

**Action Document for the EU Trust Fund**

Title	Reference: <b>T05-EUTF-SAH-SN-09</b> PASPED – Programme de contraste à la migration illégale à travers l'appui au Secteur Privé et à la création d'emplois au Sénégal.
Zone benefiting from the action / localisation	Senegal The action will take place in Dakar, Diourbel, Thies, Kaolack, Louga, and Saint Louis
Total costs	Total estimated cost: EUR 35 075 061 Total amount drawn from the Trust Fund: EUR 14 303 200 Contribution of EUR 13 000 000 (Cassa Depositi e Prestiti Spa « CDP») in parallel co-financing Contribution of EUR 7 771 861 (Ministère des Finances et du Plan du Sénégal) in parallel co-financing
Method of implementation	Indirect management: delegation agreement with CDP ( <b>delegatee</b> ) and the Italian Ministry of Foreign Affairs and Development Cooperation - Directorate General for Development Cooperation ( <b>co-delegatee</b> )
DAC Code	321
Sector of Intervention of the Valetta Action Plan	1. Development benefits of migration
Indicator(s) of the Valetta Action Plan	A11. Step up support to micro, small and medium sized enterprises (SME) in the formal and informal sector
Sector of intervention of the Trust Fund	1. Greater economic and employment opportunities
Objective(s) of the Operational framework	1. Preventing irregular migration and forced displacement and facilitating better migration management and returns
Sub-objective(s) of the Operational framework	1.1. Creating economic and employment opportunities, in regions with a high migration potential, to prevent irregular migration and facilitate returns
Length of implementation	36 months
Beneficiaries	750 MSMEs (creation of 6 772 new jobs)

## **1. SUMMARY OF THE ACTION AND ITS OBJECTIVES**

The PASPED program aims to reduce the illegal migration through the support to private sector and job creation in Senegal. The program aims to create a platform providing financial and technical assistance to contribute to the development of the Senegalese Micro, Small, and Medium Enterprises enhancing the local economic potential and that of the Senegalese diaspora in Italy. The strategy is to make available human and financial resources to promote private sector development in targeted regions (Dakar, Diourbel, Thies, Kaolack, Louga, and Saint Louis) and raise awareness. The program will run in parallel with the second phase of the Italian program PLASEPRI (Platform Support to the Private Sector and the promotion of the Senegalese Diaspora in Italy), bilateral cooperation between Italy and Senegal). CDP will provide EUR 13 000 000 for the implementation of PLASEPRI II; the Senegal Ministry of Economy, Finance and Planning (MEFP) will make available EUR 7 770 000 already reimbursed under PLASEPRI I. The EU contribution will enhance the development of additional activities in terms of innovative financial instruments, technical assistance and capacity building, so that the overall initiative will support a larger number of MSMEs and create additional jobs especially for young people and women.

## **2. JUSTIFICATION AND CONTEXT**

### **2.1. National context, when appropriate**

The fragility of the Senegalese economy is the main cause of migration from the most fragile areas where the youth unemployment rate is very high and private sector constraints limit the ability to create jobs. Despite the fact that MSMEs represent 90% of the business environment and 30% of the GDP as outlined in the "Plan Sénégal Emergent" ("PSE")<sup>1</sup>, MSMEs face enormous difficulties in accessing bank loans and they represent only 16% of banks portfolio. Main constraints are: i) high interest rates, ii) short-term loans slightly adapted to MSMEs needs, iii) collateral requirements and iv) weakness of MSMEs own funds which impact their ability to raise resources and deal with their investment needs.

Italy is, according to the World Bank data, the first country of arrival of Senegalese migrants (26.2% of Senegalese abroad are in Italy, versus 20.9% in Spain and 11.7% in France) therefore Italy remains one of the main gateways in Europe.

### **2.1. Sectorial context**

The PSE encourages the creation of MSMEs as an effective means of stimulating growth and employment. In particular, it aims at improving MSMEs' business environment conditions through technical and financial support and capacity building. The revitalization of the private sector in Senegal for the promotion of sustainable development was included among the objectives of the Joint Programming Document (dated December 2014) to the accompaniment of Senegal in its National Development Strategy. Consistent with the objectives of the EU Emergency Trust Fund, promoting economic opportunity is a concrete support to the economic migration of young rural residents. Decentralized local actors (private/public and civil society) play a fundamental role in development through the identification of priority areas and sectors of intervention and the validation of local development plans that will be used to guide the implementation of this initiative.

