



PROGRAMME FOR COUNTRY PARTNERSHIP FOR SENEGAL

2015 PROGRESS REPORT



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Photo: Bringing key stakeholders together: The Prime Ministers of Ethiopia and Senegal and the Secretary-General of the United Nations hosted by the Director General of UNIDO at the Second ISID Forum, November 2014



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1. INTRODUCTION

In order to facilitate the implementation of its mandate for inclusive and sustainable industrial development (ISID) and of Sustainable Development Goal (SDG) 9, “Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation”, UNIDO developed a new type of assistance package for its Member States: the Programme for Country Partnership (PCP).

The PCP is a model of partnership for achieving inclusive and sustainable industrialization at the country level. The PCP brings together actors in a multi-stakeholder platform to coordinate and optimize the contribution of each. The objective of the partnership is to accelerate the implementation and deepen the impact of the government’s industrial development agenda.

The PCP is currently being piloted in Africa - Ethiopia, in English-speaking East Africa, and Senegal in French-speaking West Africa.

In August 2014, a team of senior managers from UNIDO’s technical cooperation division conducted a sensitization mission to Senegal to design the

Programme for Country Partnership for Senegal (PCP-SEN), in collaboration with government officials as well as technical and financial partners.

In October 2014, a multidisciplinary technical team of UNIDO experts undertook a mission to Senegal to formulate the PCP. The mission benefited from the strong support and commitment of the Government of Senegal and other development partners.

In November 2014, a second ISID Forum was organized with the active participation of the UN Secretary-General and the Prime Ministers of Ethiopia and Senegal. It showcased the PCP-SEN as an innovative partnership model for implementing ISID in Senegal. A summary document of the PCP-SEN, developed by the technical team, in close collaboration with stakeholders and partners, was presented by the Government of Senegal at this occasion. The PCP-SEN was regarded highly by all potential partners, including Member States, development finance institutions (DFIs) and the private sector.

The PCP-SEN was approved by UNIDO’s Executive Board in January 2015 and by the Government of Senegal in February 2015. A technical workshop followed in March 2015, which led to the development of the 2015 PCP-SEN priority action plan.



Opening session of the third ISID Forum. From left to right: World Bank Group President, Jim Yong Kim; UNECA Executive Secretary, Carlos Lopes; AUC Chairperson, Nkosazana Dlamini-Zuma; UN Secretary-General, Ban Ki-moon; UNIDO Director General, Li Yong; Prime Minister of Ethiopia, Hailemariam Dessalegn; Minister of Economy, Finance and Planning of Senegal, Amadou Ba; and EC Director General for International Cooperation and Development, Fernando Frutuoso de Melo.

On 20 April, the Prime Minister officially launched the PCP-SEN, marking the beginning of the implementation phase. The Prime Minister highlighted that the PCP-SEN is one of first concrete models to operationalize the industrial component of the Plan Sénégal Emergent (PSE) and stated that UNIDO is the specialized agency best-positioned to support industrial development in the country. During the launch, UNIDO and the Government of Senegal validated the 2015 PCP-SEN priority action plan, setting tangible objectives and targets to be reached by the end of 2015. The PCP-SEN primarily focuses on technical assistance relating to industrial policy, the operationalization of integrated industrial

parks, and the identification and composition of three agro-poles.

A third ISID Forum was organized as a side event to the third International Conference on Financing for Development in Addis Ababa, in July 2015. The Forum showcased the PCP as a concrete multi-stakeholder partnership model for the implementation of the SDGs, in particular SDG 9.

This report aims to present key PCP-SEN implementation results at UNIDO's fourth ISID Forum and 16th General Conference.



2. COORDINATION MECHANISMS

2.1 COUNTRY-BASED COORDINATION MECHANISMS

Several PCP coordination mechanisms were established between UNIDO, national counterparts, and partners and donors, to ensure strategic and political guidance, funds mobilization, and effective monitoring and evaluation.

A key coordination mechanism, the PCP-SEN national Steering Committee was formed by the Prime Minister's Office. It is composed of high-level representatives from the PSE, all ministers involved in industrialization, the Chamber of Commerce and private sector associations. This National Steering Committee is responsible for ensuring national ownership of the PCP, through providing leadership on coordination, implementation and monitoring of PCP-SEN in order to accomplish the objectives of the Government in a sustainable and integrated manner.

