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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR SENEGAL

<u>Programme period</u>	<u>Actual resources programmed</u>	\$
1987-1991	IPF for 1987-1991	24 198 000
	Other resources programmed	7 846 000
	Total	32 044 000

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\* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; and (d) distribution of new country programmes by sector.

## I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. Over the past decade the Senegalese economy has been confronted with persistent drought and the economic and financial consequences of the oil crises of 1973 and 1979. This difficult situation has accentuated the adverse impact of inadequate economic structures and policies on economic growth and financial equilibrium. In aggregate terms, from 1960 to 1979 gross domestic product (GDP) grew at an average annual rate of 2.7 per cent, that is a rate more or less equal to the rate of population growth. At the same time, under the impact of a significant expansion in domestic demand, the financial situation began to deteriorate. Thus the deficit on current account increased from 1.9 per cent of GDP in 1970 to 11.7 per cent in 1978, turning an overall balance-of-payments surplus into a substantial deficit.

2. In response to the situation, in 1979 the Government drew up a short-term stabilization programme, which was followed by the implementation of an economic and financial recovery plan. These two programmes, the essential aim of which was to improve the financial situation, stressed stabilization policies while attempting to introduce structural changes. However, domestic demand has continued to provoke financial instability despite the vigorous measures adopted by the authorities under the prices policy. This policy of strict control of demand has not been enough to prevent a deterioration in the Government's financial situation, the government deficit as a percentage of GDP having increased from 3 per cent in 1978/79 to 7 per cent in 1982/83, before decreasing to 4.3 per cent in 1983/84. The external deficit as a percentage of GDP rose from 9.1 per cent in 1979 to 11.9 per cent in 1983, after having reached 15.1 per cent in 1980 and 17.7 per cent in 1981. The persistence of internal and external disequilibria has thus compelled the Government to adopt a more determined approach to structural change in the form of a medium- and long-term adjustment programme, which was presented to the consultative group of aid contributors for Senegal in December 1984.

3. Apart from external factors, the underlying causes of the crisis are rooted in the country's socio-economic structures. The ground-nut industry, an engine of growth that was dependent on an increasingly less remunerative cash crop, is becoming marginal to the economy. Phosphates, fisheries and tourism have not at this stage been able to take up the slack and generate surpluses that would compensate for the fall-off in ground-nut earnings. Senegalese industry, built up behind protectionist walls, is stagnating within a market that lacks depth and competitiveness. At the same time, the propensity to consume, in both public and private sectors, has developed at a rate that ill accords with the growth in national income, thus causing severe internal and external maladjustments. In addition there is an almost total lack of national investment, making the development of the country highly dependent on external financing.

4. In addition to these structural imbalances, there looms the threat posed to the country's development by the population growth curve and the depletion of natural resources. Thus, should the current fertility rate be maintained, the population would double soon after the year 2000 and would triple around the year

2015, a growth that would be compounded by marked concentration in Dakar, which already contains one fifth of the country's population. The pressure of this population increase on space and resources, the demand for goods and services, employment and so on will severely test the performance of the production apparatus and public services in the absence of policies intended to match demographic growth by growth in the economy and the utilization of resources. The rate and means of exploitation of various limited or vulnerable resources, such as water or vegetative cover, call for corrective measures, failing which the country runs the risk of experiencing continued desertification, which is already affecting agricultural potential.

5. In short, Senegal is confronted by a series of imbalances expected to stretch over the next 30 years. In the short term the internal and external deficits necessitate a rigorous reform of financial management. In the medium and long term the shortcomings of the production system and the lack of resources that can be mobilized will retard economic growth. In the longer term, demographic trends and environmental changes bode ill for the country's development.

#### B. National development strategies

6. The medium- and long-term adjustment programme provides a framework for government policies throughout the period 1985-1992. Economic policy over the period covered by this programme will stress structural reforms and the consolidation of progress in the area of financial stabilization. To that end, five objectives will be targeted under the programme, namely: (a) consolidation of the bases of economic growth; (b) more effective investment; (c) the slackening of structural constraints related to the size of the public and quasi-public sectors; (d) consolidation of the foundations for growth in public services and infrastructure; and (e) the reorganization of public finance and the stabilization of Senegal's external position. Following implementation of the adjustment programme, Senegal is expected to have re-established the conditions for solid and balanced growth, capable of generating sufficient national savings to finance investment without excessive recourse to external sources. Government finances are expected to move into surplus by 1991 or 1992, and the current external deficit should decline to 2.8 per cent of GDP, compared with 10.2 per cent in 1984. Implementation of the programme will, however, require major external assistance, projected at \$490 million per annum over the first five years, comprising \$250 million for public investment and \$240 million for budgetary assistance. This assistance, in the form of loans and grants, will come essentially from multilateral financial institutions (World Bank, International Monetary Fund (IMF), the African Development Bank (AfDB), the Inter-American Development Bank (IDB)) and Senegal's bilateral partners (mainly European, Arab and North American States).

7. The seventh economic and social development plan (1985-1989) has been drawn up on the basis of the objectives of the adjustment programme and the attendant constraints. The seventh plan has three strategic objectives: (a) to make the economy less dependent and less vulnerable (restabilization of the balance of trade, promotion of public savings and implementation of specific programmes); (b) to consolidate and develop the country's production potential (promotion of

food production, phosphates, fishing and tourism, and strengthening of local industries); and (c) to redeploy activities at the regional level so as to improve the balance between urban and rural areas. Implementation of the seventh plan will be based on 21 priority-action programmes; investment over the period is expected to total \$1.4 billion.