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<sup>1</sup> New medium and long-term development model adopted in 2014: <http://www.gouv.sn/IMG/pdf/PSE.pdf>

### **3. LESSONS LEARNT AND COMPLEMENTARITY**

#### **3.1. Organisation's experience and lessons learnt**

The Italian program PLASEPRI (Platform Support to the Private Sector and the promotion of the Senegalese Diaspora in Italy) has been carried on from 2010 to 2015 in Senegal. The program supported the funding of approximately 580 MSMEs, with a budget of EUR 24 000 000, funded by the Italian Ministry of Foreign Affairs (Directorate General for Development Cooperation). The program also built strong relationships with local financial institutions (microfinance institutions, leasing companies and commercial banks) and the public and private sector (public institutions, agencies, employers). Over 2 300 new jobs have been created through technical and financial support to MSMEs. Given the good results of phase I, PLASEPRI II has been approved by the Italian Government on October 3<sup>rd</sup>, 2016.

#### **3.2. Complementary actions**

The PLASEPRI initiative supported the funding of approximately 580 MSMEs from 2010 to 2015, with a budget of EUR 24 000 000, funded by the Italian Ministry of Foreign Affairs (Directorate General for Development Cooperation). The program also built strong relationships with local financial institutions (microfinance institutions, leasing companies and commercial banks) and the public and private sector (public institutions, agencies, employers). Over 2 300 new jobs have been created through technical and financial support to MSMEs. The MEFP has indicated in a letter dated May 2016 its willingness to make available for the second phase of the program a revolving fund (amount reimbursed under PLASEPRI I) whose balance (at 27/04/2016) was CFA 5 098 006 886 (EUR 7 770 000).

#### **3.3. Synergy and coordination of actors in the zone of intervention**

The EU delegation in Dakar has been consulted during the launching of the "Emergency Trust Fund for Africa" for the preparation and presentation of this proposal. Several discussions have been carried out also with the MEFP, which strongly supports the implementation of the program and has already expressed readiness to co-finance the initiative with the revolving funds available from the PLASEPRI (almost EUR 8 000 000). Coordination will be ensured with other initiatives financed under the Trust Fund (notably AFD, LUX Dev).

### **4. DETAILED DESCRIPTION**

#### **4.1. Objectives**

The **overall objective** of PLASEPRI II and PASPED is to contrast the migration and encourage the return of Senegalese diaspora in Italy through job creation in areas prone to migration by the consolidation of MSMEs' business environment.

The **specific objectives** are:

1. contributing to the creation of decent jobs through the strengthening of the technical and financial support to MSMEs in the targeted regions (Dakar, Diourbel, Thies, Kaolack, Louga, Saint Louis);
2. improving coordination among MSMEs, Institutes of Education and Vocational Training in support of an incentive system to MSMEs for the insertion of trained youth in the labor market;
3. supporting the economic reintegration strategy of the Senegalese government with migrants' returning to Senegal.

4. coaching and training business support entities (intermediary organizations), to enhance engineering firms and business TA with the support of local consulting companies.

#### **4.2. Targeted groups and final beneficiaries**

1. The active youth population (aged between 15-35y) in the condition of unemployment and/or underemployment in the targeted areas;
2. Senegalese returnees from Italy;
3. The economic interest groups (GIE) of women and the youth;
4. MSMEs;
5. Informal MSMEs;
6. Start-up (only if developers have a proven professional experience and/or participated in professional training programs in the company's focus area);
7. Banks and other financing structures and specialized financial intermediation (guarantee funds, venture capital companies, leasing companies, mutual guarantee companies, private equity companies / micro venture capital);
8. Intermediary organizations (chambers of commerce and industry – CCI, authorized management centers - CGA, National Agencies coaching SMEs).

