



PROGRAMME FOR COUNTRY PARTNERSHIP SENEGAL

SUMMARY



iSID INCLUSIVE AND
SUSTAINABLE
INDUSTRIAL
DEVELOPMENT



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

ACRONYMS AND ABBREVIATIONS

AFD	Agence Française de Développement
AfDB	African Development Bank
ASN	Association Sénégalaise de Normalisation
AV	Added-Value
BADEA	Banque Arabe pour le Développement Economique en Afrique
BMN	Bureau de Mise à Niveau
BNSTP	Bourse de Sous-traitance et des Partenariats
CFAF	CFA Franc
CTCN	Climate Technology Centre and Network
DFI	Development Finance Institution
ECOWAS	Economic Community Of West African States
EDF	European Development Fund
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIDIUD	Growth Identification and Facilitation of Industrial Upgrading and Development
GNI	Gross National Income
HDI	Human Development Index
IBS	Islamic Bank of Senegal
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IsDB	Islamic Development Bank
ISID	Inclusive and Sustainable Industrial Development
IT	Information Technology
KOICA	Korea International Cooperation Agency
LDC	Least Developed Countries
M&E	Monitoring and Evaluation
MoA	Ministry of Agriculture
MoE	Ministry of Environment
MoEFP	Ministry of Economy, Finance and Plan
MoH	Ministry of Health
MoI	Ministry of Industry
NFSMC	National Food Safety Management Committee
ODA	Overseas Development Assistance
PAGE	Partnership for Action on Green Economy
PAMECAS	Partnership for Savings Mobilization and Credit to Senegal
PAP	Plan d'Actions Prioritaires
PCP	Programme Country Partnership
PIDES	International Programme for Economic and Social Development
PIDI	Programme Intégré de Développement Industriel

PNBG	Programme National de la Bonne Gouvernance
PPP	Public-Private Partnership
PSE	Plan Senegal Emergent
RECPnet	Global Network for Resource Efficient and Cleaner Production
RTC	Rural Transformation Center
SMEs	Small and Medium-sized Enterprises
SPS	Sanitary and Phyto-Sanitary
TC	Technical Cooperation
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
WAEMU	West African Economic and Monetary Union
WB	World Bank

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1. INTRODUCTION

The United Nations post-2015 development agenda reinforces the international community's commitment to poverty eradication. One of the major items on this agenda is inclusive and sustainable industrial development (ISID), the core of the new mandate given to United Nations Industrial Development Organization (UNIDO) by the 2013 Lima Declaration. To set the stage for the pursuit of this mandate, the Director General of UNIDO convened the First ISID Forum, which took place on 23 and 24 June 2014. The event engaged the Organization's Member States in a strategic dialogue on how to formulate inclusive and sustainable industrial development strategies and policies. It also asserted UNIDO's role in promoting smart policies and innovative business models for ISID.

The key outcomes of the First Forum served as the foundation for this second event, underpinning confidence in well-structured partnerships for ISID. This Forum aims to pilot the development of innovative partnership business models to implement ISID strategies. The main thrust behind the partnership business model is the mobilization of external partners and resources to increase the impact of UNIDO's technical cooperation.

Through partnerships with governments, development finance institutions, UN agencies, multilateral and bilateral development agencies, civil society, and the private sector, the Organization is to have a much larger impact on the ground with its technical expertise being applied according to the needs of Member States and benefiting from the resources of financial institutions and private industry.

The first ISID-Programme Country Partnership (ISID-PCPs) will be piloted in Africa, the region currently most in need of ISID assistance. Two countries have been selected: Ethiopia, in English-speaking East Africa, and Senegal in French-speaking West Africa. The ISID-PCP will demonstrate five main characteristics: (i) a strong country ownership; (ii) a clear reflection of UNIDO's ISID objectives; (iii) a close alignment with national resource mobilization strategies and the potential to scale up technical cooperation services through the establishment of partnerships; (iv) an opportunity to deploy a multi-disciplinary array of UNIDO services; and (v) rigorous monitoring and reporting mechanisms, which will allow Member States and partners to measure the concrete benefits of this new approach.

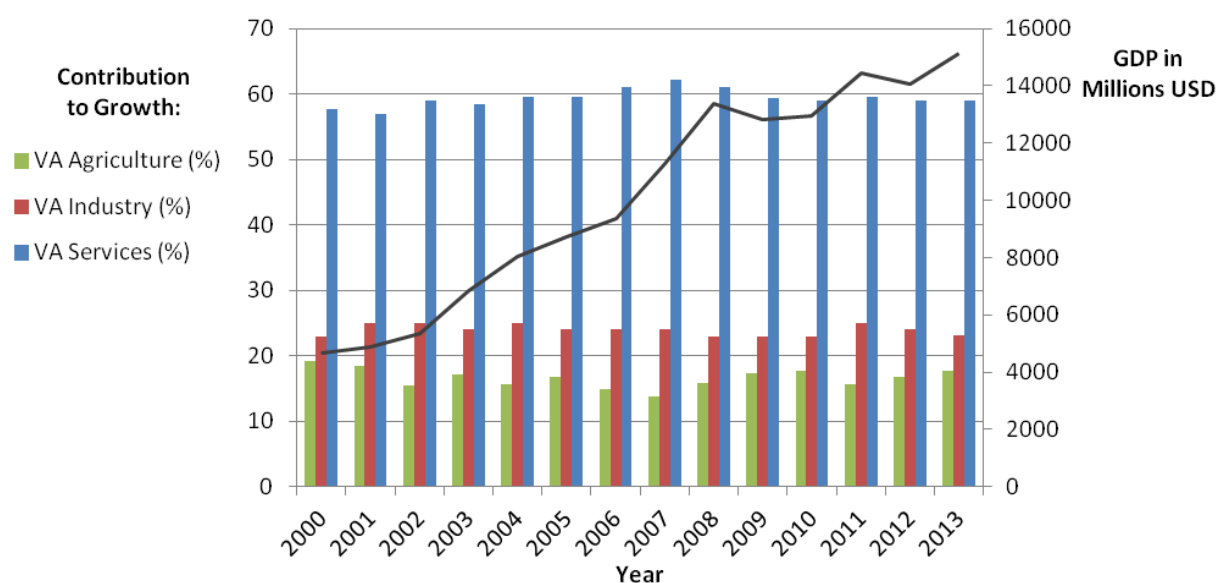
In August 2014, the Director General of UNIDO fielded senior managers from the Organization's technical cooperation division to Senegal to discuss with Government officials and representatives of development financial institutions, bilateral development partners, and the private sector the design and formulation of the Programme. Encouraged by the strong commitment of the Government of Senegal and other partners to this initiative, UNIDO sent team of experts from its specialized branches to Senegal in October 2014 to initiate the development of the PCP. This report is an outline of the detailed ISID-PCP for Senegal being developed by the team.

The Program is expected to lead to the development of integrated investment plans and a strategy to expand job creation and reduce poverty while preserving the environment.

2. COUNTRY CONTEXT AND RECENT DEVELOPMENTS

Over the past decade, Senegal has become an important institutional and economic actor in West Africa. The Senegalese economy has very promising perspectives and the country is a key player in ECOWAS, while the continuous strengthening of democratic institutions have made Senegal a role model for political stability.

