

**AFRICAN DEVELOPMENT FUND**

**REPUBLIC OF SENEGAL**

**POVERTY REDUCTION PROJECT  
(PROJECT No. P-SN-IE0-002)**

**COMPLETION REPORT**

**HUMAN DEVELOPMENT DEPARTMENT**

**OSHD  
MAY 2008**

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This project completion report was prepared by Mr. A. EYEGHE, Senior Socio-economist, OSHD.1, and Mrs. J. NZEYIMANA, Micro-finance Specialist, OSHD.0, further to their mission to Senegal from 14 to 25 October 2007, with the collaboration of the staff of the Bank's regional office in Dakar (Mrs. R. TRAORE, Socio-economist, Mrs. S. M. DIOUF, Infrastructure Specialist, and Mr. M. MBAYE, Procurement Specialist). Questions on this report may be addressed to Mr. A. de ROQUEFEUIL, Division Manager, OSHD.1 (Ext. 2184) or Mr. T. HURLEY, Director, OSHD (Ext. 2046).

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## **CURRENCY EQUIVALENTS**

Currency Unit	:	CFA Franc (CFAF)
At project appraisal (August 1998)	:	UA1 = CFAF 796.406
At project completion (June 2006)	:	UA 1 = CFAF 761.671

## **WEIGHTS AND MEASURES**

Metric system

## **FISCAL YEAR**

1 January – 31 December

## **LIST OF ACRONYMS AND ABBREVIATIONS**

ADB	African Development Bank
ADF	African Development Fund
AFDS	Social Development Fund Agency
AGETIP	Public Works Executing Agency
AT/CPEC	Technical Assistance Unit for the People's Savings and Credit Fund
CAPEC	People's Savings and Credit Fund
CFAF	Franc of the African Financial Community
CLEC	Local Savings and Credit Fund
CNOC	National PLCP Steering and Coordination Committee
CROC	Regional PLCP Steering and Coordination Committee
CSO/PLCP	Committee for the Operational Monitoring of Poverty Reduction Programmes
DC	Delegated Contractor
DFS	Decentralized Financial System
GC	Grassroots Community
GVT	Government
IEC	Information – Education – Communication
IGA	Income Generating Activities
MDG	Millennium Development Goals
MFASSN	Ministry of Family Affairs, Social Welfare and National Solidarity
NA	Not applicable
NDF	Nordic Development Fund
NGO	Non Governmental Organization
NK	Not known
PAGPF	Project to Support Women's Advancement Groups
PAREP	Poverty Reduction Support Programme
PLCP	Poverty Reduction Project
PMU	PLCP Project Management Unit
PNLP	National Poverty Reduction Programme
PRSP	Poverty Reduction Strategy Paper
RMU	PLCP Regional Management Unit
SDR	Special Drawing Rights
SNFO	Senegal Regional Office
TAF	Technical Assistance Fund
UA	Unit of Account

## **EXECUTIVE SUMMARY**

1. The Poverty Reduction Project (PLCP) was approved in June 1999. It was cofinanced by the Bank Group, with an ADF loan and a TAF grant, the Nordic Development Fund (NDF) and the Senegalese Government. The ADF Loan and TAF Grant Agreements were signed in August 1999 and the initial and supplementary NDF loans signed in 1999 and 2004. The project was a follow-up to the Project to Support Women's Advancement Groups (PAGPF) approved by the Bank Group in 1991 and completed in 1999, and was aimed at consolidating the achievements of the PAGPF in the framework of the implementation of the Government's national poverty reduction programme. The overall objective of the PLCP was to contribute to poverty reduction in Senegal. Its specific objectives were: (i) to raise the educational level, strengthen the technical and vocational skills, as well as the self-promotion capacities of the target groups; (ii) build their income-generating capacities; and (iii) promote access to basic services.

2. The ADF Loan and TAF Grant Agreements signed in August 1999 provided for a five-year implementation period, i.e. up to 31 December 2004. This deadline was however not adhered to, and the project was completed on 30 June 2006 in respect of the activities funded by the Bank Group, i.e. 18 months after the initial last disbursement deadline, and 30 June 2007 in respect of the activities funded by the NDF, owing to a supplementary loan obtained by the Government from NDF to reinforce the village water supply component of the project. Besides the implementation of an additional village water supply programme, the principal factors behind the delay in project implementation were: long delays in fulfilling the conditions, lengthy process for the selection of project personnel and for the preparation and approval of the architectural designs of the socio-community facilities, and the climatic constraints that made some sites inaccessible for several months in the year.

3. Despite the delay, the overall performance of the project was deemed satisfactory. All the scheduled activities were carried out, and almost all the initial project objectives achieved. Its principal outputs were: (i) the sensitization of about 325 000 people, 57% of them women, on various themes related to health, education, the environment and civic life; (ii) literacy education for 36 000 beneficiaries, 84% of them women; (iii) establishment of 22 People's Savings and Credit Funds (CAPEC) and 517 Local Savings and Credit Funds (CLEC); (iv) the award of 53,000 micro-credits used in funding activities that benefited 90 000 persons; (v) the construction and commissioning of 16 women's shelters (huts), 14 huts for the little ones (pre-school) (or educational nurseries), 14 health huts, sinking of 182 wells, procurement of 112 electric pumps and 182 manual pumps, construction of 182 latrines and establishment of 53 mini-drinking water supply networks; as well as (vi) the procurement of 336 mills, 28 millet and fonio dehullers, 12 threshing machines, et 216 horse or donkey-drawn carts with a view to alleviating the burden of domestic chores.

4. The principal lessons learnt from project implementation are: (i) the need to pay closer attention to the availability of drinking water and electricity when choosing sites for the construction of socio-community facilities; (ii) the need to promote the programme approach to the design and funding of poverty reduction operations rather than the project approach since the living conditions of target populations cannot be sustainably improved with periodic or stand-alone operations; (iii) the need to take better account of political aspects in programme design with micro credit funds with a view to preventing outside interference in the project and in the award of micro-credit, which could have a negative impact on the repayment rate; (iv) when delegated contractors are used in PLCP-type projects, the contracts between the parties should be extremely precise as far

as the missions, tasks and responsibilities of the parties are concerned, to permit the evaluation of each party at the end of the mission; and (v) for PLCP-type projects, it must be ensured that the contracts of delegated contractors responsible for the works link payments not only to work progress but also to a minimum number of field missions which the delegated contractors must undertake to guarantee effective monitoring of the works and their high quality. The principal recommendations made to the Government as well as to the Bank Group and NDF are the following:

For the Government:

- a) Promote a standard format for each type of community structure with a view to cost reduction;
- b) Prevent any political interference in the implementation of micro-finance activities of projects, especially in the award of micro-credits to project beneficiaries;
- c) Ensure that sites selected for the establishment of project infrastructure have access to public water and electricity networks;
- d) Support the socio-community facilities established under the project, but whose operating revenues are not yet sufficient to ensure their financial autonomy, by granting them aid to enable them to balance their budget;
- e) Transfer the micro-credit portfolio of the PLCP project to the Micro-finance Unit of the Ministry of Finance, which should: (i) obtain from the project financial intermediaries the repayment of the sums already recovered; and (ii) constrain the financial intermediaries to pursue the operations for the recovery of amounts not yet repaid by micro-credit beneficiaries;
- f) Facilitate the formalities for the granting of licenses by the AT/CPEC unit to the People's Savings and Credit Funds (CAPEC) set up by the project; and
- g) Pay back to those financial intermediaries which have performed most effectively in their partnership with the PLCP, the amount of the replenished PLCP credit funds to enable them pursue micro-credit activities in the project area as planned in the project appraisal report.

For the Bank Group and the NDF:

- a) Promote the programme approach in the design of poverty reduction operations;
- b) Ensure that sites selected for the establishment of project infrastructure have access to public water and electricity networks;
- c) Ensure that contracts between projects and delegated contractors are extremely specific on the missions, tasks and responsibilities of the parties, so as to permit the evaluation of each party on completion of the mission;

- d) Where delegated contractors are used in civil works projects, payments to them must be linked not only to work progress but also to a minimum number of field supervision missions to guarantee the effective mobilization of the delegated contractor in the field and the high quality of the works; and
- e) Cancel the undrawn balances of the ADF loan and TAF grant in a global amount of UA 2,282.82.

### **BASIC PROJECT DATA**

1. ADF Loan Number : 2100150000874  
 2. TAF Grant Number : 2100155000305  
 3. NDF Loan Numbers : NDF Credit 286  
 4. Borrower : Republic of Senegal  
 5. Guarantor : Ministry of Economy and Finance  
 6. Beneficiary : Ministry of Family Affairs, Social Welfare and National Solidarity  
 7. Executing Agency : Project Management Unit (PMU)

#### **A. ADF LOAN AND TAF GRANT**

Data	Estimate at Appraisal		Actual	
	ADF Loan	TAF grant	ADF loan	TAF grant
Amount (in UA million)	10	1.75	10	1.75
Interest Rate	1 % a year between the 11 <sup>th</sup> and 20 <sup>th</sup> years; 3 % a year thereafter	NA	1 % a year between the 11 <sup>th</sup> and 20 <sup>th</sup> years; 3 % a year thereafter	NA
Repayment Period	40 years	NA	40 years	NA
Grace Period	10 years	NA	10 years	NA
Approval Date	January 1999	January 1999	30/06/1999	30/06/1999
Signature Date	February 1999	February 1999	19/08/1999	19/08/1999
Effectiveness Date	April 1999	April 1999	09/02/2001	19/08/1999

#### **B. NDF LOANS**

Data	Estimate at Appraisal	Actual
Amount (in UA million <sup>(*)</sup> )	5	7.5
Interest Rate	1% per year until 2019; 2% per year thereafter	0.75% per year until 2019; 2% per year thereafter
Repayment Period	30 years	30 years
Grace Period	10 years	10 years
Approval Date	January 1999	31 January 1999
Signature Date	February 1999	25/05/1999
Effectiveness Date	April 1999	9 July 2001

(\*): The NDF loans were denominated in SDR, whose value is equivalent to the UA. In 2004, the Government obtained a supplementary loan from NDF of UA 2.5 million in addition to the initial loan of UA 5 million.