#### **4.3. Expected results and main activities**

#### **4.4. Stakeholders analysis**

- **CDP:** will act as Lead Finance Institution;
- **Italian Ministry of Foreign Affairs and Development Cooperation (“MAECI”):** will act as co-delegatee together with CDP for the EU funds made available for component 3;
- **Italian Development Cooperation Agency (“AICS”):** may act as the implementing entity of CDP in Senegal, according to Italian Law 125/2014, in order to realize some activities of the technical assistance;

According to the framework of PLASEPRI:

- **MEFP:** will sign the financial agreement on behalf of the Government of Senegal and the Framework Agreements with the Local Finance Intermediaries (LFIs); will act as guarantor for the obligation towards the credit line made available by CDP; will bear the credit risk;
- **MFWEM, Microfinance Department:** will appoint the Programme Manager (“PM”) and will ensure cooperation between the institutions involved for the implementation of the agreement and consistency with the policies of the Ministry. The MFWEM will take all the initiatives needed for the success of the program including all necessary authorizations and exemptions;
- **Ministry of Senegalese abroad and Tourism:** will ensure consistency with its policies and coordination with the activities carried out by the International Organization for Migration in Italy and with the other actors of the Senegalese economic promotion in Italy.
- **Ministry of Mines, Direction of MSMEs:** will ensure consistency with its policies;
- **Ministry of Employment:** will provide support for the development of internship program with MSMEs;
- **LFIs:** will be selected (in line with the procedures adopted by the MEFP and the MAECI in the framework of PLASEPRI II) in collaboration with the MEFP on the basis of a due

diligence to be carried out on both their capabilities in the management of the funds and the technical/financial proposals that each LFI will present following the launch of a "call for proposals" (in accordance with the principles of transparency and free competition for the management of public funds in Senegal). A compliance committee will be in charge for the ex-ante eligibility control of each potential LFI in the context of expressions of interest.

- **MSMEs:** the identification and selection of MSMEs that will benefit from technical and financial support services will be based on:

1. geographic area of the initiative (5 targeted regions);
2. sector of intervention (development of value chains in agriculture and agribusiness will be considered as priority);
3. origin of the promoter (at least 20% of the amount will be dedicated to promote entrepreneurship in the Senegalese diaspora back to the country);
4. gender (at least 25% of the amount will be dedicated to promoting women's entrepreneurship);
5. impact on youth employment (both job creation and consolidation).

#### 4.5. Risks and assumptions

<b>Risk</b>	<b>Level (H/M/L)</b>	<b>Mitigation measure</b>
Political	L	Senegal is one of the most stable countries in Africa, and has considerably strengthened its democratic institutions since its independence from France in 1960.
Economic	M	In 2015, Senegal's macroeconomic performance has been strong with a growth rate of 6.5%, a rate that has not been achieved since 2003. This performance is remarkable given the depressed global environment that has contributed to many African countries registering a marked slowdown in their economic activities. As a result, Senegal was the second fastest growing economy in West Africa, behind Ivory Coast.
Financial	L	The Euro/CFA exchange rate is fixed at 655. All foreign exchange risks will be borne by the MEFP. The ODA will be denominated in euro and loans granted under the credit line by the MEFP to LFI they will be denominated in CFA and the related repayments will be made in CFA. Even financial transactions between the LFI and the beneficiaries will be denominated in CFA and the repayments will be made in the same currency.
Social	L	In terms of E&S risks, CDP requires from the LFI to align their E&S policy with the

		best practices, to ensure that sub-projects do not have negative E&S impacts.
Implementation	L	An accurate due diligence will be carried on LFIs, final beneficiaries and projects before transferring money.

#### 4.6. Cross-cutting issues

The Program will pay particular attention to disadvantaged groups, including women and young population. Regarding the promotion of women's empowerment, the initiative will adopt a "twin track" approach, which uses performance indicators for "gender and development", in particular with respect to rural development sector and social protection. Particular attention will also be paid to people with disabilities, following the "Italian Development Cooperation Disability Action Plan"<sup>2</sup>.

