bank deadline for the processing of disbursement requests</li> </ul>	I month maximum	Project Officer, DDI Project Officer, DDI ADB   ADB	
Absence/delay of audits	<ul style="list-style-type: none"> <li>. Honour audit obligations. The DDI should register, number and classify in an orderly and chronological order the progress reports and audit reports</li> <li>. Expedite the issuance of BD non-objection opinions</li> <li>. Launch the procedures for recruitment of audit firms</li> <li>. Cause the audits to be carried out</li> <li>. Transmit audit reports to the Bank : draw up, at the level of the DDI, a performance chart indicating for each project financed by the Bank, the date of closure of fiscal years, the type of procurement chosen and the deadlines for launching the procedure for selection of external auditors.</li> </ul>	7th month 3 months after the end of the fiscal year Before 6 months	Project Officer, DDI, ADB Project Officer, DDI	
Absence/delay of quarterly progress reports	<ul style="list-style-type: none"> <li>. Regularly transmit the reports to the ADB</li> </ul>	One month after the current fiscal year	Project Officer, MEF	
Compliance with other loan conditions	<ul style="list-style-type: none"> <li>. Draw up a performance chart on compliance with loan and grant conditions</li> <li>. Maintain communication between MEF/Technical Ministries/Project Executing Agencies/ADB</li> <li>. Include a statement on other loan conditions in the quarterly reports</li> </ul>		ADB, MEF, Technical Ministries and Project Executing Agencies	
Poor mastery of ADB procedures	<ul style="list-style-type: none"> <li>. Systematize project launching workshops</li> <li>. Organize training session in ADB procedures for projects and government services.</li> </ul>	Every two years	Project Officer, ADB  ADB, MEF	

Inadequate project monitoring	<ul style="list-style-type: none"> <li>. Organize internal portfolio reviews and transmit the review reports to the Bank for information</li> <li>. Better plan supervision missions</li> <li>. Ensure close monitoring on the ground</li> <li>. Ensure the effective putting in place of project monitoring and evaluation mechanisms so as to better assess the impact of projects on development</li> </ul>	Per quarter	MEF ADB, MEF Technical Ministries, MEF	
Disbursement statements not available regularly	. Forward to project officers and to the DDI, a monthly statement of disbursements	Every month	ADB	
Delay in contract award process	<ul style="list-style-type: none"> <li>. Enlist the services of specialists for important contracts</li> <li>. Conform with ADB procedures</li> <li>. Shorten deadlines for non-objection opinions</li> <li>. Speed up the preparation and transmission of bid evaluation reports</li> </ul>	1 month	Project Officer, DDI  Project Officer ADB	
Audit organs	. Transmit to the CVCCEP and to the other audit organs the audit reports of projects financed by the Bank	Annually	Project Officer/DDI	
Deduction of bank charges during the transfer of funds to the special account without justification	Send the necessary documentation to the ADB for investigation	January 2004	ADB	

### Matrix of Actions of the Agricultural Sector

Problems Identified	Actions To Be Taken	Schedule	Responsible Body	Remarks
<u>PMIA</u>  Sustainability of credit system	<ul style="list-style-type: none"> <li>. Complete ongoing sustainability study</li> <li>. Prepare final project evaluation study</li> <li>. Organize completion report preparation mission</li> </ul>	March 2004 Jan.-June 2004 Sept. 2004	Project Officer, MEF, Technical Ministries concerned ADB Project Officer, DDI	Actions already implemented
<b>(II) <u>Livestock Project II (PAPEL II)</u></b>				
Delays in the processing of documents	<ul style="list-style-type: none"> <li>. Reduce the period of processing of documents to one month</li> <li>. Avoid the frequent changing of project officer</li> </ul>	Dec.03/Jan 04	ADB	
Reticence with regard to the credit system	. Implement the convention signed with PMIA, in accordance with the loan agreement and the Bank's letter following the June 2003 mission	January 2004	Project, ADB Mission	Actions already implemented

<b>(III) <u>Anambé Project III (PADERBA)</u></b>				
Delay in the implementation of the project	. Implement the activities of the project (credit, research and development, training)	First half of 2004	Project Officer	Actions already taken
Convention with the Ecological Monitoring Centre (CSE) and the Higher Institute of Agronomic Research (ISRA)	. Finalize and sign the conventions	First half of 2004	Project Officer/CSE/ISRA	Actions already taken
<b>(IV) <u>PNIR</u></b>				
Incompatibility of OPEC direct payment with interventions in the form of budgetary support to rural communities	. Seek the consent of OPEC for an adapted method of payment	First half of 2004	Project Officer, DDI, ADB	Actions taken
<b>(V) <u>Local Small-Scale Irrigation Support Project (PAPIL)</u></b>				
Effectiveness of loan	. Expedite the fulfilment of conditions precedent to the effectiveness and first disbursement of the loan	First half of 2004	MAH, DDI	
<b>(VI) <u>STUDY FOR THE CONSTRUCTION OF THREE HILLSIDE DAMS</u></b>				
. No study audit	. Carry out study audit	First half of 2004	MAH, DDI	
<b>(VII) <u>LIVESTOCK SUBSECTOR STUDY</u></b>				
. Effectiveness of grant	. Expedite the fulfilment of grant effectiveness conditions	First half of 2004	DDI, MEF, Ministry of Livestock	Actions taken

