

Senegal Progress Report July to December 2011

Netherlands Trust Fund II

Introduction

Error! Reference source not found. The table below presents a brief overview of key information on the Senegal NTF II project.

Project name	Value	Key stakeholders	Project outputs	Major results	Status
NTF II Senegal Creation of a competitive and sustainable value chain for mango export from the Niayes region	US\$ 1.1mil	ASEPEX (lead TSI working under the auspices of the Ministry of Commerce, Senegal) CFAHS	Output 1.1. : The emancipation of the mango industry in the Cooperative Federation of Actors Horticulture Senegal (CFAHS) is encouraged and the contribution of CFAHS is evaluated. Output 2.1. Strengthen the skills of TSIs private sector in coordination with the CFAHS in the areas of quality, packaging and export financing to support all the actors in the value chain of the mango industry to improve export competitiveness. Output 2.2. ASEPEX and private sector TSIs are more equipped in information, marketing and promotion tools to provide support services to mango exporters to the European market.	1. Project document signed (December 2011). 2. Successful implementation and validation of the market opportunity study paving the way to a comprehensive marketing and promotion plan. Successful initiation of two additional activities: trade information services, and contractual aspects of mango exports.	Ongoing

Overview of Project Implementation

Results achieved:

Based on the work plan agreed during the field mission organized in April 2011, project implementation was initiated in close cooperation with ASEPEX and CFAHS including technical expertise of ITC technical sections.

In the meantime, the project document was completed taking into consideration comments and feedback from partners in the field, CBI, and ITC's Project Quality Assurance Group (PQAG). The finalised project document is to be signed by all parties mid December 2011 in Geneva.

Sub-output 2.1. Strengthen the skills of TSIs and private sector in coordination with the CFAHS in the areas of contractual relationships, export quality, packaging and marketing and financing to support all the actors in the value chain of the mango industry to improve export competitiveness.

- a) Legal and contractual aspects of mangos production and export

A first field visit was organised in October during which the ITC senior advisor during which a thorough assessment of existing contractual relationships was undertaken. This assessment showed the weaknesses of the contractual chain between the small farmers, the producers, the intermediaries and the exports. The current legal set up was in line with the needs of the main actors and not conducive to establish a solid relationship with importers. As a follow up to this mission, the activities undertaken resulted in the following:

- survey conducted and legal studies undertaken on the conditions, the contractual and business practices of exporting producers of mangoes in the Niayes region. The objective

was to identify the issues and to elaborate solutions to facilitate the transactions between mango buyers and sellers. The main output will be the elaboration of model contracts that will allow more transparent and fair transactions.

- Elaboration of two practical guides in close collaboration with CFAHS; one on how to establish and the incorporate rural cooperatives based on the laws included in the OHADA (Organisation pour l'harmonisation du droit des affaires en Afrique) treaty of which all WAEMU including Senegal are members. The second practical guide is related to the organization and operation of export oriented cooperatives for mango producers from the Niayes region;
 - Dissemination workshop on the legal constitution and operations of cooperatives for 40 participants (producers and exporters) selected by the ASEPEX and CFAHS.
- b) Analysis of the mango value chain in the Niayes region to identify the weak links and required areas of intervention in relation to quality management, packaging, labeling and marketing.
- An in- depth analysis of the mango Value Chain in the Niayes region has been completed taking into consideration the existing literature and previous analyses done by other development partners. The analysis provides a good description of the current state of the mango value chain, the costs involved at each stage of the chain, and the upgrading needs particularly in relation with requirements of the European market. The study involved a wide range of key actors (from small farmers to large exporting companies) and its outcomes have provided significant guidance towards priority areas to be addressed particularly in terms of traceability, quality and, packaging and conditioning.

Sub-output 2.2. ASEPEX and private sector TSIs are more equipped in information, marketing and promotion tools to provide support services to mango exporters to export to the European market.

Identification of market opportunities to accelerate Senegalese mangoes exports in Europe

- A **Market Opportunity Analysis** was conducted with the objective of identifying specific fast-growing market segments offering potential for Senegalese fresh and processed mangoes. The market opportunity analysis involved in-depth studies conducted in Germany and the United Kingdom, and a high-level analysis of the European market with emphasis on the characteristics of the trade across the region. To that goal, approximately 35 interviews were conducted with importers, distributors and retailers in the Netherlands, Belgium, England and Germany. The contacts established with importers in those markets provide a springboard for connecting Senegalese exporters with suitable European partners.
- The main findings of the above mentioned Market Opportunity Analysis were presented to the main actors in the Senegalese mango sector during the **Validation Workshop** held in Dakar on 29 November 2011. The workshop gathered 60 participants from different organizations involved in the export of mangoes, primarily producers, exporters and trade support institutions. The main findings of the market opportunity analysis were approved however participants felt that the project should continue to focus on the traditional high volume export market of fresh mangos, particularly to position Senegal in other big import markets such the Netherlands and meet the key requirements for market access.
- The main elements of the **Marketing Plan** developed towards the preparation of the 2012 campaign were proposed and discussed with the participants of the Validation Workshop and ASEPEX. The main priorities outlined were the need to upgrade promotional materials, improve the commercial capacity of exporters through training and access to market information and participation in the FruitLogistica trade fair.
- **Participation of Senegalese Exporters in FruitLogistica** to take place on February 7-9 in Berlin, Germany. It was agreed with CBI and ASEPEX to allocate space from the CBI stand at FruitLogistica for 5 Senegalese companies and one representative of ASEPEX. A selection process is being conducted by ASEPEX through a call for expressions of interest from exporters.