A Partner and Donor Working Group will also be established under the auspice of the Ministry of Economy, Finance and Planning in order to coordinate, rationalize, and upscale interventions by technical and financial partners towards the industrial component of the PSE.

The Government of Senegal views these coordination mechanisms as a first key achievement of the PCP-SEN. This is the first time that such a platform, involving all local and national stakeholders, has been established to implement concrete activities pertaining to industrialization in Senegal.

2.2 UNIDO'S COORDINATION MECHANISMS

During the sensitization phase, a multidisciplinary PCP-SEN technical team of experts was established, composed of focal points within the following technical branches of UNIDO:

- Partnerships and Results Monitoring (PTC/PRM)
- Environment (PTC/ENV)
- Energy (PTC/ENE)
- Trade Capacity-Building (PTC/TCB)
- Agribusiness Development (PTC/AGR)
- Business, Investment and Technology Service (PTC/BIT)
- Regional Programmes and Field Representation (PTC/RPF)
- Research, Statistics and Industrial Policy (PRF/RSI/RPA)
- Africa Programme (PCF/RFO/AFR)

This technical team is in charge of the design of various PCP-SEN components, mission formulation and implementation. The team is supported by the UNIDO Representative in Senegal who provides field supervision and leads technical discussions with key stakeholders.

Several internal coordination mechanisms were also established to ensure communication and collaboration among PCP-SEN team members, national stakeholders, the Government of Senegal, and partners, in an effort to keep the PCP-SEN as a united, pro-active programme. A PCP-SEN coordination team provides constant technical assistance to ensure the synchronized and integrated implementation of priority activities. Coordination and communication tools, such as PCP-SEN retreats, newsletters and the ISID operation platform increase transparency, communication effectiveness and team building.



3. INDUSTRIAL POLICY

3.1 THE GROWTH IDENTIFICATION AND FACILITATION FOR INDUSTRIAL UPGRADING AND DIVERSIFICATION REPORT

The objective of the growth identification and facilitation for industrial upgrading and diversification (GIFIUD) analysis is to assist the Government of Senegal to identify and support industries likely to: render maximum returns with limited resources; have the best chances of initial results; and that can create a snowball effect¹; in other words, to achieve “quick wins”.

The GIFIUD identifies Senegal’s comparative advantages vis-à-vis emerging international market opportunities and provides recommendations aimed at removing constraints in an effort to achieve “quick wins” in selected sectors. The recommendations come in the form of industrial policy instruments such as targeted investment promotion, development of industrial parks and special economic zones, focused industrial upgrading and modernization, and provision of special incentives, particularly to firstcomers.

Based on the Prime Minister’s request to carry-out a pilot GIFIUD study in Senegal, the joint technical team of UNIDO and the National School of Development (NSD), Peking University, China, undertook the GIFIUD analyses and prepared the Senegal GIFIUD report in March-June 2015, under the strategic guidance of Professor Justin Lin of NSD and Mr. Lamine Dhaoui, the Director of the UNIDO Business, Investment and Technology Services branch. The GIFIUD report also incorporates inputs from the Energy and the Research, Statistics and Industrial Policy branches, and was facilitated and coordinated by the GIFIUD national team, assigned by the Prime Minister.

1 A Technical Note on the Analytical Framework of GIFIUD, UNIDO-NSD, Vienna, October 2015.

2 This counterpart team is led by the Ministry of Industry and Mines and includes representatives from Prime Minister’s Office, the *Bureau Opérationnel de Suivi* (BOS), the Ministry of Economy, Finance and Planning, *Agence d’aménagement et de Promotion des Sites Industriels* (APROSI), the Ministry of Investment Promotion and the *Agence de Promotion des Investissements et Grands Travaux* (APIX), the Ministry of Commerce, Informal Sector and Promotion of Local Production and Small and Medium-sized Enterprises, the Ministry of Labor and Employment and the private sector.

Using the GIFIUD analysis, three sectors were suggested for priority support to achieve “quick wins”: 1) wearing apparel; 2) leather and leather goods, including footwear; and 3) commercial agriculture, including horticulture and food processing. These three sectors are labour-intensive, utilize Senegal’s comparative advantages and build on a long history of domestic production. Growth in these sectors will enable Senegal to better grasp international market opportunities and drive economic development.