## Matrix of Actions of Infrastructure Sector

Problems Identified	Actions To Be Taken	Schedule	Responsible Body	Remarks
<b>(I) <u>Diam Niadio-Mbour/Fatick-Kaolack Road</u></b>				
. Supplementary excavation, surfacing and road marking works due to an underestimation at project appraisal	Scale down quantities and some elements of costs in order to maintain the initial budget	Jan./Feb. 2004	ATR, ADB	Actions already taken
Failure to take into account at appraisal of certain mitigating measures of environmental impacts (networks, water, electricity, telephone, orchard, etc) entailing additional costs	Scale down quantities and some elements of costs in order to maintain the initial budget	Jan./Feb. 2004	ATR, MEF ADB ATR, DDI	
External auditor not yet recruited	Expedite non-objection opinion		ATR, DDI	
Resources insufficient to cover the component auditing and supervision of works (ECOWAS share of 20% already used)	Send a request to the Bank to bear the full costs of supervision and auditing of works	Jan. 2004	ADB	
Delay in payments due to non-conformity of payment requests with contract currencies	Ensure conformity of payment requests currencies with those specified in contracts		AATR	
<b>(II) <u>Dakar City Sanitation Project</u></b>				
Absence of project officer	. Expedite the issuance of non-objection opinion on the CV proposed . Appoint Project Officer	December 2003	ADB ONAS/MAH	With the extension of works in relation to the remaining time there is a need for close monitoring to adhere to the proposed schedule
Procurement of turnkey plant for Cambèrene station	. Request the ADB to revise the method of procurement of goods	Dec. 2003/jan 2004	MEF (DDI)	
Increase in sanitation fee	. Recruit expert for BD . Submit the matter to the Senegalese authorities to take a decision.	Dec 2003	ONAS	
		Jan./Feb 2004	ONAS, MAH, MEF	

## Matrix of Actions of the Social Sector

Problems Identified	Actions To Be Taken	Schedule	Responsible Body	Remarks
<b>(I) Education Project II</b>				
Carrying out of 2000 to 2003 audits	. Launch shopping for the recruitment of a consultant for the audits	Before the end of December 2003	ADB	This project that had to be closed in December 2001 has benefited from two extensions (2002 and 2003).  The project was closed on 30/06/04
Prepare the completion report	. Carry out the audits and transmit the audit reports the Bank  . Launch shopping to recruit a consultant to prepare the project completion report	Before the end of December 2003 First quarter of 2004	Project, DAGE/MEN, DDI	
Works and procurements not carried out by the date of closure fixed on 31/12/03	. Make a statement on the works and equipment not procured, assess their cost and submit a request for financing to MEF	January 04	Project, DAGE/MEN	
<b>(II) Education Project III</b>				
Non-recruitment of coordinator, educationalist and support staff	. Transmit to the ADB the evaluation of proposals received for the coordinator and educationalist . Recruit the coordinator and educationalist . Recruit support staff	December 2003 Jan. 2004 Jan./Feb. 2004	DAGE/MEN DAGE/MEN	There is a need for close collaboration with the new Directorate for School and Health Infrastructure
No audit for 2001 and 2002	. Transmit 2001 and 2002 audits reports . Carry out the 2003 audit	First quarter of 2004 2nd quarter of 2004	DAGE/MEN, DDI	
Absence of supplementary structures to render the schools built functional	. Transmit to the ADB an architectural design of the supplementary works and structures to render the schools built functional (CREPA, colleges and high schools)	Dec. 03/Jan. 04	DAGE/MEN	
<b>(III) Education Project IV</b>				
Not yet effective	. Fulfil all the effectiveness conditions, notably the opening of	Dec. 2003	DPRE/MEN, DDI	Draw inspiration from previous education projects to avoid the same difficulties.

	the account . Recruit the staff provided for, notably the project officer			
<b><u>(IV) Health Project I</u></b>  Keep deadline in relation to the deadline for closure (Dec 2004)  Default by SANFAM	. Monitor closely the earthworks and alternative proposal for format  . Carry out an audit of SANFAM, transmit the findings to the ADB, cancel contract and shop for another NGO	Continuous  First quarter of 2004	CAS/PDIS, MSP, MEF  CAS/PNDS/DDI	There is a need for close collaboration with the new Directorate for School and Health Infrastructure
<b><u>(V) Health Project II</u></b>  Not yet effective	. Transmit the originals (or certified true copies) of the following documents (i) Law No. 2002.32: Appropriation Law for Fiscal Year 2003); (ii) the two letters dated 19/12/2003 from the Société Générale de Banques au Sénégal.	January 2004	CAS/PDIS, DDI	Draw inspiration from previous education projects to avoid the same difficulties.  The project is already effective
<b><u>(VI) Poverty Reduction Project</u></b>  Difficulties related to the choice of SFDs for credit and signing of conventions with 6 SFDs without the approval of the Bank  Constraints of implementation of activities within the remaining time frame of one year	. Carry out an internal audit of 9 SFDs  . Request the Bank, on the basis of a programme of activities, to organize a mid-term review of the project	Jan. 2004  Jan. 2004	Project Unit, MEF, ADB  Project Unit, MEF/ADB	

