

Country Assistance Program
for
the Republic of Senegal

Government of Japan
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Annex: Matrix of the Goals of Japan's Country Assistance Program for Senegal

1. The Principle and Significance of Assistance

(1) Diplomacy

- i. Senegal plays a central role in the peace and stability of West Africa. It is one of the countries on which Japan places strong emphasis in its African diplomacy. On the domestic front, Senegal has experienced no military coups since the country attained its independence in 1960. It introduced a system with multiple political parties in 1976, and a change of administration took place peacefully following the presidential election in March 2000. President Abdoulaye Wade was re-elected without significant confusion in the presidential election in February 2007, which illustrates an element of a mature democracy in the country.
- ii. Senegal's diplomacy is moderate and realistic in principle. Senegal has established friendly relations with France, its former colonial ruler, many other developed countries, and Arab and Islamic countries. It is actively involved in regional institutions in Africa, such as the African Union (AU) and the Economic Community of West African States (ECOWAS), and is assuming an important role in African diplomacy by serving as a mediator for the settlement of a regional conflict and engaging in other initiatives.
- iii. Japan and Senegal have traditionally maintained good relations with VIP visits actively taking place between the two countries, such as the visit by then Their Imperial Highnesses the Crown Prince and Crown Princess of Japan in 1984 and President Wade's two visits to Japan in 2003. President Wade, one of the advocates of the New Partnership for Africa's Development (NEPAD), is actively participating in the Tokyo International Conference on African Development (TICAD) process, a foundation of Japan's diplomacy toward Africa. He is also building a wide range of cooperative relations in the international arena.
- iv. Assistance to Senegal thus holds a great significance under the philosophy of Japan's Official Development Assistance Charter, which is "to contribute to the peace and development of the international community, and thereby to help ensure Japan's own security and prosperity," given that the assistance not only will deepen friendly, cooperative and close bilateral relations but also is expected to contribute to the stability and development of West Africa as a whole. That Japan provides assistance to Senegal, which, as will be described below, actively advances economic and social reforms on its initiative, while urging the country to exert ownership, a basic pillar of economic cooperation, can be said to be a significant contribution to the country.

(2) Development (*Sources: Poverty Reduction Strategy Paper II (DSRP II); IMF Article IV Consultation Reports; and Country Evaluation Report for FY2005, etc.*)

- i. The Senegal economy has been put on a growth track after the country devaluated the regional currency by 50% in 1994 under the structural adjustment program led by the International Monetary Fund (IMF) and the World Bank, and carried out various structural reforms such as privatization of public companies and liberalization of import prices. Senegal's gross domestic product (GDP) growth rate

has been steady since 1994. In recent years, in particular, increased private investments and money transfers from abroad have sustained the economic growth, with high annual GDP growth rates of approximately 5.5% during the period between 2003 and 2005, and low inflation rates of below approximately 2%, revealing a sound macroeconomic management. The gross national income (GNI) per capita, which has been on the rise in recent years, was 710 dollars in 2005. At the same time, Senegal's fiscal deficit and current account deficit are also on the rise in response to the active advancement of infrastructure development. As such, close attention must be paid as to whether the country will or will not maintain steady growth.

- ii. While Senegal has strong economic indicators, domestic industries which will drive sustainable economic growth have not grown sufficiently. Employment, especially for young people who account for a large proportion of the population, has not been generated sufficiently either. Recent research shows that the proportion of the poor in the population decreased from 68% in 1994 to 57% in 2005. Nevertheless, the number of the poor in absolute terms is increasing. Two-thirds of the people feel that poverty has been worsening over the past five years, illustrating that the people are not actually perceiving the benefit of the stable economic growth as they live their daily lives. There are serious regional disparities between the rural and urban areas, with a high poverty rate of 65% in rural areas compared with 42% in Dakar, and overall social indicators in rural areas for healthcare, education and other factors being lower than those in urban areas, given that the access to basic social services is particularly limited in rural areas. In addition, Senegal faces issues such as population increase, population flow to urban areas, expansion of the disparity between the poor and the rich, illegal immigration, and degradation of the natural environment including desertification, showing that the country's economic, social, and environmental structures are still fragile. Creation of employment, led by young people who account for a majority of the population, is insufficient.
- iii. In the state budget of Senegal for 2007, foreign aid accounted for approximately 20% of the revenue and approximately 40% of the development budget. For the Senegalese government, relying on foreign aid in this manner is undesirable, and the government has been showing its positive stance to work to realize sustainable growth and reduce poverty so as to achieve development on their own effort. The stance appeared strongly in the Poverty Reduction Strategy Paper II (DSRP II), which was revised in 2006.