- A Marketing Workshop (1 day) for exporters and producers was held on December 1st, 2011, 20 participants were trained (including CFAHS members, COOPROFEL, FOS, ASEPEX delegates and independent exporters) on developing tailored customer value propositions, identifying and establishing relations with European trade and differentiation strategies.

Resources:

Expenditures by end of 2011 reached US \$200'000

Financing arrangements:

No changes in financial arrangements. Expenditures will pick up as implementation moves faster to reach cruising speed.

Cross-cutting issues:

The project will take a proactive approach to cover cross cutting issues particularly in relation to gender and poverty. The mango sector includes many small farmers and a large number of women at different stages of the value chain. This aspect was further studied as part of the value chain analysis conducted in the Niayes region. It included brief description of the proportion of vulnerable people involved in the mango sector and their role. It is expected that vulnerable groups will benefit directly and indirectly from the project. .

Key quality and sustainability issues:

The quality of outputs and sustainability will be somewhat impacted by the short implementation period (little less than 2 years). The ASEPEX has shown commitment and ownership of project activities implemented so far. The ASEPEX has played a critical role in mobilizing the various actors in the mango sector, to organize field visits and events, and to provide substantive inputs to the terms of reference and implementation process. However the challenge will be to ensure sustainability at CFAHS. Though the structure has been created on paper and has designated a board of administrators, the institution still does not exist. It does not have a physical location, it does not have staff or an organizational structure in which project activities will be anchored. However it is important to note that the Board members have been participating and contributing to NTF II activities. This issue should be reviewed early 2012 and a decision on what support will be provided to CFAHS to be better defined.

Project adjustments

The total budget for NTF II Project in Senegal is US\$ **1'133'500**. This was communicated to and accepted by the partners on the field. The reduced overall budget is in line with the length of implementation period and the absorption capacity within ASEPEX. This

Problems and their solutions:

ASEPEX has shown a growing involvement, commitment and initiative in project implementation, which reduces previous problems in terms of weak commitment and low responsiveness.

Project management keeps a regular dialogue with the Ministry of Commerce to ensure that ASEPEX remain under reasonable and healthy pressure to deliver what it has committed to.

Changing circumstances:

CFAHS's developments are to be closely overseen. In spite of some commitments by CFAHS there is still no physical office or permanent staff employed.

Risk analysis:

Nature of risk	Likelihood	Consequences	Mitigation
CFAHS is not operational as hoped.	Medium	The CFAHS's reliability and sustainability remains uncertain. Delays; incomplete implementation, lower know-how transfer effects; lower impact on umbrella institution level.	NTF II will closely oversee the CFAHS's developments and evaluate how reliable it becomes as a TSI to work with as the project is being implemented. If the CFAHS is confirmed not enough operational, interventions should be redirected towards existing and operational TSIs in the Niayes region.
The Niayes region and its stakeholders do not fully benefit from project activities	Low	The targeted Niayes region remains beneficiary only marginally and knowledge transfer effects remain concentrated in Dakar with ASEPEX and the CFAHS secretariat (if operational)	Careful monitoring will be required directly and via the field coordinator so that concerned TSIs and SMEs in the Niayes region (members of the CFAHS) absorb the assistance provided

Adaptation of Logical Framework:

Minor changes in the terminology are suggested as follows:

Output 1 (instead of "outcome" since outcomes are measured on NTF II programme level): Strengthened capacity of TSIs in the private sector to provide effective support services to facilitate the development of mango exports.

sub-output 1.1. : The emancipation of the mango industry in the Cooperative Federation of Actors Horticulture Senegal (CFAH) is encouraged and the contribution of CFAH is evaluated.

Output 2: Improved operations, financing and marketing of the mango industry through ASEPEX and private sector TSIs in order to comply with requirements of European markets.

Sub-Output 2.1. Strengthen the skills of TSIs private sector in coordination with the CFAHS in the areas of technical and export, quality, packaging and export financing to support all the actors in the value chain of the mango industry to improve export competitiveness.

Attachments

None.