## Matrix of Actions of Other Projects

Problems Identified	Actions To Be Taken	Schedule	Responsible Body	Remarks
<b>I) <u>Private Sector Support Programme</u></b>  Effectiveness of loan agreement	. Speed up the signing of the loan agreement as well as the fulfilment of conditions of effectiveness and disbursement of the first tranche of the loan	Dec.2003/Jan.2004	CEPOD, DPS, DDI	.The project is already effective and the first tranche of 12 million already disbursed
<b>(II) <u>DPS and CSPLP Support Project</u></b>  Manual of procedures not yet prepared for the start up of the project  Premises of the Project Implementation Unit (PIU) not functional	. Speed up the preparation of the manual of procedures and transmit it to the Bank for approval  Put functional premises at the disposal of the PIU	Dec.2003/Jan. 2004  First quarter of 2004	DPS, Coordin., DDI  MEF	The manual of procedures has already been prepared and premises can be considered as functional
<b>(III) <u>Tariff Reform Programme</u></b>  . Audit of programme not carried out	Speed up the conduct of the audit and transmit the audit report to the Bank	First half of 2004	MEF	Not yet carried out

**ASSESSMENT OF ONGOING OPERATIONS**

<b>PROJECT/SECTOR</b>	<b>Status</b>	<b>Procurement of Goods and Services</b>	<b>Financial Performance</b>	<b>Activities and Outputs</b>	<b>Impact on Development</b>	<b>Overall Assessment</b>
<b><u>RURAL DEVELOPMENT SECTOR</u></b>						
PMIA	2.0	2.0	3.0	2.0	3.0	2.4
PNIR	1.0		2.0	2.0		1.7
LIVESTOCK PROJECT II	2.0	2.0	2.0	2.0	2.0	2.0
PADERBA	2.0	2.0	2.0	3.0	2.0	2.2
<b><u>TRANSPORT SECTOR</u></b>						
DIAM NIADIO-MBOUR ROAD PROJECT	2.5	2.3	2.0	2.0	2.0	2.26
<b><u>PUBLIC UTILITIES SECTOR</u></b>						
DAKAR CITY SANITATION PROJECT	1.0	1.0			-	1.0
<b><u>SOCIAL DEVELOPMENT SECTOR</u></b>						
EDUCATION II	2.0	1.5	2.0	2.5	2.0	2.0
EDUCATION III	1.5	2.5	1.5	2.5	2.5	2.1
POVERTY REDUCTION	2.0	1.5	2.0	2.0	2.0	2.0
HEALTH I	1.5	2.5	2.0	2.0	2.0	2.0
<b><u>OVERALL ASSESSMENT</u></b>	<b>1.75</b>	<b>2.0</b>	<b>2.0</b>	<b>2.2</b>	<b>2.20</b>	<b>2.0</b>

## CROSS-CUTTING ISSUES AND ONGOING PROJECTS

	Governance	Gender	Integration	Environment	Population	Poverty Reduction
PMIA		X		X	X	X
PAPEL II		X		X	X	X
ANAMBE II		X			X	X
PNIR	X	X		X	X	X
DIAM-NIADIO-MBOUR ROAD		X	X	X	X	X
DAKAR SANITATION	X	X		X	X	X
EDUCATION II		X		X	X	X
EDUCATION III		X		X	X	X
POVERTY REDUCTION	X	X	X	X	X	X
HEALTH I		x		X	X	X

<b>PMIA PROJECT PERFORMANCE</b>			
<b>INDICATORS</b>		<b>RATING</b>	
		<b>Previous Review 2001</b>	<b>PRESENT Review</b>
<b>A.</b>	<b>COMPLIANCE WITH LOAN CONDITIONS</b>		
1.	Compliance with loan conditions precedents to effectiveness	2	2
2.	Compliance with commitments made in the loan agreement	2	2
3.	Compliance with other conditions	2	2
<b>B.</b>	<b>PROCUREMENT PERFORMANCE</b>		
1.	Procurement of services	2	2
2.	Procurement of goods	2	2
<b>C.</b>	<b>FINANCIAL PERFORMANCE</b>		
1.	Availability of foreign exchange	3	3
2.	Availability of local currency	3	3
3.	Disbursement flows	3	3
4.	Cost management/recovery	3	3
5.	Performance of cofinanciers	3	3
<b>D.</b>	<b>ACTIVITIES AND OUTPUTS</b>		
1.	Adherence to implementation schedule	2	2
2.	Capacity of consultants and technical assistants	2	2
3.	Efficiency of contractors.	2	2
4.	Efficiency of project management	3	3
<b>E.</b>	<b>IMPACT ON DEVELOPMENT</b>		
1.	Likelihood of achieving project goal	3	3
2.	Likelihood that benefits will be realized and sustained beyond the investment stage of the project	3	3
3.	Likely contribution of the project towards institutional capacity building	2	2
4.	Expected rate of return		3
<b>F.</b>	<b>OVERALL ASSESSMENT</b>		
1.	At present	2.40	2.40
2.	Trend over time	2.40	2.50
<b>Code :</b>	<b>3</b>	<b>=</b>	<b>Highly satisfactory</b>
	<b>2</b>	<b>=</b>	<b>Satisfactory : occasional problems, Bank should monitor</b>
	<b>1</b>	<b>=</b>	<b>Unsatisfactory : problems, Bank should monitor closely but no immediate action required.</b>
	<b>0</b>	<b>=</b>	<b>Highly unsatisfactory : serious problems, Bank action required</b>
	<b>N/A.</b>	<b>=</b>	<b>Not applicable</b>