Piloting the GIFIUD analysis in Senegal allowed UNIDO and the Government of Senegal to test and refine the methodological and practical approaches of GIFIUD. It also allowed UNIDO and the Government of Senegal to gain first-hand experience on how to achieve “quick wins”, using targeted investment promotion, investment incentives, and sustainable industrial infrastructure offered through industrial platforms, such as the Diamniadio Integrated Industrial Platform. The Senegal GIFIUD report is available through the Ministry of Industry and Mines.

3.2 TECHNICAL DOCUMENT FOR SENEGAL’S INDUSTRIAL STRATEGY

It was agreed with the Ministry of Industry and Mining that an industrial strategy will be prepared to provide the Government of Senegal with medium- to long-term strategic analyses to pursue sustainable industrialization, in line with the PSE.

A training workshop organized in Dakar in mid-November 2015 will be the starting point for these advisory services and capacity-building activities. It aims to equip 15 representatives and executives from various ministries with the required technical competencies for carrying out a fully-fledged diagnosis of Senegal’s industrial performance and competitiveness. Using UNIDO’s methodology on competitiveness analysis and other international database (such as the World Bank’s World Integrated Trade Solution and the United Nations Commodity Trade Statistics Database) for performing quantitative analysis studies, the workshop will establish a common vision on industrial competitiveness in the Senegalese context and investigate potential strategic axis for Senegal’s industry.

The outcomes of the workshop will inform the development of a technical document, in collaboration with the workshop participants, comprising a diagnostics analysis of Senegal's industrial performance and strategy implications for the industrial sector. The final document will synthesize the results of this process, and will be disseminated among policymakers and the industrial community.

Furthermore, as the United Nations Economic Commission for Africa (UNECA) was requested by the Government of Senegal to support the elaboration of an industrial policy. The Ministry of Industry and Mining suggested that UNIDO take the opportunity of this request in order to further collaborate with UNECA and maximize synergies with the PCP-SEN.



4. INTEGRATED INDUSTRIAL PLATFORMS

UNIDO's technical assistance programme for integrated industrial platforms (IIPs) consists of supporting the Government of Senegal in the implementation of three IIPs, along the objectives of the PSE, within the next five years. The overall aim is to accelerate inclusive economic growth, increase productive capacity and generate new jobs, thus creating a sustainable industrial environment conducive to poverty reduction in Senegal.

This programme was designed to achieve the following outcomes:

- To identify and fill the gaps in the planning and the development of IIPs;
- To promote and adopt an inclusive and sustainable approach to the planning, development and implementation of IIPs;
- To foster and promote strong involvement of the private sector throughout the platforms' development and mobilize public and private technical and financial resources, especially through public-private partnerships (PPPs);
- To strengthen the capacity of institutions in charge of managing the IIPs - namely the *Agence d'aménagement et de Promotion des Sites Industriels* (APROSI), the *Haute Autorité des Zones Économiques Spéciales* (HAZES) and the *Bureau Opérationnel de Suivi* (BOS).

At the request of the Government of Senegal, technical assistance activities in 2015 focused primarily on the development of the Diamniadio integrated industrial platform, one of the priority industrial projects of the Government of Senegal.

A UNIDO team of industrial platform specialists undertook field work in March, August, September and October 2015. The team conducted four consultative workshops with public and private stakeholders, including partners and donors, as well as several teleconferences with a core national team from March to November 2015.

In mid-November, UNIDO provided government authorities with decision support tools and recommendations that were developed in close collaboration and consultation with the Ministry of Industry and Mines, APROSI, the *Agence de Promotion des Investissements et Grands Travaux* (APIX), HAZES, BOS, the General Directorate for Planning and Economic Policies of the Ministry of Economy, Finance and Planning, as well as the private sector.

Deliverables completed and transferred to the Government of Senegal to date are:

- A rapid assessment, benchmarking Senegal vis-à-vis its competitors with respect to industrial zones;
- In-depth reviews and recommendations on:
 - The legal, regulatory and institutional frameworks, and amendments thereof, related to IIPs, so as to ensure that the Diamniadio IIP is operationalized as early as possible in 2016, and the foundation for the future IIPs are laid;
 - Incentives for IIP firms and investors; and
 - A proposal for a public-private business entity for the development, management and administration of the Diamniadio IIP in the medium-term, and transitory provisions until the legal, regulatory and institutional issuances come into effect;
- A cost-benefit model and economic and financial analyses of the Diamniadio IIP, to inform policy decision makers; and
- A strategy for the development of a business plan for the Diamniadio IIP based on all of the above.