#### **C. PROJECT DATA**

1. Total Cost:

Estimate at Appraisal	:	UA 18.60 million
Amount on completion	:	UA 21.806 million

2. Financing Plan (in UA million):

Financing Instrument	Estimate at Appraisal			Actual		
	FE	LC	Total	FE	LC	Total
ADF loan	5.77	4.23	10	5.768	4.229	9.997
TAF grant	0.58	1.17	1.75	0.580	1.169	1.749
NDF loans	2.62	2.38	5	3.930	3.570	7.500
Government	0.00	1.85	1.85	0.000	2.560	2.560
Total	8.97	9.63	18.60	10.278	11.528	21.806

3. Actual Date of First Disbursement : 06/04/2001 (ADF)  
 4. Actual Date of Last Disbursement : 10/07/2006 (ADF)  
 5. Start-up of Project Implementation : March 2001  
 6. Completion Date of Project Implementation Activities : 30/06/2006 (ADF)

#### D. PERFORMANCE INDICATORS

1. Cost Overrun/Underrun : 0 %  
 2. Time Overrun/Underrun  
     Slippage on Effectiveness : + 22 months  
     Slippage on Completion : 30 %  
     Slippage on Last Disbursement : 32 %  
     Number of Extensions to the Deadline  
     for Last Disbursement : 2 (18 months)  
 3. Project Implementation Status : Completed  
 4. List of Verifiable Indicators and Levels of Achievement :

Verifiable Indicators	Levels of Achievement (in % of planned levels)
Expenditure Category: Studies and Supervision	100%
Expenditure Category: Construction and Rehabilitation	100%
Expenditure Category: Equipment, Furniture and Supplies	100%
Expenditure Category: Specialist Services	100%
Expenditure Category: Training	100%
Expenditure Category: Credit Funds	100%
Expenditure Category: Operation	100%
Expenditure Category: Audit	100%

5. Institutional Performance : Satisfactory  
 6. Contractors Performance : Satisfactory  
 7. Consultants' Performance : Satisfactory  
 8. Economic Rate of Return  
     At Appraisal : NA  
     At Completion : NA  
 9. Financial Rate of Return  
     At Appraisal : NA  
     At Completion : NA

#### E. MISSIONS

Type of Mission	Number of Persons	Composition	Staff-Days
Identification	NA.	NA.	NA.
Preparation	5	Education Expert /Participation Expert/Consultants (3)	14
Appraisal	4	Education Expert/ Participation Expert/Consultants (2)	14
Supervision			
2000	2	Education Expert/Procurement Specialist	18
2001	2	Education Expert /Architect	14
2001	2	Education Expert/Architect	13
2002	1	Education Expert	20
2002	NA	NA.	NA.
2003	1	Health Expert	17
2003	NA	NA.	NA
2004	2	Education Expert /Architect	14
2004	NA	Architect/ Health Expert	19
2005	2	Health Expert/Architect	12
2005		NA.	NA.
2006		Socio-economist/Micro-finance specialist	5
PCR	5	Socio-economists (2)/ Micro-finance Specialist / Infrastructure Expert /Procurement Specialist	14

### G. DISBURSEMENTS (in UA)

	<u>ADF Loan</u>	<u>TAF Grant</u>	<u>GVT</u>	<u>NDF Loans</u>
Total Disbursed	9 997 896.04	1 749 821.14	2 211 039 575	7491998
Amount Cancelled	0.00	0.00	0	0
Undrawn Balance:	2 103.96	178.86	-	8002
Annual Disbursements :				
2001	969 272.84	0.00	461 448 497	
2002	274 962.04	361 906.04	429 000 000	
2003	1 627 242.99	465 745.80	397 000 000	
2004	3 894 578.16	329 371.23	300 000 000	
2005	2 678 601.98	0.00	460 591 078	
2006	553 238.03	592 798.07	163 000 000	

### H. CONTRACTORS/SUPPLIERS

The list of the principal project contractors, suppliers and consultants is appended as Annex 4 of the report.

## **PROJECT LOGICAL FRAMEWORK MATRIX**

HIERARCHY OF OBJECTIVES	OBJECTIVELY VERIFIABLE INDICATORS		MEANS OF VÉRIFICATION	IMPORTANT ASSUMPTIONS
	AT APPRAISAL	AT COMPLETION		
<p>A. <u>Sector Goal</u></p> <p>1. Contribute to poverty reduction in Senegal</p>	<p>1.1 The national poverty incidence rate fell from over 32 % to under 30 %</p>	<p>1.1.1 The national poverty incidence rate fell from 57.1 % in 2001 to 54 % in 2004, with a 48.4 % target in 2007.</p>	<p>1.1.1.1 PRSP II.</p>	<p>1.1.1.1.1 The PNLN and PANAF remained a priority. .</p> <p>1.1.1.1.2 The different partners participated in the PNLN</p>
<p>B. <u>Project Objectives</u></p> <p>1. Raise the educational level, strengthen the technical and vocational skills as well as the self-promotion capacities of the target groups</p> <p>2. Increase their income-generating capacities.</p> <p>3. Promote access to basic services.</p>	<p>1.1 Improvement of the knowledge of the target groups in health, nutrition, management, democracy and the other IEC themes.</p> <p>1.2 The number of hours devoted to domestic chores by the targeted women reduced by almost 25 %.</p> <p>2.1 Almost 290,000 poor people, representing 25 % of poor persons in the project areas have access to micro-credit, carry out income-generating activities and increase their incomes.</p> <p>2.2 The proportion of poor households in the target regions fell from over 52.6 % to about 45 % for Kolda; from over 38.9 % to about 34 % for Tamba; from over 20.9 % to about 18 % for Thiès; from over 19.1 % to about 14 % at Diourbel and from over 12.5 % to about 10 % for Dakar.</p> <p>2.3 The proportion of poor persons in the target regions fell from over 57.8 % to about 50 % for Kolda, from over 45.6 % to about 40 % for Tamba, from over 23.7 % to about 18 % for Thiès, from 23.9 % to about 18 % at Diourbel and from over 18.4 % to about 16 % for Dakar.</p> <p>3.1 250 communities in the project zones have water points.</p>	<p>1.1.1 The sensitization and IEC activities affected over 325 000 people, 57 % of them women, who improved their knowledge in the themes considered.</p> <p>1.2.1 The project funded 28 millet and fonio dehullers, 336 corn mills and 12 millet threshing machines, which reduced women's domestic working hours. The reduction was estimated at over 30 %.</p> <p>2.1.1 All the poor populations of the project zone had access to micro-credit thanks to the 22 CAPEC and 517 CLEC created by the project.</p> <p>2.2.1 In 2006, about 47.3 % of households were considered extremely poor at Kolda, 44.1 % at Tamba, 17.9 % at Thiès, 7.9 % at Diourbel, and 13.3 % in Dakar. These percentages were lower than those of the same regions prior to the project.</p> <p>2.3.1 The percentage of the population living below the poverty line at national level fell from 57.1 % in 2001 to 54 % in 2004, with a 48.4 % target in 2007. The regions targeted by the project followed the same trend, although the data were not disaggregated by region.</p> <p>3.1.1 The project financed 182 wells, 112 solar or thermo-electric pumps, 182 manual pumps, 53 mini</p>	<p>1.1.1.1 Follow-up survey on the poverty trend in the region of the PLCP; PLCP activity reports; Activity reports of the CSO/PLCP.</p> <p>1.2.1.1 PLCP activity reports; Borrower's completion report.</p> <p>2.1.1.1 PLCP activity reports; Borrower's Completion report; Follow-up Survey on the Poverty Trend in the PLCP region.</p> <p>2.2.1.1 A follow-up survey on the poverty trend in the PLCP region; ANDS Study.</p> <p>2.3.1.1 PRSP II.</p> <p>3.1.1.1 PLCP activity reports; Borrower's Completion Report.</p>	<p>1.1.1.1.1 Partner NGOs were sufficiently operational and competent</p> <p>1.2.1.1.1 Project implementation partners were sufficiently operational and competent to respond to the needs of the Communities.</p> <p>2.1.1.1.1 The project implementation partners (NGOs, DFS and the private sector) were sufficiently operational and competent to respond to the needs of the Communities.</p> <p>2.2.1.1.1 The PNLN and the PANAF remained priority</p> <p>2.2.1.1.2 The different partners participate in the PNLN</p> <p>2.3.1.1.1 The different partners participate in the PNLN</p> <p>3.1.1.1.1 The project implementation partners are sufficiently operational and competent to satisfy the needs of the communities.</p>

HIERARCHY OF OBJECTIVES	OBJECTIVELY VERIFIABLE INDICATORS					MEANS OF VÉRIFICATION	IMPORTANT ASSUMPTIONS
	AT APPRAISAL			AT COMPLETION			
					drinking water supply networks and 182 latrines for the communities in the project area.		
<b>C. Results</b>							
1. The level of education, technical and vocational skills and capacity for self-reliance of target groups improved.	1.1 36,000 auditors were trained; the target groups received technical/vocational training.				1.1.1 About 36 000 people were trained, including 84 % women. 144 000 manuals were available in the literacy centres. Target groups were trained in various technical areas.	1.1.1.1 Borrower's Completion report; PLCP activity reports.	1.1.1.1.1 The auditors are involved in the IEC/literacy programmes.
2. Income-generating capacity of target groups increased.	2.1 290,000 micro-credits were granted; the beneficiaries carry out IGAs and their incomes increased by 3 %; the credit recovery rate was over 95 %.				2.1.1 About 53 000 micro-credits were granted to about 90 000 people in the amount of CFAF 3.13 billion. The incomes of the beneficiaries increased. The repayment rate was over 95 %.	2.1.1.1 Borrower's Completion report; PLCP activity reports; DFS reports.	2.1.1.1.1 The target groups use micro-finance services.
3. The living and working conditions of the target group improved.	3.1 The equipment for alleviating the tasks and socio-economic facilities selected by the beneficiaries were installed in 600 communities.				3.1.1 All the equipment scheduled to be installed is operational. The beneficiaries were trained in their operation.	3.1.1.1 Borrower's Completion report; PLCP activity reports.	3.1.1.1.1 The technical intermediation services are effective.
4. The capacities of the different project implementation partners were strengthened.	4.1 Representatives of 30 NGO, 3 DFS and decentralized services were trained in the relevant areas; officials of decentralized services involved in the project were given support				4.1.1 The project trained 15 NGO and 15 DFS representatives. The project also built the capacities of the decentralized services of the Ministry of Social development.	4.1.1.1 Borrower's Completion report; PLCP activity reports.	4.1.1.1.1 The project operates without interference.
<b>D. Activities</b>	<u>Categ.</u> ADF TAF NDF Gvt Total				<u>Categ.</u> ADF TAF NDF Gvt Total		
Make the project known in the areas of intervention	A 0.15 0.00 0.29 0.00 0.44				A 0.15 0.00 0.59 0.00 0.74	Status of disbursements and audit reports	The ADF and NDF resources and the national counterpart were provided for the project.
Establish a literacy /IEC programme	B 1.72 0.00 2.04 0.09 3.85				B 1.72 0.00 2.54 0.09 4.35	Quarterly project status reports, supervision reports, portfolio review.	
Establish the micro-credit fund	C 2.42 0.00 2.36 0.00 4.78				C 2.42 0.00 3.36 0.00 5.78		
Conduct studies on growth-bearing niches	D 0.83 0.60 0.12 0.00 1.55				D 0.83 1.14 0.32 0.00 3.29		
Ensure technical and professional/vocational training for the beneficiaries	E 2.15 1.09 0.09 0.00 3.34				E 2.15 0.55 0.09 0.00 2.79		
Installation of equipment and infrastructure in the target communities	F 1.75 0.00 0.00 1.76 3.50				F 1.75 0.00 0.00 1.62 3.37		
Support the partners capacity building activities	G 0.98 0.00 0.10 0.00 1.08				G 0.98 0.00 0.60 0.94 2.52		
Ensure project management, monitoring and evaluation.	H 0.00 0.06 0.00 0.00 0.06				H 0.00 0.06 0.00 0.00 0.06		
	Tot. 10.00 1.75 5.00 1.85 18.60				Tot. 10.00 1.75 7.50 2.56 21.81		
	<u>Expenditure Categories</u>						
	A : Studies and Supervision						
	B : Construction and Rehabilitation						
	C : Equipment, Furniture and Supplies						
	D : Specialist Services						
	E : Training						
	F : Credit Fund						
	G : Operation						
	H : Audit						

## **1 INTRODUCTION**

1.1 The Poverty Reduction Project (PLCP) was approved by the ADF in June 1999 for a five-year period. It was co-financed by the ADF, the Nordic Development Fund (NDF) and the Senegalese Government, and targeted the poor, particularly women, youth and children. Its area of intervention spanned the regions of Dakar, Diourbel, Kolda, Tambacounda, and Thies, which were among the poorest in the country according to the estimates of the National Poverty Reduction Programme (PNLP).