<b>PAPEL PROJECT II PERFORMANCE</b>		
<b>INDICATORS</b>	<b>RATING</b>	
	<b>Previous Review</b>	<b>Present Review</b>
<b>A. COMPLIANCE WITH LOAN CONDITIONS</b>		
1. Compliance with conditions precedent to loan effectiveness		2
2. Compliance with general conditions		2
3. Compliance with other conditions		2
<b>B. PROCUREMENT PERFORMANCE</b>		
1. Procurement of consultancy services		2
2. Procurement of goods and works		2
<b>C. FINANCIAL PERFORMANCE</b>		
1. Availability of foreign exchange		2
2. Availability of local currency		2
3. Disbursement flows		2
4. Cost management		2
5. Performance of cofinanciers (where applicable)		2
<b>D. ACTIVITIES AND OUTPUTS</b>		
1. Adherence to implementation schedule		2
2. Performance of consultants or technical assistants		2
3. Performance of contractors		2
4. Performance of project management		2
<b>E. IMPACTS ON DEVELOPMENT</b>		
1. Likelihood of achieving project objectives		2
2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project		2
3. Likely contribution of the project towards institutional building		
<b>F. OVERALL PROJECT ASSESSMENT</b>		
1. At present		2.00
2. Trend over time		2.40
<p><b>Code :</b>     3 = Highly satisfactory  2 = Satisfactory : occasional problems, Bank should monitor  1 = Unsatisfactory : problems, Bank should monitor closely but no immediate action required.  0 = Highly unsatisfactory : serious problems ; Bank action required</p>		

PNIR PROJECT PERFORMANCE		
INDICATORS	RATING	
	Previous Review	Present Review
A. COMPLIANCE WITH LOAN CONDITIONS		
1. Compliance with loan conditions precedent to effectiveness		1
2. Compliance with general conditions		1
3. Compliance with other conditions		1
B. PROCUREMENT PERFORMANCE		
1. Procurement of services		
2. Procurement of goods		
C. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange		2
2. Availability of local currency		2
3. Disbursements		2
4. Cost management/recovery		2
5. Performance of cofinanciers		2
D. ACTIVITIES AND OUTPUTS		
1. Adherence to implementation schedule		2
2. Capacity of consultants or technical assistants.		2
3. Efficiency of contractors		2
4. Efficiency of project management		2
E. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving project goal		
2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project		
3. Likely contribution of the project to institutional capacity building		
4. Expected rate of return		
F. OVERALL ASSESSMENT		
1. At present		1.70
2. Trend over time		2.65
Code	3 : Highly satisfactory	
	2 : Satisfactory, occasional problems.	
	1 : Unsatisfactory: Problem, Bank should monitor closely but no immediate action required..	
	0 : Highly unsatisfactory: Serious problems. Bank action required.	

IV. PADERBA PROJECT PERFORMANCE		
INDICATORS	RATING	
	Previous Present Review	Present Review
A. COMPLIANCE WITH LOAN CONDITIONS		
1. Compliance with loan conditions precedent to effectiveness		2
2. Compliance with general conditions		2
3. Compliance with other conditions		2
B. PROCUREMENT PERFORMANCE		
1. Procurement of services		2
2. Procurement of goods		2
C. FINANCIAL PERFORMANCE		
1. Availability of foreign exchange		2
2. Availability of local currency		2
3. Disbursements		2
4. Cost management/recovery		2
5. Performance of cofinanciers		2
D. ACTIVITIES AND OUTPUTS		
1. Adherence to implementation schedule		3
2. Capacity of consultants or technical assistants.		3
3. Efficiency of contractors		3
4. Efficiency of project management		3
E. IMPACT ON DEVELOPMENT		
1. Likelihood of achieving project goal		
2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project		2
3. Likely contribution of the project to institutional capacity building		2
4. Expected rate of return		2
F. OVERALL ASSESSMENT		
1. At present		2.20
2. Trend over time		2.65
Code	3 : Highly satisfactory	
	2 : Satisfactory, occasional problems.	
	1 : Unsatisfactory: Problem, Bank should monitor closely but no immediate action required..	
	0 : Highly unsatisfactory: Serious problems. Bank action required.	

**ANNEX 10**

<b>DIAM NIADIO-MBOUR ROAD PROJECT PERFORMANCE</b>			
INDICATORS		RATING	
		Previous Review	Present Review
<b>A.</b>	<b>COMPLIANCE WITH LOAN CONDITIONS</b>		
1.	Compliance with loan conditions precedent to effectiveness	2	3
2.	Compliance with general conditions	2	2
3.	Compliance with other conditions	2	3
<b>B.</b>	<b>PRPROCUREMENT PERFORMANCE</b>		
1.	Procurement of services	3	3
2.	Procurement of goods	2	2
<b>C.</b>	<b>FINANCIAL PERFORMANCE</b>		
1.	Availability of foreign exchange	3	2
2.	Availability of local currency	1	2
3.	Disbursement	2	2
4.	Cost management/recovery		2
5.	Performance of cofinanciers		2
<b>D.</b>	<b>ACTIVITIES AND OUTPUTS</b>		
1.	Adherence to implementation schedule	2	2
2.	Capacity of consultants or technical assistants.	2	2
3.	Efficiency of contractors	2	2
4.	Efficiency of project management		2
<b>E.</b>	<b>IMPACT ON DEVELOPMENT</b>		
1.	Likelihood of achieving project goal	2	3
2.	Likelihood that benefits will be realized and sustained beyond the investment stage of the project	2	2
3.	Likely contribution of the project to institutional capacity building	2	2
4.	Expected rate of return		2
<b>F.</b>	<b>OVERALL ASSESSMENT</b>		
1.	At present	2	2.26
2.	Trend over time	2	2.70
Code	3 : Highly satisfactory		
	2 : Satisfactory, occasional problems.		
	1 : Unsatisfactory: Problem, Bank should monitor closely but no immediate action required..		
	0 : Highly unsatisfactory: Serious problems. Bank action required.		

