



United Nations
Development Programme

Distr.
GENERAL

DP/CP/SEN/3*
11 November 1982
ENGLISH
ORIGINAL: FRENCH

GOVERNING COUNCIL
Special meeting
14-18 February 1983
Agenda item 3 (b)

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR SENEGAL

UNDP assistance requested by the Government of Senegal
for the period 1983-1986

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* The previous country programmes for Senegal were issued under the document symbols DP/GC/SEN/R.1 and DP/GC/SEN/R.2.

I. INTRODUCTION

1. The third country programme for Senegal is the outcome of a major programming exercise carried out in a spirit of active co-operation by the UNDP Field Office in Dakar and the Ministry of Planning and Co-operation. Frequent consultations ensured the participation of the various interested technical ministries and specialized agencies of the United Nations.
2. These consultations resulted first of all, on 25 February 1981, in an agreement between the Government and UNDP on the main orientations of the country programme for Senegal for the third programming cycle (1982-1986). These orientations were officially communicated to all agencies of the United Nations system in March 1981.
3. As the Government and the UNDP Office were of the view that no sectoral study or programming mission was needed under the prevailing economic conditions, the local offices of the specialized agencies were consulted throughout the programming process. UNDP also took advantage of visits to Dakar by missions from UNDP headquarters and from the specialized agencies in order to have an exchange of views.
4. The country programme was finalized at a meeting between the Ministry of Planning and Co-operation (the agency responsible for programming of UNDP resources) and the Office of the Resident Representative.

Duration of the programme

5. UNDP had originally intended that the third country programme for Senegal should be submitted to the Governing Council at its June 1982 session and should cover the period 1982-1986, corresponding roughly to the period of the Sixth National Plan (1 July 1981-30 June 1985). However, it eventually decided not to submit the country programme to the Governing Council for consideration until February 1983, so that the country programmes for all the Sahelian countries could be considered at the same time. The advantage of this approach is that the international community can be presented with an overall picture of the efforts made by UNDP to assist the drought-stricken countries of the Sahel.
6. The period finally chosen for the third country programme for Senegal is from 1 January 1983 to 31 December 1986.

Financial resources available

7. For the purpose of the formulation of the third country programme, the amount of resources totals \$21,177,000; this figure is arrived at as follows:
 - (a) The illustrative indicative planning figure (IPF) for the third cycle (1982-1986) is \$33 million, of which 80 per cent (or \$26.4 million) can probably be mobilized, taking into account the present and foreseeable trend of voluntary contributions from donors;

(b) The amount of the IPF available for the period 1983-1986, after deduction of the \$4,392,000 used for the 1982 programme, is \$22,008,000;

(c) The deduction of over-expenditures of \$831,000 during the second cycle leaves a figure of \$21,177,000.

8. Commitments for ongoing projects amount to \$5,834,120 (27.6 per cent) and financing for new projects amounts to \$14,953,400 (70.6 per cent), leaving a reserve of \$389,480 (1.8 per cent), mostly for the years 1985 and 1986; this reserve will be available to meet needs which are not at present foreseeable.

9. During the present cycle, Senegal will be the beneficiary of other funds administered by UNDP, in addition to the IPF funds.

10. For instance, the United Nations Capital Development Fund (UNCDF) recently allocated more than \$1.4 million to a project designed to improve living conditions for women in rural areas. The project will also receive a contribution from the IPF and from the Special Measures Fund for the Least Developed Countries.

11. UNCDF has also undertaken, jointly with the United Nations Sudano-Sahelian Office (UNSO), to contribute \$1.2 million to a long-term programme for the construction, improvement and maintenance of secondary roads.

12. UNSO has made a considerable effort to assist in combating desertification. Its activities, in the form of construction of secondary roads and forestry management, have already attracted contributions from the Governments of the Federal Republic of Germany and the Netherlands. Mention should also be made of a project totalling \$712,480, concerned with new and renewable sources of energy. This project will be financed by the Danish Government through the UNSO trust fund.