1.2 The PLCP was the seventh operation funded by the ADF in the social sector in Senegal. Before the PLCP, the ADF had successively funded the Study on the Development of Elementary Education in 1986, the Project to Support the Advancement of Women's Groups in 1991, the Population Sector Study in 1993, the Education Project II in 1996, and the Health Project I in 1997. The poverty reduction project was prepared and implemented under the responsibility of the Ministry of Family Affairs, Social Welfare and National Solidarity. Its implementation was marked by many institutional changes regarding the Directorates of Family Affairs, Social Welfare and National Solidarity and Community Development, which were involved in the implementation of project activities and were sometimes combined into a single Ministry and sometimes split among several Ministries. The changes did not, however, jeopardize the achievement of the project's objectives.

## **2 PROJECT OBJECTIVES AND FORMULATION**

### **2.1 Objectives**

2.1.1 The Poverty Reduction Project was aimed at supporting the National Poverty Reduction Programme, which the Government prepared and implemented, among other things, to manage the negative social impacts of the different structural adjustment programmes Senegal had been implementing since 1980. It was also intended to contribute to the implementation of the Women's Action Plan, which had been prepared by the Government to combat the feminization of poverty in Senegal. The overall objective of the project was therefore to contribute to poverty reduction in Senegal, with its specific objectives being: (i) to raise the educational level, strengthen the technical and vocational skills as well as the self-promotion capacities of the target groups; (ii) to build their income-generating capacity; and (iii) to improve access to basic social services.

2.1.2 The project estimates were based on the following principal hypotheses: (a) the National Poverty Reduction Programme and the Women's Action Plan remain priorities in the country's development strategy; (b) civil society and private sector organizations are operational, competent and in sufficient numbers to provide the technical intermediation services required by target groups; and (c) the management structure responsible for the coordination of project activities has qualified specialists and administrative, technical and financial autonomy. All these assumptions were confirmed during the project implementation period.

### **2.2 Description**

2.2.1 The project, which was originally scheduled for five years, comprised the following four components: (i) capacity building of beneficiaries and partners; (ii) micro-finance and income-generating activities; (iii) infrastructure, equipment and village water supply; and (iv) project management.

2.2.2 Component I: capacity building for beneficiaries and partners. It was sub-divided into two sub-components: (i) sensitization, functional literacy and IEC; and (ii) capacity building of project partners. This was aimed at financing the information and sensitization activities of the target populations on the objectives of, and opportunities provided by the project, and at financing the capacity-building activities of NGO and DFS partners of the project, the Directorates of Ministry of Social Development of the Ministry of Economy and Finance, and the local authorities. The aim was to sensitize 36 000 beneficiaries, teach literacy to 36 000 persons and build the capacities of 3 Ministries, about 6 000 beneficiaries, and 30 NGO and 3 DFS.

2.2.3 Component II: Micro-finance and income-generating activities. This provided for financing activities to increase the beneficiaries' income by offering local micro-finance services. A credit fund was to be put in place to finance, through decentralized financial structures (DFS), micro-projects and income-generating activities developed by the beneficiaries, at least 50% of them women. The aim was to award 24,000 loans to Village Savings and Credit Funds and 290,000 micro-credits to target populations, at least 50% of them women.

2.2.4 Component III: Infrastructure, equipment and village water supply. This component was sub-divided into three sub-components: infrastructure and socio-community equipment; village water supply; and women's shelters and socio-educational nurseries. The principal objective of the component was to finance the activities for improving the living and working conditions of the beneficiaries through the construction of 600 basic facilities and installation of simple equipment for alleviating domestic tasks, raising productivity, providing enhanced access to educational and health services, and the preservation of a healthy environment.

2.2.5 Component IV: Project Management. This was aimed at providing the PMU with the necessary human, financial and material resources for the smooth implementation of the activities. It was also intended to cover the operation of the RMU, CNOC and CROC.

## **2.3 Formulation**

2.3.1 The poverty reduction project was designed to consolidate the achievements of the Project to Support Women's Advancement Groups (PAGPF), which was approved by the ADF in September 1991 and completed in June 1999. It covered the same regions as the PAGPF and targeted particularly women, youth and children among the poor of those regions. Although the PAGPF yielded positive results, especially in literacy, sensitization on various themes of daily life, micro-credit and construction of community facilities, unrequited needs remained in relation to the PAGPF objectives and new ones appeared. The Government therefore sought the assistance of the Bank Group to finance a new project with a view to satisfying those needs. The identification mission was fielded in May 1998, the preparation mission in July 1998, and the appraisal mission in August 1998. The project cycle phases were thus adhered to in the formulation of the project.

2.3.2 The project was formulated in accordance with the participatory approach which associated the different administrative services concerned with its activities at national and local level, representatives of civil society and private sector organizations. Representatives of the beneficiaries were also involved in project formulation during the missions fielded by the ADF. The gender approach was duly taken into account in all phases of the project cycle and verifiable indicators made it possible to assess the project results by gender. Project

ownership was high and the Borrower had a good understanding of the Bank Group's rules, since the PLCP project was a follow-up to the PAGPF project, which was implemented in a globally satisfactory manner. The organizational and institutional set up of the project was relevant, as it provided for a Project Management Unit (PMU) based in Dakar, with Regional Management Units (RMU) in the regions covered by the project. It also provided for a National Steering and Coordination Committee (CNOC) to supervise the activities of the PMU which comprised representatives of the Ministries directly concerned with the project's activities, representatives of the implementation partners and donors. Regional Steering and Coordination Committees (CROC) were aimed at extending the activities of the CNOC in the regions. The project was consistent with the thrusts of the CSP and Government policy priorities.

### **3. PROJECT IMPLEMENTATION**

#### **3.1 Effectiveness and Start-up**

3.1.1 The ADF Loan and TAF Grant were subject to the following conditions with deadlines.

##### **Summary Table of the Conditions Precedent to Effectiveness of the Loan Agreement**

<b>Conditions Precedent to Effectiveness of the Loan Agreement</b>	<b>Deadline</b>
Fulfilment, to the Fund's satisfaction, of the conditions set out at Section 5.01 of General Conditions Applicable to Loan Agreements and Guarantee Agreements of the Bank Group.	February 2001

##### **Summary Table of the Conditions Precedent to Effectiveness of the Grant Agreement and Conditions Precedent to First Disbursement of the Loan**

<b>Conditions Precedent to Effectiveness of the Grant Agreement and Conditions Precedent to First Disbursement of the Loan</b>	<b>Deadline</b>
h) Provide the Fund with evidence of the establishment of the Project Management Unit (PMU), five (5) Regional Management Units (RMUs), Regional Steering Committees, and the National Steering Committee.	February 2001
ii) Provide the Fund with evidence of the recruitment on the basis of a shortlist, of managerial personnel whose qualifications and experience have been previously deemed acceptable by the Fund.	October 1999
iii) Provide the Fund with evidence of the provision of the PMU and RMUs with adequate premises to serve as offices.	February 2001
iv) Provide the Fund with evidence of the signature of the financing agreement with the Nordic Development Fund (NDF) on the Project or evidence that this other donor has made a written undertaking to participate in the project financing.	May 1999
v) Provide the Fund with evidence of the opening, at a commercial bank in Senegal, of an account into which the loan resources should be paid.	June 2000
vi) Provide the Fund with evidence of opening by the Project of a Project account in a commercial bank in Senegal into which the Project operating funds should be paid.	June 2000

**Summary Table of the “Other Conditions”**

Other Conditions	Deadline
i) A manual of operational procedures on the operation of the Project and the credit component should be adopted no later than six (6) months following effectiveness of the Loan Agreement,	May 2002
ii) The land for the construction of women’s shelters should be allocated to the Project no later than six months following effectiveness of the Loan Agreement.	June 2003
iii) Its contribution to funding the activities programmed for the calendar year should be paid no later than 31 March each year.	Continued during project execution
iv) A detailed training programme for the entire project should be submitted to the Fund for its opinion no later than six months after loan effectiveness.	
v) Provide, in a timely fashion to the decentralized financial systems selected to participate in the implementation of the credit component the funds for that component and communicate to the Fund the management agreements the drafts of which should have been previously submitted to it for consideration and opinion.	As from January 2003

3.1.2 The ADF loan became effective about one and a half years after project approval and the TAF grant, about two years after project approval. These long delays were attributed to lengthy administrative procedures, especially regarding the ratification of the loan agreement. This led to slippage on the start-up of project operational activities and two extensions of a total duration of 18 months. Nonetheless, it had limited impact on the operational performance of the project since all the scheduled activities were implemented. The “Other conditions” were all fulfilled, but over far longer periods than agreed upon.

### **3.2 Modifications**

3.2.1 A few changes were made to the project during implementation. In the case of the Nordic Development Fund (NDF), the modifications concerned the amount of project financing. The initial amount of NDF financing was UA 5 million, which was mainly intended to finance the village water supply activities of the project. Owing to the magnitude of the needs expressed by the populations, the Government a supplementary loan of UA 2.5 million from NDF in 2004 to finance additional water supply works in the project area. In the case of the Bank Group, the modifications concerned changes in the procurement methods and the reallocation of resources among expenditure categories. The changes in the procurement methods related mainly to the procurement of teaching aids and children’s books and procurement of services for training the beneficiaries in the management of the socio-community equipment and facilities. The initial procurement method for teaching aids and children’s school books was shopping. However, the supplier, NATHAN, had exclusive rights for the production and distribution of these items in Senegal. Further to a Government request, therefore, contracts not exceeding UA 200 000 were awarded by negotiated agreement to the company. As regards the training of beneficiaries in the management of socio-community equipment and facilities, it was envisaged that the local NGOs recruited on the basis of a shortlist, would carry out the training. However, the NGOs did not have the necessary human resources to carry out the training in the areas of health, early childhood and rural expansion. Following a Government request, therefore, the ADF authorized the award of the training contract to government services on the basis of negotiated agreements. This solution proved less expensive and more effective for the project.

