



Canadian International  
Development Agency

Agence canadienne de  
développement international

## **SENEGAL**

### **COUNTRY STRATEGY**

**(Effective as of 2009)**

CIDA reviews all country strategies periodically and may revise them to reflect changing priorities or circumstances in countries.

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**Canada** 

## 1. Country Development Context

### Current context

- Senegal exercises strong leadership in Africa and is a pole of economic and political stability in the West African region. Senegal plays an important role in peace talks and peacekeeping missions in Africa (e.g. Sudan).
- Senegal is recognized for its tradition of stable, multiparty democracy and entrenched civil liberties. The March 2009 local elections granted a victory to the opposition coalition in the major cities, including the capital, Dakar. The President of Senegal congratulated the opposition for the win, even though his coalition party was weakened by the results (it still holds a majority in the National Assembly).
- Demographic pressure is a major source of concern: Senegal's population is estimated at 12.4 million, with 68 per cent under 25 years old, and 58 per cent living in rural areas. With an annual population growth of 2.8 per cent, some 100,000 young people enter the labour market every year. The unemployment rate is 38 per cent. A lack of working opportunities encourages young people to migrate to the cities, mainly Dakar, and clandestinely to Europe, often risking their lives in the process.
- Senegal ranks 153rd out of 179 countries on the 2008 Human Development Index, an improvement from its 2007 level (156 out of 177). 33.5 per cent of the population lives on less than \$1.25 per day.
- MDG indicators have progressed, especially in education where the Gross Enrolment Rate in primary school for 2008 is 90.1 per cent compared to 82.5 per cent in 2007, and gender parity in primary school has already been achieved. Challenges remain in terms of completion of primary school for girls and boys, and enrolment and gender parity in secondary education.
- Senegal benefits from a long tradition of strong public administration. Among its most capable ministries are those responsible for Finance, Education, Decentralization, Health and Environment. Certain ministries however, require more concerted support and restructuring in order to fulfil their mandates; these include the Ministries responsible for Vocational Training, Agriculture and the Family.
- Although the country has achieved a high degree of macroeconomic stability over much of the last decade, the current worldwide economic crisis is starting to have negative effects on the economy. The World Bank assesses Senegal as being moderately vulnerable. The IMF predicts an average GDP growth of no more than 3.5 per cent for the next two years with the value of exports expected to drop by 14 per cent in 2009.
- Senegal receives about 10 per cent of GDP in official development assistance (in 2006).
- Trade interests for Canadian companies in Senegal are primarily in the provision of services, particularly in the mining sector, through the sale of equipment and services. The information technology and communication sectors are of growing interest for Canadian companies. Canadian exports to Senegal total approximately CDN\$ 60 million a year.
- Corruption remains an issue in Senegal, though it is among the better ranked countries in Africa at 85th out of 180 countries according to Transparency International's Corruption Perceptions Index. Anti-corruption measures are a priority for the government with the creation in 2003 of an Anti-Corruption Commission, approval of a new procurement code in 2007, and efforts to improve public financial management through implementation of an annual action plan for reforms.
- During 2008, Senegal was struck by a food crisis caused mainly by low precipitation levels, decreased food production and a sharp increase in prices of basic commodities. The World Bank considers Senegal to be moderately vulnerable with respect to food security. Such a situation often forces women to develop survival strategies for their families that reinforce gender inequalities in accessing productive resources and can delay their empowerment.
- Since 1982, the Casamance region has suffered a low-intensity conflict, led by a separatist movement, which has displaced thousands of people. Despite periodic incidents, the situation remains relatively calm since the signature of a peace agreement in 2004. Among the causes of the conflict are the geographic isolation and economic marginalisation of the region. Agri-food production was restricted due to the conflict but there is now significant potential for this sector to drive economic growth.

### Aid effectiveness context

- Donor harmonisation and coordination under the leadership of Senegal's government is improving from year to year, contributing to the government's greater ownership over the development process and greater effectiveness for donors as they work jointly to effect change. The second Poverty Reduction Strategy (PRSP II, 2006-2010) is the general intervention framework for donors in Senegal. The PRSP II

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annual review allows for all participants (donors, government, and civil society) to assess the level of alignment of donors' programs to the government's priorities.