13. In the field of agricultural research, there is a major \$106 million project financed by the French Government, the International Development Association (IDA), the United States Agency for International Development (USAID), the Food and Agriculture Organization of the United Nations (FAO), the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS), the International Crops Research Institute for the Semi-Arid Tropics (CRISAT) and the West African Rice Development Association (WARDA), in which the United Nations Financing System for Science and Technology for Development will also participate to the extent of approximately \$1 million.

14. Lastly, as in the past, Senegal will receive additional UNDP assistance outside the IPF; this will come from the Special Measures Fund for the Least Developed Countries, the Programme Reserve Fund and Special Industrial Services (SIS). Such assistance could amount to between \$8 million and \$12 million.

Major themes and dominant features of the country programme

15. The major themes agreed upon by the Government and UNDP are fully in accordance with the objectives of the Sixth National Plan and take into account Senegal's Sahelian environment. They are also based on the options of the Lagos

Plan of Action. These themes, and the sectoral distribution of resources, are as follows: (a) food self-sufficiency, 25 per cent; (b) water control, 15 per cent; (c) energy, 15 per cent; (d) promotion of small and medium-sized enterprises, 10 per cent; (e) development planning and general administration, 10 per cent; (f) miscellaneous, 15 per cent; (g) reserve, 10 per cent. The sectoral breakdown of the third programme, according to the Administrative Committee on Co-ordination (ACC) classification, is shown in the annex.

16. As for the dominant features of the country programme, it should be mentioned that, inasmuch as the resources provided by UNDP are limited and cannot therefore be used to assist all sectors at once, the policy adopted by the Government is to concentrate UNDP activities on a small number of projects in priority fields.

17. This option obviously necessitates greater stringency in the choice of projects to be financed; consequently, the Government, which in any event is faced with serious economic constraints, has established precise criteria to facilitate the process of project selection. All specialized agencies of the United Nations system have accordingly been asked to propose, in consultation with the interested ministries and technical departments, projects which (a) entail little recurrent expenditure; (b) will help to overcome the balance-of-payments deficit; and (c) relate to a productive sector.

18. The difficult economic conditions with which Senegal is having to cope impelled the Government to request all donors, at the conference of donors which was held in Paris in autumn 1981, and was attended by the Resident Representative, to assume responsibility for the national counterpart contribution for most projects, at least for the years 1982 and 1983.

19. In order to comply with this request, UNDP had to increase the budgets of a number of projects to cover the cost of some goods and services which would normally have had to be borne by the Government. This additional expense amounted to some \$220,000, for 1982, and should be substantially the same in 1983, the first year of the third country programme. This, of course, limits the number of projects that can receive UNDP assistance.

20. Experience has shown that, in the course of programme execution, there may be some reordering of priorities. As a result, a process of "continuous programming" of UNDP assistance was initiated. It was accordingly decided not to allocate at the outset all the available IPF to specific projects. The reserve thus constituted allows greater flexibility to meet such priority needs as may emerge during programme execution or may result from any adjustments in the Sixth National Plan.

21. In all sectors, the training aspect continues to be crucial; moreover, this component is in keeping with the objectives of UNDP assistance, which is aimed at making the developing countries less and less dependent on outside expertise.

22. In addition, the choice of UNDP activities might be influenced by the broad possibilities which the system offers, particularly when technical co-operation among developing countries (TCDC) is concerned. The large network of UNDP field

offices installed in nearly all the developing countries can enable Senegal to profit from the experience of countries that are combating underdevelopment and from the solutions such countries have found to their problems.

23. Again, the apolitical nature of UNDP assistance places the Programme in an advantageous position to provide valuable assistance in the formulation of some key strategies, including strategies for the exploitation and conservation of sources of energy.

24. Another innovation in this third country programme is the greater use of national experts in the formulation and execution of projects. For instance, local managers have been recruited by the executing agencies for assignment to two major new projects. It is intended to expand this experiment in order to reduce the dependence of countries on foreign expertise, which is very costly; this will also provide UNDP with a way of enlarging the scope of its activities despite limited resources.