3.2.2 As regards the re-allocation of project resources among the different expenditure categories, the modifications requested by the Government and accepted by ADF were justified by the additional resource needs in relation to the initial allocations of some expenditure categories such as “Construction/Rehabilitation”, “Equipment/Furniture/Supplies”, and “Specialist Services”. These needs were linked to the underevaluation of some expenditure and the fall in the value of the CFA Franc in relation to the UA. They were covered by resources from other expenditure categories, including the “Credit Fund” expenditure category. Finally, it should be emphasized that no appropriation had been made for the recruitment of a Procurement Specialist for the Project Management Unit. Owing to the large number of bidding documents to be prepared, the Government requested the ADF to authorize the recruitment of a Procurement Specialist in 2001. The latter was dismissed in 2002 for not complying with the provisions of his contract, and the PMU then used short-term consultants for assistance in the preparation and monitoring of the procurement documents.

### **3.3 Implementation Schedule**

3.3.1 At project appraisal, the activities were spread over a five-year implementation period from January 1999 to December 2003. The initial schedule was not adhered to, since the project was only approved in June 1999, and its activities actually only began in 2001 and ended in 2006 in respect of the ADF-funded components, and in 2007 in respect of the village water supply component financed by the NDF because of the supplementary loan granted to the Government by this institution. Despite this time lag, all the operational activities envisaged were carried out. The principal factors behind the delays were the long delays in meeting the loan effectiveness conditions, in the selection process and signature of PMU and RMU personnel contracts, in the transmission of specimen signatures to ADF, difficulties in finalizing the first procurement documents, the long process of the preparation and approval of architectural designs of the socio-community facilities and difficulties caused by the rainy season which sometimes made some project sites inaccessible for several months. These delays had not been anticipated, but some could have been avoided, especially the administrative ones.

3.3.2 Overall, the most serious delays were recorded at project start-up in the fulfilment of the conditions, and during project implementation, because of the difficult access to some sites during the rainy season. The delays attributed to the project management team’s capacities were insignificant. With hindsight, however, the initial project implementation period appeared realistic. The table below indicates the differences between the initial implementation schedule at project appraisal and the actual implementation schedule of the principal project activities.

### **Initial and Actual Schedule of Project Activities**

Activities	Initial schedule	Actual Schedule
ADF loan approval	January 1999	June 1999
ADF loan effectiveness	April 1999	February 2001
Establishment of the PMU	February 1999	February 2001
PMU staff recruitment	April 1999	October 1999
Selection DC literacy education/IEC	March 1999	October 2002
DFS selection	September 1999	November 2002
Selection DC infrastructure	September 1999	August 2001
Training of NGOs	December 2000	January 2003
Start-up of micro-finance activities	October 1999	January 2003
Start-up of literacy activities	October 1999	October 2003
Start-up of infrastructure construction programme	January 2000	August 2003
Midterm review	March 2001	Not carried out
Project completion	September 2003	June 2006
Completion report	December 2003	November 2006

### **3.4 Reporting**

3.4.1 The appraisal report provided for the PMU to submit to the ADF quarterly and annual activity reports, as well as annual audit reports. The PMU was also to prepare and transmit to the ADF a project completion report. The Borrower complied with these requirements, and the PMU submitted to ADF twenty-five (25) quarterly activity reports covering the period from September 2000 to December 2006, 5 annual activity reports, and project audit reports for the 2001, 2002, 2003, 2004, 2005 and 2006 fiscal years. The Borrower also submitted the project completion report to the ADF in November 2006.

3.4.2 The quarterly activity reports were in keeping with the Bank Group's format, and their quality was generally satisfactory. However, sometimes, the reports, as well as the annual activity reports, were submitted to ADF with considerable delay. In the case of the annual audit reports, the external auditors' opinions were generally positive on project management, and the accounts were systematically certified. Nonetheless, a few weaknesses were observed in internal control (archiving of procurement documents, maintenance of staff records, petty cash control, etc.). The external auditors' observations were followed up during the supervision missions and taken into account by the PMU. During project implementation, no internal audit was conducted by the Government or the Bank. The Borrower's completion report was submitted to ADF in November 2006. Its content was in keeping with the format of the Bank Group, and made a good general presentation of the project, the results attained and their impact. However, this report has a few shortcomings in the analysis of the project outcome in relation to the verifiable indicators of the project matrix. The principal conclusions of the completion report of the Borrower are set out in Annex 6.

### **3.5 Procurement**

3.5.1 In respect of goods and services, the ADF loan and TAF grant provided for the following procurement methods: (i) direct contracting for construction or small-scale community infrastructure rehabilitation works, (ii) national shopping for the procurement of equipment and furniture for the Rural Savings and Credit Fund, and (iii) direct contracting with IAPSO for the procurement of equipment for the PMU and the project implementation partners. In the case of services, the procurement method proposed was competition on the

basis of shortlists. It was decided that procurements regarding the NDF-funded village water supply component would be made in accordance with the rules of the Bank Group. When project implementation began, the Borrower encountered some difficulties in applying the Bank Group's rules of procedure regarding procurements, mainly because there was no procurement specialist at the PMU. The PMU personnel was subsequently given training in the Bank's procurement procedures, which helped reduce the effects of the absence of a procurement specialist. Standard Bank Group documents were used by the project, and the Bank's recommendations were taken into account in the corrected versions of the documents before bidding was initiated.

3.5.2 During the retrospective project procurement review mission fielded by the Bank Group to Senegal in September 2006, the following deficiencies or shortcomings were observed in the PLCP project: (i) poor archiving of procurement documents at the PMU, (ii) non-compliance by DC with Bank Group procedures, especially during the process for the selection of works supervisors, enterprises or NGOs, and (iii) most procurements of an amount lower than UA 15,000 - the threshold for conducting subsequent verification - were made in accordance with national procedures rather than with the Bank's procedures. The PMU was unable, however, to rectify all these weaknesses, since the project was nearing completion. Nonetheless, the PMU improved its archiving of project files, especially of procurement documents, which facilitated the work of the Bank's completion report preparation mission.

### 3.6 Sources of Finance and Disbursements

3.6.1 At appraisal, the total project cost, net of taxes and duties, was estimated at UA 18.60 million and was to be financed with an ADF loan of UA 10 million, a TAF grant of UA 1.75 million, an NDF loan of UA 5 million and a Government contribution of 1.85 UA million. At project completion, the level of the net financing was UA 9.997 million for the ADF loan, UA 1.749 million for the TAF grant, UA 7.5 million for the NDF, and UA 2.56 million for the Government contribution. The increase in NDF financing was a result of a supplementary loan of UA 2.5 million, which was awarded to the Government in 2004 to cover additional village water supply requirements in the project area. The increase in the Government's contribution helped to cover operating costs, especially those linked to the extensions. The following table sets out the sources of project financed by expenditure category at appraisal and at completion:

**Sources of Project Finance at Appraisal and at Completion (in UA million)**

	At Appraisal					At Completion				
	ADF	TAF	NDF	GVT	Total	ADF	TAF	NDF	GVT	Total
A. Studies/Supervision	0.15	0.00	0.29	0.00	0.44	0.15	0.00	0.59	0.00	0.74
B. Construction	1.72	0.00	2.04	0.09	3.85	1.72	0.00	2.54	0.09	4.35
C. Equipment, Furniture and supplies	2.42	0.00	2.36	0.00	4.78	2.417	0.00	3.36	0.00	5.777
D. Specialist Services	0.83	0.60	0.12	0.00	1.55	0.83	1.14	0.32	0.00	2.29
E. Training	2.15	1.09	0.09	0.00	3.34	2.15	0.549	0.09	0.00	2.789
F. Credit Fund	1.75	0.00	0.00	1.76	3.50	1.75	0.00	0.00	1.53	3.280
G. Operation	0.98	0.00	0.10	0.00	1.08	0.98	0.00	0.60	0.94	2.52
H. Audit	0.00	0.06	0.00	0.00	0.06	0.00	0.06	0.00	0.00	0.06
Total	10	1.75	5	1.85	18.60	9.997	1.749	7.50	2.56	21.806

3.6.2 Disbursements by the Bank Group began in April 2001, those of the NDF in October 2002, and those of the Government in 2001. Overall, the disbursements schedule was not adhered to. Disbursement requests submitted to the Bank Group were prepared by the PMU in the appropriate format, but payments were made by the Bank Group within an average of three months after their submission, generally due to internal delays in the Bank. For its part, the Government disbursed the national counterpart fund in an extremely irregular way, but the total amount of the national counterpart, at project completion, was almost 40 % higher than the amount estimated at approval. This situation was mainly due to the extensions of the project implementation deadlines that led the Government to contribute to the incidental project operating costs whereas its participation was initially limited to the Construction and Credit fund expenditure categories. This situation also demonstrates the interest the Government showed in the project throughout its implementation.

## **4 PROJECT PERFORMANCE AND RESULTS**

### **4.1 Operational Performance**

4.1.1 The project operational performance was deemed globally satisfactory. All the activities scheduled at appraisal were carried out, but with an 18-month overrun on the initial period, and helped to significantly improve the living environment and conditions of the beneficiaries. The main results of the operational project activities are set out below by component.

#### Component I: Capacity Building of the Beneficiaries and Partners

4.1.2 About 325 000 people, 57% of them women, were sensitized by the project, compared to the initial objective of 36,000, on themes such as hygiene, women's health including genital mutilation, child development, use of oral rehydration therapy and vaccinations, financial management, leadership and group dynamics, democracy, human rights, and rational natural resource management. The project prepared documentaries (films) and advertorials, brochures on the project, thematic posters, picture boxes with slogans translated into the country's national languages and radio sketches in national languages on project activities. In the area of functional literacy, the initial objective, which was to teach literacy to 36 000 beneficiaries, was attained and the proportion of women among the beneficiaries was 84%. The project funded the production of about 144,000 textbooks and an initial training or retraining of the 40 trainers envisaged and 1,200 facilitators over and above of the initial target of 600. These outputs were mainly translated into improved hygiene, a regression of some diseases, increased women's participation in local public discussions, more environmentally-friendly behaviour, and improved knowledge of the management of income-generating activities.

4.1.3 The equipment (vehicles and IT equipment) envisaged for the project institutional partners as well as for the Project Management Unit were procured. The Project Management Unit personnel and staff of State bodies directly concerned by the implementation of project activities were given training with project financing, to build their capacities to design, implement and monitor poverty reduction projects and programmes. For example, the project's support enabled the Committee for the Operational Monitoring of Poverty Reduction Programmes and Projects (CSO/PLCP) of the Ministry of Social Development to establish an embryonic database on the poverty trend, and also enabled the PRSP Unit of the

Ministry of Finance to carry out some surveys as part of the preparation and monitoring the PRSP. About 400 NGOs and DFS members were trained in micro-finance, project management and the gender approach. Finally, the project funded the training of over 3,000 people for the establishment and management of the CLEC, as well as for the management and maintenance of the socio-community facilities.