Even though the level of natural resources is low compared to that of neighboring countries, Senegal is one of the most industrialized countries in West Africa and has the fourth largest economy in the region (after Nigeria, Côte d'Ivoire, and Ghana), which is based on tourism, agro-industries, mining and fisheries and benefits from a strong presence of multinational companies concentrated in urban areas. The agriculture, industry and service sectors account for 18%, 24% and 58% of the Gross Domestic Product (GDP) respectively, as shown in the table below:



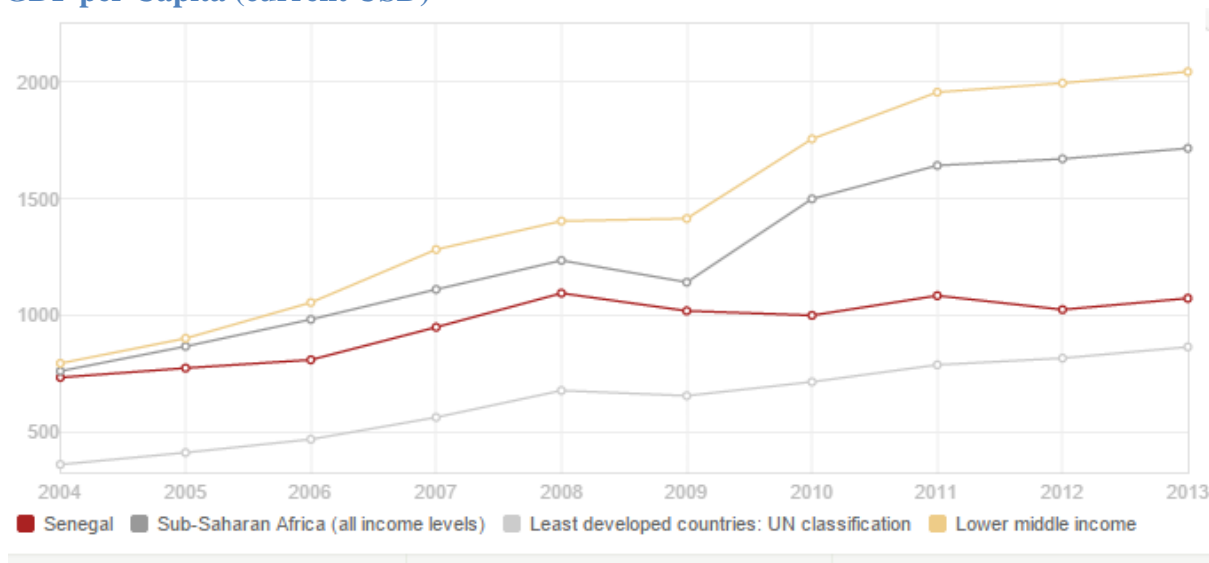
Source: World Bank

The Senegalese agricultural sector employs 50% of the working population and is mainly driven by the cultivation of rice, corn, manioc, and peanut, while livestock, vegetables and fruits, and fishery are considered as high-potential export-oriented agricultural value chains. The industrial sector is largely based on agro-industries and power generation. Important industrial zones and agro-poles are also being established and in and around important urban centers, mainly in the Dakar area, with a strong concentration of the transport and construction sectors, but are still lacking in modern renewable energy incentives as well as environmental quality standards. The service sector is mainly built on a wide telecommunications network that attracts substantial investments in the Information Technology (IT) sector.

Despite promising perspectives, the economic performance has not had the desired development impact: there is a substantial gap between the efforts made in the productive sectors and the results of these efforts, mainly due to the poor contribution of economic actors to a balanced development pattern that could lead to poverty reduction, employment, and decentralization of economic activities.

For that reason, in 2011, Senegal was unfortunately classified as Least Developed Country (LDC) by the United Nations Organization, which characterizes LDCs as countries with low income levels, economic vulnerability, and delay in human development. Senegal's GDP per capita reached barely US\$1,072 in 2013, a lower level than that of Sub-Saharan Africa, as shown in the graph below.

GDP per Capita (current USD)



Source: World Bank

Furthermore, Senegal's human development index (HDI) was 0.470 in 2012, ranking it 163rd among 187 countries and highlighting weak progress, in particular over the last decade, regarding life expectancy, schooling, and living standard in general, as shown in the following table.

Senegal's HDI and component indicators

Year	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per (2005 PPP\$)	HDI Value
1980	47.3	3.6	2.4	1.487	0.322
1985	51	4.3	2.7	1.461	0.353
1990	53.2	4.4	3	1.426	0.368
1995	54.4	4.4	3.3	1.377	0.376
2000	55.8	5.4	3.7	1.499	0.405
2005	57.4	6.9	4	1.650	0.441
2010	59	8.2	4.5	1.721	0.470
2011	59.3	8.2	4.5	1.719	0.471
2012	59.6	8.2	4.5	1.653	0.470

Source: United Nations Development Programme (UNDP)

In this context, by choosing Senegal as one of the pilot countries for PCP implementation, the UNIDO faces the major challenge of addressing these development issues in a holistic and sustainable manner within the scope of its partnership approach and strategy. UNIDO's Least Developed Countries (LDC) Strategy and Operational Plan, 2012-2020, adopted by the Fourth LDC Ministerial Conference in 2011 and updated and reinforced by the Lima Declaration, developed a wide range of activities for the benefit of LDCs such as the Global Forum, agro-industries and agribusiness development, capacity building, investment promotion, programmes related to youth and women, energy and environment initiatives, and advisory services. The achievements of these activities will be integrated into the development of the PCP within the framework of Senegal's National Development Strategy or *Plan Sénégal Emergent* (PSE).

2.1 Infrastructure

The economic disparities among regions are closely correlated with weak access to basic modern infrastructure across urban and rural areas, and this directly affects the economic performance of every economic sector. While the primary sector is severely affected by a lack of sanitation infrastructure and farming equipment as well as of storing facilities for farm products, the industrial sector is suffering from an unbalanced geographical distribution of quality transport infrastructure (roads, railroads, harbours, airports), which hampers the competitiveness and export potential of industrial companies. The deficiencies and degradation of transport infrastructure contributes to the isolation of rural production zones.

2.2 Agriculture

Senegal's agricultural sector, 90% of which depends on family farms, faces many obstacles on the road to modern trade-oriented farming. The lack of access to quality inputs and land for the entire agricultural production process, particularly in remote rural areas, is a critical

challenge hampering efforts to upgrade the sector towards a more productive and competitive production system.

Land policy appears to be inefficient as land grabbing and conflicts are relatively widespread and represent a major threat to political stability in local and regional communities. The lack of land property insurance and a weak framework for land ownership limit significantly the development of agricultural cooperatives and processing companies and accordingly undermine food production. As a direct consequence, horticulture and other farming value chains suffer from poor structuring and have not managed to exploit their potential, in part due to limited access to external markets. Furthermore, the pursuit of short-term profitability and the monoculture system have led to adverse environmental effects such as the depletion of water supplies, chemical pollution, and land degradation.

2.3 Industry

Despite lower performance levels in 2013, the industrial sector has recorded an average annual growth of 4% between 2010 and 2013, with significant growth in industries such as construction (+10.3%), agro-food and fish processing and canning (+9.3%), leather (+10.3%) and energy generation (+3.4%). Four main sectors can be considered as high-potential value chains with strong comparative advantages regarding industrial capacity, value added and employment: agro-food, textile, minerals, and chemicals.

Nonetheless, the Senegalese industrial base remains fragile, given the small size of production units and economic actors, high input costs, the underutilization of production capacity, and limited access to finance for local and national enterprises. In addition to these drawbacks, industrial production suffers significantly from its strong concentration in the Dakar area, hampering the potential of provincial economic zones, as well as from lack of diversification and a system of product quality certification.