2. Assistance to Senegal: Basic Policy and Direction

(1) Understanding of the Current Situation and Issues

- i. Development Strategy of Senegal
 - (a) Senegal formulated its first Poverty Reduction Strategy Paper (DSRP I) in 2003, which was approved by the boards of directors at the IMF and the World Bank. At the Consultative Group Meeting held the same year, the Senegalese government requested that development partners provide assistance in line

with the DSRP I. The development partners, in unison, have provided assistance accordingly. The DSRP II (2006-2010), the revised version of DSRP I compiled in 2006, emphasized the integration of economic growth and social development. A broad range of people in civil society, including those from rural areas, participated in the process of the formulation. DSRP II, reflecting lessons learned from the implementation of the DSRP I, has the fourth strategic pillar, "Social Protection, Prevention and Management of Risks and Disasters", in addition to the three strategic pillars mentioned in DSRP I, which are "Wealth Creation", "Basic Social Services", and "Good Governance and Regional Development." With particular regard to the first pillar "Wealth Creation", the Senegalese government announced the Strategy for Economic Growth (SCA) under the leadership of the Prime Minister's Office. The country aims for economic development that is strongly oriented to economic growth by setting a bold target to double the GNI in ten years to become an emerging nation, under the philosophy that "it is none other than accelerated economic growth that will reduce poverty." President Wade, who pushes for initiatives in formulating NEPAD-related projects, proposes large-scale economic infrastructure development.

- (b) Bureaus within the Senegalese government and Senegal's development partners have a common understanding that the DSRP and DSRP II constitute the basic framework of development strategy. The Three-year Public Investment Program (PTIP), the Medium Term Expenditure Framework (MTEF) for the four sectors of the environment, judiciary, education, and healthcare, and sector-specific programs, among others, are formulated in a manner consistent with the basic framework. Although there is room for improvement in the linkage of the way plans are carried out by sector and region, and the way budgets are distributed, the Senegalese government and donors to Senegal intend to take coordinated actions to advance development in line with these papers.

ii. Trends in Donor Society

Many of other development partners also have provided assistance to Senegal as a country of major importance in the West African region. Emerging partners, such as Islamic development institutions, China, India and the private sector, have become increasingly prominent in recent years. As for aid coordination framework, there is a development partners meeting, which is held twice a year under the co-chairmanship of the World Bank and the United Nations Development Programme (UNDP), as well as twelve meetings organized by themes of assistance (Note: considerations are currently underway with regard to the reorganization of the meetings). However, aid is only coordinated in such sectors as education, healthcare and provision of water, where coordination is taking place at a macro level among donors. In principle, the Senegalese government wishes for the international community's aid to shift into the budget support. However, it does not make a strong request to donors to align their assistance with Senegalese development plan. While some donors tend to prefer sector-wide approaches, the

effectiveness of project-based assistance is also apparent, and coordination among donors is limited to close information sharing. Furthermore, non-governmental organizations (NGOs), civil society and the private sector are increasing their presence as important development partners.

iii. Analysis and Evaluation of Japan's Assistance to Senegal

(a) Official Development Assistance (ODA) Provided to Senegal

Through the policy consultations and discussions at the ODA Task Force in Senegal, Japan decided on eight priority sectors for its assistance to Senegal: provision of water, education, human resources development, health and medical care, the environment, agriculture, fishery, and infrastructures. Over the past five years, Japan has provided grant aid with an annual average of 2.51 billion yen, which ranges from approximately 1.5 to 3 billion yen a year; and technical cooperation with an annual average of approximately 1.77 billion yen, which ranges from 1.5 to 1.8 billion yen a year. Japan also provided 9.804 billion yen of debt relief in 2004. It also provided a loan aid of approximately one billion yen in 2006 under the co-financing scheme with the African Development Bank. The purpose of the loan aid was to contribute to region-wide development advanced under the New Partnership for Africa's Development (NEPAD) with the Enhanced Private Sector Assistance for Africa (EPSA for Africa), a joint initiative of assistance to Africa, which was announced on the occasion of the G8 Summit in 2005.