#### Rio Markers

Rio Markers	Not targeted	Important objective <sup>3</sup>	Principal objective <sup>4</sup>
Biodiversity	x	<input type="checkbox"/>	<input type="checkbox"/>
Fight against desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
Adaptation to climate change	x	<input type="checkbox"/>	<input type="checkbox"/>

### 5. IMPLEMENTATION ISSUES

#### 5.1. Convention with the organisation

Delegation agreement to be signed among the Commission, CDP (delegatee) and MAECI (codelegatee) for EUR 4 400 000 (Equity and Investment Grant), EUR 7 180 (Technical Assistance) and EUR 2 150 000 (Technical Assistance for internship and vocational training).

#### 5.2. Indicative operational implementation period

The implementation period covers 36 months.

#### 5.3. Implementation components and modules

The overall program (PLASEPRI II + PASPED) includes five components:

1. Financial support to MSMEs in the target regions (Dakar, Diourbel, Thies, Kaolack, Louga and Saint Louis);
2. Technical assistance to MSMEs in the target regions;
3. Implementation of an incentive system for the insertion of young trained people in the labor market;

<sup>2</sup>Italian Development Cooperation Disability Action Plan:

[http://www.cooperazioneallosviluppo.esteri.it/pdgcs/Documentazione/DocumentiNew/Disabilita\\_sviluppo/B\\_01\\_Piano\\_Azione\\_eng.pdf](http://www.cooperazioneallosviluppo.esteri.it/pdgcs/Documentazione/DocumentiNew/Disabilita_sviluppo/B_01_Piano_Azione_eng.pdf)

<sup>3</sup> When one/some of the Rio markers is/are important but not essential for the action

<sup>4</sup> When one/some of the Rio markers is/are essential for the action

4. Support to the 2015-2018 strategic plan of the Directorate General of Senegalese abroad (Ministry of Foreign Affairs).

## **Component 1 – Financial support**

***Banking products*** will include:

- bank loans to SMEs;
- microfinance products;
- micro venture capital;
- MSMEs premium;
- guarantees.

Criteria for obtaining the credit will be defined in the framework agreements to be signed between MEFP and LFIs and will take into account:

1. use of credit (investment and working capital);
2. profitability and business sustainability of the proposal;
3. size of the company;
4. maturity level of the company (start-up, consolidation, maturity);
5. experience of the developer and his personal contribution to the business plan;
6. sector of intervention (agriculture and agro-industry will be priority).

### **Bank loans to SMEs**

**EUR 7 770 000** already reimbursed under PLASEPRI I will be made available **by the MEFP** to finance around 100 SMEs in agriculture and agro industrial sector. The SMEs will enter into a loan agreement with the MEFP and will receive money at an interest rate between 6% and 8% (vs 12%/15% market rate).

### **Microfinance**

**CDP** will make available **EUR 4 720 000** to LFIs to provide financing to around 450 micro enterprises. Each selected LFIs will enter into a financial agreement with the MEFP. The agreement will set terms and conditions of the loans to be provided to the final beneficiaries. The LFIs will receive money from the MEFP at an interest rate around 2.5% (vs 8%/9% market rate) and will provide loans to the micro enterprises at 12.5% (vs 18%/20% market rate).

### **Micro venture capital to support creation of new MSMEs**

**CDP** will made available **EUR 6 000 000** as equity contribution to support micro business promoted by the most disadvantaged population (youth, women, Senegalese diaspora). Experienced LFIs will be in charge for the management of this product and will act as shareholder. The contribution will amount up to 50% of the total equity. The LFIs will be selected through a call for proposal and will be requested to provide an exit strategy. The LFIs will ensure the effective monitoring of the company.

### **MSMEs premiums**

This component will be funded by the EU and will take two different forms: investment premium (**EU IG 3 000 000**) and equity premium (**EU Equity 1 400 000**). Investment premium will cover part of the investment cost borne by MSMEs originated through the micro venture capital mechanism for both material and immaterial investments. Material investments could be supported up to 30% of the investment cost and will include i.a.: new equipment and IT components to improve technology, support efficiency and competitiveness

of the company. Immaterial investments could be supported up to 70% of the investment cost to enhance, i.a.: better production techniques, international quality certification (ISO), organization and management, human resources management and coaching.

Alongside the above-mentioned intervention, it is envisaged an “equity premium” up to 30 % of the total equity, only available for promoter investing at least 20% of their own funds in the new MSME.