- A Joint Action Plan for Aid Effectiveness in Senegal 2008-2010 was adopted in May 2008 and identifies a series of measures and targets to be achieved by 2010, including greater alignment to sector programs.
- The division of labour among donors is well organised in terms of the number of donors working in a given sector. The principal donors in Senegal include the World Bank, the European Commission, the African Development Bank, France, Canada, Netherlands, Germany, Japan and the United States. With the exception of the latter two all of these donors provide budget support, either to the general budget or sectorally in education (Canada and France) and in environment (Netherlands). There are three sectors that receive the most donor attention, education, health and water, though social sectors are a focus for all.

Donor	Principal sectors
World Bank	Education, health, infrastructure, governance
European Commission	Governance, infrastructure, economic growth
AfDB	Economic growth, infrastructure, education, health, governance
France	Education, economic growth, infrastructure
Netherlands	Environment
Japan	Infrastructure (multi-sector)
Germany	Casamance region, economic growth, governance
USAID	Education, health, private sector

- Among the three sectors that receive the most donor support CIDA focuses on education where it is the largest bilateral donor. In the other sub-sectors of priority to date, microfinance and decentralisation, CIDA is ranked among the three largest donors and exercises considerable influence.
- The newly acquired role of lead donor in the education sector will provide the opportunity for CIDA to play a significant role in improving donor coordination and harmonisation, as well as government ownership over donor interventions in the sector.
- CIDA is also a party to the Framework Agreement on Budgetary Support signed by all donors providing budget support in Senegal. It allows for high level discussions on development priorities and joint monitoring of the national budget. CIDA currently provides sector budget support in education.

## 2. Priority Needs & Canada's Value Added

- **Priority needs:** Senegal has identified its most pressing needs under the four strategic axes of its Poverty Reduction Strategy (PRSP II, 2006-10):
  1. Creation of wealth for pro-poor growth: driven by an Accelerated Growth Strategy that seeks to bring the economic growth rate to 7 per cent through investments in five strategic sectors, including agriculture.
  2. Accelerated access to basic social services, mainly education and health.
  3. Social protection, prevention and management of risks and natural disasters.
  4. Governance and decentralised, participatory development.

The PRSP II finds its legitimacy in the highly participatory manner in which it was elaborated and is monitored, including by donors, civil society, and local government representatives. CIDA's priority sectors and interventions are anchored in these strategic axes.

### **Canada's value added:**

- *Human development / PRSP axis 2:* Canada is the largest donor in the education sector and now presides over the Education and Training Donors' Thematic Group. Canada is the most active donor in teacher training. Senegal selected Canada's competency-based approach for the development of its primary education curriculum, including literacy, and its vocational training programs. These activities are undertaken through the 10-year national education and training plan. CIDA particularly emphasizes girls and women's equal access to education programs (formal, literacy, vocational training), and their

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full participation in productive activities and political dialogue. CIDA remains the only donor in Senegal to systematically integrate gender equality into all its interventions.