(b) Issues for Japan's Assistance

Japan has provided assistance to Senegal focusing on the eight aforementioned priority sectors. Considering its comparative advantage among donors, however, assistance resources have been distributed in a wide but shallow manner. There was also a tendency for the message – what assistance will Japan provide and what Japan seeks to achieve together with the Senegal government as a result of such assistance– to be weak, due to the fact that each project had been independently carried out in each sector. Therefore, a message needs to be actively sent out on the positioning of bilateral economic cooperation in Senegal's development strategy and in sector-specific strategies, including coordination with other donors who receive the message on occasions such as policy dialogues with government institutions. Japan and institutions of the Senegalese government thus need to strengthen efforts to have a common understanding. Japan will seek to further enhance the effectiveness of assistance by identifying cross-sectoral development issues (prioritized targets) and thereby ensuring organic linkages of projects of various schemes, rather than merely carrying out projects independently in each sector.

There was a tendency for a target region to differ by sector. Japan's assistance efficiency needs to be improved by gradually concentrating limited assistance resources in multiple sectors in specific regions.

Senegal needs to create wealth through economic growth in order for the

Senegalese government, in its own financial and administrative capacities, to be able to make long-term efforts to improve the living standard of the people, such as poverty reduction, and economic and social development. This is consistent with Japan's Medium-term ODA Policy. On its part, Japan needs to shift the direction of assistance for the Senegalese government to acquire economic, financial, and administrative capacities so that it can maintain and improve social services independently, by not limiting its assistance to that which improves the current situation in which the people of Senegal cannot sufficiently receive social services due to capital shortages (i.e. assistance in improving social development indices).

In consideration of the decentralization move in recent years, Japan will foster Senegal's ownership through human resources development initiatives in local communities who are beneficiaries of the assistance. Japan will also construct a system to provide social services with the involvement of the Senegalese government and regional administrative institutions, and also by utilizing human resources such as local NGOs. The purpose is to ensure that social services are provided in regions on the initiative of Senegal and to enhance the development policy for poverty reduction.

Japan aims to attain concrete results. A system will be constructed in which the feedback will be given based on an evaluation conducted after a certain period of time, so it can be incorporated to a next program.

(2) Basic Perspectives of Assistance and the Grand Goal (Overall Goal)

Japan will provide assistance to Senegal based on the understanding of the current situation and in light of the assistance issues as described in section (1) above, while maintaining the basic perspectives, to be described in the section i. below, and setting a grand goal (overall goal), to be described in section ii. below, as a basic policy for assistance.

i. Basic Perspectives of Assistance

- (a) Japan will provide assistance to support a development policy which is based on ownership by Senegal.
- (b) Assistance will be provided with a participatory approach. Efforts will be made to encourage the independence of local communities and the people in the local communities and to urge them to participate on their own initiatives by directly approaching the people who are the beneficiaries so that issues and other matters for consideration identified locally will be taken into account when the central government formulates policies.
- (c) Japan will share with the central government successful cases of development and good practices achieved by taking approaches such as the one described in section (b) above, and will engage in human resource development and system construction – as well as in capacity building to that effect – in order for

various actors in Senegal to further spread successful cases and to achieve sustainable economic and social development.

ii. **Grand Goal (Overall Goal) of Assistance**

Building a Nation that Achieves both Social Development and Economic Development ~Provision of Assistance that Looks Forward to Sustainable Economic Growth While Placing Emphasis on Social Development~

As exemplified in the revisions to the DSRP II and efforts to formulate the SCA, the Senegalese government, in efforts to reduce poverty, seeks to achieve economic development which is strongly oriented towards economic growth by setting bold targets while continuing to place emphasis on social development. In light of the current situation surrounding Senegal's social and economic development, Japan will first continue to provide assistance which places importance on social development. At the same time, it will gradually enhance assistance for economic development so as to create "a sustainable virtuous circle" in which Senegal can fairly and further distribute the wealth to social services, which will be brought about through economic growth to achieve and maintain in a sustainable manner improvement of social services. Meanwhile, assistance resources will be input in a strategic and concentrated manner, in consideration of relations with the projects implemented in the past and of the comparative advantage of Japan's assistance, while paying attention to regional concentration, setting of cross-sectoral goals, and combination of various schemes.

3. Prioritized Sectors for Assistance (Major and Minor Goals)

In order to realize the grand goal of "building a nation that achieves both social development and economic development", two major goals, for which assistance will be provided in a prioritized manner, will be established: improvement of the livelihood of the poor in rural areas; and creation of foundations for sustainable economic growth. Each one of the major goals will also encompass minor goals.