8. The objectives of the seventh plan will be refined to reflect ongoing developments in the areas of agricultural and industrial policy. Similarly, the reforms projected under the adjustment programme are certain to affect the implementation of the seventh plan and preparation of the following plan. The breadth of the changes that implementation of these policies is likely to bring about should be noted. With respect to agriculture, rural operators will progressively assume responsibility for supply, production, storage and distribution, all functions previously carried out by the regional development corporations, and there will be a need to redefine the ways and means of State intervention. Prices policy in this sector is also expected to have a major effect on agricultural output and income distribution. In the case of industry, the decision to open it up to external influences will expose the production apparatus to international competition, while compelling industry to restructure and compete in buoyant external markets. Such changes are certain to have a major impact in terms of employment and income, thereby necessitating the implementation of appropriate complementary policies.

9. Strategies relating to longer-term problems, in particular population and desertification, have yet to be finalized. The complexity of these problems necessitates a methodical approach and the finding of appropriate solutions. Although they are not likely to become more serious before the year 2000, they nevertheless require an urgent response in the form of policies and activities to be defined in the immediate future, as in the case of population studies. Initiatives to combat desertification, together with programmes undertaken to that end, are somewhat more advanced. As an active member of the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS), Senegal is in the vanguard in Africa with respect to this issue.

### C. Technical co-operation priorities

10. Today's technical co-operation priorities are largely centred on the formulation, launching and implementation by the national authorities of strategies, policies, reforms and programmes that form part of the process of adjustment or are dictated by the country's development imperatives. In all these respects ongoing developments have resulted in the emergence of new needs in connection with the implementation of structural reforms, the pursuance or formulation of new policies and the quest for solutions to long-term problems. Since Senegal already has a solid institutional infrastructure and highly-qualified professional staff, the amount of assistance needed must be carefully assessed, use being made of international expertise where necessary and of the country's human resources where they can be profitably employed.

11. The needs arising from the process of adjustment must be analysed in the light of the constraints underlined in the World Bank economic memorandum of November 1984 and the objectives set forth in the adjustment programme and in the development policy letter of December 1985. These documents do not, however, define assistance needs, which will be specified at the various sectoral meetings provided for under the programme. At this stage, in-depth analyses have been prepared for five sectors: telecommunications, energy, agriculture, industry and fisheries. Similar analyses are being prepared or are planned for other sectors, but will only become available in 1987 (education, health, water resources and tourism). Longer-term needs have been identified by various studies and projects carried out with the help of the United Nations system, in particular: the report of the United Nations Fund for Population Activities (UNFPA)/World Bank mission on the assessment of assistance needs with respect to population policy (May 1985); preliminary studies for the preparation of a blueprint for national land management; and the final report of the national seminar on desertification organized with the assistance of the United Nations Sahelian Office (UNSO), UNDP and the World Bank (April 1985).

12. This information, together with the analysis of socio-economic trends and the strategies adopted, has made it possible to outline priorities for the next country programme. Five of what are considered to be the most critical variables have been selected as focuses for programme implementation: (a) population growth and the spatial distribution of the population; (b) the deterioration in natural resources and degradation of the environment; (c) the food-production deficit; (d) the orientation of production; (e) the capacity to operate State machinery. Emphasis is placed on long-term issues in order to determine, at the present stage, what policies, instruments and programmes will enable Senegal to reverse the unfavourable trends that are now becoming apparent, without however neglecting an adjustment process for which precise strategies have been established and considerable external assistance is already being mobilized. These concerns are linked to the concerns that emerge from the United Nations Programme of Action for African Economic Recovery and Development (1986-1990), many of whose goals will be covered by the new programme.

13. The implementation of the new programme will obviously call for the mobilization of a considerably greater volume of resources than those of the indicative planning figure (IPF) alone, which amounts to \$24.2 million. The experience gained from the previous cycle suggests that the latter resources could be doubled by means of contributions from the other funds under the Administrator's authority. In addition to these resources there will be the resources mobilized in support of the United Nations Programme of Action for Africa (1986-1990), of which advantage should be taken. The IPF, which constitutes the core of these resources, should guarantee the critical mass required for launching the programme and maintaining its coherence.

14. Mobilization of resources from other funds or organizations in the United Nations system will take various forms, depending on the nature of the institutions in question. In the case of funds for the implementation of specific programmes, such as the United Nations Children's Fund (UNICEF) and UNFPA, there will be systematic co-ordination in joint areas of action in order to attain programme

goals. In the case of the World Food Programme (WFP), the activities selected will basically consist in follow-up of programme goals in areas where technical assistance will pave the way for projects based on food aid. Lastly, in the case of specialized agencies able to mobilize their own resources through their trust funds, UNDP will invite them to seek the necessary additional funding jointly.

15. In addition to the resources mobilized by the United Nations system, there will be the resources that can be contributed by the various multilateral and bilateral sources of assistance. In that connection, the Government will support UNDP mobilization efforts by raising potential aid contributors' level of awareness of the relevant issues and considering ways in which they can participate, either by making direct contributions to projects or through parallel financing. To that end, possible areas for co-operation with the World Bank will be systematically developed, particularly in fields connected with the implementation of the adjustment programme. The same approach will be taken to other potential sources of multilateral and bilateral assistance.

#### D. Aid co-ordination arrangements

16. The consultative group of Senegal's aid contributors is currently playing a fundamental role where the adjustment programme is concerned. It was convened at Paris in December 1984 to consider the programme, and will meet periodically throughout the implementation of the programme to examine both the results achieved and related requirements. In addition to the meetings of the group proper, there will be sectoral meetings of contributors convened in order to consider the policies, types of reform and programmes to be undertaken in the sectors involved in the structural adjustment.

17. The adjustment programme will be monitored at the highest level by an Interministerial Supervisory Committee chaired by the head of State, which will meet every three months. Technical monitoring of the programme will be carried out on an ongoing basis by a technical monitoring committee, a light co-ordination structure under the authority of the Minister for Planning and Co-operation set up with UNDP assistance. The technical committee has also been entrusted, by the secretariat of the consultative group, with liaison with the co-ordination bodies set up by the contributors and with preparations for the economic and financial negotiations with contributors. The mandate of the Interministerial Supervisory Committee and the bodies reporting to it was recently extended to monitoring the United Nations Programme of Action for African Economic Recovery and Development (1986-1990), which thus enables UNDP to provide critical assistance in these two areas that are essential for aid co-ordination.