The difficulties encountered in the implementation of industrial strategies and in the design and application of effective policies have hampered the efforts to establish an environment conducive to enterprise development. Consequently, local companies cannot rely on support policies to sustain their specialization and competitiveness. Moreover, there are few instruments to promote sub-contracting and facilitate the access to finance.

2.4 Financing of the Senegalese economy

The funding rate of the economy remains limited; it represented 29.9% of GDP in 2012.

The financial sector is mainly composed of 19 primary banks, plus two main financial institutions that accounted for 4.3% of GDP in 2011. Bank financing of the private sector has been increasing, representing 29% of GDP in 2011, but it remains relatively low, mainly due to the lack of diversity and innovation of financial mechanisms and instruments (such as

leasing, venture capital, solidarity-based funding) that hampers the growth of private sector activities, in particular of Small and Medium-sized Enterprises, which face many difficulties to access financing and represent only 16% of bank portfolios.

Generally, the financing of economic activities is restricted by high interest rates combined with the predominance of short-term loans, which do not meet the requirements and the strategic objectives of the National Development Strategy. For that reason, long-term financial partnerships with major donors and partners at the international, regional and local level need to be supported and aligned with the National Development Strategy.

3. CURRENT DEVELOPMENT STRATEGIES AND PARTNERS

3.1 The National Development Strategy – Plan Sénégal Emergent

In order to address these issues as quickly and efficiently as possible, Senegal has revised its national development model and strategy through the establishment of the *Plan Sénégal Emergent* (PSE), whose primary objective is to make Senegal “*an emerging country in 2035 with social solidarity and the rule of law.*” This major goal requires a balanced development model resting upon economic, social and environmental pillars of development that can generate sustainable and inclusive growth. The PSE, based on three broad strategic pillars (structural economic transformation, the fight against poverty and inequalities, and improvement of security and governance), focuses on the sustainability of economic growth and the impact on human development, and therefore represents the highest landmark of strategic guidance and leadership for Senegal’s economic policy in the short, medium and long term.

The five-year *Plan d’Actions Prioritaires* (PAP) constitutes the reference document for the State’s interventions in order to pilot the PSE, as well as for the technical and financial partners, the public-private partnerships, and citizen participation. It formulates clearly the strategic choices, in particular the pillars of development, the sectorial options, the lines of action, and, more generally, the projects and development programs. Additionally, in order to implement and monitor the PSE, a Committee for Strategic Orientation, placed and operated under the authority of the President of the Republic, as well as a Steering Committee, chaired by the Prime Minister, and an Observation and Monitoring Office have been established in order to measure and evaluate the results of PSE implementation.

To address the infrastructure issues, the PSE has planned, as part of its 27 flagship project portfolio, the development and integration of high-quality infrastructure capable to ensure a continuous provision of an integrated service package including financial support services for local and national private enterprises, real estate development and maintenance, and logistics management and transport connectivity services. In this regard, the Government together with its partners, in order to support these core infrastructure projects of the PSE and to

facilitate public decision-making, will prepare pre-feasibility and feasibility studies with a strong emphasis on location, private sector integration, service development, and scope of partnership mobilization to further facilitate the implementation of these projects under effective Public-Private Partnership (PPP) formulas, following international best practices.

Likewise, for the development of a new generation of infrastructure, the PSE has integrated into its portfolio a substantial reform, the National Integrated Plan of Infrastructure Development, that aims to open up production zones by building a well-structured and diversified transport network across the country, with the main focus on balancing the development of economic sectors among regions.

With regard to the challenges facing Senegal's agriculture, the PSE acknowledges the correlation of the agricultural sector with other branches of the economy, in particular with agro-industries, as well as its spill-over and leveraging effects on other sectors of activity (transport, trade, etc.). For that reason, the PSE highlights the role of "agro-poles" as the driving force of industrialization in Senegal through enhancement of agricultural added value; it provides for the creation and development of three integrated and competitive agro-poles focused on high-potential value chains (livestock, fruits and vegetables, fisheries and aquaculture). These agro-poles will serve as enterprise incubators providing facilities and services with the main objective of strengthening and supporting agro-industry value chains, and promoting commercial farming among local and regional producers through integrated training plans, capacity building and the establishment of appropriate PPP financial schemes.

As such, the PSE highlights the reinforcement and upgrading of the industrial sector as milestones for Senegal's progress, and has designed an industrial package whose purpose is to transform the country into an important industrial hub in West Africa.

To this effect, the strategic choices of PSE in terms of industrialization have been mainly directed towards the development of industrial parks and the promotion and upgrading of high-potential value chains that can attract foreign and domestic investors. Special economic zones and industrial parks will develop multifunctional platforms built around the development of industrial and craft activities and infrastructure and equipment provision, while industrial poles will integrate SME sub-contracting activities for the mining sector; at a later stage, the latter will be further upgraded to integrated multi-sector industrial poles that will absorb and integrate agro-industries and general manufacturing.

3.2 Investment in the industrial sector (domestic and FDI)

Several flagship projects in the industrial sector have been implemented:

- The creation of an industrial free zone in Dakar, which offers tax incentives to industrial exporting companies;
- Strategic industrial plans to improve Senegal's governance in terms of industrialization, such as the adoption of the *Programme National de la Bonne*

Gouvernance (PNBG), aiming at enhancing local and national economic governance through public industrial services. In 2013, the Government of Senegal, in partnership with UNDP, started a Governance Programme to achieve Millennium Development Goals and reinforce the policy framework for inclusive and sustainable industrial development;

- The expansion and enhancement of cooperation between the Ministry of Trade and the Ministry of Industry in order to design and implement coherent and effective policies to promote inclusive and sustainable industrial development.

The development of the industrial park in Diamniadio, run jointly by the Government and the private sector for the period 2014-2017, represents a substantial flagship industrial project. The main aim is to establish a one-stop service centre to provide maintenance, logistic, security, and equipment services. The building of a power plant will ensure the required energy supply. A 10,000 cubic meter reservoir will provide water, and a drainage canal and wastewater treatment plant will manage water effluent. Infrastructure and construction are financed by the Taiwanese Cooperation, and 91.5 hectares will be made available to foreign and domestic investors.

Six local companies have already started operations in iron manufacturing, industrial gas, household products, and the production of natural mineral water. Sixty-eight other companies have reserved space at Diamniadio and there are still other 300 requests in this respect. The park will be expanded, will acquire additional modern utilities, and will be linked to enterprises located in Hann Bay around transport networks facing storage issues, as well as to urban poles, companies registered at SODIDA, and informal enterprises.

Diamniadio will provide strong trade and tax incentives to attract investors and will integrate ten industrial units of 30 hectares, with specialized labour-intensive poles in textile, agro-food, household products, electronics, services, and aeronautics. The park is expected to generate 8,000 jobs; moreover, twice as many jobs will be created by indirect employment.

Other industrial projects should also be mentioned:

- The development of an industrial park dedicated to the relocation of Chinese companies;
- The reorganization and expansion of the regional industrial poles at Kaolack, Ziguinchor and St Louis;
- The creation of new departmental industrial zones between 2017 and 2020 at Fatick, Kaffrine, Matam, and Kédougou;
- The creation of sub-contracting zones, in close proximity to manufacturing enterprises, in Kédougou (mining), Darou, etc.