(1) Major Goal I: Improvement in the Quality of Life of Poor Population in Rural Areas

Japan aims to help people in local communities participate in the management of basic social services without excessively relying on administrative bodies so as to construct social safety nets for people in rural areas. In addition, taking into account "the perspective of human security" and the achievement of the Millennium Development Goals (MDGs), Japan will work to reduce poverty in rural areas and create an environment in which rapid urbanization is avoided and in which economic growth starts from rural areas.

i. Minor Goal I : Rural Development

- (a) Agriculture and fishery are the key industries sustaining the Senegalese economy. According to the World Bank, the share of agriculture in GDP, which includes processed agricultural products, was as high as 17.7% in 2005. Nevertheless, most of the people engaged in agriculture cannot extricate themselves from poverty due to income instability, which is attributed to the

fact that agriculture is vulnerable to natural disasters such as drought and locust plague. About a half of the youth population in rural areas does not have stable jobs and young people tend to avoid severe labor such as farming. Subsequently, young people seeking jobs are moving to urban areas such as Dakar. Illegal immigration to Europe is also becoming a social issue which involves European countries. While the issue of illegal immigration is coming under control, poverty in rural areas remains a serious issue. Under the DSRP II, the Senegalese government has been strengthening efforts to increase agricultural production in a sustainable manner, improve food security, and expand employment opportunities and income levels in rural areas, among other goals. In particular, upon illegal immigration having become a serious issue, the Senegalese government formulated the Return to Agriculture Program (REVA) with financial assistance from the United States and European countries and has been making efforts to promote the people's reengagement in agriculture in rural areas.

- (b) Management of organizations which rely excessively on administrative bodies makes it difficult to secure sustainability; and the active engagement on the part of the people in local communities becomes all the more important especially when it comes to the development of rural areas. These are the lessons that Japan learned from experiences of cooperation in the past. An important perspective for the utilization of natural resources is to enhance the people's capacity to manage natural resources so as to secure sustainability, and to assign them independent and active roles to that effect. It is also important from the perspective of Senegal's environmental structure that degradation of natural resources is stopped and the environment is improved. As such, assistance will be provided in combination with the assistance to counter poverty while urging people to independently and actively engage in afforestation activities intended for the sustainable use of natural resources in collaboration with other industries such as agriculture in the utilization of forest products, and in resource management activities. Thus, Japan will provide cooperation based on the understanding that it is necessary, from the perspective of sustainability, for the people who are the beneficiaries to play independent and active roles to the largest extent in the development of rural areas. Specifically, a users' association for water management has been organized in the water sector on the initiative of the people, whereby a fund is established through water fees collected under the pay-as-you-go system in order for it to be used not only for maintenance and management of water distribution facilities and machines, such as to repair them, but also for other activities to diversify production such as joint purchase of seeds and chicks for chicken farming. Such an effort has eventually led to community development. Province of Louga will introduce a community development method in fiscal year 2007 which utilizes a fund and human resources of the user association for water management for the maintenance and management of water distribution facilities. Japan will contribute to the development of rural areas by exchanging information and sharing experiences with the African

Millennium Village project in Louga, led by the United Nations and funded by the United Nations Trust Fund for Human Security.

- (c) By "active engagement on the part of the people" as described above, it is intended to illustrate an ideal in which the people make efforts on their initiative without excessively relying on administrative bodies, in consideration of the limited scope of basic social services in regions which is attributed to the weak financial bases of local governments. It is important that approaches are made from both the aspects of the people and of the administrative bodies because the administrative bodies' approach to the people still holds importance in the development of rural areas from the perspective of the collaboration with NGOs. In collaboration with the central government of Senegal, Japan will assist local administrative bodies' efforts to construct a system through which successful cases and good practices that Japan had attained through its own rural development conducted based on the people's initiative will be spread among other regions as well.
- (d) Japan has been working to reduce poverty from the perspective of human security, based on the MDGs which aim to halve, between 1990 and 2015, the proportion of people whose income is less than one dollar per day. DSRP II, which aims to achieve poverty reduction through economic growth, identified farming and fishing as core activities to achieve this goal. Japan will incorporate this in its assistance activities that will lead to increased income for farmers and fishermen, by utilizing the experiences of rural community development that it gained before. Regarding rural development, Japan will position processing of agricultural products and other activities in agriculture as a means to increase income and likewise position processing of fishery products, which has been conducted traditionally, as a means to develop the economy. In particular, Japan will place an emphasis on processing of fishery products as a means to increase the income of female workers, given that women account for approximately 90% of the people engaged in processing work.

ii. **Minor Goal II: Enhancement of Basic Social Services**

In the same manner as described in the section i. above, Japan will help Senegal create systems to provide social services that will be used among institutions of central and local governments and beneficiaries, and share with the central government successful cases and good practices concerning the systems while taking into account collaboration with NGOs with the ultimate goal being for administrative bodies in Senegal to spread the systems on their own effort.