**ANNEX 11**

<b>DAKAR CITY SANITATION PROJECT PERFORMANCE</b>			
<b>INDICATEURS</b>		<b>RATING</b>	
		<b>Previous Review</b>	<b>Present Review</b>
<b>A.</b>	<b>COMPLIANCE WITH LOAN CONDITIONS</b>		
	1. Compliance with loan grant conditions	1	1
	2. Compliance with commitments made in loan agreement	1	1
	3. Compliance with other conditions	1	1
<b>B.</b>	<b>PROCUREMENT PERFORMANCE</b>		
	1. Procurement of services	1	1
	2. Procurement of goods	1	1
	3. Procurement of works	1	1
<b>C.</b>	<b>FINANCIAL PERFORMANCE</b>		
	1. Availability of foreign exchange		
	2. Availability of local Currency		
	3. Disbursement flows		
	4. Cost management/recovery		
	5. Performance of cofinanciers		
<b>D.</b>	<b>ACTIVITIES AND OUTPUTS</b>		
	1. Adherence to implementation schedule	1	1
	2. Performance of consultants or technical assistants		
	3. Performance of contractors		
	4. Performance of project management		
	5. Quality of outputs		
<b>E.</b>	<b>IMPACT ON DEVELOPMENT</b>		
	1. Likelihood of achieving project goal		
	2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project		
	3. Likely contribution of the project towards institutional capacity building		
	4. Present rate of return		
<b>F.</b>	<b>OVERALL ASSESSMENT</b>		
	1. At present	1	1
	2. Trend over time	2	2
<p>Code : 3 : Highly satisfactory</p> <p>2 : Satisfactory, occasional problems, Bank should monitor.</p> <p>1 : Unsatisfactory: problems, Bank should monitor closely but no immediate action required</p> <p>0 : Highly unsatisfactory: Serious problems. Bank action required.</p>			

EDUCATION PROJECT II PERFORMANCE			
INDICATORS		RATING	
		Previous Review	Present Review
A.	COMPLIANCE WITH LOAN CONDITIONS	2	
	1. Compliance with loan grant conditions	1	2
	2. Compliance with commitments made in loan agreement	1	2
	3. Compliance with other conditions		2
B.	PROCUREMENT PERFORMANCE		
	1. Procurement of services	1	1
	2. Procurement of goods	1	2
C.	FINANCIAL PERFORMANCE		
	1. Availability of foreign exchange	3	2
	2. Availability of local currency	1	2
	3. Disbursement flows	2	2
	4. Cost management/recovery		2
	5. Performance of cofinancier		
D.	ACTIVITIES AND OUTPUTS		
	1. Adherence to implementation schedule	1	2
	2. Performance of consultants or technical assistants	2	3
	3. Performance of contractors	2	2
	4. Performance of project management	0.5	2
	5. Quality of outputs		
E.	IMPACT ON DEVELOPMENT		
	1. Likelihood of achieving project goal	2	2
	2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project	2	2
	3. Likely contribution of the project towards institutional capacity building	2	2
	4. Present rate of return		
F.	OVERALL ASSESSMENT		
	1. At present	1.5	2.0
	2. Trend over time	1.5	2.0
Code :	3	:	Highly satisfactory
	2	:	Satisfactory, occasional problems, Bank should monitor.
	1	:	Unsatisfactory : Problems, Bank should monitor closely but no immediate action required
	0	:	Highly unsatisfactory : serious problems : Bank action required.

EDUCATION PROJECT III PERFORMANCE			
INDICATORS		RATING	
		Previous Review	Present Review
A.	COMPLIANCE WITH LOAN CONDITIONS		
	1. Compliance with loan grant conditions	2	1
	2. Compliance with commitments made in loan agreement	2	2
	3. Compliance with other conditions	2	1
B.	PROCUREMENT PERFORMANCE		
	1. Procurement of services	1	3
	2. Procurement of goods	1	2
C.	FINANCIAL PERFORMANCE		
	1. Availability of foreign exchange	1	
	2. Availability of local currency	1	1
	3. Disbursement flows	1	2
	4. Cost management/recovery		
	5. Performance of cofinanciers	1	2
D.	ACTIVITIES AND OUTPUTS		
	1. Adherence to implementation schedule	1.5	3
	2. Performance of consultants or technical assistants	2	2
	3. Performance of contractors	2	2
	4. Performance of project management	1.5	2
	5. Quality of outputs	1.5	
E.	IMPACT ON DEVELOPMENT		
	1. Likelihood of achieving project goal	2	3
	2. Likelihood that benefits will be realized and sustain beyond the investment stage of the project	2	2
	3. Likely contribution of the project towards institutional capacity building	2	2
	4. Present rate of return		
F.	OVERALL ASSESSMENT		
	1. At present	1.5	2.10
	2. Trend over time	2	2.70
<b>Code :</b> 3 : Highly satisfactory 2 : Satisfactory, occasional problems, Bank should monitor. 1 : Unsatisfactory : Problems, Bank should monitor closely but no immediate action is required. 0 : Highly unsatisfactory : Serious problems : Bank action required.			