18. The instruments that the Government has for co-ordinating external aid are still inadequate. The Ministry of Planning and Co-operation does not yet have either the instruments or the resources that would enable it to carry out its co-ordination role fully. This realization now forms the basis of reforms and initiatives that should lead to a considerable strengthening of the Ministry's co-ordination capacity. The Decree of 2 January 1986 reorganized the Ministry with a view to providing it with, for example, a structure for carrying out three-year

investment planning and for computerizing project programming and monitoring. However, the management of external aid flows leaves something to be desired, particularly since 65 per cent of the investment programmed under the seventh plan must be financed from abroad. The same comments apply to other categories of aid in which monitoring and mobilization call for instruments and capacities to which this programme will contribute.

## II. THE COUNTRY PROGRAMME

### A. Assessment of previous programme

19. The third programme for Senegal, which was submitted to the Governing Council at its special session in February 1983, was designed to cover the period from January 1983 to December 1986. Its submission had been deferred until 1983 so that the programmes for all the Sahelian countries could be considered simultaneously. As a result, the programme coincided only with the last four years of the third UNDP programming cycle (1982-1986) and only with part of the period in which the sixth national development plan was implemented (July 1981 to June 1985). The IPF resources available amounted to \$21.2 million, after the obligations for 1982 (\$4.4 million) and the deficit shown in the preceding programming cycle (\$0.8 million) had been deducted. In addition to those resources, there was an amount of \$8 million to \$12 million in assistance from various other funds under the Administrator's authority.

20. An endeavour was made to gear the policies decided upon jointly by the Government and UNDP to the goals of the seventh plan, while at the same time dealing with the specific problems of the Sahelian countries and responding to the options set forth in the Lagos Plan of Action. The policies in question were based on the conclusions drawn at the meeting of Senegal's contributors in 1981 and the analyses set forth in the national development plan. Accordingly, the goals to be achieved in the various areas of activities chosen for the third programme were: food self-sufficiency; desertification control and water control; rational use of energy resources; development planning and general administration; and the promotion of small and medium-sized enterprises.

21. Implementation of the third programme was adversely affected by the reduction in IPF resources, which dropped to 55 per cent of the illustrative IPF for the third cycle (1982-1986). The funds available for the third cycle were thus reduced to \$18.1 million in December 1982 (as compared with the amount of \$26.4 million initially set aside for the cycle as a whole, including 1982). However, in the aggregate this reduction was offset by major contributions from various other funds under the Administrator's authority - such as the UNSO trust funds (\$14.9 million), the United Nations Capital Development Fund (UNCDF) (\$5 million), the United Nations Financing System for Science and Technology for Development (UNFSSTD) (\$1 million) - or associated with the programme - such as UNFPA (\$2.8 million) - bringing total non-IPF resources to \$24.6 million. Despite these contributions, large cuts had to be made in the core programme, since the drop in the programmable IPF meant that the number of projects had to be reduced, changes had to be made in project size and a number of activities had to be deferred.

22. Moreover, programme content had to be altered in order to meet requirements resulting from the intensification of Senegal's economic and financial recovery policy. Accordingly, the mid-term review carried out in 1984 led to the identification of new types of action and the launching of new projects that give a first shape to the content of the fourth programme, since the various adjustments made in the programme had the effect of considerably strengthening the area of planning and general administration.

<u>Programme components</u>	<u>Programming</u> (% of IPF)	
	<u>Initial</u>	<u>Final</u>
Food self-sufficiency	24.0	24.6
Desertification control and water control	14.4	13.3
Energy resources	14.4	2.9
Development planning and general administration	13.6	27.6
Promotion of small and medium-sized enterprises	9.7	11.2
Miscellaneous	14.4	20.4
Unallocated resources	9.5	-

23. The same proportion of IPF resources as in the initial programming was allocated to food self-sufficiency, but the level of the resources in question was considerably lower than that originally planned. The activities carried out may be placed in three categories: (a) development and diversification of food production; (b) stabilization of agricultural output; (c) rural promotion. Good but nevertheless incomplete results were achieved, which means that the efforts in question must be continued in the next cycle. The seed project (SEN/82/001) facilitated the protection and production of seed potatoes and onion seed. As a result of the AGRHYMET project (SEN/82/030) it was possible to outline the establishment of a national network for agrometeorological and hydrometeorological data. The pump-maintenance project (SEN/82/028) provided the initial components of a solution to maintenance problems in small irrigated areas in the river valley. The rural promotion project (SEN/82/002) facilitated the activation of youth and women's groups through the development of functional literacy activities and the introduction of cultural activities and techniques. Lastly, as a result of the women's pre-co-operative groups project (SEN/82/004) it was possible, with the aid of simple equipment financed by UNCDF, to lighten the work-load of 54,000 women and set up a network of 472 self-managed groups.

24. The desertification-control and water-control component produced positive but limited results owing chiefly to the low level of resources allocated. In the forestry area, two types of activities were carried out, thus leading to the preparation of a complete inventory of the forests of Casamance and Eastern Senegal (SEN/82/027) and refresher training for 51 per cent of the country's forestry experts and forestry workers (SEN/81/005). The groundwater management and protection project (SEN/81/003) led to the effective establishment of a network for monitoring groundwater horizons in the Cap Vert and northern seaboard regions. The



contributions made by UNSO led to considerable achievements in such areas as the reconstitution of vegetation cover on the Great Coast (approximately 5,000 hectares of dunes stabilized and soil reconstituted on the northern coast under project UNSO/SEN/84/X07, financed by the Norwegian Government, and under UNDP project SEN/73/012), while paving the way for a global solution to the problem of desertification (for example, seminars and conferences, promotion of better cooking-stoves and the establishment of an ecological monitoring centre).