(a) **Provision of Water**

Access to safe water is one of the important issues for Senegal. The rate of access to safe drinking water, the improvement of which is a part of the MDGs and is also identified as an important issue under the DSRP II, remains approximately 64% as of 2005 in rural areas. The Senegalese government,

under the Millennium Drinking Water and Sanitation Program (PEPAM) that it formulated, has set the goal of achieving, by 2015, coverage of water provision to each household in Dakar to be 88% and in urban cities in other regions to be 79%, and has also set the goal of achieving, by 2015, the coverage of safe drinking water in rural areas to be 82%. The PEPAM has also identified the prioritized areas, including to improve sanitary conditions and to ensure coordination among actors including administrative bodies, people, the private sector and donors.

Japan had provided grant aid mainly for the provision of water to rural areas with greater water demands, constructing water provision facilities in approximately 120 places, or more than 10% of such facilities in rural areas nationwide. Japan has also been implementing the Project on Safe Water and Support on Community Activities (PEPTAC), a technical project to establish a system for the sustainable and autonomous maintenance and the management of water provision facilities, and to promote community development centered on user associations for water management in rural areas.

Japan confirmed the basic policy after holding consultations in 2006 with regional bureaus in Senegal that are in charge of water provision. Based on the basic policy, Japan will: (i) assist, in line with the PEPTAC, efforts mainly to improve access to safe water and to construct a system for the sustainable use of water; (ii) provide the assistance in a prioritized manner to Tambacounda and its surrounding region, an area in which water provision indices need to be improved urgently, and furthermore, ensure that a ripple effect of cooperation covers Casamance, an area devastated due to conflicts, by making efforts to strengthen administrative capacity and human resources of Tambacounda; (iii) organically combine cooperation "software" (such as technical cooperation) with infrastructure development ("hardware") such as construction of facilities, rehabilitation of existing facilities, and confirmation of water resource potentials; and (iv) promote the improvement of basic living standards in collaboration with the healthcare sector.

(b) Education

The Senegalese government, which prioritizes education in order to achieve MDGs (aiming at 100% primary education enrollment rate by 2015) and also to realize Education for All (EFA), allocates 30% of the national budget to education. Education is a basic social service, the access to which needs to be improved in an accelerated manner, as stipulated in the second pillar of the DSRP II: Accelerated Development of Access to Basic Social Services. The Senegalese government, under the Ten-Year Education and Training Program (PDEF: 2000-2010) that it formulated in 2000, prioritized efforts to improve access to education. As a result, the enrollment rate for primary education improved substantially from 56.8% in 1990 to 85.5% in 2006. The rate of completion of primary education, however, was 58.3% in 2006, a figure still lower than the average of the Sub-Saharan region. The improvements in

education management and quality of education have thus become issues to be tackled going forward.

Japan has contributed to the enhanced access to education; the number of classrooms built under Japan's assistance reaches approximately more than 1500. Japan has also been making efforts to improve quality of education and education management, by conducting training programs for school principals, building teachers training schools, and implementing programs to strengthen educational administration by local government, among other initiatives. It intends to continue to extend cooperation, in coordination with other development partners, by carrying out projects in line with the DSRP II and the PDEF.

(c) Health and Medical Care

Health indices for Senegal, although generally higher than the average of the Sub-Saharan region, fall short of the average for developing countries. In rural areas, in particular, the quality of health and medical care services is low and the access to services is limited because of an overwhelming shortage of people engaging in health and medical care services. The Senegalese government has been promoting decentralization of healthcare services under the National Health and Social Development Plan: Phase II (PNDS2: 2004-2008), which was formulated based on the DSRP II and MDGs.