Moreover, in order to increase the competitiveness of local and national industrial companies, the Government of Senegal, with assistance from its development partners, adopted a support policy to raise capacity levels in companies through various projects and programmes such as:

- “*Programme de Mise à niveau des Entreprises*”, initiated in 2004 with financial assistance from the French Development Agency (AFD), while UNIDO technical assistance led to the creation in 2007 of the “*Bureau de Mise à Niveau*” (BMN);
- The Support Program for the Competitiveness and Growth of SMEs and the Performance of the Micro-Finance Sector (PACC-PME/PMF), carried out within the framework of the Senegalese-German cooperation;
- The Platform for Support to the Private Sector and to the Valorization of the Senegalese Diaspora in Italy (PLASEPRI). This program aims in particular at creating and strengthening local SMEs, especially investment projects of Senegalese nationals residing in Italy.

3.3 Development partners

Senegal’s main development and financial partnerships are built upon a long-standing and continuous cooperation with numerous governments (France, Belgium, China, Germany, Italy, Japan, South Korea, Spain, the United States, etc.) and the European Union as well as with a wide range of Development Finance Institutions (DFIs), such as the World Bank Group, the *Agence Française de Développement* (AFD), the Islamic Development Bank (IsDB), the African Development Bank (AfDB), and the Arab Bank for the Economic Development in Africa (BADEA), all operating in Senegal with their own programmes and projects, whose key objectives are aligned with the PSE and address issues related to infrastructure development, access to finance, renewable energy, investment promotion, business climate improvement, youth and women employment, and agro-value chain upgrading.

In search of synergies between partner programmes and PCP interventions, UNIDO has established a consultation process with Senegal’s key DFIs and other partners in order to identify areas of intervention, develop technical cooperation schemes within the PCP, and initiate and build up relevant partnerships.

The European Union: The 2nd European Development Fund (EDF) is currently under formulation and will be finalized in September/October 2015 with three main components (food safety, governance, and access to water and cleansing), and three additional components related to economic issues, including commercial and regional integration: the horticultural exports sector (value chain, constraints, and potentialities), reinforcement of the national laboratory, and transformation in the agro sector. The European Union seeks also to develop trade activities with Senegal by establishing economic partnership agreements. With regard to possible synergies with the PCP, the EU approves the setting up of a PCP Partner and Donor Group. This UNIDO proposal consists of the creation of a working group of technical and financial partners under the aegis of the Ministry of Economy and Finance, with the objective of coordinating the resources and programs of Senegal’s technical partners and searching for complementarities in the envisaged interventions.

The World Bank: The Bank's main activities in Senegal cover agriculture, rural development, infrastructure, the environment, transport, energy and water, and public and private sector development. The World Bank has endorsed the PSE, and is waiting for the launching of the PCP in order to coordinate its activities with the Programme in the following areas: industrial poles, enterprise creation, value chain upgrading to enhance export capacities, the development of agro-poles in Casamance and on Guiers Lake (agro-pole of MPal).

International Finance Corporation (IFC): The IFC finances projects in Senegal according to three priorities: (i) the development of infrastructures along with the development of the energy sector (e.g., the 96MW Tobène plant); (ii) agro-industry development (e.g., Patissen, where IFC supported the entire value chain); and (iii) SME development and finance. IFC is also interested in non-agriculture projects to be carried out in cooperation with UNIDO.

African Development Bank (AfDB): AfDB operations cover infrastructure development, energy, livestock, and industrial services. AfDB seeks to diversify its portfolio with focus on youth employment, value chain upgrading, and capacity building. It is also interested in rationalizing and seeking synergies for the interventions of donors and institutions, especially in the field of information coordination and centralization. In this respect, AfDB has stated that it has the same vision as UNIDO and seeks a greater scope of cooperation to address the issues mentioned above.

The Islamic Development Bank (IsDB): IsDB's current active portfolio in Senegal amounts to CFAF 311 billion (May 2014), and includes a total of 19 projects concentrated in transport, water, urban development, energy, agriculture, education, and health. Two examples of IsDB-Senegal cooperation may be highlighted:

- A water and sanitation project co-financed by IsDB and the West African Economic and Monetary Union (WAEMU), the water project in rural areas amounting to CFAF 6.5 billion. This project is part of the PAP, as the PSE has planned interventions in the rural communities of Matam, Tambacounda and Kolda. The funding will allow the construction of 65 water points and 32 village water supply systems serving nearly 10,000 people.
- A fiduciary agreement for a marketing campaign for the peanuts sub-sector, amounting to CFAF 5 billion; the campaign is part of a PSE flagship project seeking to structure the peanut sub-sector. This funding will collect 55,000 tons of groundnut seeds.

IsDB is also very active in the field of microfinance, and has established the Islamic microfinance in Senegal; a strategic convention on the proposed establishment of a decentralized financial system was signed between Senegal, the IsDB group, the Partnership for Savings Mobilization and Credit to Senegal (PAMECAS), and the Islamic Bank of Senegal (IBS). This strategic partnership aims at boosting the development of Islamic microfinance in Senegal.

IsDB has expressed its great interest in cooperating with UNIDO in Senegal, in particular in the field of industrial park development. Further steps for implementing partnerships with IsDB are expected to be taken during the Second ISID Forum.

Italian Cooperation: The Italian agency focuses on local and inclusive development with emphasis on immigration, development, and the roles of the diaspora and women. A Three-Year Programme (2014-2016) addresses issues related to agriculture and rural development, primary sector and local development, and social protection, while the International Programme for Economic and Social Development (PIDES) Focus on the development of poles at Pikine and Kaolack. As the Overseas Development Assistance (ODA) leader for private sector development, Italian Cooperation suggested that, given the dynamics of SMEs in Senegal, local and national enterprises need to be stimulated through strong partnerships. To this end, a meeting of all relevant development partners for stimulating SMEs under cluster development (e.g., UNIDO's interventions in Louga) has been proposed. Italian Cooperation has also expressed its willingness to foster renewable energy development, highlighting UNIDO's project in Zambia. With regard to the special case of the diaspora, the creation of links between foreign and local investors is required in order to encourage investments by Senegalese nationals living abroad.

China: The main development assistance activities carried out by China in Senegal concern important projects of the PSE, in particular regarding infrastructure; the cover agriculture, road building, and industrial parks. In the agricultural sector, the main focus is on rice; a successful tripartite cooperation between FAO, Senegal and China, effective for two years, included the contributions of 22 experts in agronomy, fisheries, and livestock; if the funding is secured, the project will be started again in 2015 or 2016. With respect to PCP synergies, China has initiated discussions with UNIDO regarding the investments of Chinese SOEs and private companies and the promotion of SME financing through partnerships with the Development Bank of China and the China Eximbank. As this tripartite initiative is a new experience for China, a gradual and practical approach is recommended to ensure a successful implementation of the programme.

Turkey: The main activities conducted in Senegal by Turkey are in the industrial sector. The Turkish International Cooperation and Development Agency focuses on PSE priorities such as the development of irrigation systems and health infrastructure. The cooperation with the private sector is mainly agribusiness as Turkish companies seek to penetrate the Senegalese market. Turkey has expressed its interest to cooperate within the framework of the PCP, once the modalities of the Program will be provided.

Korea International Cooperation Agency (KOICA). KOICA interventions cover the agricultural sector, water supply (in Dioubel, Louga, St. Louis, Thies, Tamba, Kaolack and Fatick), the construction and equipment of a large printing company in Dakar (to produce 3.7 million textbooks for children), and the construction of the ISEP in Diamniadio and an institute similar to the IUT in Dakar, which trains IT technicians and auto-mechanics. In this connection, KOICA works with the Office of International Cooperation at the Ministry of

Economy, Finance and Planning. The agency is willing to explore opportunities for future collaboration with UNIDO in agriculture and skills development.