25. The decision to give water problems high priority in the country programme deserves special mention, as a very clear indication of the Senegalese Government's desire to contribute fully to the achievement of the objectives of the International Drinking Water Supply and Sanitation Decade.

26. Lastly, the Government, which participates in many regional and interregional projects carried out with UNDP assistance, will continue those activities under the third country programme. The importance of these projects and their interaction with the third country programme cannot be over-emphasized, since one of the basic objectives of regional projects is to assist in promoting and strengthening subregional and regional co-operation. In many respects, the country programme directly or indirectly provides support for activities under the regional programme and vice versa. There is thus an obvious complementarity between the two programmes, and that is why the assistance which UNDP is giving to the Organization for the Development of the Senegal River (OMVS) and the Gambia River Development Organization (OMVG) is absolutely essential to the success of the medium-term and long-term development objectives.

NATIONAL DEVELOPMENT OBJECTIVES AND PROGRAMMES TO BE SUPPORTED BY UNDP

27. The priority areas proposed for UNDP participation during the third cycle were selected in agreement with the Government, following an analysis of the difficult economic circumstances in which Senegal finds itself; the situation may be summarized as follows:

(a) Like a good many other African developing countries, particularly the Sahelian countries, Senegal must cope with a number of familiar problems, namely, deterioration of the terms of trade, over-rapid population growth relative to gross domestic product (GDP) and substantial unemployment and underemployment, plus a shortage of skilled workers in key sectors and a rate of inflation which is difficult to bring under control;

(b) In addition, Senegal's economic situation is characterized by a number of specific but closely interrelated problems which tend to become worse in a context of persistent world economic crisis:

- (i) Its vulnerability, due largely to recurrent drought which has jeopardized efforts to increase food production; the resulting threat of a food shortage tends to increase the country's dependence on food imports;
- (ii) Progressive desertification and deterioration of ecosystems, leading to a reduction of the cultivable area;
- (iii) Its dependence for energy on oil; the sharp increase in the bill for oil is consuming more and more of the unstable earnings from international trade, considerably reducing the country's own resources for productive financing and investment.

28. In order to cope with this situation, assistance from the United Nations system will have to conform to the priorities set by the Government, as indicated in paragraph 15 of this document, so as to concentrate resources as much as possible in key sectors. There follows below a detailed account of development objectives for each priority sector capable of benefiting from UNDP involvement and the means for achieving them. The various activities to be undertaken under other programmes within or outside the United Nations system are also indicated.

A. Food self-sufficiency

<u>UNDP allocation</u>	\$
Ongoing projects	1,166,120
New projects	2,883,000
Not yet programmed	<u>1,464,680</u>
Total	5,513,800 (24 per cent)

29. In Senegal, as in most African countries, economic and social life is predominantly rural, with the agricultural sector preponderating. Although the rate of growth for the primary sector as a whole has been 2.27 per cent since 1973, it still lags behind the population growth rate of 2.8 per cent.

30. Furthermore, a substantial part of the activity in the primary sector is devoted to ground-nut production, mainly for export. Apart from groundnuts, the growing of cotton, another cash crop, takes up increasing areas of arable land.

31. These factors, aggravated by the persistence of drought and the very poor harvests of recent years, particularly in 1977-1978, have resulted in a substantial food deficit for Senegal currently estimated at approximately 300,000 tonnes a year.

32. This has forced the country to devote a growing proportion of its assets to the purchase of essential food-stuffs. At the same time, its earnings have been dwindling under the combined impact of the sharp decline in ground-nut exports and the deterioration of the terms of trade, not to mention the exorbitant increase in the oil bill in recent years. In 1981, the bill for oil purchases equalled approximately 40 per cent of export earnings.

33. The increase in expenditure to cover the cost of food imports, coming on top of the rise in the bill for oil and the decline in export earnings, places Senegal in a difficult economic situation; as a result, productive investment has dwindled. The major concern of all rehabilitation programmes must clearly be to reverse the present downward curve of per capita food production, with a view to triggering a revival of economic activity in Senegal and restoring a positive overall balance.