Already, foreign investors have expressed interest in performing labour-intensive and export-oriented activities in the Diamniadio IIP. APIX noted that C&H (a garment company with operations in Kenya, Rwanda and, more recently in Ethiopia) has already signed a Memorandum of Understanding (MoU) for the establishment of a garment manufacturing unit in the Diamniadio IIP, and is expected to create 1,000 new jobs and increase export earnings.

In view of these initial results, UNIDO will pursue its technical assistance relating to IIPs, and particularly for the Diamniadio IIP in 2016. Support will focus on:

- Amendments and additions to the legal, regulatory provisions on IIPs, and a clearer framework for investors;
- Operationalization of the proposed public-private business entity for the development, management and administration of the Diamniadio IIP; and
- Facilitation of funds mobilization for IIPs, including the second phase of the Diamniadio IIP, through technical assistance, in partnership with the Government of Senegal and other stakeholders.

On this last point, UNIDO and the Government of Senegal have already engaged several partners to coordinate funding and investments for the upcoming phases of IIP development.

This intervention illustrates the PCP-SEN approach and spirit via: i) strong national ownership by the Government, and alignment with national priorities and policies with assistance being delivered to one of the priority projects of the PSE; ii) integrated delivery from several UNIDO technical services; and iii) a strong alignment with national resource mobilization strategies, as it helps trigger investment opportunities and interest for country-level partnerships.



5. INTEGRATED AND COMPETITIVE AGRO-POLES AND FOOD SECURITY

5.1 ESTABLISHMENT OF INTEGRATED AND COMPETITIVE AGRO-POLES

In 2015, the preparatory phase for the establishment of three integrated and competitive agro-poles, one of the flagship industrial projects of the PSE, was initiated. In keeping with UNIDO's approach to large-scale investment facilitation, UNIDO first conducted a comprehensive value chain analysis of the agro-industrial sector, followed by opportunity studies, in sectors selected in the PSE. The second phase will consist of a feasibility study of the first agro-pole which will enable decision makers and investors to make informed decisions on the location, the composition and the operational modalities of future agro-poles.

The objective of this preliminary work is to review and gather all baseline information and detailed data related to inclusive and sustainable industrial development of the selected agro-value chains. This is required for the formulation of specific projects and an implementation strategy, as well as for preparation of feasibility studies and/or business plans for the establishment of integrated and competitive agro-poles.

A multidisciplinary team of national and international experts representing the various technical services of UNIDO – namely agro-processing, agro-economy, environment, energy, trade facilitation and fisheries – was mobilized to conduct this exercise.

The work was organized in three phases to ensure the involvement and ownership of all stakeholders:

- Phase 1 consisted of collecting existing data on value chains through the research and review of all existing documentation. This enabled an overall picture of the production, markets, economics and financing, production aspects, sustainable development prospects (assets), the constraints to overcome (challenges) and development strategies.

- Phase 2 focused on consultations with stakeholders in: (i) Dakar, which enabled the identification of priority value chains, a strategic vision for the development of agro-poles within the context of the PSE, the overall design and coverage areas/of agro-poles' implantation, and (ii) the field (North, Central and South) which allowed for a better understanding of local conditions and requirements to be covered under the agro-pole.

A restitution workshop took place on 8 September 2015 to report the preliminary results of the work, namely the collection and analysis of relevant information on value chains and the results of consultations with the various actors related to the agro-poles. This work was conducted in Dakar and in three major economic zones of Senegal: the North zone (regions of Louga-St Louis, Matam and Richard Toll), the Central region (regions of Kaolack, Kaffrine, Fatick and Diourbel) and the South zone (regions of Ziguinchor and Kolda Sidiou).