**Guarantee**

CDP will provide **EUR 2 280 000** as co-financing to existing guarantee funds like FONGIP (Fond de Garantie des Investissements Prioritaire) and USAID (DCA – Development Credit Authority), in line with the existing partnership in the PLASEPRI I program. Guarantees will be provided to LFIs for loans granted to MSMEs at both portfolio and single investment level. The percentage of coverage will be set between 30% and 80% of the amount of credit granted to MSMEs, according to:

- nature and size of the credit;
- area of intervention;
- maturity level of the company.

Component 1 will be managed by CDP and the PMU. The Operational Unit will collect and validate the MSMEs financing requests, and will be in charge of assisting MSMEs in the relationship with the LFIs. An independent company will be selected to carry out the due diligence on the LFIs.

**Budget for component 1**

Instrument	Amount (€/M)	Average amount of single loan (€)	MSMEs beneficiary (N)	New jobs created
Leasing and loans	7,77	20,000/50,000	100	2332
Microcredit	4,72	5,000/20,000	450	2700
Microventure capital	6,00	5,000/30,000	200 Start-up	1750
MSMEs premium	4,40			
Guarantee	2,28	Up to 80% of each single loan		

**Component 2 - Technical assistance to MSMEs**

This component, managed by CDP with the support of the PMU/AICS together with the OU and independent consultants will identify and train local actors in each target region (such as Chamber of Commerce, Development Agencies, etc.) to be involved in the TA activities for MSMEs in order to provide dedicated support. The TA activities for MSMEs will be financed by the **EU TA (EUR 3 600 000)** and will be managed by the PMU in collaboration with the OU.

**Expected results from Component 2:**

Approximately 270 MSMEs will benefit from TA in order to obtain access to finance and support for the implementation in the post-financing phase.

**Component 3 - Implementation of an incentive system for the insertion of young trained people in the labor market**



Local partners (vocational training facilities, technical high schools, universities, private sector representatives) will be identified (via call for proposal) and contracted to promote the integration of young trained people in the labor market (job fairs will be organized in order to create an effective link between young people and labor market). The **EU TA (EUR 150 000)** will finance this activity. Training contracts and internships at MSMEs level will be promoted in accordance with the new provisions of the Senegal Labour Code<sup>5</sup>. To this end, part of the **EU TA (EUR 2 000 000)** will be dedicated to co-financing of internships/stages in MSMEs for young people.

This component will be managed by MAECI, represented by the Italian Embassy in Senegal and with the support of PMU.

### **Expected results from Component 3**

1. approximately 1 200 scholarships/internships for young people;
2. development of a strategy to support access of young people to the labor market;
3. employment fairs to foster the relationship between skilled labor supply and demand.

### **Component 4 - Support to the 2015-2018 strategic plan of the Directorate General of Senegalese abroad (Ministry of Foreign Affairs)**

Italy, as priority partner, will finalize agreements with stakeholders (local agents of decentralized cooperation in Italy and Senegal, public entities in Senegal such as BAOS and BASE, FONGIP, ANIDA, ADEPME) to support their consolidation and effectiveness through staff training and acquisition of operating resources. Consultants will be recruited through call for proposals.

This component, managed by CDP with the support of the PMU/AICS and in close contact with the OU, will be financed by the **EU TA (EUR 600 000)**.

### **Expected results from Component 4**

Consolidation of 6 Home Orientation and Monitoring Office in target areas in Senegal and 2 Support Office for Senegalese residents in Italy.






### **Component 5 – Coordination and management**

Project management: funds from EU TA (EUR 2 600 000) will be used by CDP and MAECI for the implementation and managing of the PMU (see details in Annex IV). CDP and MAECI will be responsible for the administration of the EU funds and they will be supported by a Programme Management Unit (PMU) in Dakar to coordinate and manage the TA and IG activities. The PMU will work in collaboration with AICS and the OU.