POVERTY REDUCTION PROJECT PERFORMANCE		
INDICATORS	RATING	
	Previous Review	Present Review
<b>A. COMPLIANCE WITH LOAN CONDITIONS</b>		2
1. Compliance with loan conditions precedent to effectiveness	2	2
2. Compliance with general conditions	2	2
3. Compliance with other conditions	2	2
<b>B. PROCUREMENT PERFORMANCE</b>		
1. Procurement of services	1	2
2. Procurement of goods	1	1
<b>C. FINANCIAL PERFORMANCE</b>		
1. Availability of foreign exchange	2	2
2. Availability of local currency	2	2
3. Disbursements	2	2
4. Cost management recovery	2	1
5. Performance of cofinanciers	2	
<b>D. ACTIVITIES AND OUTPUTS</b>		
1. Adherence to implementation schedule	1	2
2. Capacity of consultants or technical assistants	2	2
3. Efficiency of contractors	1.5	2
4. Efficiency of project management	1.5	2
<b>E. IMPACT ON DEVELOPMENT</b>		
1. Likelihood of achieving project goal	2	2
2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project	2	2
3. Likely contribution of the project towards institutional capacity building	2	2
4. Expect rate of return	2	
<b>F. OVERALL ASSESSMENT</b>		
1. At present	1.9	2.0
2. Trend over time	2	2.5
<b>Code :</b> <ul style="list-style-type: none"> <li>3 : Highly satisfactory</li> <li>2 : Satisfactory, occasional problems, Bank should monitor.</li> <li>1 : Unsatisfactory: Problems, Bank should monitor closely but no immediate action is required.</li> <li>0 : Highly unsatisfactory: Serious problems: Bank action required.</li> </ul>		

HEALTH PROJECT I PERFORMANCE			
INDICATORS		RATING	
		Previous Review	Present Review
A.	COMPLIANCE WITH LOAN CONDITIONS	-	
	1. Compliance with loan grant conditions	2	2
	2. Compliance with commitments made in the loan agreement	2	2
	3. Compliance with other conditions	2	1
B.	PROCUREMENT PERFORMANCE	-	
	1. Procurement of services	2	3
	2. Procurement of goods	2	2
C.	FINANCIAL PERFORMANCE	-	
	1. Availability of foreign exchange		2
	2. Availability of local currency	2	2
	3. Disbursement flows	2	2
	4. Cost management/recovery		
	5. Performance of cofinanciers	2	2
D.	ACTIVITIES AND OUTPUTS	-	
	1. Adherence to implementation schedule	1	2
	2. Performance of consultants or technical assistants	1	2
	3. Performance of contractors	-	2
	4. Performance of project management.	2	2
	5. Quality of outputs	-	
E.	IMPACT ON DEVELOPMENT	-	
	1. Likelihood of achieving project goal	2	2
	2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project	2	2
	3. Likely contribution of the project to institutional capacity building	2	2
	4. Present rate of return	-	
F.	OVERALL ASSESSMENT		
	1. At present	1.8	2.0
	2. Trend over time	2	2.50
<b>Code :</b> 3 : Highly satisfactory 2 : Satisfactory, occasional problems, Bank should monitor. 1 : Unsatisfactory: Problems, Bank should monitor closely but no immediate action is required. 0 : Highly unsatisfactory: Serious problems: Bank action required.			

PNIR PROJECT PERFORMANCE			
INDICATORS		RATING	
		Previous Review	Present Review
A.	COMPLIANCE WITH LOAN CONDITIONS	-	
	1. Compliance with loan grant conditions	-	2
	2. Compliance with commitment made in loan agreement	-	2
	3. Compliance with other conditions	-	2
B.	PROCUREMENT PERFORMANCE	-	
	1. Procurement of services	-	
	2. Procurement of goods	-	
C.	FINANCIAL PERFORMANCE	-	
	1. Availability of foreign exchange	-	3
	2. Availability of local currency	-	3
	3. Disbursement flows	-	1
	4. Cost management/recovery	-	-
	5. Performances of cofinanciers	-	3
D.	ACTIVITIES AND OUTPUTS	-	
	1. Adherence to implementation schedule	-	2
	2. Performance of consultants or technical assistants	-	-
	3. Performance of contractors	-	-
	4. Performance of project management.	-	3
	5. Quality of outputs	-	
E.	IMPACT ON DEVELOPMENT	-	
	1. Likelihood of achieving project goal	-	-
	2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project	-	-
	3. Likely contribution of the project to institutional capacity building	-	-
F.	OVERALL ASSESSMENT		
	1. At present		2.33
	2. Trend over time		2.65
<b>Code :</b> 3 : Highly satisfactory 2 : Satisfactory, occasional problems, Bank should monitor. 1 : Unsatisfactory: Problems, Bank should monitor closely but no immediate action is required. 0 : Highly unsatisfactory: Serious problems: Bank action required.			