- Phase 3 presented the interim analysis reports of value chains and the implementation of agro-poles for validation by public and private sector actors, which was finalized on the basis of the conclusions and recommendations of participants. This phase enabled the following: (i) to ensure the involvement of stakeholders throughout the process of value chain assessment and their ownership of the concept developed for the agro-poles; (ii) to complete and to confirm the appropriate data collected from literature review and stakeholder consultations; and (iii) to take into account the necessary elements for the development of each value chain and to take into consideration an integrated analysis of local production patterns.

As a result of these investigations, a provisional value chain report was prepared. The latter included opportunity studies on the asset, production and export potential; constraints; and possible pre-established structures for future agro-poles in each region. The report was presented at a workshop attended by representatives from the Ministry of Industry and Mining, the Ministry of Agriculture, the private sector and private sector associations,

specialized government institutions, finance institutions and agro-experts.

The analysis revealed the potentials of the multi-agricultural sectors targeted in the major economic zones of Senegal for the implementation of agro-poles (North, Central and South). The establishment of overly specialized or limited agro-poles will restrict the choice of value chains, and might omit the strengths and potential in some areas. Hence, UNIDO recommends a concept of agro-poles characterized by a multidimensional and modular dimension, with specialized poles and modules and a flexible structure that evolves according to requirements as they arise.

Results indicate that the composition of the agro-poles should be articulated around a core structure constituted with specialized internal modules on administration, trade and logistics, competences and training, energy and environment, financing and communication, maintenance and social services, as well as outsourced modules consisting of production and infrastructure services that would be progressively upgraded. It was agreed by all the participants that all the existing infrastructure and services in these regions should be taken into account to better incorporate and develop them in future agro-poles.

Since the three agro-poles will be established simultaneously, UNIDO recommends initiating the establishment of the agro-poles by setting-up regional task forces for the purpose of mobilizing all relevant stakeholders. In addition, a fully-fledged feasibility study for the three sites will be prepared in order to facilitate the development of a business plan and operationalize their functional content.

UNIDO's interventions in the agro-poles have resulted in the following: 1) provided the Government of Senegal with clear content on the concept of agro-poles, particularly in terms of its composition, service provision and stakeholder involvement; 2) allowed the Government of Senegal to accelerate the establishment of agro-poles from 2017, as originally envisaged, to 2016; and 3) triggered the interest of technical and financial partners.

5.2 INTEGRATED APPROACH-PILOT ON SUSTAINABILITY AND RESILIENCE FOR FOOD SECURITY IN SENEGAL

UNIDO, in cooperation with the International Fund for Agricultural Development (IFAD), will implement a food security project whose overall objective is to improve the resilience of rural communities facing the challenges of climate change and land degradation, which result in the loss of livelihoods and increased food insecurity. The strategic orientations of the project were discussed with IFAD, local governments representatives and development partners during a formulation mission in September 2015.

This project was formulated in tandem with the planned agro-pole in the Central region of Senegal (consisting of the regions of Kaolack, Kaffrine, Fatick, Diourbel and Louga). This project will contribute to strengthening the agro-processing sector, in particular the cereals and livestock value chains via the establishment of pilot production projects which promote efficient agro-industrial practices, and appropriate technologies related to processing, storage and renewable energy use.

6. CROSS-CUTTING COMPONENTS

The cross-cutting issues identified in the PCP-SEN are key to sustaining PSE industrial efforts and allow UNIDO to present a multi-dimensional service package for Senegal.

6.1 PRIVATE SECTOR DEVELOPMENT - SMALL AND MEDIUM-SIZED ENTERPRISE AND PRIVATE SECTOR COMPETITIVENESS DEVELOPMENT PROGRAMME IN KEDOUGOU, UPGRADING PROGRAMME IN CASAMANCE AND LOCAL CLUSTER DEVELOPMENT PROGRAMME

A technical assistance programme for developing and enhancing small and medium-sized enterprise (SME) and private sector competitiveness in the region of Kedougou was approved by the Government of Senegal. The project will be a continuation of the first phase of the upgrading programme and aims to strengthen energy efficiency, while supporting the existing upgrading office in Senegal. It will lead to the development of integrated investment plans and a strategy to expand job creation and poverty reduction, while preserving the environment in the region.

It has four main components: i) Cluster development, enterprise networking and support for the creation of industrial parks; ii) subcontracting development; iii) upgrading companies and potential suppliers; and iv) institutional support for programme management and monitoring. A Steering Committee, chaired by the Ministry of Investment Promotion, Partnership and State Tele-service, was established in order to supervise the implementation of these four components.