The **United Nations System** is very well represented and active in Senegal where their interventions cover a wide range of fields and activities. The United Nations system supports strongly the PSE in its capacity to provide solutions to development issues, in general, and to employment issues, in particular, especially in the at the level of local communities. It is also hoped that the PSE will provide the opportunity for the local private sector to play a bigger and more visible role in the industrialization process. This is particularly true when it comes to industrial parks. The United Nations System strongly supports the institutional reforms that are mentioned in the PSE. Concerning possible synergies with the Senegal PCP, it is important to mention that UNIDO has a long history of collaboration with the other UN agencies in Senegal like the UNDP, FAO, IFAD, ILO and many others. The UNDP is very much interested in building synergies with and supporting concretely the Senegal PCP, in particular with respect to industrial parks and agropoles. UNDP will support institutional and financial reforms.

3.4 UNIDO's partnership with Senegal and lessons learned

The long cooperation between UNIDO and Senegal has been based on the elaboration and implementation of the *Programme Intégré de Développement Industriel* (PIDI), with two main phases that aimed at measuring the industrial production index and then help strengthen and expand the capacities of Senegal's industry. PIDI has made important contributions to the effort to establish an appropriate institutional framework for industrial development in Senegal, in particular through strengthening capacities and organization, and promoting the development of micro and small enterprises; important measures were the establishment of the *Bureau de Mise à Niveau des entreprises du Sénégal* (BMN) and the *Bourse de Sous-Traitance et des Partenariats* (BNSTP), as well as the elaboration of the *Plan d'Action pour le Redéploiement Industriel*.

The collaboration led to the formulation and implementation of PIDI, facilitated the partnership mobilization process, and positioned UNIDO as a dynamic and permanent interface for the coordination among the public sector, the private sector, and technical and financial partners.

Therefore, the PCP for Senegal, with its main principles and its partnership framework and strategy, fits entirely PIDI recommendations, and will allow substantial follow-up interventions and partnerships.

On a broader basis, lessons learned from UNIDO's interventions and experience show that a number of African countries do not achieve an efficient and sustainable industrial development, regardless of the quality and relevance of the conception and formulation of their industrial policies. This could mainly be due to a lack of control over implementation, especially regarding its processes and mechanisms. At this level, UNIDO, drawing on its extensive experience accumulated in this field, and its long and fruitful collaboration with

Senegal, can offer an integrated package of technical services to assist in the effective implementation of the industrial policy formulated in the PSE.

4. THE PROGRAMME FOR COUNTRY PARTNERSHIP (PCP)

4.1 Alignment of PCP main areas of intervention with PSE

As the main advisor of the Government of Senegal with respect to industrialization, UNIDO will develop and implement the PCP in accordance with the PSE pillars and priorities. The PSE regards the inclusive and sustainable industrial development as a key approach to achieve Senegal's structural economic transformation. Therefore, the design of PCP interventions will focus on three strategic pillars and a comprehensive framework (as shown in the next chapter), to ensure that partnership interventions will have the highest impact on Senegal's industrialization.

The three strategic pillars will enable a vertical and integrated delivery of technical cooperation services, with strong spill-overs on PSE projects. The three strategic pillars are:

- 1) Advice on design and implementation of industrial policy;
- 2) Establishment of competitive and integrated agro-poles; and
- 3) Upgrading of existing industrial parks and establishment of new ones.

UNIDO's technical cooperation will be deployed as an integrated service package to facilitate crosscutting interventions under various components of the Organization's technical assistance, such as the SME Upgrading Programme, the Environmental Management Programme, and the Green Industry Development, as well as renewable energy promotion, institutional capacity building, investment promotion, private sector development, and SME financing.

4.2 The logic of UNIDO interventions

UNIDO's interventions will be developed, implemented, and monitored according to ISID principles and by integrating the Government's vision and main priorities to assist in the implementation of on-going and future PSE initiatives. Throughout the Programme, local stakeholders will be involved in the design, implementation, and monitoring and evaluation of UNIDO interventions.

Therefore, the logic of UNIDO interventions will follow the following guidelines reflecting ISID principles:

- Emphasis on employment creation;
- Priority given to youth and women employment;

- Promotion of the role of the private sector as the key actor in the implementation of the PCP;
- Involvement of local stakeholders in the design, implementation, and Monitoring and Evaluation (M&E) of interventions;
- Emphasis on human capital and skills development;
- Priority given to rebalancing of development among territories and regions;
- Focus on local SME development;
- Support to on-going and future initiatives and projects of the Government and technical and financial partners;
- Support in the creation of linkages between foreign investors and local businesses;
- Access of local businesses to national, regional, and international markets;
- Promotion of clusters as an effective means of developing the local private sector;
- Contribution to the streamlining of private sector support mechanisms (e.g., industrial parks);
- Involvement in the promotion of existing enterprises, with a specific focus on local SME development and access to finance;
- Consideration given to the Government's desire to obtain fast results.

Following these guidelines, UNIDO will serve as the industrial advisor of the Government throughout the PCP in order to assist in the implementation of the strategic pillars and flagship programmes of the PSE. Moreover, given the position of Senegal as an LDC, UNIDO will focus on results and impact in terms of inclusiveness and sustainability in order to address LDC features and issues (such as income level, human development, and economic sustainability). Therefore, the PCP for Senegal will be implemented as a Pilot Partnership Programme for LDCs, since it will connect UNIDO's LDC Strategy and Plan to technical cooperation projects and programmes carried out by Senegal's other major partners. UNIDO's PCP interventions will integrate strong synergies and complementarities between the Organization's crosscutting technical cooperation services and the contributions of other international and local partners in order to reinforce and scale up the impact of PCP, as illustrated in the table below:

<div>Industrial Policy:</div> <ul style="list-style-type: none"> • Design • GIDIUD • «PARI Industriel Intégré» Initiative • Advisory Services • Capacity Building 			
UNIO TC SERVICES	Agro-poles	Industrial Parks	Partners
	<ul style="list-style-type: none"> • Operationalization of three competitive and integrated Agro-poles as incubator of SMEs providing facilities, infrastructure, technologies and services • Industrialization through Agricultural value chains (fruits and vegetables, livestock, aquaculture and fisheries) 	<ul style="list-style-type: none"> • Operationalization of Regional Industrial Poles and Platforms through SME clusterisation and upgrading 	
Private Sector Development and Investment Promotion	<ul style="list-style-type: none"> • SME and sub-contracting development through cluster building and enterprise upgrading • Specific Program for upgrading enterprises • Horizontal assistance to the Upgrading Program dedicated to SMEs to foster subcontracting, availability and access to appropriate finance solutions, and extending environmental and energy upgrading to entire value chains • Implementation of Rural Transformation Centers 		<ul style="list-style-type: none"> • WB, AfDB, IFAD, FAO • South Korea, Italy, AFD, EU • National and foreign private sector, Local Communities
Environment	<ul style="list-style-type: none"> • Contribution to the development of sustainable cities and Eco-industrial parks • Management of hazardous waste • Greening of chains in selected industrial sectors including agro-industry • Industrial and environmental upgrading of SME's in high potential value chains 		<ul style="list-style-type: none"> • WB, AfDB, GEF, AFD • MoE, MoI, Local Communities, National and foreign private sector
Energy	<ul style="list-style-type: none"> • Conduct outline assessment/mapping of renewable energy resources and organic waste streams within industrial parks and Agro-poles • Develop outline designs of renewable energy systems based on the available resources and the energy demand profiles of the industrial parks and Agro-poles • Conduct audits of industries operating in the parks and Agro-poles to identify EE opportunities and implement an Energy Management Systems • Strengthen public and private sector capacity to provide energy efficiency services to the industrial parks and Agro-poles and to locally manufacture and assemble RE technologies 		<ul style="list-style-type: none"> • WB, AfDB • National and foreign private sector and local communities
Trade Facilitation	<ul style="list-style-type: none"> • Strengthening the National Quality Infrastructure (formulation and validation of the National Food Safety and National Quality Policies; strengthening Senegal's metrology capacity, the Senegalese Standard Bureau and consumers associations) • Quality support in the value chains: direct quality services within the Agro-poles integrated industrial parks (support on SPS requirements, promotion and strengthening Conformity Assessment Units, Promotion of the National Mark of Quality of Senegal) 		<ul style="list-style-type: none"> • MoI, MoE, MoA, MoH • National and Foreign Private Sector and local communities