34. Against this background, it is logical for the Sixth National Plan to give priority to actions in those sectors which are directly productive, beginning with the rural development sector, the first objective being:

"Gradual elimination of the food deficit through the expansion, and diversification of agricultural production, particularly food production".

Other objectives have been assigned to this sector, namely:

"Assuring agricultural production and rural incomes by covering the country with a dense network of water projects" and

"Increased participation of the rural population in the management of its activities, through the development of the co-operative system and the expansion of agricultural credit".

35. The third country programme lends its full support to the achievement of these objectives and gives priority to agricultural production by allocating to it 24 per cent of the IPF resources. The proposed contributions will be concentrated on two ongoing projects, plus three new ones. The balance will be reserved for use in starting up new activities to be decided upon under the continuous programming process.

36. The first ongoing project involves UNDP World Meteorological Organization (WMO) support for the strengthening of agrometeorological and hydrological services. The project (SEN/76/014) constitutes the national component of the AGHRYMET subregional project (RAF/74/080), the Sahel-wide objective of which comprises training and the collection, processing and dissemination of the meteorological and hydrological data that are essential for improvement of production and for agricultural planning in this arid zone. The new country programme provides for an input of \$850,000 for the continuation of these activities.

37. The second major project (SEN/78/014) relates to UNDP/United Nations Industrial Development Organization (UNIDO) assistance to the Corporation for the Reclamation and Exploitation of Land in the Delta, the Senegal River Valley and the Falémé River Valley (SAED) in establishing a maintenance network comprising three stations and 10 sub-stations, the purpose being the regular maintenance of floating irrigation pumps.

38. These pumps, supplied mainly by the French Government, are the keystone of the ongoing campaign to increase the productivity of small irrigated areas in the valley. They play a decisive role in the process initiated by SAED of shifting from a system of large expanses, which were often given preference in the past, to one of small areas which entail much more intensive participation by the rural population. This project should receive an input of approximately \$300,000.

39. Precisely in order to facilitate this shift in SAED's strategy, UNDP and FAO have designed a fairly large-scale new project, scheduled to be initiated in 1983. This new project (Rural promotion and agricultural extension in the Senegal River valley) (SEN/82/002) is the logical follow-up to an earlier UNDP/FAO project to assist SAED in improving its training capacity, the objective being to develop and demonstrate techniques for enhancing the social organization of villages in the river valley, which is a prerequisite to the introduction of irrigated cultivation techniques at the rural population level. The project will focus on the integration of women and young people, while at the same time developing functional literacy programmes for the rural population. Its cost is estimated at \$1.4 million.

40. Several donors - the French Government, the European Economic Community (EEC), USAID, the World Bank and the Kuwait Fund for Arab Economic Development - are also considering investing in the irrigated areas to be developed by SAED. In the view of these donors, the new UNDP project could play a decisive role if it succeeded in stimulating and supporting SAED's efforts to enlist more active participation by the rural population of the region in the process of developing the river valley.

41. The development of future irrigated areas in Senegal fits perfectly into the framework of activities to implement the agricultural component of the programme of OMVS, the subregional organization for co-operation which now accounts for one of the largest integrated development operations being carried out in Africa.

42. The overall OMVS programme includes, inter alia, the construction of two dams and the development of more than 375,000 hectares of irrigable land in Mali, Mauritania and Senegal. This programme is rightly regarded as offering those countries the best hope of achieving food self-sufficiency and as giving an impetus to the future development of the subregion.

43. The new project will therefore retain close links to the activities carried out over the last 15 years with UNDP assistance provided to OMVS through regional projects, particularly the OMVS agricultural research project (RAF/78/030), with which activities under the new project are co-ordinated, especially in respect of the organization of co-operatives.