<b>PERFORMANCE OF DIAM NIADIO-MBOUR-FATICK-KAOLAK ROAD PROJECT</b>			
INDICATORS		RATING	
		Previous Review	Present Review
<b>A.</b>	<b>COMPLIANCE WITH LOAN CONDITIONS</b>		<b>2.5</b>
	1. Compliance with loan grant conditions	2	2
	2. Compliance with commitments made in loan agreement	2	1.5
	3. Compliance with other conditions	2	1
<b>B.</b>	<b>PROCUREMENT PERFORMANCE</b>		<b>2.3</b>
	1. Procurement of services	3	2.5
	2. Procurement of goods	2	2.1
<b>C.</b>	<b>FINANCIAL PERFORMANCES</b>		<b>2.0</b>
	1. Availability of foreign exchange	3	3
	2. Availability of local currency	1	1
	3. Disbursement flows	2	2
	4. Cost management/recovery	N/A	N/A
	5. Performance of co-financiers	N/A	N/A
<b>D.</b>	<b>ACTIVITIES AND OUTPUTS</b>		<b>2.0</b>
	1. Adherence to implementation schedule	2	2.0
	2. Performance of consultants or technical assistants	2	2.0
	3. Performance of contractors	2	2.0
	4. Performance of project management	2	2.0
	5. Quality of outputs	2	2.0
<b>E.</b>	<b>IMPACT ON DEVELOPMENT</b>		<b>2.5</b>
	1. Likelihood of achieving project goal	2	2.5
	2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project	2	2.5
	3. Likely contributions of the project towards institutional capacity building	2	2.5
	4. Present rate of return	N/A	N/A
<b>F.</b>	<b>OVERALL ASSESSMENT</b>		
	1. At present	2	<b>2.26</b>
	2. Trend over time	2	2.50
<p><b>Code :</b> 3 : Highly satisfactory  2 : Satisfactory, occasional problems, Bank should monitor.  1 : Unsatisfactory: Problems, Bank should monitor closely but no immediate action is required.  0 : Highly unsatisfactory: Serious problems: Bank action required.</p>			

DAKAR CITY SANITATION PROJECT PERFORMANCE			
INDICATORS		RATING	
		Previous Review	Present Review
A.	COMPLIANCE WITH LOAN CONDITIONS		<b>1.0</b>
	1. Compliance with loan grant conditions	2	1
	2. Compliance with commitments made in loan agreement	2	1
	3. Compliance with other conditions	2	1
B.	PROCUREMENT PERFORMANCE		<b>1</b>
			1
	1. Procurement of services	1	
	2. Procurement of goods	1	1
	3. Procurement of works	2	1
C.	FINANCIAL PERFORMANCE		N/A
	1. Availability of foreign exchange	1	
	2. Availability of local currency	1	
	3. Disbursement flows	1	
	4. Cost management/recovery	N/A	
	5. Performance of cofinanciers	1	
D.	ACTIVITIES AND OUTPUTS		N/A
	1. Adherence to implementation schedule	1.5	
	2. Performance of consultants or technical assistants	1.5	
	3. Performance of contractors	2	
	4. Performance of project management	1.5	
	5. Quality of outputs	1.5	
E.	IMPACT ON DEVELOPMENT		1.5
	1. Likelihood of achieving project goal	2	1.5
	2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project	2	1.5
	3. Likely contribution of the project towards institutional capacity building	2	1.5
	4. Present rate of return	N/A	N/A
F.	OVERALL ASSESSMENT		
	1. At present	1.5	<b>1.12</b>
	2. Trend over time	2	2
<p><b>Code :</b> 3 : Highly satisfactory  2 : Satisfactory, occasional problems, Bank should monitor.  1 : Unsatisfactory: Problems, Bank should monitor closely but no immediate action is required.  0 : Highly unsatisfactory: Serious problems: Bank action required.</p>			

<b>EDUCATION PROJECT II PERFORMANCE</b>			
<b>INDICATORS</b>		<b>RATING</b>	
		<b>Previous Review</b>	<b>Present Review</b>
<b>A.</b>	<b>COMPLIANCE WITH LOAN CONDITIONS</b>		<b>2.0</b>
	1. Compliance with loan grant conditions	2	
	2. Compliance with commitments made in loan agreement	1	2
	3. Compliance with other conditions	1	2
<b>B.</b>	<b>PROCUREMENT PERFORMANCE</b>		<b>1.5</b>
	1. Procurement of services	1	1.5
	2. Procurement of goods	1	1.5
<b>C.</b>	<b>FINANCIAL PERFORMANCE</b>		<b>1.65</b>
	1. Availability of foreign exchange	3	
	2. Availability of local currency	1	
	3. Disbursement flows	2	
	4. Cost management/recovery		
	5. Performance of cofinanciers		
<b>D.</b>	<b>ACTIVITIES AND OUTPUTS</b>		<b>2.5</b>
	1. Adherence to implementation schedule	1	
	2. Performance of consultants or technical assistants	2	
	3. Performance of contractors	2	
	4. Performance of project management	0.5	
	5. Quality of outputs		
<b>E.</b>	<b>IMPACT ON DEVELOPMENT</b>		<b>2.0</b>
	1. Likelihood of achieving project goal	2	
	2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project	2	
	3. Likely contribution of the project towards institutional capacity building	2	
	4. Present rate of return		
<b>F.</b>	<b>OVERALL ASSESSMENT</b>		
	1. At present	1.5	<b>1.93</b>
	2. Trend over time	1.5	
<p><b>Code :</b> 3 : Highly satisfactory  2 : Satisfactory, occasional problems, Bank should monitor.  1 : Unsatisfactory: Problems, Bank should monitor closely but no immediate action is required.  0 : Highly unsatisfactory: Serious problems: Bank action required.</p>			