4.3 Industrial Policy

As shown in the table, an upstream policy component will be implemented in order to assist the Government to design a clear industrial strategy, along with the identification and development of key policy instruments and mechanisms, to further implement industrial policies aiming to ensure consistency in key projects identified in the PSE and to support future PCP crosscutting interventions.

For that reason, the PSE, in its role of providing the strategic economic orientation of Senegal, requires the integration of an industrial strategy and action plan, along with analytical contributions, detailed roadmap, and appropriate policy instruments, in order to design an effective industrial policy framework. Therefore, the institutional capacity of the Government for industrial policy design and implementation will be improved; a unity of action, dedicated to the development and implementation of the industrial strategy and action plan, will be created within the Ministry of Industry, and training and sensitization workshops will be organized for Government officials in order to strengthen their capacities in conducting industrial diagnosis, selecting industrial key priority sectors, and assessing the social and environmental impact of industrialization.

This policy component will be complemented and reinforced by the implementation of the Growth Identification and Facilitation of Industrial Upgrading and Development (GIDIUD) programme, which will set up an analytical framework and a methodology for promoting industrial sectors with significant comparative advantages. Integrated diagnostic instruments

for identifying the main constraints in the selected sectors will generate recommendations and action plans for industrial upgrading and diversification.

In addition, capacity building will be conducted in order to upgrade the performance of investment and industrial institutions, as well as committees and offices created within the framework of the PSE; the objective is to improve access to financial and non-financial services, and develop (M&E) mechanisms for investments and their impact, in particular those in agro-poles and industrial parks.

Furthermore the “*PARI Industriel Intégré*” initiative will be supported and developed with the main objective of creating a high added value manufacturing pole to attract significant foreign investment flows in the long term with strategic leveraging and promotion of Senegal’s comparative advantages in international markets, and strengthening of its economic position in West Africa.

Achieving high value added manufacturing and shifting focus to the selected sectors will also require specific policies involving industrial legislation and regulations, economic incentives, promotional mechanisms, sharply targeted Government programmes, and focused development projects that will lead to effective implementation of PSE policies. Such policies will also be applied beyond selected sectors to cover all manufacturing.

Depending on the chosen strategy and the prioritized sector, a combination of incentives and instruments regarding investment, technology, skills, foreign trade, public procurement, SME infrastructure, and financial mechanisms (in particular specific credit lines and promotion of long-term lending for SMEs) will be necessary aspects of industrial policy. A comprehensive industrial policy package will be developed to stimulate the necessary public and private investments to implement Senegal’s industrial strategy.

4.4 Private sector development and investment promotion

To address the fragile growth of the private sector and the weak investment dynamics, substantial technical support will be provided to private sector development and investment promotion mostly by establishing and upgrading industrial parks and agro-poles.

Regional **industrial parks** and **agro-poles** will integrate a special programme for the upgrading of SMEs and the local and national private sector in general through sub-contracting, access to finance, and cluster development in order to improve market access and productivity in high added value sectors, such as agro-industries, and tourism. The upgrading programme will benefit from horizontal support, in particular through the development of a supporting program for sub-contracting, as well as the establishment of a governance system and intervention mechanisms. This experience will be then extended to the environment and energy aspects of upgraded value chains.

The PCP will strengthen industrial parks, both existing and new ones, with institutional capacity building and integrated management. In this regard, the institutional framework for the promotion, development, and management of industrial parks in Senegal will be reviewed to elaborate an effective roadmap for the establishment of industrial platforms. The development of parks will be supported through the provision of feasibility studies,

management and governance modalities, and a promotional strategy as well as an additional upgrading programme for national and local structures.

Likewise, given the importance of the integrated approach to agricultural development highlighted by the PSE, competitive integrated agro-poles, offering a package of facilities and services to foster the growth of SMEs, will subsequently contribute to income generation and employment creation and therefore to Pillar 1 of the PSE (*‘engine for employment and social inclusion’*). In this context, three agro-poles, as incubators of SMEs involved in high value added food industries, will operate in strategic geographical areas and will focus on fruits and vegetables, fisheries and aquaculture, and livestock and high value added food products respectively.

Each agro-pole will operate as a semi-private entity linking rural enterprises to the market. It will provide the appropriate infrastructure, technologies, and services to support the development of SMEs, including:

- Facilities for processing, packaging, logistics, storage, and quality control of specific product ranges, as well as for training the workforce;
- Capacity building, advisory support, research and development, and marketing services.

Additionally, approximately twenty Rural Transformation Centres (RTC) established around each agro-pole will serve as aggregation centres and will build up the critical mass required for the development of the agro-food sector. They will provide community infrastructure and services in rural food processing, collection and storage, training, and advisory support to farmers.

These initiatives (agro-poles and industrial zones and poles) will be supported by the Clusters Programme currently on-going in several regions of Senegal and implemented by UNIDO in cooperation with partners (Italy, Luxembourg). The Clusters Programme has been regarded by the PSE as a good achievement to build on, in particular its components on private sector organization, skills development, capacity building, employment creation, and integration into value chains.

4.5 Environment

In order to address the need for sustainable production and industrial resource efficiency within parks and agro-poles, UNIDO’s strategic response will take shape along the guidelines of the Green Industry Initiative, a global effort to promote industrial production and development that do not come at the expense of natural systems or lead to adverse effects on human health. The Green Industry Initiative follows a two-pronged approach aimed at improving the environmental performance of existing industries, and creating new industries delivering environmental goods and services.

As a critical means of ensuring a coherent and globally consistent green industry approach, technical cooperation on environmental programmes is deployed through dedicated partnership frameworks, such as the Green Industry Platform, the Global Network for

Resource Efficient and Cleaner Production (RECPnet), the Partnership for Action on Green Economy (PAGE), and the Climate Technology Centre and Network (CTCN).

UNIDO's technical cooperation in this field will be focusing on three pillars of its mandate: (i) pollution prevention, (ii) pollution abatement, and (iii) resource management. These three pillars are integral to the advancement of green industry as drivers of inclusive and sustainable industrial development, and to the decoupling of economic growth from unsustainable resource use and negative environmental impacts. Therefore, the development and operation of industrial parks and agro-poles, as highlighted in the PSE, will be completed and accompanied by the design and implementation of specialized programmes that address these three pillars in a coherent and comprehensive manner, and help to 'green' existing industries as well as to create new green industries throughout value chains within the industrial parks and agro-poles.