25. The energy-resources component is the area in which implementation was slowest, owing to the tardiness of the technical contributions expected in this field from the United Nations system and the World Bank. The contributions in question facilitated the launching of a project for the economization of energy in industry (SEN/85/007) and the construction of a framework for activities in the area of the appraisal of enterprises, which will be started in 1987 with funding from the Canadian Government. Where the substitution of sources of energy is concerned, UNSO and UNDP made a contribution to the study of possible ways of exploiting peat for domestic purposes (project UNSO/SEN/84/X06, funded by the Danish Government).

26. One of the major features of the third programme is the concentration of IPF resources on development planning and general administration. The project "Assistance for planning" (SEN/82/023) for the first time enabled the planning work to be carried out in a macro-economic context and permitted a start to be made on the preparation of regional integrated development programmes, which should be completed by the end of 1987. The assistance provided by UNDP (SEN/82/016) and UNFPA (SEN/77/PO4) permitted preparation of the blueprint for national land management and, more recently, of a draft national land management plan; while the assistance provided to the Bureau of Organization and Methods (SEN/82/024) resulted in the strengthening of that body, which reports to the Office of the President. As a new activity under the third programme, it was possible to set up the technical committee to monitor the medium-term and long-term adjustment programme (SEN/85/001), thus contributing to the launching and monitoring of the medium and long-range adjustment programme and to the mobilization of external aid. Finally, on the sectoral level, the third programme contributed to the definition of the new industrial policy and to the launching of a programme of action in that sphere.

27. Less tangible results have emerged from the actions undertaken in the promotion of small and medium-sized enterprises and in the craft sector. While the support provided to the Société d'études et de promotion industrielle with a view to the promotion of small and medium-sized enterprises made it possible to complete the setting up of mechanical workshops ready for operations, that support did not have quite the desired impact on the establishment of new industrial enterprises. The project for the provision of support for the Department of Craft Industries and for guilds (SEN/82/007) provided for teacher training, advanced instruction for 147 trainees, and the establishment of 10 advanced instruction centres.

28. Under activities which are not specifically sectoral - mainly involving training - mention should be made of those activities leading to the strengthening of the National Centre for Professional Qualification, with assistance from UNDP (SEN/82/009) and UNCDF (SEN/82/CO5), and from other donors, principally the World Bank.

29. The third programme has on the whole made possible significant advances in a number of fields without, however, attaining all the objectives of individual projects, many of which had to be executed with inadequate funds. Furthermore, the time needed to consolidate the results achieved will require the continuation of some activities. Finally, a number of projects which were recently started up in response to new needs and in anticipation of the new programme will take actual shape only at the beginning of the fourth cycle.

#### B. New programme proposal

30. The activities envisaged under the new programme can be grouped into three main categories: (a) preliminary reflection and research as a basis for informed governmental decisions, and the elaboration of programmes and the design of means to that end; (b) development of national capacities where they are nonexistent or insufficient; and (c) stimulation of local initiatives. These activities will be systematically co-ordinated with those to be carried out under the UNDP regional programme (1987-1991) and, moreover, should help in attaining the objectives of the United Nations Programme of Action for Africa (1986-1990).

31. The new programme will also be characterized by the introduction or consolidation of general guidelines derived from the mandates given to UNDP. Thus, in the fields covered by the programme, there will be systematic emphasis on the integration of women in the development process; technical co-operation among developing countries will also be promoted in the context of the programme objectives (SEN/86/011). In addition, new partners - drawn from the private sector (SEN/86/012) and the non-governmental organizations (SEN/85/002) - will, as necessary, be enlisted in programme implementation. In complex areas, project formulation will be preceded by strategic analysis missions (SEN/86/006). Multidisciplinary training will also be undertaken in support of programme objectives (SEN/86/013). Finally, the programme will be structured around five objectives: (a) overcoming population problems; (b) preserving natural resources; (c) reducing the food deficit; (d) reorienting the production system; and (e) strengthening the State's leadership capacity.

#### The overcoming of population problems

32. Senegal today is faced with a population trend which puts pressure on the environment and threatens socio-economic equilibrium. Added to this phenomenon is an increasing concentration of the population in the Cap Vert region and growing urbanization, providing another source of tension. The new programme is intended to assist the Government in defining the policies and devising the means to bring this dual phenomenon under control. The activities planned under this development objective will be based on the following two approaches.

#### Laying of the foundations for better control of population phenomena

33. Population phenomena are still poorly understood in Senegal, whether in terms of their motive force or in terms of statistical data. Consequently, the new programme is intended to determine more clearly the motive force and to devise

strategies and means to bring it into line with the other socio-economic trends. In this connection, three objectives are envisaged under the programme:

(a) The carrying out and utilization of a general population and housing census. This work will encompass activities carried out jointly with UNFPA and other sources of assistance, particularly the United States Agency for International Development (USAID). Project SEN/87/002, in particular, should contribute to the success of the census efforts, which are scheduled for the beginning of 1988;

(b) Integration of the demographic variable in planning efforts. This objective is, in fact, a component of the more general aim of integrating social variables in the planning work in the context of strengthening the State's leadership capacity;

(c) The definition of medium-term and long-term population strategies and elaboration of the relevant means of implementation. This objective will be pursued jointly with UNFPA. The IPF resources earmarked will be aimed at developing the analytical and design capacities of the agency responsible for defining a population policy and at providing, through case-by-case studies, an informed basis for certain strategic choices.

34. Parallel to these objectives, two additional activities will be carried out: the addition of a population component to the project on women's pre-co-operative groups and the elaboration of a programme for preventing maternal mortality. The first, which falls within the framework of the women's pre-co-operative network set up with the assistance of the International Labour Office, will focus on increasing awareness of the importance of birth spacing. The aim of the second is to design a programme which integrates the birth spacing variable and which can be proposed to various sources of assistance. These two activities will be closely co-ordinated with those undertaken by UNICEF.