#### Component II: Micro-finance and Support to Income-generating Activities

4.1.4 The project recruited 18 NGOs and 15 DFS for the implementation of micro-finance activities in the area of intervention, which led to the creation of 22 People's Savings and Credit Funds (CAPEC) and 517 Local Savings and Credit Funds (CLEC). The NGOs were entrusted with the mobilization and sensitization of the populations as well as the preparation of micro-project feasibility studies. The DFS had the role of granting micro-credits with the resources allocated them in that regard and on the basis of the beneficiaries' dossiers prepared by the NGOs. The project allocated to the DFS CFAF 2.621 billion and the number of micro-credits awarded by the DFS to the beneficiaries was 52 645, for a global amount of CFAF 3.131 billion. The activities funded with the micro-credits granted benefited about 90,000 people, 66% of them women. The main activities financed were petty trade, crafts, cattle and sheep fattening, fruit and vegetable processing, market gardening, stockbreeding or services. They enabled the beneficiaries to improve their incomes, revitalize local economies, and promote the savings culture.

4.1.5 However, the initial objective of granting 290,000 micro-credits was not achieved, mainly due to the average amount of the credit which was CFAF 5 million instead of the planned CFAF 1.5 million. The project micro-finance activities were characterized by political interference in the award of credits and the low level of replenishment of the Credit Fund. Over 95% of the beneficiaries of micro-credits paid back their loans to the DFS but, at project completion, the DFS paid only an amount of 1.9 billion accounting for a mere 73% of the total amount received. The Government undertook to: (i) obtain from the DFS concerned the immediate payment into the project account of the amounts already recovered but not yet paid into the project account; and (ii) demand that the DFS pursue the recovery of the amounts still owed by the micro-credit beneficiaries. The replenished PLCP Credit Fund should be paid back to the most efficient partners of the PLCP, i.e. DFS, in keeping with the provisions of the project appraisal report.

#### Component III: Infrastructure, Equipment and Village Water Supply

4.1.6 The project signed a Delegated Contractor agreement with AGETIP to carry out the technical and architectural designs as well as monitor the socio-community infrastructure works, apart from the village water supply component. AGETIP recruited enterprises to take charge of the works while it assumed responsibility for monitoring the works. However, the process for the selection of some enterprises was questionable. AGETIP's field monitoring missions were irregular, and the BGP did not have the necessary resources to ensure monitoring on all the sites.

4.1.7 The project did, however, constructed and fit out 16 women's shelters, 14 huts for the little ones (pre-school) (or educational nurseries), and 14 health huts. All these structures were operational. The women's shelters carried out training in various areas and marketed the products of their trainees. The 'huts for the little ones' comprised small and medium-level sections, each of which were envisaged for about fifteen children, but some of which enrolled

double that number, owing to the project's considerable impact on the intervention zone. The health huts were managed by community health workers and auxiliary midwives, each carrying out an average 150 consultations a month. In locations with the highest PLCP project investment impact, about 50% of households are within 30 minutes of a health service, and the project outputs contributed to improving the general state of health of the local populations.

4.1.8 The socio-community equipment procured by the project to alleviate the burden of domestic activity comprised 336 mills, 16 millet dehullers, 12 fonio dehullers, 12 threshing machines, and 216 horse or donkey-driven carts. All this equipment was functional, and the beneficiaries were trained by the suppliers to use them. They effectively contributed to alleviating the domestic chores of women, who subsequently used this time-saving for literacy education, income-generating activities or better child care. In the area of village water supply, the project sank 182 wells, installed 112 solar or thermo-electric pumps and 182 manual pumps, set up 53 mini drinking water supply networks, and built 182 latrines. It also procured a batch of replacement parts. The beneficiaries were trained in the use of these facilities, and committees were set up to manage these structures.

#### Component IV: Project Management

4.1.9 The PMU personnel comprising 1 woman Director, 4 officers in charge of the components, 1 administrative manager, 1 accountant, 5 regional coordinators, 5 assistants, 8 secretaries and 8 drivers, were recruited and paid for by the project. The project premises at the Dakar headquarters and in the regions of the area of intervention were rehabilitated and equipped by the project. The principal items of equipment were: 11 vehicles, 20 motorcycles, 23 computers, 20 printers, 12 UPS, office furniture and reproduction equipment. The large number of people and items of equipment used by the project was due to the presence in Dakar of the project executing agency and the establishment of local structures in the five project regions for project management and monitoring. An inventory of all the project property was carried out and certified by the oversight Ministry at project completion. The project had a manual of administrative and financial operations and procedures, and a computerized system of accounts and financial management.

4.1.10 During its implementation, the project developed best practices in several areas. It instilled in the local populations a participatory approach to management, which enabled them to play an active role in the selection, financing and construction of community projects. Project implementation was carried out by selecting from each of the five regions of the project area a priority Department where most of the investments would be concentrated, thereby preventing scattering and obtaining a real field impact. Furthermore, the project implemented an important communication plan, which gave considerable visibility to its achievements and helped mobilize public opinion on the poverty reduction problem and social exclusion in Senegal. These best practices inspired other similar projects funded by the Bank in other countries, which organized study trips to Senegal to draw on the experience of the PLCP project. These exchanges were subsequently formalized by the Bank-funded Sub-regional Meeting on Poverty Reduction Projects in West Africa, held in Dakar in July 2006 with the participation of 8 countries (Benin, Burkina Faso, Cape Verde, Guinea, Mali, Mauritania, Niger, and Senegal.).

## **4.2 Institutional Performance**

4.2.1 At appraisal, the institutional arrangements of the project provided for project implementation by a Project Management Unit with regional units, under the supervision of a National Steering and Coordination Committee which also had regional representations. The Project Management Unit, regional management units and the National Steering Committees were set up, but the mechanism did not function as initially intended.

4.2.2 Indeed, although the Project Management Unit and the Regional Management Units coordinated the project implementation activities at national and regional levels respectively, the National Steering Committee meetings were extremely irregular and its regional branches did not function. This situation may have been due to the fact that the Chair of the National Steering Committee was initially entrusted to the Ministry of Planning, whereas project oversight was ensured by another Ministry, the Ministry responsible for Women, Social Welfare and National Solidarity. This situation was rectified during implementation, and the Chair of the National Steering Committee was entrusted to the Ministry responsible for Women, Social Welfare and National Solidarity. Furthermore, relations between the Project Management Unit and the Ministry responsible for Women, Social Welfare and National Solidarity were sometimes conflictual. The performance was deemed unsatisfactory.

## **4.3 Performance of the Consultants, Contractors and Suppliers**

Overall, the principal conditions and covenants were complied with by the project partners. Consultancy services were generally of high quality, but the DC responsible for infrastructure (AGETIP) was deficient in the selection of some enterprises and in monitoring the works. The contractors delivered the works, which were of an acceptable quality but with considerable time overruns, often due to inaccessibility to some sites during the rainy season. The goods delivered by the suppliers were in keeping with the technical specifications of the orders, but some suppliers did not adhere to the delivery deadlines. However, the overall performance was deemed satisfactory.

# **5 SOCIAL AND ENVIRONMENTAL IMPACT OF THE PROJECT**

## **5.1 Social Impact and Impact on Poverty Reduction**

5.1.1 In the project area, about 325,000 people were sensitized to the project. These sensitization campaigns led to the target populations understanding the rationale of the project and the benefits they could obtain from it. Consequently, the beneficiaries themselves took the initiative of selecting in the different areas of project intervention, the types of socio-community facilities they wanted in relation to the specificities of their villages and their needs. The 16 women's shelters, 14 huts for the little ones (pre-school), 14 health huts, 182 wells, 112 solar or thermo- electric pumps, 182 manual pumps, 53 mini-drinking water supply networks, and 182 latrines constructed by the project, significantly improved the living environment and conditions of the beneficiaries, as well as their health status. In a similar vein, the socio-community equipment for alleviating domestic chores acquired by the project (336 mills, 16 millet dehullers, 12 dehullers, 12 threshing machines, and 216 horse or donkey-drawn carts) reduced the drudgery of and time devoted to domestic chores.

5.1.2 The project also had an extremely strong impact on the beneficiaries' level of education. Thanks to the 14 children's educational centres set up and equipped by the project, children were able to attend nursery school and get better prepared for their future school life. Adults, 35 000 of whom were taught to read and write, acquired new knowledge which they used in productive activities. The 53 000 micro-credits granted enabled the beneficiaries to increase their incomes. The survey for monitoring the poverty trend in the project region, which was conducted in 2007 by the PLCP, revealed that households had an increasingly positive perception of their status during project implementation. According to the survey, the proportion of households that considered themselves extremely poor fell from 31% in 2001 to 25% in 2006 in the rural areas of the Diourbel region, from 70% in 2001 to 50% in 2006 in the rural areas of the Kolda region, and from 43% in 2001 to 18% in 2006 in the rural areas of the Tambacounda region, for example.

## **5.2 Impact on Women**

5.2.1 The project had a tremendous impact on women. Of the 325 000 persons sensitized, 57% were women, who improved their knowledge of the themes covered. Also, women were the principal beneficiaries of the project's literacy campaigns, which helped them improve their level of education and vocational qualifications, thanks to the learning of various trades in the 16 women's shelters established under the project. These achievements were reflected, for example, in more regular attendance at health centres, safer deliveries, or enhanced organization in the management of their income-generating activities.

5.2.2 Women were also the principal beneficiaries of the project's micro-finance activities. Most of the beneficiaries of the 22 CAPEC and 517 CLEC established under the project were women, accounting for 66% of the 90,000 people benefiting from the 53 000 micro-credits awarded. The 28 millet and fonio dehullers, 336 cereal grinders, and 12 threshing machines acquired by the project reduced the time and burden of domestic work, which was mainly carried out by women. Indeed, thanks to the installation of the equipment, women no longer need to travel long distances to the neighbouring villages to have their grain ground. Similarly, the implementation of the water supply works close to housing led to considerable time-saving for the women who previously spent entire days going to fetch water in rivers several kilometres away from home.

## **5.3. Environmental Impact**

The project was classified in environmental category II, and impacted positively on the environment. The sensitization and IEC campaigns carried out advocacy on environmental hygiene and drainage, and energy saving through the use of improved stoves and household waste management. Thus, the project contributed to reforestation to control desertification with the creation of green belts in the project sites most exposed to desert encroachment. The project also contributed to imparting to the beneficiaries best practices in the use of fertilizers, firewood, smoking, salting and drying of fish and preservation of wildlife, etc. The socio-community facilities were selected and carried out by taking due account of environmental considerations, as well as the activities funded with the micro-credits awarded to the beneficiaries.