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<sup>5</sup> Act of n.2015-04 02.12.2015, N.2015-777 decree and decree n.2016-263 / 22-02-2016

## 5.4 Indicative budget

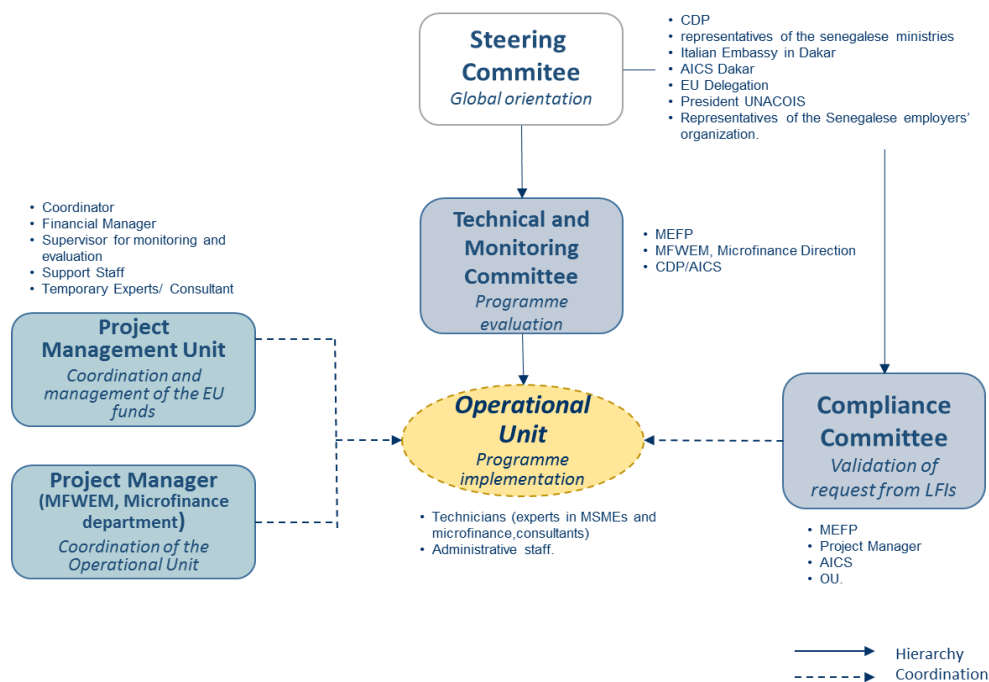
 <b>EU Emergency Trust Fund</b>	<b>14 303 200</b>	9 330 000	<b>Technical Assistance</b>	4 200 000	Capacity building
				2 150 000	Scholarships and job fairs
				2 600 000	Coordination & Management
				300 000	Communication
		373 200 <i>(fees)</i>	<b>Equity</b>	80 000	Evaluation & Audit
		1 400 000		1 400 000	Equity premium to MSMEs
		3 000 000		<b>Investment Grant</b>	3 000 000
200 000 <i>(fees)</i>					
 	<b>13 000 000</b>	10 720 000	<b>Soft loan</b>	Establishment of credit products for MSMEs	
		2 280 000	<b>Guarantee</b>	Guarantee fund for MSMEs	
 	<b>7 771 861</b>	7 771 861	<b>Partner country contribution</b>	Establishment of credit products for MSMEs	
<b>Total Uses</b>	<b>35 075 061</b>				

## 5.5. Organisational structure and governance of the action

PASPED implementation scheme, in line with PLASEPRI II, will include:

- a Steering Committee;
- a Technical and Monitoring Committee;
- a Project Management Unit (PMU);
- an Operational Unit (OU);
- a Compliance Committee.

This structure will bear no additional costs since it was already operational under PLASEPRI I and experience has showed that it worked well. The only additional body will be the PMU, which will be dedicated to the EU funds. The structure has already been approved by CDP and the Senegal Government.



The **Steering Committee** will provide global orientation. It will be chaired by the MEFP and will meet at least every six months. Members will be:

- CDP;
- technical representatives of the ministries involved;
- Italian Embassy in Dakar;
- AICS Dakar;
- EU Delegation in Senegal;
- President of the Union of Chambers of Commerce, Industry and Agriculture of Senegal (UNACOIS);
- Representatives of the Senegalese employers' organization.

The **Technical and Monitoring Committee** will ensure close monitoring of the programme in order to:

- facilitate information exchange with the steering committee;
- evaluate program achievements;
- coordinate the OU together with the PMU.