#### Control of the process of Senegalese land occupation

35. The initial response to the problem of Senegalese land occupation is in keeping with a strategy designed to achieve a balanced population distribution in the national territory through policies intended to revitalize the rural areas and redirect migratory flows. The National Land Management Plan and the regional integrated development programmes now being elaborated are the foundations for this strategy. The following four programme objectives are proposed:

(a) Full elaboration of the National Land Management Plan and development of the means to implement it. This will involve consolidating the results from the previous programme and going on to the stage of devising the means of implementation, thus permitting the mobilization of other external assistance. This activity will be carried out in conjunction with UNFPA under a new phase of assistance for land management (SEN/87/011 - phase II);

(b) The elaboration and introduction of regional integrated development programmes; this will involve the completion of work undertaken with the support of the project "Assistance for planning" (SEN/82/023) with a view to finalizing the regional integrated development programmes and ensuring that they are launched;

(c) The definition of an urban policy in accordance with the guidelines in the National Land Management Plan. This task, which is intended to elaborate the options to be chosen by the Government for the National Land Management Plan, will be carried out in co-ordination with UNFPA;

(d) The identification of measures to combat problems of land occupation, urban sanitation, and rural and urban underemployment. This deliberately pragmatic approach will be carried out in conjunction with UNFPA through assistance for land management; it will be supplemented by specific studies or research in critical areas. In this connection, the IPF will provide partial financing for the elaboration of a sanitation plan for Grand Dakar and its bays, and for the definition of a strategy for the structuring of the informal sector, particularly the craft sector.

36. The IPF resources earmarked for overcoming population problems total \$0.9 million.

#### Preservation of natural resources

37. Senegal's natural resources and environment are threatened both by the long-term consequences of a prolonged drought and by continuing desertification, largely brought about by man. The new programme will help to solve these problems in three areas that are among the most critical. Accordingly, the following priority approaches have been chosen:

#### Preservation of forests and restoration of the vegetation cover

38. The clearing and overexploitation of land, overgrazing, brushfires and depletion of wood resources contribute in various ways to desertification and threaten the very foundations of Senegalese agriculture. In response, the Government has directed its efforts towards the preservation of forests and the restoration of vegetation cover. In this connection, four objectives have been identified:

(a) The construction of a model for development of classified forests. The intention is to design a model which would associate the village communities with forest development, thus avoiding the failure observed with coercive protection policies. Initially, there should be one or more demonstration projects, whose funding will require the mobilization of other assistance sources. The core of the technical assistance needed to lead this operation will be provided from IPF funds;

(b) The elaboration of a rural forestry development plan and the setting up of the means for its implementation, combining the various projects financed from external sources into an integrated programme. This plan will provide for, inter alia, a labour-intensive programme of forest work and the development of

activities based on food aid. The elaboration of the plan and the setting up of the means of implementation will be funded from IPF resources, thus opening the way for the mobilization of additional funds (SEN/87/008);

(c) The formulation and starting-up of a wind-break programme for land preservation and reclamation, which should integrate a labour-intensive work component with activities based on food aid. The programme should furthermore serve as a means of mobilizing and channelling external aid (SEN/87/008);

(d) The execution of a pilot project for integrated agricultural, forestry and grassland development, following the recommendations of the African Ministerial Conference of Ministers on the Environment, held at Cairo in December 1985. The goal will be to promote food and energy self-sufficiency in four rural communities and in a grassland region through integrated development that takes into account the environment and the rational utilization of natural resources. The core of the required technical assistance will be provided by IPF funding. UNDP will also ensure that the other funds under the authority of the Administrator will be used to contribute, according to their mandates, to the execution of this pilot project, which is encouraged and supported by the United Nations Environment Programme (UNEP).

39. Three other activities will be continued in support of efforts undertaken in these fields: (a) retraining of engineers and forestry agents undertaken during the previous programme (SEN/86/008 - phase II); (b) setting up of an ecological centre for the continuous monitoring of Sahelian grassland ecosystems, administered through the United Nations Sudano-Sahelian Office (UNSO) with funding from the Danish Government (UNSO/SEN/84/X09); and (c) continuation of the programme for fixation of dunes undertaken by UNSO with funding from the Norwegian Government (UNSO/SEN/84/X07). The activities of WFP in the conservation of natural vegetation will also help to reinforce these efforts (SEN/2236 - phase III).

#### Conservation of fuel and development of alternative energy sources

40. Man's depletion of wood resources in order to satisfy his need for firewood constitutes one of the main causes of desertification in the Sahelian countries. This depletion can be reduced or maintained at levels permitting resource replenishment through energy conservation and substitution of sources. The four objectives of the programme are designed to apply the innovations introduced in recent years and to promote the use of new substitute energy sources. These objectives are:

(a) Promotion of the use of the Casamance grinding machine in the places where charcoal is produced. The development of this machine through a USAID demonstration project made it possible to improve significantly the carbonization process in comparison to the traditional methods. Its use must be expanded through extension activities, and the methods for doing so will be considered with USAID.

(b) The widespread use of improved household stoves. Considerable progress has been made in recent years in developing household stoves with improved heat output through various projects financed, inter alia, by the United Nations

Development Fund for Women (UNIFEM) (SEN/80/WO2) and UNSO (UNSO/SEN/84/XO6). Their expanded use on the basis of large-scale extension activities will be determined in the light of the conclusions reached in the study of household energy sources carried out by UNDP and the World Bank. Joint action will mobilize the resources administered by UNDP (IPF, UNSO, UNIFEM, etc.) and an appeal will be made for external assistance. The inclusion of a nutrition component will also be considered with UNICEF since the target group is essentially women.