- *Economic growth and sustainability / PRSP axis 1:* Canada's agri-food industry, second employer in the rural sector and the most important manufacturer in Canada, offers Senegal a strong model to develop its rural areas. The cooperative system, a trademark of the Canadian private sector, offers strong opportunities for the organization of small producers into associations. Moreover, CIDA was the second largest donor and leader (chef de file) in the microfinance sector until last year. The Agency played a significant role in the definition of the sector's regulatory framework, was a key player in the development and implementation of a strong microfinance institutions network, and of the Senegal microfinance policy and action plan in 2005.
- *Democratic governance / PRSP axis 4:* Canada was instrumental in strengthening the dialogue between actors involved in the development of reforms that led to the approval in 2006 of Senegal's National Program for Local Development (PNDL). Since 2001, Canada has supported the Federation of Locally-Elected Representatives in helping their members deliver key services reflecting local priorities. Canada is also actively involved in the development and implementation of budgetary and financial reforms.
- *Stability and security / PRSP axis 3:* Canada focuses its interventions in two regions of Senegal with strong agricultural growth potential: 1) Casamance, to ensure the stability and security of this marginalised area; and 2) the Niayes region, where Canadian investments help reduce pressures on natural resources by mitigating the effects of soil erosion and desertification along the coastline.
- **Canadian foreign policy objectives:** CIDA's program in Senegal contributes directly to the Government of Canada's foreign policy objectives regarding aid effectiveness: 80 per cent of the program is delivered using program-based approaches which contribute to the Aid Effectiveness Action plan targets to use and to support the strengthening of accountable government systems.
- **CIDA's program as a whole of government strategy:** The development cooperation program is the pillar of bilateral relations between Canada and Senegal. CIDA, DFAIT, and other Canadian departments are using an integrated approach in the objectives and activities they pursue in Senegal. Three strategic objectives have been identified in the Canadian Mission's Country Strategy 2008-2009 for Senegal: 1) In a context of poverty reduction, contribute to Senegal's achievement of its goals in terms of education, economic development and governance (CIDA, DFAIT); 2) Contribute to strengthen democracy, respect for human rights, and peace and security in Senegal and in the West African region (DFAIT, CIDA, DND); and 3) Contribute to Canada's economic competitiveness through enhanced trade commitments, improved access to markets, and targeted support to Canadian enterprises (DFAIT, CIDA, NRCan).

### 3. Strategic Direction

- CIDA's objective in Senegal is to contribute to halving household poverty by 2015. This outcome is directly aligned with Senegal's PRSP goal. The ultimate beneficiaries are women, men, girls and boys affected by poverty.
- To realize this objective, the Senegal program proposes to focus on the children and youth and food security priorities of the Agency.
- **Children and youth:** A major challenge in education is to ensure that children, especially girls, stay in school throughout primary education. The quality of education provided is inconsistent as is the quality of teacher training, and the learning environment is often not conducive to keeping children in school. Through programming in education CIDA contributes to improving quality, management and access to basic education, especially for girls, and to building skills for employment for youth through formal education, literacy programs, and vocational and technical skills training. Examples of activities in education include curriculum development, teacher training, and the provision of desks. The year 2008 saw the successful implementation of the new curriculum in the first year of primary education in about 30 per cent (2,250) of Senegalese schools.
- **Food Security:** The majority of Senegal's population lives in rural areas and relies on agriculture for income generation. The agricultural economy is still traditional and contributes only 16 per cent of GDP. It lacks diversity and is not sufficiently export-based. CIDA contributes to Senegal's food security by scaling-up its programming in agriculture and agri-food to support economic development of the Niayes and Casamance regions. Focus in these two regions is on improving the productivity of small farmers, product diversification and commercialisation. All of CIDA's programming in agriculture/agri-food contributes to economic growth in Senegal. Support to improving the performance of microfinance institutions in rural areas also contributes to Senegal's Accelerated Growth Strategy and to food security. Examples of activities include support to commercialisation, storage and irrigation of agri-food products, and access to financial products and services in rural areas for microfinance. 8,000 producers

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(women and men) and 150 micro and small enterprises saw their revenue increase by 30 per cent to 65 per cent in 2008.

