



<b>1. Project Data :</b>			
<b>OEDID:</b>	C2738		
<b>Project ID:</b>	P002356		
<b>Project Name :</b>	Agricultural Sector Adjustment		
<b>Country:</b>	Senegal		
<b>Sector:</b>	Agriculture Adjustment		
<b>L/C Number:</b>	C2738		
<b>Partners involved :</b>	USAID, France and European Union		
<b>Prepared by :</b>	Charles Derek Poate, OEDST		
<b>Reviewed by :</b>	John R. Heath		
<b>Group Manager :</b>	Roger H. Slade		
<b>Date Posted :</b>	08/14/1998		

**2. Project Objectives, Financing, Costs and Components :**

The overall objective of the Credit was to promote sustainable agricultural growth in Senegal . The four key elements included: (i) Liberalizing domestic marketing and pricing of all agricultural products; (ii) reforming the agricultural trade regime through the liberalization of external trade in those agricultural products still under Government control; (iii) Privatizing the production, processing and marketing of agricultural products in those sub-sectors still dominated by parastatals, namely groundnuts and rice; and, (iv) preparing a three year rolling investment program for the agricultural sector (ASIP).

The total cost of the project was US\$135.6 million. The Bank provided an initial Credit of US\$45 million, and two supplemental Credits amounting US\$2.8 and US\$1.8 million respectively . Co-financing was provided by USAID, CFD France and the European Union. The Credit was closed as planned on June 30, 1997.

**3. Achievement of Relevant Objectives :**

Prior to effectiveness of the Credit a significant number of measures had already been implemented which contributed to the success in achieving some objectives . Under the project reforms in the rice sector were fully carried out leading to increased choice and lower prices for consumers . Reforms in the groundnut and cotton sectors were less successful and the reform program failed in the sugar sector . The ASIP was prepared as planned and submitted to the donors for review .

**4. Significant Achievements :**

The Government carried out the rice reform program faster and more completely than foreseen in the Credit. While the program only foresaw the substantial reduction of the functions played by the Price Stabilization Agency (CPSP), the Government decided to close the parastatal down because of the high costs it imposed on the Government budget.

**5. Significant Shortcomings :**

- i) The restructuring and privatization of the National Groundnut Oil Company, and the lowering of domestic protection remain to be completed;
- ii) New conventions in the sugar sector resulted in a 24% increase in nominal consumer prices at a time when world market prices were fairly stable. This impacted most severely on low income households .
- iii) There is still a fundamental difference in the approach to reform in the groundnut sector between donors, to the detriment of sector performance.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments

<b>Outcome :</b>	Satisfactory	Marginally Satisfactory	Also rates marginally satisfactory in the ICR (fair).
<b>Institutional Dev .:</b>	Not Applicable	Substantial	ID was not rated in the ICR. The major ID objective was support to preparation of the ASIP. This appears to have been satisfactory and therefore, OED rates ID as substantial.
<b>Sustainability :</b>	Unlikely	Uncertain	The Government demonstrated it's commitment to reform by implementing a' number of initiatives before Credit effectiveness. Some of these reforms are irreversible. Sustainability will be influenced by the continued pace of reform which is receiving support form a number of donors. OED therefore rates sustainability as uncertain .
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**7. Lessons of Broad Applicability :**

Unambiguous consensus among donors and government is essential in the successful implementation of structural reforms. This needs to be supported by a process of continuous monitoring to fine tune the reform process.

**8. Audit Recommended?** ☐ Yes ☒ No

**9. Comments on Quality of ICR :**

The ICR is rated satisfactory in most aspects . The summary table rated financial and ID objectives as not applicable; there was no discussion on performance of contractors or technical assistance even though this accounted for 40%+ of the Credit; there was no comment on status of legal covenants. Co-financier comments were not available.