4.6 Energy

For most industrial parks and zones in Senegal, energy access is constrained by limited infrastructure services and an unreliable power supply, which regularly disrupts operations resulting in losses of production time and higher input costs. Therefore it is necessary for these parks and zones to harness locally available renewable energy sources such as bio-waste and small hydropower stations to power their operations. In addition, a systematic and integrated approach to energy use efficiency will result in large energy savings thereby increasing the productivity and competitiveness of industries. Accordingly, to ensure energy efficiency in the parks and agro-poles, the following interventions are necessary:

- Conduct assessment/mapping of renewable energy resources within the areas of the proposed industrial parks and agro-poles;
- Assess organic waste streams from industrial processes, and characterize the waste in terms of calorific value and quantity;
- Develop outline designs of renewable energy systems that can be applied based on available resources and energy demand profiles of industrial parks and agro-poles;
- Conduct audits of industries operating in the parks to assess the potential for energy savings and identify EE opportunities;
- Implement energy management systems in industrial parks and agro-poles;
- Strengthen public and private sector capacities to provide energy efficiency services to industrial parks and agro-poles;
- Strengthen the legal and regulatory framework to promote a market-oriented scaling up of RE/EE investments in industrial parks and agro-poles;
- Provide advisory services on energy services to the development of industrial policy.

4.7 Trade facilitation

In order to direct trade facilitation services towards PSE priorities and targets, quality services will be provided within agro-poles and industrial parks, in particular in order to meet international quality requirements.

At a first stage, the National Quality Infrastructure will be strengthened through:

- The development of a National Quality Policy with all national stakeholders. The policy will be aligned with the ECOWAS quality policy. Gender issues will be considered as well, and this initiative should be led by the Ministry of Industry in close cooperation with the *Association Sénégalaise de Normalisation* (ASN). The overall goal must be a reengineering of Senegal's quality infrastructure as well as the preparation of a plan to ensure the sustainability of the programme;
- The development of a National Policy on Food Safety and Hygiene, and its related implementation strategy to meet the needs of the country in adopting and implementing a modern and effective national food safety system. This will require the involvement of several categories of stakeholders in order to incorporate their inputs and get their endorsement. Sequential and participatory interventions will lead to the validation of the document and its strategic implementation plan. Selected actions in the implementation plan of the National Policy on Food Safety and Hygiene will be launched and/or expanded, and a National Food Safety Management Committee (NFSMC) will be created. There will also be a review and analysis of existing legislation and regulatory system applicable in the sectors selected for interventions under the PSE, from the points of view of safety, regional/international trade, and consumer protection. Training courses on technical regulations will also be organized. The objective is to provide a common understanding of risk management in regulatory systems, and the establishment of a national consultative group on technical regulations;
- The strengthening of the Senegalese Bureau of Standards to allow it to establish and maintain appropriate standards and train the public and private sectors in quality management systems;
- The strengthening of metrology capacities through technology upgrading of the National Calibration Laboratory, hosted by the *Institut de Technologie Alimentaire* (ITA). The competence of the Laboratory will be extended in order to create a National Metrology Laboratory. An assessment of the country's testing and calibration laboratories will lead to the preparation of a directory of existing quality services. At the same time, critical equipment will be procured, which will increase the quality of metrology services needed by enterprises located in agro-poles and industrial parks;
- The strengthening of consumer associations by raising quality awareness nationwide. This will be achieved through awareness building campaigns, training courses, quality award initiatives, etc.;
- The improvement of the industrial property portfolio (collective mark, trade mark, etc.) to sustain business competitiveness and promote product branding. Industrial

property will also be strengthened through the facilitation of remedies of local products in order to protect comparative and competitive advantages in international markets.

At a second stage, quality support in the value chain will be delivered through quality services within the agro-poles and industrial parks, including:

- The strengthening of the Conformity Assessment Bodies through (i) the establishment of certification bodies for management systems and persons according to international standards, with focus on enterprises in agro-poles and industrial parks; (ii) the creation of a pool of auditors who will be available nationwide for the certification of management systems and persons; and (iii) pilot audits conducted by a team of lead auditors and recently trained auditors for the certification of management systems in companies willing to cooperate with the certification body;
- Support to work on Sanitary and Phyto-Sanitary (SPS) requirements on selected processed agro-products; UNIDO will provide coordinated technical assistance to agro-poles in the dissemination of information on sanitary standards in the selected sectors, and in developing capacities in handling and processing agro-products. The intermediate outcomes are expected to benefit both the public and the private sector. Refresher courses will enhance regulatory agencies' capacities for diagnosis and control. At institutional level, a roadmap for improving SPS national infrastructure will be developed. The private sector will be better equipped for international markets through transfers of technology, raised awareness of hygienic practices and HACCP, certification services, and coaching. A traceability initiative will also be implemented as a pilot activity involving a selected group of local enterprises and institutions;
- The promotion of the National Mark of Quality of Senegal will help reposition the ASN in a central role in the Quality Infrastructure of the country. This will start with an assessment exercise and will be supported by a strong business plan. Various sensitization campaigns are foreseen as well as the preparation of promotional materials.

5. PROGRAMME MANAGEMENT, MONITORING AND EVALUATION

A National Task Force, chaired by the Ministry of Industry and made up of high-ranking technical representatives from the Office of the Prime Minister, the PSE, all other ministries concerned, the Chamber of Commerce, and private sector associations, has been established and serves as a focal point for the coordination of cooperation between the Government of Senegal and UNIDO. The National Task Force will help in the preparation of Forum activities, and will play an active role in decision making and consensus building among PCP stakeholders and partners in order to achieve effective collaboration under the Programme.

The National Task Force will operate throughout the design and implementation stages of the PCP for Senegal and will also be involved in M&E.

The constitution of the National Task Force is considered as the first milestone in the effort to lay the foundations of the coordination between UNIDO and the Government regarding the design and implementation of the PCP. In this context, the National Task Force will be the main focal point for the formulation and application of M&E mechanisms throughout the implementation of the Programme.

In this capacity, the National Task Force will lead the strategic orientation of the Programme by ensuring a full coordination with UNIDO for the implementation of the Organization's crosscutting technical interventions, and also by conducting regular follow-up evaluations of PCP activities in order to ensure a strong ownership and leadership of the Government, and a continuous alignment of UNIDO's interventions with the PSE; the National Task Force may be empowered by Senegal's law to act as the core body for coordinating and monitoring present and future PCP activities.

Additionally, the BOS will pursue and consolidate UNIDO's Investment Monitoring Programme that will survey the activities of foreign and local investors and evaluate their impact throughout the Programme, in particular in the key sectors identified by the PSE and in the main PCP areas of interventions (i.e., agro-poles and industrial parks). The Programme will also enhance the capacities of monitoring and evaluation mechanisms, and will strengthen coordination among the Government, support institutions, and the private sector by promoting a national dialogue, under the leadership National Task Force, and by establishing national investment policy committees to promote and evaluate investment in Senegal.

A PCP Partner and Donor Working Group will be established under the auspices of the Ministry of Economy, Finance and Plan and will include a wide range of Senegal's financial and technical partners. This Working Group will be the main focal point for coordination with bilateral and multilateral DFIs in resource mobilization and funds allocation for the PCP. The Working Group will establish coordination mechanisms to provide strong complementarities among interventions and donor groups on specific industrialization issues and areas, and to maintain efficient and sustainable partnerships throughout the Program. To this effect, terms of reference will be formulated together with the Ministry of Industry and the Ministry of Economy, Finance and Plan to provide the main guidelines and strategy of the Working Group regarding the mobilization of funds.

