

Program to counter illegal migration through support to the private sector and job creation in Senegal (PASPED)




EU Trust Fund for Africa - Sahel & Lake Chad



 **EUTF PARTNER:**
AICS

 **COUNTRY:**
Senegal

 **BUDGET:**
EUR 14.3M

 From **02/2019**
to **01/2023**

Objective of the project

To support Senegalese small and medium enterprises and youth employment through improving access to financing and training.

Key successes

- > Supported 1,310 MSMEs saving or supporting 7,738 jobs.
- > Trained and placed over 2,300 youth in internships with 1,064 businesses, resulting in 5-40% revenue increases for firms.
- > Distributed emergency grants to 195 enterprises during COVID-19, enabling 80% to retain workers and 2/3 to create additional roles.
- > Provided assistance to 51 diaspora-owned businesses to further invest and expand activities in Senegal.

The PASPED¹ project was implemented from February 2019 to January 2023 by the Italian Agency for Development Cooperation (AICS)² in the regions of Dakar, Diourbel, Kaolack, Louga, Saint Louis and Thies. It aimed to support Senegalese micro-, small-, medium-sized enterprises (MSMEs) and youth employment, while also encouraging investment from the Senegalese diaspora in Italy. It complemented the PLASEPRI II³ project also implemented by AICS but exclusively focusing on support to MSMEs. The PASPED project had four key components: i) financial support to MSMEs in the target regions; ii) technical assistance to MSMEs; iii) implementation of an incentive system for the insertion of young trained people in the labour market; iv) and productive investment by the Senegalese diaspora in Italy. Since the COVID-19 pandemic took place during implementation, PASPED also supported MSMEs to navigate the economic challenges of the health crisis through emergency grants.

How did EUTF help?

The PASPED project achieved notable success in meeting its key objectives and exceeded its targets. It successfully strengthened participating businesses. As the COVID-19 pandemic broke out, PASPED supported 195 enterprises through emergency grants under component 1, which helped to maintain 7,378 jobs, including 144 positions within companies owned by diaspora members. Under component 2, 1,326 MSMEs benefited from technical assistance aimed at

strengthening their performance and enhancing their management skills. The project also funded apprenticeships for 2,306 youth (of which 50% are women) in 1,064 businesses (component 3).

The PASPED project demonstrated positive longer-term outcomes. The employment of trainees resulted in revenue increases ranging from 5% to 40% for companies. Moreover, 50% of the youth who had apprenticeships as a result of the project had secured a permanent job, including 18% at the company where they had been apprentices. The diaspora component (4) also delivered significant outputs: the project supported the creation or consolidation of 51 small- and medium-sized enterprises (SMEs) by Senegalese returnees of which 46% are women. PASPED assisted these SMEs financially and technically to further invest and expand their activities in Senegal, allowing them to construct new business infrastructure or hire new employees.

The enterprises supported under components 1 and 2 achieved substantial income growth, reporting an increase of 10%–100% in earnings. The support also proved highly effective in boosting job retention and creation, allowing 80% of supported firms to retain existing workers while two thirds of them went on to create additional jobs. The emergency grants also allowed the companies to create solidarity production lines, consisting of medical and food supplies⁴, which benefited 133,759 people during the pandemic.

Keys to success

Complementary approach: The design of the project coupled financial assistance with technical training and skills development for MSMEs and youth, fostering business durability and self-sufficiency.

Partnerships: Multi-stakeholder collaboration with local actors, such as the Regional Development Agencies (ARDs) and diaspora organisations, where each had clearly defined roles, enabled efficient and coordinated efforts across sectors and communities. For example, the ARDs identified the business needs within target regions and oversaw the launch of an application process for young graduates with a professional university degree or vocational training qualification. This approach maximised skills matching and contributed to the strong results and satisfaction rate reached under Component 3.

Diaspora engagement and investment: The diaspora associations in Italy played an important communication role, raising awareness of the funding opportunity among their networks, which led to over 1,000 applications being received from the Senegalese diaspora – vastly exceeding the expected 300. This allowed the selection of quality beneficiaries that eventually made sound business infrastructure investments and actively participated in the project's response to the impacts of the COVID-19 pandemic.

Flexibility: Owing to its robust internal organisation and governance, the project showed great adaptability during the pandemic, rapidly creating an efficient emergency response plan. It quickly designed the emergency grants, and organised the solidarity production lines in the diaspora-owned enterprises, allowing the production of masks, medical supplies and food.

Building on success

PASPED laid foundations for sustained progress: it strengthened the institutional capacities of partners, like the ARDs, and structured the diaspora network, enabling them to sustain the project's impact. It also guided beneficiaries toward alternative support structures or programmes like the State/Employer Convention.⁵

The EUD and AICS never envisioned a PASPED Phase II: However, the latter strongly desired to sustain the progress and maintain its impact through its own follow-up initiatives, based on PASPED's success but without engaging the diaspora. For example, AICS is to finance a Project to Support the Professional Integration of Trained Youth and Women (PAIJEF).⁶

¹ *Programme d'Appui au Secteur Privé et à la Diaspora.*

² *Agenzia Italiana per la Cooperazione allo Sviluppo.*

³ *Plateforme d'Appui au Secteur Privé et à la Valorisation de la Diaspora Sénégalaise en Italie.*

⁴ All of the items were provided as donations.

⁵ *Convention nationale État-employeurs (CNEE).* It is a mechanism for promoting youth employment. It represents a public-private partnership where the State and private employers collaborate to facilitate the professional integration of young people. It was first launched in 1987 but the financing multiplied by 15 in 2021 (one to 15 billion CFA/year).

⁶ *Projet d'Appui à l'Insertion professionnelle des Jeunes et des Femmes formés.* It will be launched in 2024 as a three-year €6M programme implemented across Senegal by the Ministry of Vocational Training, Apprenticeships and Integration.



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Disclaimer

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