## **6. PROJECT SUSTAINABILITY**

Sustainability aspects were taken into account in all phases of the project cycle. The population was sensitized and mobilized, thanks to the awareness and information campaigns organized by the project and conducted on the ground by local NGOs. The beneficiaries identified their own needs and determined the priority infrastructures required for their towns or villages, thanks to the participatory process initiated by the project. This project ownership by the beneficiaries constituted an important factor of sustainability. The beneficiaries' involvement in infrastructure financing, i.e., about 10% of the amount of activities, and the establishment of Committees to manage the infrastructure constructed, whose members were freely chosen by the communities and trained by the project, were also some important factors of sustainability. The project outputs, such as the women's shelters, huts for the little ones (pre-school), health huts, generated resources that enabled them plough back their profits, thereby ensuring their sustainability. Finally, those in charge of State decentralized structures, such as the beneficiaries, were involved in all phases of the project cycle. They contributed to providing land for the construction of socio-community facilities and contributed to the operation of several facilities established under the project in their villages or towns. With a view to enabling them to build their capacities to design and implement poverty-reduction projects and programmes, those in charge of these decentralized State structures were trained under the project.

## **7. PERFORMANCE OF THE BANK, THE BORROWER AND THE OTHER PROJECT DONORS**

### **7.1 Performance of the Bank**

7.1.1 The project cycle was adhered to, and the Bank fielded 12 supervision missions within six-and-a-half years of project implementation, i.e. an average 1.85, which was considerably higher than the standard 1.5. The duration of the supervision missions was generally acceptable, but their composition was not always tailored to project specificity. The conditions of the ADF loan and TAF grant were appropriate and likely to result in smooth project implementation, which was the case although these conditions were fulfilled with considerable delay as a result of lengthy administrative processes. Notwithstanding some delays, disbursements were made on a regular basis, and training in procurement and disbursement was dispensed to project personnel. In similar fashion, the SNFO regional Bureau assisted the PMU in the preparation of project dossiers and the monitoring of the implementation of the recommendations.

7.1.2 The Bank's interpretation of the sector's priorities and problems was therefore, appropriate and project activities yielded the results expected by the Borrower and beneficiaries. The validity of the project's initial priorities was not marred by any subsequent event not anticipated at appraisal. However, the scheduled mid-term review mission was not fielded by the Bank due to the relocation of the Bank and repeated changes of project officers. This situation, however, did not jeopardize the achievement of the objectives. Overall, performance was deemed satisfactory.

### **7.2 Performance of the Borrower**

Despite the delay in the fulfilment of the ADF loan and TAF grant conditions, the Borrower's performance was satisfactory on the whole. At completion, the total amount of

the national counterpart was about 40% higher than the initial contribution amount, notwithstanding the irregular disbursement of the national counterpart. Similarly, the “Other conditions” were all fulfilled although the deadlines were sometimes largely exceeded. The Borrower facilitated the smooth conduct of the Bank’s supervision missions and contributed to the achievement of their objectives. It had a positive perception of the Bank’s intervention and relevance of the ADF loan and TAF grant conditions. Furthermore, the State decentralized services (town councils, local authorities) strongly supported project activities in their respective towns by facilitating the granting of land for the construction of the facilities and contributing to the functioning of some structures whose own revenues were inadequate at the start of the project. The shortcomings in the operation of the National and Regional Steering Committees did not have any visible negative impact on project results. All in all, performance was deemed satisfactory.

### **7.3 Performance of the Other Project Donors**

The project was co-financed by the Nordic Development Fund (NDF), whose resources covered the totality of the expenditure of the village water supply component. The NDF accepted the Bank as the project leader, and the Bank’s rules were applied in the procurements relating to village water supply. The NDF fielded a few missions to Senegal jointly with the Bank, including the preparatory mission of the project completion report. At the Government’s request, it awarded a supplementary loan of an amount equivalent to half that of the initial loan, to finance an additional water supply programme in the project zone. Coordination between the Bank, the NDF and the Government was good throughout the project cycle. Furthermore, the Bank exchanged views with the other partners represented in Senegal, especially those which had similar projects. Performance was deemed satisfactory.

## **8. OVERALL PERFORMANCE AND RATING**

The project objectives, institutional and organizational arrangements, and activities were relevant. All the activities envisaged were carried out in keeping with the Bank’s rules and procedures. Overall project performance was deemed satisfactory, and the details of the project ratings are given in Annex 5.

## **9. CONCLUSIONS, LESSONS LEARNT AND RECOMMENDATIONS**

### **9.1 Conclusions**

The initial project objectives were globally realistic and almost all were achieved. The project was very successful throughout its implementation period. The number of community structures built (600) was far higher than estimated, and the final number of people trained to read and write was equivalent to the initial number of 36,000. The project laid considerable emphasis on communication and enhanced its outputs in the country. The positive impact of the project was largely attributed to the supplementary loan of UA 2.5 million the State obtained from the NDF, as well as the exceptional level of the national counterpart which, at project completion, was about 40 % higher than the initial amount. However, the project also encountered some failures during implementation. The number of micro-credits (53,000) was deemed low compared to the estimates (290,000), and the credit fund was not fully replenished. Furthermore, at the time of this report, the Government had not taken any decision on the future management of the amount of micro-credits already

recovered. Finally, the data of the surveys conducted by the project were not based on the project logical framework, and consequently make it impossible to accurately determine the poverty rate trend per household or per individual.

## **9.2 Lessons Learnt**

Several lessons can be learnt from the implementation of the project, to which many stakeholders contributed and which targeted several types of beneficiaries. The main lessons, which are linked to project design and formulation as well as the conditions, implementation and supervision, are as follows:

### Project Design and Formulation:

- (i) The choice of the poverty incidence rate as a verifiable indicator of the project's sector objective did not appear relevant. The poverty rate trend depends on many factors, and the real contribution of a single project to this trend is difficult to assess.
- (ii) In the choice of project sites, especially for the construction of socio-community facilities, the availability of drinking water and electricity was not sufficiently taken into account. This situation led to additional costs, such as those relating to the procurement and operation of generators.
- (iii) The needs of the poor are many and various. Sustainable improvement of the living environment and conditions of the populations therefore requires the mobilization of considerable financial resources and repeated field activities. The programme approach therefore appears more appropriate for this type of operation, than the project approach.

### Project Implementation and Supervision:

- (i) The project targeted the poor and granted them micro-credits through the DFS, after training given by the NGOs, which also prepared the loan applications. Implementation of the micro-finance component was marked by considerable interference, from within and outside the project, in the process for the grant of micro-credits. This situation had a cause-effect link with the low level of replenishment of the project credit fund. The implementation of the PLCP, especially the micro-finance aspect, demonstrated that political considerations were extremely high in this type of project, and that it was necessary to take them into account at project appraisal so as not to jeopardize the achievement of objectives.
- (ii) The PLCP-type of project targets towns that are sometimes remote and difficult to access, highly scattered communities, and extremely wide areas. This situation justifies using delegated contractors (DC). However, it is necessary for contracts binding the DC to the project to be extremely specific on the parties' missions, tasks and responsibilities, so that each party can be evaluated on completion of its mission.

- (iii) Project implementation demonstrated that, for DC works contracts, payments must be linked not only to work progress but also to a minimum number of field supervision missions which the DC must undertake to guarantee effective monitoring of the works and their high quality.
- (iv) The PLCP was implemented by the Ministry of National Solidarity as well as two other similar projects, the Social Development Fund Agency (AFDS) and the Poverty Reduction Support Project (PAREP), respectively funded by the World Bank and the UNDP. There were significant differences in the average cost of infrastructure, especially the health huts, huts for the little ones (pre-school) and water structures. This situation demonstrated the need for the Government to design standard models for each type of community structure, with a view to cost reduction.
- (v) Integrated projects such as the PLCP concern multiple activities and skills. For the effective monitoring of this type of project, the Division responsible for the project must involve the other Divisions concerned with the activities of the project, during their field missions.

### **9.3 Recommendations**

#### To the Government:

- a) Promote a standard format for each type of community structure with a view to cost reduction;
- b) Prevent any political interference in the implementation of micro-finance activities of projects, especially in the award of micro-credits to project beneficiaries;
- c) Ensure that sites selected for the establishment of project infrastructure have access to public water and electricity networks;
- d) Support the socio-community facilities established under the project, but whose operating revenues are not yet sufficient to ensure their financial autonomy, by granting them aid to enable them to balance their budget;
- e) Transfer the micro-credit portfolio of the PLCP project to the Micro-Finance Unit of the Ministry of Finance, which should: (i) obtain from the project financial intermediaries the repayment of the sums already recovered; and (ii) constrain the financial intermediaries to pursue the operations for the recovery of amounts not yet repaid by micro-credit beneficiaries;
- f) Facilitate the formalities for the granting of licenses by the AT/CPEC unit to the People's Savings and Credit Funds (CAPEC) set up by the project; and

- g) Pay back to those financial intermediaries which have performed most effectively in their partnership with the PLCP, the amount of the replenished PLCP credit funds to enable them to pursue micro-credit activities in the project area as planned in the project appraisal report.

To the Bank Group and the NDF:

- a) Promote the programme approach in the design of poverty reduction operations;
- b) Ensure that sites selected for the establishment of project infrastructure have access to public water and electricity networks;
- c) Ensure that contracts between projects and delegated contractors are extremely specific on the missions, tasks and responsibilities of the parties, so as to permit the evaluation of each party on completion of its mission;
- d) Where delegated contractors are used in civil works projects, payments to them must be linked not only to work progress but also to a minimum number of supervision missions to guarantee the effective mobilization of the delegated contractor in the field and the high quality of the works; and
- e) Cancel the undrawn balances of the ADF loan and TAF grant, in a global amount of UA 2, 282.82.