44. Another major project is aimed at improving the living conditions of women in rural areas in order to facilitate their participation in the national development process. This project (Women's groups and co-operatives) (SEN/82/004) is financed jointly by UNCDF and UNDP. UNCDF will provide millet-grinders specially designed for use by village women, to a value of more than \$1.4 million, while UNDP, through the IPF and the trust fund, will provide technical assistance estimated at \$542,000.

45. Activities under this project, the executing agency for which will probably be the International Labour Office (ILO), will be closely linked with those of a similar project carried out by the United Nations Children's Fund (UNICEF) in various geographical areas.

46. Lastly, another project is to become fully operational by 1983 and should have a direct impact on food production, its purpose being the local production of seeds. The project (SEN/82/001), amounting to \$1.2 million, will assist the Government in setting up a centre for the production of seed potatoes, onion seed and seeds of some other vegetables which are successfully grown in the region and are becoming more important, both on the local market and for export. This UNDP/FAO project is a follow-up to, and will co-operate closely with, a major Belgian Government/FAO project which has received \$10 million from the trust fund and is itself the continuation of a UNDP/FAO project started in 1971; that project had succeeded in developing several market-garden varieties adapted to local conditions. The new project is therefore a good example of the integration into the country programme of different contributions from bilateral and multilateral sources.

47. Several specific proposals for the earmarking of unprogrammed balances have been or are about to be submitted. The programming of the new projects will give pride of place to activities having a direct impact on local food production.

B. Desertification control and water control through an appropriate policy

<u>UNDP allocation</u>	\$
Ongoing projects	1,593,350
New projects	<u>1,714,890</u>
Total	3,308,240 (14.4 per cent)

48. Because of its geographical situation in the Sahelian climatic zone, its rapid population growth and the frequent and prolonged cycles of drought by which it is affected, rational utilization of scarce water resources and improved management of the ecosystem form the foundation of all Senegal's development plans. Consequently, one of the first priorities fixed by the Sixth National Plan is: "Desertification control through nation-wide vegetative cover and through management of our water resources".

49. During the previous cycle, the United Nations system actively supported Senegal's ecosystem management efforts. Two major operations were carried out and will be continued during the third cycle. These are a UNDP/United Nations

Educational, Scientific and Cultural Organization (UNESCO) regional project for training in integrated management of Sahelian grasslands (RAF/79/017) and a pilot project financed by the United Nations Environment Programme (UNEP), the objective of which is to adapt to the region the various techniques developed in East Africa for continuous supervision and inventory of Sahelian grassland ecosystems. The very interesting results already achieved by this project could serve as a basis for the preparation of a request for assistance for a new phase, to be carried out with UNDP/UNSO financing.

50. The Casamance forests also form an important ecosystem which has received assistance from the United Nations system under a three-phase project, started in 1973, amounting to \$2.2 million. It was executed by UNDP, UNSO and FAO, which made a forest inventory and endeavoured to work out an optimal model for forest management. The project activities were the subject of a recent evaluation, the conclusions of which were presented for consideration at the meeting of donors in June 1982.

51. During the period of the third country programme, however, ground-water management will be the field of particularly sustained action by UNDP. This effort to focus on the management of water resources is based mainly on the following three considerations:

(a) The Head of State has repeatedly emphasized the high priority he attaches to improved water management, particularly in rural areas;

(b) The Government of Senegal supports the objectives of the International Drinking Water Supply and Sanitation Decade;

(c) Focusing on water management and sanitation will allow the results of the previous projects financed by UNDP and UNSO and executed by the World Health Organization (WHO) and UNDP to be consolidated.

52. In connection with this last aspect, the new project (Management and protection of ground-water resources) (SEN/81/003) is of particular interest. It is a direct follow-up to a \$4 million project, executed in three phases under the auspices of UNDP and UNSO concerning water supply and sanitation in the Cap-Vert region, the most populous part of the country, and to a pilot project (Induced ground-water recharge with surface water) (SEN/80/001). The new project will use the experience thus acquired to assist Senegal in rapidly building up the capacity needed for better management and better protection of all its ground-water resources. The Government of Japan and the Islamic Development Bank signified their interest in this project on the occasion of the Conference on Desertification, and they have been approached for the financing of sub-contracts to the value of \$1.7 million, an essential supplement to the contribution from the IPF, which amounts to about \$1 million.