The Technical and Monitoring Committee will validate the quarterly and semi-annual performance report prepared by the OU, will issue recommendations and follow their implementation. Members will be:

- a representative of the MEFP ;
- a representative of the MFWEM, Microfinance Direction;
- a representative of CDP/AICS.

The Technical and Monitoring Committee will meet once a month.

The **PMU** will coordinate and manage the EU TA and IG activities. In particular, it will be responsible for program management, coordination and monitoring of financial and technical assistance to MSMEs. The PMU will manage the communication plan and will support the

evaluation and auditing activities. Together with the MFWEM, it will coordinate the Operational Unit.

The PMU will include:

- Coordinator;
- Financial Manager;
- Responsible for monitoring and evaluation;
- Support Staff;
- Temporary Experts/ Consultant.

The PMU will develop a Work Plan and Annual Budget (WPAB) to be validated by the Steering Committee. The PMU, in coordination with the OU will also prepare the annual activity report and the financial report to be submitted to the Steering Committee at the end of each year.

According to the PLASEPRI I, the **OU** will be within the MFWEM Microfinance Department and will be coordinated by the PMU and the PM. The OU will be in charge of the implementation of all the activities in accordance with the Action Plan developed by the PMU and approved by the Steering Committee.

In particular, the OU will manage all the requests submitted by MSMEs to LFIs and the ones submitted by the LFIs to the MEFP. It will assist MSMEs and LFIs in filing the funding request documentation and will evaluate each and every request to be submitted to the Compliance Committee. It will also be in charge of the administrative stuff (e.g. transmission of documents, file monitoring, relationship with LFIs/ MSMEs, etc.).

It will be composed of:

- technicians (experts in MSMEs and microfinance, consultants);
- administrative staff.

According to the PLASEPRI I, the **Compliance Committee** will be established by the Steering Committee. It will be in charge of validating the requests submitted by LFIs. It will not have decision-making power on the funding request, the financing decision and the risk assessment will be within the LFIs. The Committee's role will be to validate the projects approved by the LFIs in line with the eligibility criteria applicable to the framework agreements, including:

- target beneficiaries;
- sector of intervention;
- nature of the financing requirements;
- loan amount;
- interest rate.

The Compliance Committee will meet when needed based on the number of applications approved by partner LFIs. Members will be representatives of the MEFP, the Programme Manager, representatives of the AICS and technicians of the OU. The Compliance Committee will also ensure *ex ante* control of the LFIs submitting request to act as manager of the credit lines, in order to:

- ensure the legality LFIs;

- ensure good governance of partner LFIs;
- assess the capacity of LFIs to efficiently implement the financing agreement;
- ensure the eligibility of MSMEs projects submitted for financing;
- ensure a good risk coverage.

## **5.6. Performance monitoring**

An independent expert will be contracted to control the project compliance's to eligibility criteria, check and confirm that all projects financed through the programme have been completed in accordance with the relevant investment plans and are on track to achieve the planned impacts. He will also conduct follow up checks of a sample of implemented projects.

## **5.7. Evaluation and audit**

### **5.7.1. Evaluation and audit by the European Commission**

The Commission may decide to undertake a final evaluation of this action and, if deemed relevant, a mid-term evaluation for one or more of its components. Evaluations will be carried out via independent consultants. The mid-term evaluation will be carried out for problem solving in the concerned components.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The project will be monitored by CDP. MAECI (Italian Embassy in Dakar) in collaboration with AICS local office in Dakar will liaise regularly with local EU delegations.

The PMU and OU will ensure monitoring of the whole programme and will report regularly to CDP in order to meet the reporting and close monitoring of targeted results of all projects funded with the EUTF contribution.

### **5.7.2. Evaluation and audit by the organisation(s)**

An independent expert will be contracted to control the project compliance's to eligibility criteria, check and confirm that all projects financed through the programme have been completed in accordance with the relevant investment plans and are on track to achieve the planned impacts. He will also conduct follow up checks of a sample of implemented projects.