Japan's cooperation during the 1990s was centered on the provision of medical equipment to national and regional hospitals. In recent years, Japan, aiming to improve primary health and medical care services, has made contributions to the enhancement of the quantity and quality of people engaging in health and medical care services, and to the strengthening of systems to develop human resources, through efforts such as the cooperation with the National Institution for Health and Social Development (ENDSS), a training school for nurses and midwives. In collaboration with other development partners, Japan has been making efforts for nationwide HIV checkups and HIV/AIDS prevention for youths, and also has been extending cooperation in the areas of reproductive health, measures against infectious diseases and regional healthcare services.

Going forward, Japan will focus its cooperation in Tambacounda, one of the regions facing poverty. Japan will help Senegal improve health indices by enhancing access to health and medical care services, and strengthening healthcare systems in the region. Together with the central government, Japan will extend its cooperation to ensure human security, so as to provide comprehensive benefits to levels ranging from the people in local communities to the regional governments.

(2) Major Goal II: Establishment of the Foundation for Sustainable Economic Growth

The purpose is to create foundations through improving access from rural areas to

markets within the region and the infrastructure development for Senegal to achieve poverty reduction on their own effort in a sustainable manner by promoting local industries with the potential to create jobs for the poor and increase their income, developing human resources who will carry the industries forward in the future.

i. **Minor goal III: Promoting Local Industries and Improving their Infrastructure**

It will become important for the poor, the majority of whom are accounted for by youths and women, to obtain employment and receive social services if Senegal, which faces issues such as poverty in rural areas, population inflow to urban areas and illegal immigration to Europe, was to achieve poverty reduction on their own effort in a sustainable manner. Accordingly, Japan will assist Senegal's efforts to promote local industries, which are rooted in respective regions and will lead to the creation of employment, and to create a foundation to that effect.

- (a) As the DSRP identifies agriculture and fishery as the pillars of efforts to create wealth, those industries must be promoted as major local industries which will lead to economic growth. In so doing, it will be necessary to enhance their competitiveness by adding value through manufacturing and processing, rather than directly shipping primary products which are easily influenced by international market prices.
- (b) From this perspective, Japan will assist Senegal's efforts in the area of fishery to strengthen processing industries centered on female associations for processing, and to promote distribution of products within the country and within West Africa, based on the understanding that Senegal is more competitive than neighboring countries in the region when it comes to the development of a traditional processing of fishery products such as smoked fish and dried fish. On the other hand, Japan, from the perspective of food security, will provide food assistance in the area of agriculture, and assistance to improve the rate of self-sufficiency in rice (Note: Currently, 80% of rice consumed in Senegal is imported) and promote distribution of domestic rice within the country, as the DSRP stipulates in the agriculture section, which describes efforts to create wealth.
- (c) Japan will consider providing cooperation for the production and development of local specialty products such as handicraft products, and for the promotion of their distribution within domestic markets and possibly regional markets, while linking the cooperation with rural development efforts (minor goal I) utilizing the “One Village, One Product Campaign”. Japan will also take into account the cooperation that members of the Japan Overseas Cooperation Volunteers (JOCV) have been carrying out in rural villages.
- (d) It will become important to improve vulnerable economic and social foundations surrounding industries, in order for industries, regardless of their size, to be promoted. Japan will consider focusing on large-scale economic infrastructure development, to be advanced in collaboration with international

organizations through the Enhanced Private Sector Assistance for Africa (EPSA) scheme and other means, to improve distribution of products from rural to urban areas and further to regional markets, and to develop product transportation infrastructure which will have a synergistic effect on activities described in the sections (b) and (c) above, based on the understanding that Senegal is a gateway to West Africa and is a driving force for the regional economic development. In so doing, Japan will take into account region-wide infrastructure development projects under the NEPAD, with a view to regional markets. Consideration will also be made so as to link the efforts with rural development in surrounding areas and with the improvement of social services. Japan will also study the possibilities for the development of infrastructure that will invite private investments, such as transportation and electricity, and of infrastructures in rural areas with the aim of connecting rural development with economic development.