- **Other:** The program works in decentralisation to increase responsibilities and improve competencies in local service delivery. This aspect of programming directly serves to reinforce the programming results in the children and youth, and food security priorities by working to support efforts at the local level where many of these public services are delivered in Senegal's decentralisation context.
- Equality between women and men, environment, and good governance through accountable public institutions will continue to be integrated as crosscutting priority themes in all of the program's interventions. Through a participatory approach, the Senegal Program developed its new Equality between Women and Men Strategy (2008-2011), in line with Senegal's National Strategy on Gender Equality, that emphasises mainstreaming gender equality in government policies and programs. A comparative assessment of the Canadian and Senegalese environmental policies was done by CIDA, which concluded that Senegal's environmental evaluation process is compliant with Canada's Environmental Assessment Act. The Senegal Program will continue to promote accountability and transparency of public programs through support to public financial management systems reforms, and civil society's participation in policy making and implementation.
- The programming in all of these areas is complementary and mutually reinforcing: i) quality education and training for all contributes to the development of knowledge and skills and to an improved workforce; ii) strengthening the capacities of agricultural producers and their associations contributes to improved growth and to greater food security; iii) decentralisation contributes to increased responsibilities and improved capacity of local communities in education, land and natural resources management, economic infrastructure, and environment; iv) investments in public finance reforms contribute to improved transparency, accountability, and resource management; and v) mainstreaming of the Government's gender equality strategy will help ensure girls have access to quality education, and female producers have access to productive inputs and markets.

### 4. CIDA's Programming Plan

- **Policy dialogue:** CIDA engages in policy dialogue in all its priority sectors, especially in education where it now leads the group of donors. In microfinance, CIDA is the second largest donor and will scale up its interventions to support the Microfinance Action Plan's component of financial services in rural areas that serve agricultural producers. CIDA continues to exercise strong influence in matters related to decentralisation and financial and budget reforms (including public procurement). Being recognised as the only donor to systematically integrate equality between women and men into all programming, CIDA is in a strategic position to ensure that gender gaps are addressed in Senegal.
- **Whole of Agency:** In 2007-2008, CIDA disbursed a total amount of \$42 million in Senegal, distributed between bilateral programs (80 per cent), Canadian Partnership Branch (11 per cent), Multilateral and Global Programs Branch (8 per cent) and the former Office of Democratic Governance (less than 1 per cent).
- For Partnership Branch, Senegal ranked 6th out of 48 African countries, representing approximately \$5.3 million of annual disbursements. As of February 2009, there were 22 partners delivering programming through 51 operational projects and programs. Key Canadian partners included the Consortium WUSC-CECI, the Association of Canadian Community Colleges (ACCC), Canadian Executive Services Organization (CESO), Development and Peace and Développement International Desjardins. CPB's sectors of investments are increasingly aligned with bilateral priorities. Also present in the field are young people and volunteers from the International Youth Internship Program and the Volunteer Cooperation Program.
- In 2007-2008, CIDA provided approximately \$7.22 million to multilateral organisations active in Senegal. Key organizations include the World Bank (focusing on infrastructure, private sector and human development), the African Development Bank (economic growth, governance, private sector, harmonisation between national and Panafrican policy frameworks such as NEPAD), UNDP (poverty reduction/economic growth, governance/participatory decentralisation; regional office in Dakar; coordination of UN agencies interventions), the World Food Programme (food security, access to basic education, food crises prevention), the Global Fund to Fight AIDS, Tuberculosis, and Malaria (coordination of all actors working in the sector), and UNICEF (health and nutrition, basic education, especially for girls, protection and promotion of children's rights). The Micronutrient Initiative also has a substantial presence in Senegal, spending \$1.01 million in 2007-08. CIDA's bilateral program works with all these agencies either through direct programming or through policy dialogue. Collaboration is strong, since many of their programs are either in the same or complementary sectors. Constant coordination and harmonisation is done through donors' thematic groups.

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- **Possible improvements in Aid effectiveness:** Senegal is in a relatively good position to meet the Paris Declaration objectives. Efforts are still needed in the strengthening of human resources, improvement of public financial management systems, coordination of donors' actions by the Government of Senegal, implementation of rigorous performance monitoring frameworks, alignment of donors with national systems, and further harmonisation of procedures.
- **Programming modalities:** In an effort to support locally-identified needs, build capacity for long-term results, and ensure greater coherence in our sector interventions, 80 per cent of the Senegal Program's operational projects are program-based approaches. This contributes to greater effectiveness of aid in Senegal given the advanced donor coordination efforts and our increasing confidence in government systems. For the children and youth priority, more than 90 per cent of operational projects are delivered through targeted budget support using Senegal's systems, and 97 per cent of the programming is program-based. For the food security priority, 40 per cent of CIDA's support is program-based.
- Planned projects for CIDA's Senegal Program are valued at \$305.9 million over the next five years or so. 87 per cent of all new projects will be program-based. 13 per cent of CIDA's bilateral programming in Senegal will remain project-based to provide direct support to Senegal's civil society (directive) and to proposals from Canadian partners (responsive).