**GEOGRAPHICAL MAP OF SENEGAL AND PROJECT AREA**



*This map was established by the staff of the ADB Group exclusively for the use of readers of this report to which it is annexed. The names used and the boundaries appearing on the map do not imply on the part of the ADB Group and its members any judgment on the legal status of a territory nor any approval or acceptance of its borders.*

**ACTUAL PROJECT COST AND FINANCING BY EXPENDITURE CATEGORY**

Expenditure Categories	At Appraisal					At Completion				
	ADF	TAF	NDF	GVT	Total	ADF	TAF	NDF	GVT	Total
A. Studies/Supervision	0.15	0.00	0.29	0.00	0.44	0.15	0.00	0.59	0.00	0.74
B. Construction /Rehabilitation	1.72	0.00	2.04	0.09	3.85	1.72	0.00	2.54	0.09	4.35
C. Equipment, furniture and supplies	2.42	0.00	2.36	0.00	4.78	2.417	0.00	3.36	0.00	5.777
D. Specialist services	0.83	0.60	0.12	0.00	1.55	0.83	1.14	0.32	0.00	2.29
E. Training	2.15	1.09	0.09	0.00	3.34	2.15	0.549	0.09	0.00	2.789
F. Credit fund	1.75	0.00	0.00	1.76	3.50	1.75	0.00	0.00	1.53	3.28
G. Operation	0.98	0.00	0.10	0.00	1.08	0.98	0.00	0.60	0.94	2.52
H. Audit	0.00	0.06	0.00	0.00	0.06	0.00	0.06	0.00	0.00	0.06
Total	10	1.75	5	1.85	18.60	9.997	1.749	7.5	2.56	21.806

**ANNUAL DISBURSEMENTS BY SOURCE OF FINANCE****TAF Grant: UA 1 750 000**

<b>Year</b>	<b>Amount Disbursed (UA)</b>	<b>Cumulative Disbursements (UA)</b>	<b>% of Cumulative Disbursements</b>
2002	361 906.04	361 906.04	21
2003	465 745.80	827 651.84	47
2004	329 371.23	1 157 023.07	66
2006	592 798.07	1 749 821.14	99.99

**ADF Loan: UA 10 000 000**

<b>Year</b>	<b>Amount Disbursed (UA)</b>	<b>Cumulated Disbursements (UA)</b>	<b>% of Cumulative Disbursements</b>
2001	969 272.84	969 272.84	10
2002	274 962.04	1 244 234.88	12
2003	1 627 242.99	2 871 477.87	29
2004	3 894 578.16	6 766 056.03	68
2005	2 678 601.98	9 444 658.01	94
2006	553 238.03	9 997 896.04	99.98

**NDF Loans: UA 7 500 000**

<b>Year</b>	<b>Amount Disbursed (UA)</b>	<b>Cumulative Disbursements (UA)</b>	<b>% of Cumulative Disbursements</b>
		7 491 998	99.9%

**Government Contribution: CFAF 1 481 315 160**

<b>Year</b>	<b>Amount Disbursed (CFAF)</b>	<b>Cumulated Disbursements (CFAF)</b>	<b>% of Cumulated Disbursements</b>
2001	461 448 497	461 448 497	31%
2002	429 000 000	890 448 497	60%
2003	397 000 000	1 287 448 497	87%
2004	300 000 000	1 587 448 497	107%
2005	460 591 078	2 048 039 575	138%
2006	163 000 000	2 211 039 575	149%

**List of Principal Project Contractors, Suppliers and Consultants**

Name	:	IAPSO
Responsibility	:	Supply of IT and office equipment
Contract Signature Date	:	25/4/2001
Contract Expiry Date	:	24/5/2001
Contract Period	:	1 month
Amount (in UA)	:	84 528.93
Name	:	UNDP/IAPSO
Responsibility	:	Supply of 4x4 vehicles
Contract Signature Date	:	25/4/2001
Contract Expiry Date	:	24/7/2001
Contract Period	:	3 months
Amount (in UA)	:	148 282.42
Name	:	UNDP/IAPSO
Responsibility	:	Supply of motorcycles
Contract Signature Date	:	25/4/2001
Contract Expiry Date	:	24/7/2001
Contract Period	:	3 months
Amount (in UA)	:	33 802.85
Name	:	Sté sénégalaise des établissements
Responsibility	:	Supply/Installation of post-harvest equipment
Contract Signature Date	:	7/6/2004
Contract Expiry Date	:	6/8/2004
Contract Period	:	2 months
Amount (in UA)	:	416 442.09
Name	:	SISMAR
Responsibility	:	Supply of carts
Contract Signature Date	:	3/6/2004
Contract Expiry Date	:	2/8/2004
Contract Period	:	2 months
Amount (in UA)	:	53 284.02
Name	:	Général de mobilier et de matériel de bureau
Responsibility	:	Supply of safes
Contract Signature Date	:	15/9/2003
Contract expiry date	:	14/10/2003
Contract period	:	1 month
Amount (in UA)	:	163 653.44
Name	:	AGETIP
Responsibility	:	DC Infrastructure (works)
Contract Signature Date	:	20/8/2001
Contract Expiry Date	:	19/1/2003
Contract Period	:	17 months
Amount (in UA)	:	1 323 676.85

Name : AGETIP  
Responsibility : DC Infrastructure 2 (works)  
Contract Signature Date : 3/9/2004  
Contract Expiry Date : 16/12/2004  
Contract Period : 14 weeks  
Amount (in UA) : 320 847.89

Name : Entreprise Multiservices  
Responsibility : Supply of furniture (tables and chairs)  
Contract Signature Date : 15/9/2003  
Contract Expiry Date : 14/10/2003  
Contract Period : 1 month  
Amount (in UA) : 55 842.66

Name : Comptoir commercial Bara Mbou  
Responsibility : Supply of furniture (office equipment)  
Contract Signature Date : 17/3/2005  
Contract Expiry Date : 16/5/2005  
Contract Period : 2 months  
Amount (in UA) : 216 440.45

Name : Papeterie Inter  
Responsibility : Supply of furniture and social infrastructure equipment  
Contract Signature Date : 4/5/2005  
Contract Expiry Date : 3/7/2005  
Contract Period : 2 months  
Amount (in UA) : 190 624.82

Name : Buhan Teisseire  
Responsibility : Supply and installation of IT equipment  
Contract Signature Date : 5/10/2004  
Contract Expiry Date : 4/12/2004  
Contract Period : 2 months  
Amount (in UA) : 174 000.24

Name : Koleure Distribution  
Responsibility : Supply of furniture/sociocommunity equipment  
Contract Signature Date : 25/5/2005  
Contract Expiry Date : 24/5/2005  
Contract Period : 2 months  
Amount (in UA) : 51 888.08

I. CONSULTANTS

Name : AGETIP  
Type of Contract : DC Infrastructure (Studies)  
Contract Signature Date : 20/8/2001  
Contract Expiry Date : 19/1/2003  
Contract Period : 17 months  
Amount (in UA) : 66 183.84

Name : AGETIP  
Type of Contract : DC Infrastructure 2 (Studies and supervision)  
Contract Signature Date : 3/9/2004  
Contract Expiry Date : 16/12/2004  
Contract Period : 14 weeks  
Amount (in UA) : 45 461.49

Name	:	AGETIP
Type of Contract	:	DC Infrastructure (Fees)
Contract Signature Date	:	20/8/2001
Contract Expiry Date	:	19/1/2003
Contract Period	:	17 months
Amount (in UA)	:	69 493.03
Name	:	SAFEFOD
Type of Contract	:	DC Literacy Education ADF
Contract signature date	:	30/10/2002
Contract expiry date	:	29/12/2004
Contract period	:	26 months
Amount (in UA)	:	1 018 106.97
Approved amendment	:	15/12/2005
Amendment amount	:	UA 240 096.46
Name	:	SAFEFOD
Type of Contract	:	DC Literacy Education TAF
Contract Signature Date	:	30/10/2002
Contract Expiry Date	:	29/12/2004
Contract Period	:	26 months
Amount (en UA)	:	122 781.31
Approved Amendment	:	15/12/2005
Amendment Amount	:	UA 69 746.92
Name	:	OFBD Marketing Communication
Type of Contract	:	DC Communication/IEC
Contract Signature Date	:	17/12/2002
Contract Expiry Date	:	16/12/2004
Contract Period	:	24 months
Amount (in UA)	:	339 873.85
Approved Amendment	:	29/7/2004
Amendment Amount	:	UA 61 609.02
Name	:	Crédit Mutuel du Senegal
Type of Contract	:	Credit Component Partnership Agreement
Contract Signature Date	:	13/12/2002
Contract Expiry Date	:	12/12/2003
Contract Period	:	12 months
Amount (in UA)	:	287 833.99
Name	:	Alliance de crédit et d'épargne
Type of Contract	:	Credit Component Partnership Agreement
Contract Signature Date	:	13/12/2002
Contract Expiry Date	:	12/12/2003
Contract Period	:	12 months
Amount (in UA)	:	253 392.32
Name	:	PAMECAS
Type of Contract	:	Credit Component Partnership Agreement
Contract Signature Date	:	13/12/2002
Contract Expiry Date	:	12/12/2003
Contract Period	:	12 months
Amount (in UA)	:	209 110.17

Name	:	CICE
Type of Contract	:	PLCP audit
Contract Signature Date	:	10/12/2002
Contract Expiry Date	:	09/12/2004
Contract Period	:	2 years
Amount (in UA)	:	27 298.59
Name	:	Femme Development et Entrepr.
Type of Contract	:	Financial intermediary (DFS)
Contract Signature Date	:	25/3/2005
Contract Expiry Date	:	24/1/2006
Contract Period	:	10 months
Amount (in UA)	:	95 055.80
Name	:	Réseau des caisses d'épargne et crédit
Type of Contract	:	Financial intermediary (DFS)
Contract Signature Date	:	14/1/2005
Contract Expiry Date	:	13/11/2005
Contract Period	:	10 months
Amount (in UA)	:	57 033.48
Name	:	MECGFA
Type of Contract	:	Financial intermediary (DFS)
Contract Signature Date	:	5/11/2004
Contract Expiry Date	:	4/11/2005
Contract Period	:	12 months
Amount (in UA)	:	116 782.84
Name	:	UMEC de Sedhiou
Type of Contract	:	Financial Intermediary (DFS)
Contract Signature Date	:	5/11/2004
Contract Expiry Date	:	4/11/2005
Contract Period	:	12 months
Amount (in UA)	:	173 816.32
Name	:	FNGPF
Type of Contract	:	Financial intermediary (DFS)
Contract Signature Date	:	5/11/2004
Contract Expiry Date	:	4/10/2005
Contract Period	:	10 months
Amount (in UA)	:	59 749.36

**PERFORMANCE ASSESSMENT AND RATING****Project Implementation Performance**

<b>Assessment Criteria</b>	<b>Rating</b>	<b>Observations</b>
1. Adherence to Implementation Schedule	2	There was an 18-month time overrun on the initial schedule for the implementation of Bank Group-financed activities.
2. Adherence to Cost Schedule	3	Overall, the project costs were adhered to. The overruns on some expenditure categories were authorized by the Bank Group and the NDF, and were offset by the savings made in other expenditure categories. The overrun on the Operation expenditure category was due to the extensions granted by the Bank Group and the NDF, and was mainly covered by the national counterpart.
3. Compliance with Loan Covenants//Conditions.	2	Overall, the covenants were complied with as a result of monitoring by the Project Management Bureau. The loan and grant conditions were complied with but with delays.
4. Adequacy of Monitoring and Reporting	3	Monitoring of activities by the Executing Agency was satisfactory overall in spite of some shortcomings in the DC contracts. The quarterly and annual audit reports were submitted to the Bank, but often with delays and were of an acceptable quality.
5. Quality of Implementation	3	Overall, project implementation was satisfactory.
<b>Total</b>	<b>13</b>	
<b>Overall Assessment of Implementation Performance</b>	<b>2.6</b>	