With the support of the Agence Française de Développement (AFD) and the European Union, UNIDO is currently implementing a value chain upgrading programme in Casamance. It aims to develop tailored intervention tools for the Bureau de Mise à Niveau (BMN - the Upgrading Office) and the Chamber of Commerce of Casamance in order to support pilot SMEs in accessing national and international markets.

With this in view, UNIDO and the BMN are currently performing market studies and assessing upgrading capacities of local support institutions to develop a capacity-building action plan. This will guide UNIDO's future actions to support SMEs to comply with international market requirements according to a two-track upgrading approach: 1) a specific approach to diagnose SMEs' priority issues and challenges, and elaborate an upgrading plan at the company-level; and 2) an environmental approach to enhance the resource efficiency and cleaner production capacities of SMEs.

Moreover, the Government of Senegal and UNIDO have officially launched the local cluster development programme. The programme aims to promote local cluster development through an inclusive and systematic approach through the development of policy. This programme will support the PCP-SEN to develop a cross-cutting approach for broadening the economic fabric and clustering the mode of organization of the local private sector, within the framework

6.2 ENVIRONMENT AND ENERGY - SUSTAINABLE CITIES AND E-WASTE MANAGEMENT PROGRAMME

The Global Environment Facility (GEF) identified Senegal as one of the countries for the "Sustainable Cities Integrated Pilot Approach", and named UNIDO, along with the World Bank, as an implementing agency for the programme.

This programme will promote sustainable industry through the implementation of a green industry strategy in the greater Dakar industrial parks. This will include greening existing industries and creating new industries based on resource efficiency, in addition to promoting integrated waste management. More particularly, small- to medium-scale pilots of energy efficiency measures that do not require large up-front investments will be promoted within the Diamniado integrated industrial platform, one of the key axis of UNIDO's intervention within the PCP-SEN.

For this reason, UNIDO, the GEF and the World Bank are currently seeking synergies between this integrated programme and UNIDO's technical assistance on IIPs to ultimately transform Diamniadio into an international centre of attraction for ISID investments and a sustainable city model for West Africa.

In addition, a GEF regional programme on e-waste management will reinforce national strategies and infrastructures in an effort to reduce, manage and recycle e-waste.

6.3 TRADE FACILITATION - QUALITY INFRASTRUCTURE UPGRADING

The third phase of the Economic Community Of West African States (ECOWAS) regional quality system programme for West Africa, financed by the European Union, was officially launched in June 2015. A meeting of the Steering Committee, chaired by the Ministry of Industry and Mining was held in July. In this context, it was agreed to formulate a quality infrastructure upgrading project for Senegal. The *Centre International du Commerce Extérieur du Sénégal* has expressed its interest in partnering with UNIDO in the framework of the PCP-SEN for implementing this project.

6.4 SOUTH-SOUTH AND TRIANGULAR INDUSTRIAL COOPERATION - RICE PROCESSING AND PRODUCTION PROGRAMME

A programme on rice processing and production, developed under the South-South and triangular industrial cooperation (SSTIC) component of the PCP-SEN, is being formulated. The purpose is to enhance agribusiness capacities and productivity, while addressing food security-related issues, such as food access, availability and use. The programme will lay the basis for institutionalizing SSTIC in Senegal.

6.5 INVESTMENT PROMOTION - ISID INVESTOR REPORT

The organizational structures for implementing a pilot ISID investor survey - recruitment and training of survey enumerators, steering committee, project office set-up of within APIX - will be established. A sensitization phase will be carried out through investment workshops and awareness campaigns before data collection.

6.6 INNOVATION, SCIENCE AND TECHNOLOGY

A scoping mission will be organized in early 2016 with all stakeholders relevant to the innovation, science and technology (IST) component of the PCP-SEN, in particular government policymakers, knowledge-based institutions and industrial private sector, in order to sensitize them for IST modules to be implemented: 1) Senegal's national System of Innovation Survey; 2) the national Firm-Level Innovation Study & Productivity Analysis; and 3) the national Innovation & Productivity Observatory.