- (e) Japan will consider assisting activities in the private sector, recognizing that local organizations that carry out rural development and associations of female workers engaging in fishery processing both play important roles in activities in the private sector.

ii. **Minor Goal IV: Human Resources Development**

- (a) Alongside with the efforts in the area of education, promotion of business training (vocational training) is also emphasized in the DSRP II's second pillar, "Accelerated Development of Access to Basic Social Services." Programs to train students in industries after their completion of primary education increase motivation to receive education. Such programs also signify the government's understanding on the importance of making human resource development efforts that take into account requests from the private sector and that meet the demands in local labor markets, in order to develop foundations for economic growth and to develop the human resources to carry the private sector, an engine for growth, forward in the future.
- (b) Japan has been promoting the development and employment of people who can meet the demands of industries in Senegal through Japan-Senegal Technical and Vocational Training Center (CFPT), which since its opening in 1984 has been playing a leading role in Senegal in the training of middle-to-senior level engineers. Going forward, Japan will further utilize the Center and also consider providing entrepreneurship assistance for those trained at the Center to be smoothly incorporated into labor markets. Furthermore, Japan will assist Senegal's efforts for human resource development in a manner that responds to the employment situation in Senegal and the development of local industries, through training and other initiatives.
- (c) Japan will implement a science and math education project in the course of primary education, focused on providing education that would form the foundation of human resources in industries, thereby solidifying, in early stage,

a foundation for those who can contribute to industries.

4. Matters to Keep in Mind

(1) Matters to Keep in Mind Regarding Senegal: Dependency on Assistance, Debt Sustainability, and Governance

In Senegal's government budget, foreign assistance is estimated to account for approximately 15% of the spending as of 2004, showing that Senegal's dependency on assistance is comparatively lower than that of other Sub-Saharan countries and that Senegal is taking initiatives to make revenue efforts. The IMF's staff report for the 2006 Article IV consultation concludes that Senegal is sustainable in the mid- to long-term with each of the following indicators for 2005 falling below, as a result of the Heavily Indebted Poor Countries (HIPC) debt relief, the baseline that the IMF has established: 40.8% for public and publicly guaranteed (PPG) external debt as a percent of GDP; 11.7% for PPG debt service-to-exports ratio; 48.5% for net present value (NPV) of PPG external debt as a percent of exports; and 12.7% for NPV of PPG external debt as a percent of GDP. Attention needs to be paid, however, so as to prevent dependency on foreign debt, including foreign assistance, and fiscal and current account deficits from surging as a result of the Senegalese government's intention to develop infrastructure actively. The World Bank gave Senegal a ranking of 3.5 in its 2005 Country Policy and Institutional Assessment (CPIA), as favorable a level as countries such as Tanzania, Ghana, and Viet Nam. Meanwhile, many international organizations and donors are expecting Senegal to further improve the process, transparency, and accountability of budget and procurement. Thus, it is necessary to assist Senegal's efforts in this respect, while urging the country to be aware of the challenges to be overcome.

(2) Matters to Keep in Mind When Formulating Projects

i. Gender

Women in Senegal are living in a harsh condition as exemplified by low literacy rates, lower rates of school enrollment than for male students, high total fertility rates, and high maternal mortality rates, among other factors. On the other hand, women play important roles in economic activities, in rural economies in particular. It is expected that women are empowered through these activities. Particular consideration needs to be made on the gender issue when formulating and implementing projects.

ii. Measures against Desertification

Measures against intensifying desertification require not only a perspective toward afforestation but also a perspective that they contribute to poverty reduction through environment conservation. As such, the consideration needs to be made on participatory natural resources management (GRN) by the people in local communities so as to ensure rural development which takes into account the actual situation of rural areas in Senegal and meets the demands of such areas.

iii. Assistance to Casamance

The stability of the neighboring regions which include Gambia and Guinea-Bissau

holds importance from the perspective of the consolidation of peace, one of the three pillars of Japan's assistance to Africa. Japan will look closely into the security situation of Casamance and collect information necessary to extend cooperation directly. With good climate and soil, Casamance has potential for development. As such, Japan will always keep the region in mind as a candidate for Japan's prioritized assistance to Senegal in the future. Japan will effectively utilize assistance via international organizations for the time being, and will consider the possibility of gradually shifting the assistance to providing it on a bilateral basis, and dispatching Japanese personnel to engage in assistance activities.

iv. **Collaboration with NGOs and Utilization of Knowledge in the Private Sector**

The international community, including the United Nations, the World Bank and the Organization for Economic Co-operation and Development (OECD), has been stressing the importance of the roles that NGOs play in assistance strategy. The importance of the roles that citizen groups, groups of people in local communities, and NGOs assume as players in development has been recognized in Senegal as well. Japan will note the relationship between these groups and administrative bodies. Japan will maintain a perspective to promote the strengthening and development of a sound division of roles, and of supplementary relations between administrative bodies, traditional players in development, and groups of citizens and people in local communities and NGOs when implementing economic cooperation. Japan will utilize the knowledge in Senegal of experts, civil society, and NGOs with substantial records of achievement when formulating, implementing, and following-up projects.