Furthermore, subsequent to the Second ISID Forum, UNIDO will also organize a second technical mission to Dakar in order to deepen the content of the present PCP outline. The objective of the technical mission will be to finalize the content and structure of the Programme, as well as to secure the Programme's validation by the National Task Force and the Working Group, and further prepare its implementation for 2015. A national workshop will also be held to promote the PCP.

6. THE WAY FORWARD

The Second UNIDO ISID Forum is to be seen as a major milestone towards the finalization of the PCP design and the commencement of implementation activities under the various PCP components, based on conclusions and recommendation of the Forum.

After the event and before the end of 2014, a Senegal Technical Team will work with the members of the National Task Force and the PCP Partner and Donor Working Group to further detail activities, indicators, timelines, and budget of the Senegal PCP.

The document will go then through a process of validation by national counterparts as well as the partners involved.

In the first quarter of 2015, a detailed work plan, budget and coordination mechanism for five years (a period which coincides with the planning horizon of the PAP) will be prepared and endorsed for implementation by all partners.

ANNEX 1 – PROGRAM MATRIX

Strategy	PCP outcomes and indicators	Interventions	Indicative budget		
			Budget	Earmarked by the Government	Funding gap
Industrial policy					
Contribute to implementation of industrial policy in Senegal	<ul style="list-style-type: none">- Increase of public and private investments to further industrial policy implementation- Development of the “<i>PARI Industriel Intégré</i>” initiative	<ul style="list-style-type: none">- Industrial policy package with incentives and instruments, including financial mechanisms and facilities for SMEs- Strengthening of Government’s institutional capacities to design and implement industrial policies- Formulation of an industrial strategy and action plan- Programme for Growth Potential Identification and Facilitation of Industrial Upgrading and Development			
Agro-poles					
Strengthen the added value of agricultural products and reduce dependence on agro-food imports	<ul style="list-style-type: none">- Establishment and operation of three competitive agro-poles- Package of facilities and services for SMEs,- Twenty Rural Transformation Centres established around agro-poles	<ul style="list-style-type: none">- SME and sub-contracting development through cluster building and enterprise upgrading- Establishment of RTCs- Establishment of energy management systems- Establishment of training facilities and services within industrial poles- Quality support in entire agricultural value chains)		
Industrial parks					
Accelerate industrial development by developing two/three integrated industrial platforms	<ul style="list-style-type: none">- Setting up of regional industrial poles through cluster building and enterprise upgrading- Establishment of sustainable cities and eco-industrial park;- Improvement of quality services and facilities for SMEs	<ul style="list-style-type: none">- Horizontal support for SMS upgrading programme- Management of hazardous waste and greening of value chains in selected industrial sectors- Strengthening of public and private sector capacity to provide energy efficiency services- Quality services within the industrial parks through certification bodies and certification management systems			

Project title: PARTERNSHIP FOR ISID: ESTABLISHMENT AND IMPLEMENTATION OF SENEGAL’S INDUSTRIAL STRATEGY AND ACTION PLAN		
Objective: Establish Senegal’s PSA-based industrial policies through the formulation of industrial strategy and action plan and through capacity building in government.	Critical problems addressed: The absence of a coherent industrial strategy accompanied by an action plan.	
Partners: World Bank, AfDB, IFC, MoI, MoEFP, private sector institutions, national and foreign private sector, local communities	Duration: 2,5 years	Indicative budget:
Background		Outcomes
<p>The PSE represents the fundamental document for the orientation of economic policy in Senegal and therefore the source of strategic guidance and project concepts for the country’s industrialization.</p> <p>However, the Government of Senegal needs external advisory services to design a coherent industrial strategy and action plan, along with the identification and development of key policy instruments and mechanisms, and to further strengthen its capacities in designing and implementing industrial policy.</p>		<ul style="list-style-type: none"> • Establishment of an industrial strategy and action plan for Senegal; • Public and private investments increased under the industrial policy package and instruments developed; • Strengthening of institutional capacities of the Government to design and implement industrial policies; • Strategic positioning of Senegal in regional and international markets through the development of the “<i>PARI Industriel Intégré</i>” initiative.
UNIDO technical cooperation (partnership) services		
<ul style="list-style-type: none"> • Develop a combination multidimensional incentives and instruments, and provide financial mechanisms and facilities, in particular for SMEs, along with an industrial policy package to mobilize public and private investments required to carry out Senegal’s industrial strategy; • Establish a unity action plan within the Ministry of Industry to develop and implement the industrial strategy and action plan and conduct training and sensitization workshops to strengthen the competence of Government officials in particular in industrial priority sector identification, industrial diagnosis, and social and environmental impact of industry; • Reinforce the industrial strategy and action plan through the implementation of a Growth Potential Identification and Facilitation of Industrial Upgrading and Development Programme in order to establish an analytical framework and diagnostic instruments for identifying the main constraints to industrial development and policy implementation; • Create a high added value industrial pole for attracting foreign and local investments in order to support the “<i>PARI Industriel Intégré</i>”. 		

Project title: PARTERSHIP FOR ISID: DEVELOPMENT OF INTEGRATED AND COMPETITIVE AGRO-POLES IN SENEGAL		
Objective: Support the industrialization of Senegal through high-potential agro-value chains developed in integrated and competitive agro-poles.	Critical problems addressed: The absence of modernized and trade-oriented farming systems, along with lack of access to quality inputs for agro-value chains and limited services for local and national enterprises.	
Partners: MoI, MoA, national and foreign private sector, local communities, WB, AfDB, GEF, AFD, FAO, EU, South-Korea	Duration: to be determined	Indicative budget:
Background		Outcomes
<p>Given the correlation of the agricultural sector with other branches of the economy, in particular agro-industries, as well as its spill-over and leverage effects on other sectors (transport, trade, etc.), the PSE recognizes and highlights the crucial role of the agro-poles as the driving force of industrialization in Senegal.</p> <p>The PSE provides for the creation and development of three integrated and competitive agro-poles focused on high-potential agro-value chains (livestock, fruits and vegetables, fisheries and aquaculture). These agro-poles will serve as enterprise incubators providing facilities and services with the main objective of supporting and strengthening agro-industry value chains with upstream integration, and developing commercial farming among local and regional producers through an integrated training plan, and the establishment of appropriate financial schemes.</p>		<ul style="list-style-type: none"> • Operationalization of three competitive agro-poles as incubators of SMEs and providers of infrastructure focused on specific value chains (mango and cashew nuts, fisheries and aquaculture, and livestock and agro-food); • Package of facilities and services in favour of SMEs with a specific focus on access to finance and product quality services; • Twenty Rural Transformation Centres (RTCs) established within agro-poles.
UNIDO technical cooperation (partnership) services		
<ul style="list-style-type: none"> • SME and sub-contracting development through cluster building and enterprise upgrading; • Establishment of Rural Transformation Centres (RTCs) to build up the critical mass required for the development of the agro-food sector, and to provide community infrastructure and services in rural food processing, collection and storage, training and advisory support to farmers; • Conduct audits of SMEs operating in agro-poles to identify EE opportunities, develop designs of renewable energy systems based on available resources and the energy demand profiles of SMEs in the agro-poles, and implement energy management systems and strengthen public and private sector capacity to provide energy efficiency services to the agro-poles; • Establishment of facilities for processing, packaging, logistics, storage, and quality control of specific product ranges as well as for training, advisory support, research and development, and marketing services; • Quality support through direct quality services provided within the agro-poles (certification, promotion, support). 		



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