**Performance of the Bank during the Project Cycle**

<b>Assessment Criteria</b>	<b>Rating</b>	<b>Observations</b>
1. At Identification	3	The identification mission was fielded with the involvement of the representatives of the beneficiaries, civil society and administrative officials. The duration and composition of the mission were acceptable.
2. At Preparation	3	The preparation mission was fielded with the involvement of the representatives of the beneficiaries, civil society and administration officials. The duration and composition of the mission were acceptable
3. At Appraisal	3	The appraisal mission was fielded in August 1998. It was participatory, with the involvement of representatives of the beneficiaries, civil society and administration officials. The duration and composition of the mission were acceptable.
4. At Supervision	2	The Bank fielded 12 supervision missions during project implementation, i.e., an average of 1.85 a year, which is higher than the standard 1.5. The duration of the missions was acceptable, but the composition of some missions was inappropriate. Furthermore, the Bank did not perform a mid-term project review.
<b>Overall Assessment of the Bank's Performance</b>	<b>2.75</b>	

**Project Impact on Development**

<b>Component Indicators</b>	<b>Rating</b>	<b>Observations</b>
<b>1. Relevance and Attainment of Objectives</b>	<b>3</b>	
Macro-economic Policy	NA	
Sector Policy	3	The project was consistent with the Bank's poverty reduction strategy and sector policies on education and health. It was also consistent with the Government's policies, especially the National Poverty Reduction Programme and Women's Action Plan.
Physical Outputs	3	All the anticipated project outputs were achieved.
Financial Policy	NA	
Poverty Reduction (social, gender)	4	325 000 people were sensitized by the project on the various themes concerning health, education, the special status of women, democracy or human rights, which improved their social status. The project structures improved the living conditions of the beneficiaries and their hygiene. The post-harvest equipment for alleviating domestic chores reduced the time and burden of domestic work, especially for women. Micro-credit and IGAs improved the incomes of the beneficiaries, who were mostly women.
Environment	3	The project did not have any negative impact on the environment, thanks to the awareness campaigns and the IEC. The project fostered the adoption by the population of behaviour conducive to the protection and safeguard of the environment.
Private Sector Development	2	The project contributed to the development of the local sector through income-generating activities. However, the activities created did not appear viable. Some beneficiaries of micro-credits did not repay all the loans obtained.
Other (specify)		
Sub-total	15	
<b>2. Institutional Development</b>	<b>3</b>	
Institutional Framework, including restructuring	3	The project supported the PRSP Unit of the Ministry of Finance, as well as the operational monitoring of the poverty reduction projects and programmes of the Ministry of National Solidarity.
Financial and Management Information Systems (including audit systems)	NA	
Transfer of Technology	NA	
Human Resources (including turnover, training and counterpart staff)	3	The project built the capacities of about 500 officials of the Ministry for Family Affairs and National Solidarity and an equivalent number of NGO and DFS staff.
Sub-total	6	
<b>3. Sustainability</b>	<b>2.83</b>	
Continued Borrower Commitment	3	After project completion, the Borrower maintained its commitment to poverty reduction.
Environmental Policy	NA	
Institutional Framework	3	The project contributed to creating and maintaining a favourable institutional framework, thanks to its support to the PRSP Unit of the Ministry of Finance and the Unit for the Operational Monitoring of the Poverty Reduction Projects and Programmes of the Ministry of National Solidarity.
Technical Viability and Staff Supervision	3	The managers of the health centres created by the project continue to benefit from the supervision of the health personnel of the structures of the Ministry of Health. Those in charge of the huts for the little ones (pre-school) established by the project benefited from the supervision of the National Agency for Huts for the little ones (pre-school)
Financial Viability and Cost-Recovery Mechanisms	2	The cost-recovery systems in the health centres, educational nurseries and village water supply structures of the project were put in place and accepted by the beneficiaries. The Management Committees comprise beneficiaries elected by their peers.
Economic Viability	NA	
Environmental Viability	3	Environmental viability was guaranteed as a result of sensitization and information campaigns organized by the project.
Operation and Maintenance Facilitation (availability of recurrent funding)	3	The functioning of the structures was ensured with revenue generated through their operation.
Sub-total	17	
<b>4. Rate of Return</b>	<b>NA</b>	
<b>Overall Assessment of the Impact on Development</b>	<b>2.92</b>	<b>Satisfactory.</b>

**RECOMMENDATIONS AND FOLLOW-UP MEASURES**

Main Findings and Conclusions	Lessons Learnt and Recommendations	Follow-up Measures	Responsibility
<p><u>Formulation/ Project Rationale</u></p> <p>The PLCP was designed at the same time as the Social Development Fund Agency Project (AFDS) and the Poverty Reduction Support Project (PAREP), funded respectively by the World Bank and the UNDP. Significant differences were observed in the average cost of infrastructure, especially health huts, huts for the little ones (pre-school) and water supply structures.</p> <p>The needs of the poor are many and diverse. The sustainable improvement of their living environment and conditions therefore requires the mobilization of considerable financial resources and repeated actions on the ground. The programme approach consequently appears more appropriate for this type of operation than the project approach.</p>	<p>Foster the design of standard models for each type of community structure, to reduce construction costs.</p> <p>Preference should be given to the programme approach in the design of poverty-reduction operations.</p>	<p>Standard models of some structures, such as the huts for the little ones (pre-school), were designed. The process is ongoing for other types of structures.</p> <p>The programme approach is increasingly adopted, just as the use of durable State structures such as executing agencies.</p>	<p>Government</p> <p>Bank</p>
<p><u>Project Implementation</u></p> <p>Not all the funds recovered by the DFS were paid into the project account, and some beneficiaries had not repaid all their loans. This situation did not make it possible to fully replenish the project credit fund.</p> <p>Of 22 CAPEC, only 2 were approved. The Government should do all it can to speed up the process for the approval of the other CAPEC, with a view to ensuring the sustainability of the mechanism established by the PLCP.</p> <p>The PLCP's replenished Credit fund should be paid back to the most efficient DFS partners of the PLCP, in keeping with the provisions of the project appraisal report.</p>	<p>Transmit the project micro-credit portfolio PLCP to the Micro-finance Unit of the Ministry of Finance, which should: (i) obtain from the project financial intermediaries the repayment of the sums already recovered; and (ii) constrain the DFS to pursue the operations for the recovery of the sums not yet refunded by the micro-credit beneficiaries;</p> <p>Facilitate the formalities for granting approval to the People's Savings and Credit Funds (CAPEC) set up by the PLCP project;</p> <p>Pay back to the most efficient DFS in their partnership with the PLCP, the amount of the PLCP replenished credit funds to enable them to pursue micro-credit activities in the project zone.</p>	<p>The Government has not yet taken a decision in that regard, and is pursuing reflection on the future utilization of the replenished credit fund amount.</p> <p>The applications of all the CAPEC not yet approved have been deposited at the AT/CPEC Unit and are being assessed.</p> <p>The Government has not yet taken a decision in that regard, and is pursuing reflection on the future utilization of the replenished credit fund amount.</p>	<p>Government</p> <p>Government</p> <p>Government</p>
<p><u>Performance assessment and results</u></p> <p>The DC responsible for infrastructure has shown its limitations in the performance of its contract. The method for the selection of some companies was questionable and the DC control missions on site were irregular.</p>	<p>When DCs are used for civil works in projects, payments to the DC should be linked not only to progress in the activities but also to a minimum number of control missions, to guarantee the actual mobilization of the DC in the field and the high quality of the works.</p>	<p>Contract provisions should be clear on the performance expected from the DC and set measurable objectives in terms of on-site monitoring missions and level of progress of the works.</p>	<p>Government, Bank</p>
<p><u>Sustainability</u></p> <p>Revenue-generated by the socio-community complexes were inadequate for ensuring their operation and maintenance. The Government and local communities should further assist these structures until they attain financial autonomy.</p>	<p>Support the socio-community facilities established by the PLCP project, whose operating costs are not yet enough to ensure their financial autonomy, by granting them aid to enable them balance their budget.</p>	<p>The managers of defective structures have contacted the town councils and local communities in their location, and have been given financial assistance.</p>	<p>Government, managers of structures, town councils, local communities.</p>

## BORROWER'S CONTRIBUTION

The Poverty Reduction Project (PLCP) approved in June 1999 was completed in June 2006 in respect of the activities funded by the Bank Group and in June 2007 in respect of those funded by the NDF due to a supplementary loan from the NDF. The Borrower's completion report was finalized in June 2006 and submitted to the Bank Group in November 2006.

Overall, the report adhered to the Bank's format and its quality was deemed satisfactory. It presents the project description, analysis of its implementation, analysis of its results and its impact and performance assessment.

The principal comments and recommendations focused on:

- The targeting of beneficiary areas;
- Selection of procurement methods and document approval times;
- Selection of basic socio-economic facilities, which should prioritize low cost structures;
- Upgrading the knowledge of those who received literacy education under the project;
- Capacity building for the project implementation partners with a view to improving project impact;
- Heightened visibility of project outputs;
- Improvement of project management and strengthening of project resources;
- The need to consolidate the project achievements, with the financing of a new operation by the Bank Group.

**SOURCES OF INFORMATION**

- a) African Development Bank Group, Operations Manual.
- b) African Development Bank Group, Poverty Reduction Project (PLCP) Appraisal Report, September 1998.
- c) PLCP, Quarterly Project Activity Reports.
- d) PLCP, Annual Project Audit Report.
- e) Senegal, Ministry of Women, the Family and Social Development, PLCP Completion Report, June 2006.
- f) Senegal, PLCP, Evaluation of the Micro-Finance Component and IGA, Final Report, September 2006.
- g) Senegal, Ministry of Women, the Family and Social Development, Operational Monitoring Unit for Poverty Reduction Projects and Programmes, Comparative Study of the Component on Access to Basic Infrastructure and Social Services of the different Poverty Reduction Programmes, May 2006.
- h) Senegal, Ministry of Women, the Family and Social Development, Monitoring Survey on the trend of poverty in the PLCP region, April 2007.

**COMMENTS BY THE BORROWER AND EXECUTING AGENCY ON THE  
BANK'S PCR**

The completion report was transmitted to the Borrower on 23 May 2008, which communicated its comments to the Bank on 11 July 2008. The Borrower's comments concerned the following (2) points:

- a) Proposal to transfer the project micro-credit portfolio to the ATCPEC Unit of the Ministry of the Economy and Finance with a view to pursuing the recovery of micro-credit not yet repaid:

Borrower's comment : The ATCPEC is not an implementing structure but a framework for technical assistance. It cannot replace the project, for it does not have the prerogatives to monitor debt recovery.

- b) The proposal to pay back the project's replenished credit fund amount:

Borrower's comment : There is no guarantee that the financial intermediaries that performed most effectively during project implementation would continue to do so after the project. Since no structure has been named to replace the former project implementation unit, it would be advisable to allow the Government to reflect on the future management of the replenished credit fund.