(c) Establishment of a peat production chain from extraction to marketing. This objective is to be achieved in stages, once the economic viability of the operation has been proved and the peat briquettes have been accepted by users. The studies and tests carried out under the research projects concerning new energy sources (UNSO/DES/SEN/81/SO2) and the exploitation of peat for domestic use (UNSO/SEN/84/XO6), financed by the Danish Government, have made it possible henceforth to plan a third assistance phase aimed at setting up a pilot manufacturing unit using peat from Les Niayes. The assistance provided under the programme will concern the services of experts and pre-investment studies. For this purpose, the IPF will supplement the Danish contributions mobilized by UNSO.

(d) Identification of new energy alternatives. Here, the economically viable alternatives (wind power, solar energy, biogas, etc.) will be explored and tested at the pilot-project level. The demonstrations planned for rural areas are to take place as far as possible in the communities selected under the pilot project for integrated agricultural, forestry and grassland development. Exchanges will also be promoted through technical co-operation among developing countries. These efforts will be financed through the IPF and later supported as necessary by other sources of assistance.

#### Rational conservation and management of water resources

41. The rational conservation and management of water resources is of vital importance in Senegal because water is a scarce resource, affected as it is by drought, desertification and rapidly increasing demand. Requirements in this field fall into three categories: planning and management of water resources; supervision of exploitation projects; and maintenance of existing water installations. The programme will have four objectives:

(a) To establish within the Ministry of Water Supply a unit to plan the development and management of water resources. This objective is to be achieved after consolidating the results expected from the groundwater-monitoring project (SEN/81/003) and after providing further assistance based on IPF funds in order to establish within the Ministry a planning unit with the necessary capabilities and means (SEN/87/006);

(b) To formulate the plans and programmes necessary for the development and rational use of water resources. Three are envisaged: a national water-management plan, a master plan for rural water management and a programme for the artificial replenishment of aquifers. The means of financing these activities will be considered jointly with other assistance sources, including the World Bank, which has already begun preliminary studies in this field;

(c) To establish a mechanism to inspect and monitor water quality. The object will be to provide the Ministry of Environmental Protection with the means to inspect and monitor the quality of the internal waters, which are under its supervision. The assistance of UNCDF and other financing sources is planned for this purpose;

(d) To devise an effective system for maintaining rural water installations, for which there is an urgent need. The assistance will be designed to strengthen the capabilities of the Maintenance Office of the Ministry of Water Supply and to devise a system which involves village communities in the maintenance of the installations. This work is to be co-ordinated with the actions carried out by UNICEF in the field of water management and will involve the women in the village communities as much as possible.

42. The IPF resources earmarked for the conservation of natural resources amount to \$2.9 million.

#### Reduction of the food deficit

43. Senegal today is faced with a growing food deficit illustrated by the decline in per capita food production and the twofold increase in grain imports between 1974 and 1983. Confronted with a continually increasing demand for food and a supply which to date has not been sufficiently stimulated and is subject to climatic uncertainties, the Government has defined a strategy for increasing food production. Thus, the expansion of grain crops and the development of the Senegal river valley are of strategic importance and are therefore the subject of the priority tasks which follow.

#### Assistance in initiating the grain plan

44. The grain plan is designed to cover 80 per cent of national needs by the year 2000. Its implementation requires both the strengthening of the State services' analytical and promotional capabilities and a greater role on the part of farmers and private operators in the organization of production. On the basis of these needs, the programme will seek to achieve four objectives:

(a) The establishment of a soil service in the Ministry of Rural Development capable of evaluating soil fertility, suitability and potential and directing the agricultural development of the national territory (SEN/87/007). Senegal is one of the few countries in Africa which does not have such a service;

(b) Carrying out studies in three fields which are considered critical. The first relates to the agricultural development of the national territory; it will be necessary to complete or update existing studies. The second field concerns the development of a system for providing agricultural loans; the task will be to devise a system to meet the needs of the new agricultural policy. The third field relates to the transfer of responsibilities from the State to the producers; it will involve defining the methods for entrusting farmers and private operators with the tasks of supplying, producing, processing and marketing carried out by the regional development societies;

(c) The establishment of a network for promoting and managing food production. It will be necessary essentially to design and set up a mechanism enabling the Ministry of Rural Development to help instruct and advise farmers within the context of the gradual disengagement of the rural development societies. The studies and expertise necessary in order to devise the new mechanism would be financed through the IPF and would be instrumental in drawing up a technical assistance programme to mobilize the necessary assistance to set it up;

(d) The completion of the agricultural-hydrological-meteorological network in order to make effective use of information in that field and direct agricultural work. The third phase of the agricultural-hydrological-meteorological project focuses on the field-applications phase (SEN/86/009 - phase III). This assistance will be financed through the IPF and also an appeal will be made for external assistance (for example, the pilot project of the Government of the Netherlands).

45. The activities undertaken to achieve the last two objectives will be designed, inter alia, to promote the participation of women in the development of food production. The activities of the project concerning women's pre-co-operative groups will be consolidated throughout the national territory (SEN/86/010-P - phase II). The financing for this expansion will be requested from the funds administered by UNDP (UNCDF, UNIFEM, etc.) and other sources.

#### Ensuring the start of the post-dam-construction phase

46. The development of the Senegal river valley is a major undertaking in the efforts to ensure the food self-sufficiency of the riparian countries. For Senegal the use of the Diama and Manantali dams opens up the possibility of developing irrigated agriculture in an area comprising some 240,000 hectares along the left bank. Four objectives have been set under the programme:

(a) The elaboration of the master plan for the integrated development of the left bank of the river. The plan will be drawn up within the framework of a project executed by the World Bank and financed through the Fund's resources for special measures in favour of the least-developed countries (IMF/WFP) (SEN/86/002). The master plan is to serve as a frame of reference for all activities to be carried out on the left bank. It will also have to take into account the development plans being drawn up in the other member countries of the Organization for the Development of the Senegal River (OMVS).

