

# SUCCESS STORY

## Developing employment in Senegal: strengthening the competitiveness of businesses and employability in departure areas (DES AFD)



### EU Trust Fund for Africa – Sahel & Lake Chad



**EUTF PARTNER:** Agence Française de Développement (AFD)



**COUNTRY:** Senegal



**BUDGET:**  
EUR 16.0M



From **09/2016**  
to **09/2022**

### Objective of the project

To support employment in emigration prone areas.

### Key successes

- > Upgraded MSMEs saw an increase of revenue between 10 and 100%.
- > The number of formalised enterprises tripled in the target area.
- > Beneficiary enterprises saw a 19% increase in employment.

The DES AFD<sup>1</sup> project sought to contribute to economic development in Senegal's least prosperous regions. Implemented by AFD from September 2016 to September 2022 and delivered by two Senegalese public executing agencies, the project was part of a broader programme called DES (*Développer l'emploi au Sénégal*), which promoted the employment and professional integration of youth in areas experiencing high emigration. Aiming to strengthen small- and medium-sized enterprises (SMEs) in Casamance, the Senegal River Valley, and the Southeast – regions that have traditionally experienced significant migration outflows, especially towards Europe, the project focused on three key components: i) upgrade SME production capabilities through investment, led by BMN<sup>2</sup>; ii) train and provide technical support via ADEPME<sup>3</sup>; and iii) strengthen the internal operations (e.g. staff training, human resource development, communications, etc.) of the SMEs.

Senegalese SMEs often struggle with limited competitiveness, formalisation, and profitability. The development of these areas is key to create jobs and added value, particularly in disadvantaged rural communities that experience imbalances as many residents seek work abroad. Strengthening private sector actors, like SMEs, is believed to help alleviate the underlying economic problems driving migration. The project's goals were closely aligned with the government's formerly named 'Emerging Senegal Plan'<sup>4</sup>, which aims to build a more robust, competitive and inclusive economy, including in remote areas.

### How did EUTF help?

**The project implemented most of its scheduled activities, despite the challenges imposed by the COVID-19 pandemic, and achieved all of its objectives.** The intervention of both agencies allowed beneficiary enterprises to create over 3,619 new jobs – representing a 19% increase in total employment compared to baseline levels among these businesses. The project also helped consolidate nearly 18,600 existing jobs. The project's investment in upgrading helped 194 SMEs diversify their operations by introducing new product lines, expanding services, and targeting new customer segments. Upgrading also led to enhanced value addition and improved margins, as enterprises moved up the value chain and adopted better practices. For instance, several hotels were able to increase their room rates by 20–60% due to improvements and amenities supported by the upgrades. Several businesses (seafood products, soap manufacturing, fruit and vegetable processing, etc.) were also able to transition from exclusively manual activities to a more advanced production model employing semi-automatic and automatic machines. Overall, the upgrading interventions led by the BMN helped enterprises increase their sales revenues by 10–100%.



**The number of formalised businesses across eight regions in Senegal could almost triple as a result of the ADEPME's work.** Their training programme, which provided skills development to 1,800 enterprises on varied topics (accounting, taxation, marketing), prepared the ground for formalisation. Prior to the project, there were only around 1,200 formalised enterprises across the eight regions. More generally, with the project's support, the ADEPME supported over 4,200 SMEs through technical assistance and training programmes.

## Keys to success

**Alignment with national priorities and strategic partnerships:** SMEs are a strategic component of Senegal's economy, contributing to approximately 70% of total employment and 30% of gross domestic product (GDP). Supporting SMEs aligns with national priorities outlined in the 'Emerging Senegal Plan', particularly its focus on structural economic transformation, growth, human capital development, and improved living conditions. The project supported and involved ADEPME and BMN, key Senegalese government entities supporting SMEs and entrepreneurship promotion, leveraging their resources, and capitalising on their expertise. BMN's experience was valuable, for instance, as it relied on a well-structured internal steering committee, including public as well as private sector representatives, in charge of examining submitted application dossiers and investment plans and validating upgrade investments. The BMN was, therefore, able to process all 194 applications received in the upgrading component.

**Thorough diagnostics-informed intervention design:** The comprehensive pre-selection diagnostic of beneficiary SMEs was conducted prior to intervening to ensure their readiness and potential. This allowed the project to strategically target the most impactful areas within production chains for upgrading support.

The diagnostics provided medium- to long-term strategic visions for beneficiaries and highlighted strengths to consolidate and gaps to address in organisational and management practices. This diagnostics-led approach ensured activities were tailored to the specific needs of each enterprise for maximised upgrading impact.

**Strong project governance and local coordination:** The capacities of key national partners ADEPME and BMN were strengthened. For example, ADEPME hired an environmental expert and provided staff training on topics like project management or monitoring and evaluation.<sup>5</sup> The allocation of additional project funds to both agencies allowed them to effectively delegate implementation across eight target regions, strengthening their relationships with beneficiaries and facilitating interventions. Solid coordination was also demonstrated during the COVID-19 crisis, as rapid relief measures were adopted, such as fully subsidising technical assistance<sup>6</sup> for all supported enterprises.

## Building on success

The reinforced capacities, geographical coverage, and coordination of BMN and ADEPME, as a result of the project, enabled the agencies to continue offering support and to sustain its impact beyond the end of the project. The project did not have a phase II. However, AFD, GIZ, AICS and LuxDev are jointly implementing another project in Senegal (the 'FIT! Initiative'), co-financed by the EU, and building on lessons learned from the DES programme and the PASPED<sup>7</sup> project. The FIT! Initiative capitalises on the upcoming 2026 Youth Olympic Games to support local SMEs<sup>8</sup> and generate vocational training and employment opportunities, contributing to mitigating illegal migration even though the project does not have a specific focus on migration.

<sup>1</sup> *Développer l'emploi au Sénégal – Mise à niveau des entreprises locales dans les zones de départ des migrants.*

<sup>2</sup> *Bureau de Mise à Niveau – Office for Upgrading [SMEs].* Its mission is to support Senegalese businesses by enabling them to achieve gains in competitiveness and make strategic choices necessary to effectively face foreign competition in the domestic market and capitalise on export opportunities in regional markets, like WAEMU and ECOWAS, as well as international markets, through subsidised investments.

<sup>3</sup> *Agence de Développement et d'Encadrement des PME – Agency for the Development and Support of SMEs.* Its role is to support the development of SMEs. It provides both non-financial services, such as training, support towards formalisation, and job creation, as well as access to subsidised funds.

<sup>4</sup> This plan is now named 'Projet' and refers to the country's national economic development strategy.

<sup>5</sup> With project funding.

<sup>6</sup> Technical assistance was subsidised at 70% for individual support and 90% for collective support, prior to the pandemic.

<sup>7</sup> *Projet de contraste à la migration illégale à travers l'appui au Secteur Privé et à la création d'emplois au Sénégal.*

<sup>8</sup> Specifically, AICS will work on this component, capitalising on the experience of PASPED.



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### Disclaimer

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