### Financial Forecast:

- **2009-2010:** \$47M
- **2010-2011:** \$52M
- **2011-2012:** \$52M

## 5. Results and Risks Identification

### Results:

CIDA's ultimate outcome in Senegal is to contribute to halve households' poverty by 2015. This outcome is directly aligned with Senegal's PRSP goal. The ultimate beneficiaries are women, men, girls and boys affected by poverty.

### Children and Youth: Teacher Training and school supplies and equipment

#### EXPECTED Intermediate Outcomes:

- Improved quality and management of Senegal's basic education.
- Increased access to basic education, especially for girls.

#### Examples of EXPECTED Immediate Outcomes and Outputs:

- Gross Enrolment Rate of girls and boys in primary education reaches 100 per cent by 2015.
- Increased number (38,000) of teachers, women and men, trained and using the new curriculum for basic education.
- The new curriculum for basic education is taught in all of Senegal's 7,500 schools.
- Increased number of young people and adults, especially women, graduating from vocational training programs.
- Improved learning environment by building water points, latrines, fences, and school canteens.
- More accountable public institutions by strengthening Ministries' and civil society's capacity (esp. women and their organisations) to ensure better transparency and citizen oversight, as well as equal participation of women and men in policy-making and in the implementation of priority activities in basic education.
- Greater inclusion of gender equality considerations in basic education policies and programs.

### Food Security: Agriculture Productivity/ Markets

#### EXPECTED Intermediate Outcomes:

- Improved agriculture & agri-food products and services, and access to markets for producers in the Niayes and Casamance regions.
- Rural farmers and entrepreneurs, women and men, have better access to microfinance.

### Examples of EXPECTED Immediate Outcomes and Outputs:

- Increased agri-food production, diversification, and marketing by improving 16,000 small producers' (women and men) productivity in the Casamance and Niayes regions.
- More secure agricultural production and increased food security for women, men, girls and boys.
- More sustainable use of the land and water for agri-food production purposes in an area of 30,000 ha.
- Strengthened management and negotiation skills of small producers, women and men, and their associations.
- Extended offer of adapted financial products and services for rural areas, particularly in Casamance and Niayes regions, serving 35,000 families.
- More accountable public institutions by strengthening Ministries' and civil society's capacity (esp. women and their organisations) to ensure better transparency and citizen oversight.
- Greater inclusion of gender equality considerations in agriculture/agri-food and microfinance policies and programs.

### Decentralisation / Local Government reform

#### EXPECTED Intermediate Outcomes:

- Local public services (esp. related to education and agriculture) are more accessible, of better quality, and more responsive to the needs of women, men, girls and boys.

#### Examples of EXPECTED Immediate Outcomes and Outputs:

- Strengthened management of public finances and public reporting at the local level.
- Increased responsibilities transferred to 320 decentralised local authorities and improved management skills of these authorities to deliver services efficiently (e.g. improved education, health, and water).
- Greater inclusion of gender equality considerations in local government policies and programs.

### Risks and Mitigation

Lack of institutional capacity and coordination among Senegal's Government Departments that share the same mission.

Public institutions' lack of capacity to implement efficient and transparent procurement systems.

CIDA, through its sector budget support in education, will develop the institutional capacities of the departments responsible for managing basic education programs, and will support the program for financial, budgetary and public procurement reforms

Political, economic and/or social instability that could hinder progress toward poverty reduction

Diversification of CIDA's interventions, including continued support through budget support and program-based approaches to ensure predictability of our financial commitments, better coordination of donors' actions and, in the case of the current economic crisis, the possible planning of interventions to mitigate its impact.