(b) The strengthening of the co-ordination and follow-up unit of the development programme in the river valley, which was set up in 1986 in the Ministry of Planning and Co-operation with UNDP assistance. This unit will be the permanent technical body of the National Committee and the Interministerial Council, which are to supervise the post-dam-construction phase. It must also be able to implement, co-ordinate and follow up activities, policies and programmes which are part of the integrated development of the valley. This work will be financed through the IPF within the framework of the project SEN/86/001. Other assistance sources will also help strengthen the unit (Belgium, France and the European Communities).



(c) The establishment of a rural development network to instruct and advise the farmers throughout the river valley. The objective of the first phase will be to consolidate the results achieved in the project SEN/82/002 through the establishment by 1988 of 75 youth and women's groups capable of ensuring self-management and promoting productive income generating activities with the support of SAED. The second phase will aim to establish, with SAED, a network for instructing and advising farmers based on the producer groups (SEN/87/015 - phase II). This network must be designed to take into account the guidelines to be laid down in the development and management of food production. The activities carried out for this purpose must be co-ordinated with those undertaken in the valley by other projects (for example, the pre-co-operative groups project and the UNICEF rural development project). Although they will be financed through the IPF, they will undoubtedly require the mobilization of additional resources.

(d) The establishment of a system for managing and maintaining hydro-agricultural facilities. At present there is no such system and this might impede the development of these facilities. The task will involve the establishment of a mechanism for the effective management and maintenance of the irrigation equipment supplying water to the areas under cultivation. The system will have to ensure that these functions are assumed by the producer groups within the context of the gradual disengagement of SAED. Although these activities will be financed through the IPF, they will undoubtedly also require the mobilization of additional resources.

47. The IPF resources earmarked for the reduction of the food deficit amount to \$1.1 million.

#### Reorienting the system of production

48. Today, Senegal is confronted with faltering growth and a persistent imbalance in its foreign trade. Within the context of structural adjustment, reorganization of production lines and modification of the environment in which firms operate are the prerequisites for a sound and lasting recovery. The new programme proposes to support the reorientation process in three vital areas: restructuring of the industrial apparatus; emergence of activities with a high added-value content; and establishment of a redeployment and vocational training mechanism.

#### Orienting the process of industrial restructuring

49. The orientation adopted as part of the new industrial policy will expose the system of production to international competition, forcing it to restructure itself so as to raise productivity and to develop production lines which will place it on buoyant external markets. This will call for thorough study of the new industrial policy, dynamic monitoring of its implementation and a corresponding restructuring process. Three goals have been selected for that purpose:

(a) Establishment, within the Ministry of Industrial Development and Crafts Industries, of a structure to direct, co-ordinate and evaluate the structural adjustment process; this will necessitate strengthening the Industrial Board, based on the reorganization of its services, development of new tools and training of its

cadres. The main themes of the new industrial policy will have to be thoroughly studied, from the standpoint of sectoral or line strategies, and the possibility of making progress on external markets. Assistance provided under this heading will be financed under the IPF (project SEN/87/001);

(b) Establishment of a light interministerial body capable of taking effective action to restructure enterprises which are experiencing difficulties. The purpose of this body, which will be attached to the interministerial committee on industrial restructuring, will be to seek viable solutions for the conversion of enterprises. The modalities for financing the assistance planned for this purpose will be considered together with the World Bank;

(c) Establishment of a new industrial promotion mechanism which should, on the one hand, strengthen overall promotion activities and, on the other, develop the supply of services and advice to promoters and enterprises. With this in mind, the Société d'études et de promotion industrielle will have to revert back to a general promotion agency responsible for identifying and studying buoyant external markets and for seeking national or foreign promoters. The core technical assistance needed to establish the agency (SEN/87/009) will be financed under the IPF. Other financing will probably be necessary. A systematic attempt will be made to link these efforts with the industrial promotion efforts under the regional programme (RAF/85/022).

50. The programme will also help strengthen the export promotion and financing system in the context of assistance, the terms and financing of which will have to be considered by the World Bank. It will also help develop co-operation with the private sector, by using the expertise available in enterprises and foundations.

#### Encouraging the emergence of activities with a high added-value content

51. The steps taken to define the new industrial policy has revealed the need for Senegalese industry to focus more on activities with a high added-value content. The most promising sectors are light chemicals, the pharmaceutical and cosmetics industries and agri-business. The interministerial council on the new industrial policy has decided to strengthen research and development in the biomedical and agri-business fields and to increase liaison between industry and research. The two objectives selected for the programme should be viewed in that context. They are:

(a) Formulation and launching of a research and development programme in the biomedical and agri-food field. This will involve identifying the areas of activity in which Senegal might have a comparative advantage, identifying the bottle-necks in research and its applications and formulating a research and development programme. Formulation of that programme up to the launching phase will be financed under the IPF (SEN/87/012);

(b) Planning and launching of pilot operations in fields covered by the research programme. This will involve bringing certain programme components into being by launching pilot operations which necessitate mobilizing other sources of aid for their implementation. Assistance financed under the IPF will be confined

to project planning and promotion. It will rely heavily on co-operation with the private sector.

#### Establishment of a redeployment mechanism and refocusing of training

52. The process of adjustment and reorientation of the system of production will necessitate redeploying many workers and tailoring training more closely to the evolutive needs of the country's economy. The programme is designed to help establish an employment and training policy that will meet the requirements of the situation. Three objectives have been selected:

(a) Definition of an employment policy tailored to the new economic context and establishment of the institutions and instruments necessary for its execution. Three stages are planned: critical examination of ongoing activities in the employment field in light of the needs arising from structural adjustment, formulation of a policy that meets the needs of the new situation and identification and establishment of the tools required for its implementation. During the first two stages, the expertise required will be financed under the IPF; the resources needed to implement the third stage will be sought from the IPF and from other sources of financing;

(b) Planning and establishment of a system to forecast needs, orient programmes and co-ordinate efforts in the area of vocational training. That objective pre-supposes a thorough grasp of forecasting techniques in the area of employment and training needs; this grasp must be acquired through the operations which will be undertaken in respect of assistance planning. It also pre-supposes establishment of a structure capable of analysing needs, orienting programmes and co-ordinating efforts in the field of vocational training. Once the institutional support framework has been defined, this structure will be established through assistance financed under the IPF;

(c) Establishment of a complete occupational redeployment mechanism so as to retrain employees affected by the reorganizations and place them in new jobs. Ongoing reorganizations call for immediate responses in terms of finding new jobs for employees affected by manpower cuts. In this connection, it would be advisable to orient and support the efforts financed by the National Worker Placement Fund which the Government recently created. These operations will be supported by the project concerning assistance in respect of placement, which is financed under the IPF (SEN/85/005). Then it would be a good idea to design and establish a complete occupational redeployment mechanism; this should be done in a second phase of assistance (SEN/87/013 - phase II). These operations will no doubt call for additional financing, which should be sought from other sources of assistance.