7. PARTNERSHIP MOBILIZATION AND COORDINATION

7.1 MOBILIZATION OF TECHNICAL AND FINANCIAL PARTNERS

Within the framework of the PCP-SEN, UNIDO deepened its cooperation with technical and financial partners by expanding its partnership portfolio with the following development finance institutions (DFIs):

- UNIDO's Director General and the president of the **African Development Bank** (AfDB) agreed to strengthen the cooperation between the two agencies in Senegal, focusing on a limited number of PCP-SEN projects. Since AfDB is financing an information & technology (IT) park in the Diamniadio area (including a data centre, business process outsourcing facilities, IT enterprise incubator, training, research, and audio visual & content production centres), it was agreed that UNIDO could extend its activities performed in the Diamniadio industrial platform and carry out interventions on the soft aspect of the IT park supported by the AfDB.

Furthermore, the AfDB also expressed an interest in partnering with UNIDO for the establishment of agro-poles, as well as the implementation of the programme for local cluster development as most of AfDB's development projects – infrastructure development, youth and women entrepreneurship, agricultural farming – are based in rural areas.

The AfDB also shared with UNIDO all their ongoing programmes in Senegal in order to determine the scope of possible cooperation. It was agreed that AfDB will propose UNIDO as an executing agency to the Government of Senegal for the implementation of their future programmes, where synergies with UNIDO were identified.

- The **China National Development Bank** (CNDB) and the **Exim Bank** of China highlighted the

importance of the GIFUUD report and the incentive package for the Diamniadio industrial platform to further invest in infrastructure. The cooperation between UNIDO, the CNDB and the Exim Bank of China will benefit from a tripartite partnership between UNIDO, China and the Government of Senegal for the operationalization of Diamniadio.

- The **European Investment Bank** (EIB) showed great interest in financing the SME competitiveness and private sector development programme for the industrial mining hub in Kedougou, the rice production and transformation programme (conducted under the South-South and triangular industrial cooperation component of the PCP-SEN), the local cluster development programme and IIPs. On this last point, the recommendations regarding the incentive package, the legal and institutional framework and the business plan of Diamniadio industrial platform are expected to trigger EIB's involvement. Moreover, the EIB recently decided to support the concept of sustainable cities in Senegal and expressed interest in partnering with the GEF in order to make a contribution to the Programme.
- The **International Finance Corporation** (IFC) expressed a strong interest in partnering with UNIDO to conduct joint investment promotion campaigns for populating the agro-poles and the IIPs, in particular through the development of PPPs. In this regard, the IFC has recognized the importance of the results of the GIFUUD report and the incentive package on IIPs to better formulate their contribution to PSE flagship industrial projects in cooperation with UNIDO.
- The **Islamic Development Bank** (IsDB) has welcomed the progress made on the IIPs, in particular with regards to the deliverables on the legal and institutional framework and the incentive package for Diamniadio. As such, the IsDB is interested in cooperating with UNIDO in this area. Subject to approval from the Government of Senegal, the IsDB suggested that a fully-fledged prefeasibility study be performed by UNIDO, and financed by the IsDB, in order to assess the information gap concerning the Diamniadio

industrial platform and to further promote it to international developers and investors.

- The **World Bank** involved UNIDO in the development of its 2016–2017 programming cycle. Several technical meetings between UNIDO and the World Bank were held to discuss modalities for joint collaboration, especially on the IIPs. In this regard, the World Bank is particularly interested in the technical and economic studies (including infrastructure diagnosis, demand assessment, opportunity and prefeasibility studies) that UNIDO has planned.

UNIDO also pursued the mobilization of bilateral partners and development agencies for the PCP-SEN which includes AFD, the Italian Cooperation, China, the *Gesellschaft für Internationale Zusammenarbeit*, the Japan International Cooperation Agency, the Korea International Cooperation Agency, the Turkish International Cooperation and Development Agency, the Luxembourg Development Cooperation and the Spanish Agency for International Development Cooperation.