v. **Collaboration with Assistance via International Organizations**

Japan will actively identify and implement projects that are organically linked and have synergistic effect, from among projects carried out through international organizations' funds and trust funds to which Japan has made contributions, including the World Bank, the African Development Bank Trust Fund, the Trust Fund for Human Security, and the UNDP Fund. At the same time, Japan will consider the collaboration of these projects with bilateral projects and the subsequent expansion of projects' scopes, and will also consider grouping of projects by region, in particular the assistance to Casamance.

vi. **Cool Earth Partnership**

In January 2008, then Japanese Prime Minister Yasuo Fukuda announced the establishment of the Cool Earth Partnership, a climate change countermeasure assistance program for developing countries that are striving to achieve economic growth, while reducing greenhouse gas emissions. In the following month, Japan dispatched a mission to Senegal to hold a policy consultation, during which the Senegalese side expressed its high regard for the partnership. In light of these developments, in March 2008, Japan agreed to extend under the Cool Earth Partnership 800 million yen as Non-Project Grant Aid to Senegal. Japan will continue to make efforts to actively identify and implement projects for climate

change countermeasures in Senegal based on the discussions at TICAD IV between Japan and African nations on the Japan-Africa Cool Earth Partnership.

(3) Matters to Keep in Mind Regarding Assistance Implementation Systems

i. Scale of Assistance

On the assumption that Senegal make self-help efforts for development and have enough capacity to absorb assistance, Japan will aim to expand the scale of assistance, with the minimum level to be the current scale of assistance, which is approximately 3 to 4 billion yen of grant aid and technical cooperation. In so doing, Japan will keep in mind the co-financing with the African Development Bank based on the EPSA for Africa, an initiative to assist development of the private sector and other growth areas. At the same time, it is important that Japan requests that Senegal maintain high transparency in the management of policy and projects, and in the allocation, maintenance and management of human resources. It is likewise important that Japan call on Senegal to make efforts to secure financial sources for matters that Senegal is committed to bear.

ii. Stance toward Future Assistance for Budget Support

Senegal's public budget management still lacks transparency. It is thus considered, at this moment, to be too early to provide general budget support. The situation needs to be closely monitored, as trend is moving toward budget support. Japan needs to develop and allocate personnel who can assert Japan's position as convincingly as French native speakers at donors' conferences and other fora against the backdrop of this aid coordination trend. Budget support and project-based assistance would be mutually supplemental if the pilot development models created by Japanese assistance are to be expanded nationwide through budget support. In the future, Japan might consider providing the sector-specific budget support by using counterpart fund after some trials, which enables Japan to earmark the fund. In such a case as well, it would be desirable for Japan to gain a greater voice at sector-specific donors' conferences by securing competent Japanese personnel or by effectively utilizing local staff engaged in assistance.

iii. Bases in Francophone African Nations

Japan has been providing cooperation to Senegal through comparatively pioneering efforts and various cooperation modalities. Japanese experts and personnel who had engaged in cooperation in Senegal have been making significant achievements as valuable resources in other West African nations. In total, Japan has dispatched more than 650 JOCVs to Senegal since the Governments of Japan and Senegal concluded the agreement concerning JOCV in 1979. It is no exaggeration to say that those experts and Japanese consultants currently engaging in cooperation in the Francophone African nation and Maghreb are the ones who were the member of JOCV. Japan needs to consider cooperation with Senegal from a long-term perspective, with an understanding that Senegal is the country where the development of human resources to be engaged in assistance in Francophone West African nations starts, which is particularly true after the Cote d'Ivoire crisis.

It is also important that Japan develop a perspective of utilizing knowledge and experiences that it gained in Senegal for regional cooperation, based on the records of achievements in the area of technical cooperation. Specifically, there are many cases in which Senegalese instructors who received training at the CFPT/Senegal-Japan as part of a technical project (Note: Many of them received training in Japan) were dispatched, with assistance from the Japan International Cooperation Agency (JICA), to Mali and Cape Verde as short-term third country experts; and in which the CFPT/Senegal-Japan serves as a implementation organization of the third country training, in sectors such as education and health and medical care, for Francophone West African nations.

Matrix of the Goals of Japan's Country Assistance Program for Senegal