53. The sum of \$800,000 from IPF resources has been placed in reserve to reorient the system of production.

#### Strengthening of the State's management capacity

54. It is essential to strengthen the State's management capacity. The purpose of the programme is to strengthen this capacity in three, particularly strategic,

areas: planning ability, control of foreign aid flows; and implementation of economic adjustment and recovery programmes.

Development of the Senegalese administration's planning ability

55. Planning ability is critical to the future success of development plans, programmes and operations. This ability will be developed generally in the various fields covered by the programme. Special efforts will, however, be continued in the area of overall planning, and in this respect the programme has four objectives:

(a) Establishment of a national planning machinery capable of designing the tools and techniques necessary for overall planning. The elaboration of the seventh plan was characterized by breakthroughs in the areas of economic simulation, preparation of macro-economic models and investment programming. A so-called macro-economic group was established in that connection using the expertise provided by the University and the administration. These improvements depend, in part, on UNDP assistance (SEN/82/023) and must be consolidated with a view to building up a national planning capacity and developing tools and techniques for overall planning;

(b) Effective integration of social variables in the task of planning. So far, it has not been possible to integrate these variables because of the lack of reliable statistical data and adequate methodologies. For the same reasons, it is difficult to grasp the social impact of the reforms and measures adopted within the context of adjustment. Accordingly, it would be advisable to develop statistics, indicators, methods of analysis and the required forecasting techniques relating to population, the environment and income;

(c) Launching of a programme to improve national statistics. The services rendered by the statistical machinery to the various users for purposes of analysis and forecasting, or simply to monitor economic indicators or social phenomena, have a number of shortcomings. Accordingly, it would be a good idea to undertake an in-depth evaluation of users' needs and to draw up a programme to improve national statistics on the basis of those needs;

(d) Formulation and implementation of a programme aimed at strengthening planning units in the technical ministries, since they often have an imperfect grasp of planning techniques and sometimes have a marginal place in the overall organization of the ministry. It would be a good idea to evaluate the existing capacities in the various ministries and to draw up a programme for strengthening the planning units.

56. Most of these operations will be financed within the framework of a new phase of planning assistance (SEN/87/010); implementation of programmes to improve statistics and strengthen the planning units, however, will require mobilization of external resources.

Strengthening control of foreign aid flows

57. This element of the programme meets the need to tailor external aid more closely to development needs while programming use of the aid on a multi-year basis. Only one objective has been selected, namely: development of methodologies and tools for monitoring external aid flows and ensuring that they are tailored to internal needs. The objective should be achieved by establishing an information system to monitor external aid flows and how they are allocated and, as far as possible, to simulate and forecast external financing so as to tailor them to internal needs. The technical assistance necessary to establish such a system will be financed under the IPF (SEN/87/010).

Strengthening the implementation of economic adjustment and recovery programmes

58. Two major programmes will capture the attention of the Government and of donors during the next few years: the medium- and long-term adjustment programme (1985-1992), implementation of which will have to be strengthened, and the United Nations Programme of Action for African Economic Recovery and Development (1986-1990), whose national component should be implemented. Two objectives have been selected in that connection:

(a) Effective technical monitoring of the two programmes. This objective should be achieved by continuing the assistance provided to the Follow-up Committee of the medium- and long-term adjustment programme, whose mandate has been enlarged to include monitoring of the United Nations Programme of Action. The nature of the assistance provided in this context should be re-examined in light of the broadening of the Committee's powers (SEN/87/014 - phase II);

(b) Planning and launching of a technical assistance programme to strengthen execution of these two programmes. This will mean evaluating the Administration's capacity to act and strengthening Government machinery in areas deemed to be vital. The technical assistance programme thus planned will be presented by the Government to Senegal's donors.

C. Unprogrammed reserve

59. An unprogrammed reserve of \$344,000 has been set aside with IPF resources.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

<u>A. UNDP-administered sources</u>	<u>\$</u>	<u>\$</u>
Third cycle IPF balance	-	-
Fourth cycle IPF	24 198 000	-
Subtotal IPF	-	24 198 000
Special Measures Fund for the Least Developed Countries	680 000	-
Special programme resources	50 000	-
Government cost-sharing	-	-
Third-party cost-sharing	-	-
Operational funds under the authority of the Administrator: UNSO	5 350 000	-
UNCDF	1 180 000	-
UNFSSTD	450 000	-
UNDP special trust funds	-	-
Subtotal, UNDP non-IPF funds	-	7 710 000
	-	31 908 000
 <u>B. Other sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	-	-
Parallel financing from non-United Nations sources:		
USA for Africa	136 000	-
Subtotal, other sources	-	<u>136 000</u>
 TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING	-	<u><u>32 044 000</u></u>

II. USE OF RESOURCES

Ongoing projects	13 950 000	-
New project proposals	12 050 000	-
Programmed reserve	5 700 000	-
Subtotal, programmed resources	-	31 700 000
Unprogrammed reserve	-	<u>344 000</u>
 TOTAL USE OF RESOURCES	-	<u><u>32 044 000</u></u>

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