Furthermore, given the importance of the private sector for the operationalization of PSE industrial projects, relations with private companies were also deepened, in particular with:

- **Teranga Gold:** The company is the main private partner for the SME and private sector competitiveness development programme in the region of Kedougou. Teranga Gold developed a regional development strategy to enhance the positive impact of its commercial operations in the Kedougou region. The company focuses on local procurement, building capacities in SMEs to enable them to better seize business opportunities. Discussions between Teranga Gold and UNIDO were initiated in 2013, and continued in greater depth throughout 2014 and 2015. These discussions led to the conclusion that UNIDO was the best equipped to provide technical assistance in the field of SME clustering, sub-contracting, upgrading and development for Teranga Gold's strategy.
- **Airbus:** The company approached UNIDO for a partnership within the framework of a capacity-

building programme on additive manufacturing in Senegal. Substantial discussions with UNIDO, Airbus, the French embassy, and Senegalese and French universities were initiated in order to define partnership modalities. UNIDO's role would be to ensure technology transfer and competency development in additive manufacturing within small and medium industries.

UNIDO also initiated partnerships with different UN agencies such as the United Nations Development Programme, UNECA, the Food and Agriculture Organization, and IFAD.

7.2 THE PARTNER AND DONOR ROUNDTABLE AND THE LAUNCH OF THE PARTNER AND DONOR WORKING GROUP

All the technical and financial partners mentioned above and the Government of Senegal adhere to the idea of establishing a Partner and Donor Working Group (PDWG) within the framework of PCP-SEN. The PDWG will be established and chaired under the auspices of the Minister of Economy, Finance and Planning. It will be responsible for:

1. Coordinating partner and donor activities within the framework of the industrial part of the PSE and promoting the integration of new partners into the group;
2. Studying and discussing the development of financing tools and mechanisms to implement PSE industrial flagship projects, including the establishment of an ISID multi-donor trust fund;
3. Providing an ongoing, open and neutral platform to discuss ISID-related issues, in particular through industrial policy recommendations, the development of ISID impact-based monitoring and evaluation indicators, and exchange of best practices on industrial development.

In order to launch this working group, the partners and donors have welcomed the idea of a Partner and Donor Roundtable, to be co-organized by UNIDO and the Ministry of Economy, Finance and Planning. The roundtable will be chaired by the Minister of Economy, Finance and Planning, and will take place

mid-December 2015. The event will gather Senegal's key technical and financial partners such as financial institutions, private businesses, development banks and agencies, investment and development funds.

It will achieve two main outcomes:

1. Record partner and donor pledges to implement ISID partnerships for operationalizing the industrial component of the PSE; and
2. Officially launch the PDWG and secure partner and donor membership to the working group.

The roundtable will also provide an opportunity to sign a trust fund agreement between UNIDO and the Government of Senegal for a four years financial commitment for the implementation of the PCP-SEN.

A national expert on partnership and fund mobilization will support the technical team and the UNIDO Representative in the preparation of the roundtable. The expert will provide guidance and dedicated support for the mobilization and the involvement of specialized finance institutions – DFIs, banks, funds – and private sector partners, and secure their participation to the roundtable. A framework document will be the main outcome of these extensive consultations; it will include an exhaustive mapping of partners' interventions on the industrial component of the PSE, as an effective strategy document for the rationalization of ISID partnerships in Senegal, to be institutionalized within the PDWG.



8. MONITORING AND EVALUATION

Monitoring and evaluation (M&E) is a key feature of the PCP-SEN. Discussions between UNDO and the Government of Senegal on the one hand, and technical and financial partners on the other, were initiated to ensure that M&E was taken into account to illustrate the new methodology introduced by the PCP. A national workshop is expected to be organized in the first quarter of 2016 with the participation of UNIDO, the Government of Senegal, and technical and financial partners to agree on an M&E framework and mechanisms for its implementation.

9. UPCOMING KEY ACTIVITIES FOR 2016

- The pursuit of technical assistance activities on the IIPs, in view of operationalizing the first phase of Diamniadio, establishing a private-public dialogue platform, and implementing investment promotion activities;
- The finalization of the feasibility study and investment promotion activities for the establishment of the first agro-poles;
- Start of subcontracting, upgrading and clustering activities in the industrial mining hub of Kedougou;
- Launch of investment promotion activities in PCP-SEN vertical interventions and of the investment monitoring programme;
- Start of implementation for the following PCP-SEN components: innovation, science and technology and South-South and triangular industrial cooperation;
- Pursuit of the local cluster development programme;
- Organization of a national M&E workshop; and
- Follow-up to the work achieved by the PCP-SEN Steering Committee and the full functioning of the PDWG.

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