<b>EDUCATION PROJECT III PERFORMANCE</b>			
INDICATORS		RATING	
		Previous Review	Present Review
A.	<b>COMPLIANCE WITH LOAN CONDITIONS</b> 1. Compliance with loan grant conditions 2. Compliance with commitments made in loan agreement 3. Compliance with other conditions	2 2 2	<b>1.5</b>
B.	<b>PROCUREMENT PERFORMANCE</b> 1. Procurement of services 2. Procurement of goods	1 1	<b>2.5</b>
C.	<b>FINANCIAL PERFORMANCE</b> 1. Availability of foreign exchange 2. Availability of local currency 3. Disbursement flows 4. Cost management/recovery 5. Performance of cofinanciers	1,5 2 2 1.5 1.5	<b>1.5</b>
D.	<b>ACTIVITIES AND OUTPUTS</b> 1. Adherence to implementation schedule 2. Performance of consultants or technical assistants 3. Performance of contractors 4. Performance of project management 5. Quality of outputs	2 2 1 N/A 1	<b>2.5</b>
E.	<b>IMPACT ON DEVELOPMENT</b> 1. Likelihood of achieving project goal 2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project 3. Likely contribution of the project towards institutional capacity building 4. Present rate of return	2 2 2	<b>2.5</b>
F.	<b>OVERALL ASSESSMENT</b> At present Trend over time	1.5 2	<b>2.10</b>
<b>Code :</b> 3 : Highly satisfactory 2 : Satisfactory, occasional problems, Bank should monitor. 1 : Unsatisfactory: Problems, Bank should monitor closely but no immediate action is required. 0 : Highly unsatisfactory: Serious problems: Bank action required.			

<b>POVERTY REDUCTION PROJECT PERFORMANCE</b>			
INDICATORS		RATING	
		Previous Review	Present Review
<b>A.</b>	<b>COMPLIANCE WITH LOAN CONDITIONS</b>		
1.	Compliance with loan condition precedent to effectiveness	2	<b>2</b>
2.	Compliance with general conditions	2	2
3.	Compliance with other conditions	2	2
<b>B.</b>	<b>PROCUREMENT PERFORMANCE</b>		<b>1.5</b>
1.	Procurement of services	1	1.5
2.	Procurement of goods	1	1.5
<b>C.</b>	<b>FINANCIAL PERFORMANCE</b>		<b>1.5</b>
1.	Availability of foreign exchange	2	
2.	Availability of local currency	2	
3.	Disbursements	2	
4.	Cost management/recovery	2	
5.	Performance of cofinanciers	2	
<b>D.</b>	<b>ACTIVITIES AND OUTPUTS</b>		<b>2.0</b>
1.	Adherence to implementation schedule	1	
2.	Capacity of consultants or technical assistants.	2	
3.	Efficiency of contractors	1.5	
4.	Efficiency of project management	1.5	
<b>E.</b>	<b>IMPACT ON DEVELOPMENT</b>		<b>2.0</b>
1.	Likelihood of achieving project goal	2	2
2.	Likelihood that benefits will be realized and sustained beyond the investment stage of the project	2	2
3.	Likely contribution of the project towards institutional capacity building	2	2
4.	Expected rate of return	2	
<b>F.</b>	<b>OVERALL ASSESSMENT</b>		
1.	At present	1.9	<b>1.8</b>
2.	Trend over time	2	2,2
<b>Code :</b>	3 : Highly satisfactory 2 : Satisfactory, occasional problems, Bank should monitor. 1 : Unsatisfactory: Problems, Bank should monitor closely but no immediate action is required. 0 : Highly unsatisfactory: Serious problems: Bank action required.		

<b>HEALTH PROJECT I PERFORMANCE</b>			
INDICATORS		RATING	
		Previous Review	Present Review
A.	COMPLIANCE WITH LOAN CONDITIONS	-	<b>1.5</b>
	1. Compliance with loan grant conditions	2	2
	2. Compliance with commitments made in loan agreement	2	1
	3. Compliance with other conditions	-	<b>2.5</b>
B.	PROCUREMENT PERFORMANCE		<b>2.0</b>
	1. Procurement of services	2	2
	2. Procurement of goods	2	2
	3. Procurement of works	-	
C.	FINANCIAL PERFORMANCE	2	2
	1. Availability of foreign exchange	1	2
	2. Availability of local currency	1	2
	3. Disbursement flows	-	2
	4. Cost management/recovery	2	2
	5. Performance of cofinanciers	-	
D.	ACTIVITIES AND OUTPUTS	-	<b>2.0</b>
	1. Adherence to implementation schedule		
	2. Performance of consultants or technical assistants		
	3. Performance of contractors		
	4. Performance of project management		
	5. Quality of outputs		
E.	IMPACT ON DEVELOPMENT	2	<b>2.0</b>
	1. Likelihood of achieving project goal	2	2
	2. Likelihood that benefits will be realized and sustained beyond the investment stage of the project	2	2
	3. Likely contribution of the project towards institutional capacity building	-	NA
	4. Present rate of return		
F.	OVERALL ASSESSMENT	1.8	<b>2.10</b>
	At present	2	
	Trend over time		
<b>Code :</b> 3 : Highly satisfactory 2 : Satisfactory, occasional problems, Bank should monitor. 1 : Unsatisfactory: Problems, Bank should monitor closely but no immediate action is required. 0 : Highly unsatisfactory: Serious problems: Bank action required.			

## MATRIX OF COMMON PROBLEMS

No.	Type of Problem
1	Low rate of disbursement
2	Delay in effectiveness of loans and grants, ranging from 15 to 24 months
3	Poor mastery of Bank rules and procedures by the executing agencies of projects
4	Absence or delay in the preparation of audit and progress reports as well as their transmission to the Bank
5	Non-transmission by the Ministry of the Economy and Finance to governmental audit organs of audit reports of projects financed by the Bank
6	Absence or delay in the preparation of quarterly status reports and their transmission to the Bank. On its part, the Bank has not systematized the transmission of its remarks to the Senegalese party with a view to really sustaining
7	Inadequate compliance with other loan and project conditions
8	Often long periods of payment
9	Often long contract award procedures