## **5.8. Communication and visibility**

Communication and visibility on PASPED will follow and comply with the EU guidelines and the EUTF visibility requirements. The main actions are:

- the definition of specific guidelines regarding the communication around the programme and its financiers,

The guidelines will include:

- the compulsory rules to follow for any external (systematic mention of UE contribution, size & visibility of the logo, press relations, prior information of CDP before any press events, dematerialized printed and external communication project supports, web communication etc.) or internal communication,
- the recommended rules to follow (marketing, media and non-media campaigns, story-telling etc.);
- some draft language to be used in case of communication around the project.

#### List of Acronyms

**CDP:** Cassa depositi e Prestiti SpA

**MAECI:** Italian Ministry of Foreign Affairs and Development Cooperation

**AICS:** Italian Agency for Development Cooperation

**MEFP:** Ministry of Finance and Programming of Senegal

**LFIs:** Local Finance Institutions

**MSMEs:** Micro, Small and Medium Enterprises

**PLASEPRI:** Platform Support to the Private Sector and the promotion of the Senegalese Diaspora in Italy

**PSE:** Plan Sénégal Emergent

**WPAB:** Work Plan and Annual Budget

## ANNEX 1. AREAS OF INTERVENTION OF THE TRUST FUND

Area of intervention 1: Greater economic and employment opportunities	Primary target	Secondary target
Support for entrepreneurship, SMEs and the informal sector, particularly for youth and women	x	<input type="checkbox"/>
Support for the development of economic growth areas	<input type="checkbox"/>	<input type="checkbox"/>
Strengthening the professional and technical skills and improving employability of girls and boys	<input type="checkbox"/>	<input type="checkbox"/>
Area of intervention 2: Strengthening Resilience	Primary target	Secondary target
Food and nutritional security	<input type="checkbox"/>	<input type="checkbox"/>
Production, productivity, valuation and marketing of Agricultural products	<input type="checkbox"/>	<input type="checkbox"/>
Local infrastructures (opening-up, water management for agricultural purposes etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Sustainable management of natural resources and adaptation to climate change	<input type="checkbox"/>	<input type="checkbox"/>
Access to drinking water, hygiene and sanitation, living conditions and access to basic services (health, education etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Area of intervention 3: Improving migration management	Primary target	Secondary target
Prevention of irregular migration and fight against human trafficking	<input type="checkbox"/>	<input type="checkbox"/>
Asylum, legal migration and mobility	<input type="checkbox"/>	<input type="checkbox"/>
Synergies between migration and development (supporting initiatives of diasporas)	x	<input type="checkbox"/>
Support for return and reintegration	x	<input type="checkbox"/>
Border management	<input type="checkbox"/>	<input type="checkbox"/>
Area of intervention 4: Improved governance and conflict prevention	Primary target	Secondary target
Strengthening the rule of law	<input type="checkbox"/>	<input type="checkbox"/>
Preventing conflicts and radicalisation	<input type="checkbox"/>	<input type="checkbox"/>
Capacity building to support security	<input type="checkbox"/>	<input type="checkbox"/>

## ANNEX 2. LOGFRAME MATRIX OF THE PROJECT

Activities, deliverables and all indicators with their targets and reference values contained in the logframe matrix are provided for information only and may be updated during the implementation of the Action without changing the funding decision. The logframe matrix should evolve during the project lifetime: new lines can be added for listing new activities as well as new columns for intermediary targets (milestones) when it is relevant and values will be regularly updated in the column foreseen for reporting purpose.

\*The baseline will be defined within the first six months of the projects' implementation and the *logframe matrix* will be updated accordingly.

	Results chain	Indicators	Baseline* (incl. reference year)	Targets (incl. reference year)
Overall objective: Impact	Improved stability, migration management and development in the region	Economic productivity Gender inequality		
Specific objective(s): Direct outcome(s)	1.1 Employment opportunities created 1.2 Vocational training opportunities created 1.3 Greater economic productivity through access to finance for MSMEs	- Number of jobs created (direct) - Number of beneficiaries having completed vocational training - Number of small enterprises accessing finance		6 782 (jobs) 1 200 (beneficiaries) 750 (MSMEs)
Results		-Total of new financing (leasing, loans, microcredit, microventure capital, MSMEs premium, guarantee), made available to financial intermediaries (€M) -MSMEs served by micro venture capital -MSMEs served with TA		€25.17 millions  270 (MSMEs) 200 (MSMEs)