53. The sanitation works undertaken as part of the previous projects will also be continued as a result of the initiation of a new project (SEN/82/018), to be executed by WHO, the purpose of which is to assist the Government in preparing a nation-wide sanitation master plan. This project will also carry out research into the profitable use of treated sewage effluent, an aspect that has important implications for arid countries such as those of the Sahel.

54. The balance allocated to this sector but not yet programmed will not be available before 1985 and 1986 and will probably be devoted to the follow-up activities identified by the above projects during the period 1982-1983.

C. Energy resources

<u>UNDP allocation</u>	\$
Ongoing projects	0
New projects	665,000
Not yet programmed	<u>2,643,240</u>
Total	3,308,240 (14.4 per cent)

55. In view of its deteriorating economic position, it is becoming imperative for Senegal to find solutions which will enable it to reduce its dependence on imported petroleum products.

56. The Senegalese Government's policy in this field was defined as follows in the Sixth National Plan:

"To reduce the energy deficit by exploiting conventional energy sources (uranium, peat, lignite); large-scale utilization of new energy sources (wind power and solar energy); and systematic pursuit of an energy conservation and waste prevention policy".

57. In view of the gravity of the problem, it has been decided in principle to allocate 15 per cent of the resources available under the third country programme to projects designed to improve Senegal's energy situation.

58. The exact nature of UNDP's involvement in this field has yet to be determined. It will depend on the design quality of the projects to be financed. Since this is a new area not covered by the preceding country programme, there will be no previous experience to draw on.

59. Other donors have already undertaken some work in this field under bilateral agreements, with particular reference to new and renewable sources of energy. The United Nations sent a sectoral programming mission to Senegal in December 1981, and a joint UNDP/World Bank mission to evaluate energy resources is expected to arrive during the latter half of 1982.

60. As a result of those missions, and on the basis of specific requests to be submitted by the Government, it will be possible to decide on the content of the projects to be undertaken on the following topics:

1. Development of human resources

61. In this sector, a joint World Bank/Fund for Aid and Co-operation (FAC)/Central Economic Co-operation Fund (CCCE)/UNDP project, with an overall cost of \$11.6 million, has been started in 1982. From 1983 onwards, UNDP/FAO will take over the training component of the project, in the central region of Senegal, the main objective of which is to increase the supplies of fuel, wood and charcoal to the local market through self-renewing production. The UNDP contribution will be of the order of \$500,000 to \$800,000.

62. The future UNDP/World Bank evaluation mission for the energy sector will probably be followed by the execution of other projects in support of Senegal's efforts to develop the energy sector, involving the training of economists, planners and other specialists. Such assistance should preferably be integrated into the activities of the interregional project, Co-operative programme for training and research in the fields of energy resources planning and management (INT/81/004).

2. Pre-investment activities

63. The UNDP/World Bank mission will also be concerned with identifying investment priorities in the energy sector. If pre-investment studies are found to be needed, UNDP and the Government are fully prepared to use IPF funds in order to provide the necessary assistance. Such a step would be in conformity with UNDP Governing Council resolutions recommending that the emphasis in country programmes should be on pre-investment activities.

64. Preliminary contacts have already been made with a view to a pre-investment study, with UNDP assistance, on the exploitation of peat deposits, which might prove to be worthwhile both for electric power generation and for household use.

65. The exploitation of lignite deposits is also under consideration; mention has been made in that connection of possible UNDP involvement in the form of a pre-feasibility study. The United Nations Revolving Fund for Natural Resources Exploration has also been approached as a potential participant.

3. Conservation

66. Better energy conservation is clearly one of the most appropriate ways in which Senegal can help to reduce its oil bill. With that in view, the United Nations has prepared a project proposal which would provide the National Energy Board with the services of a specialist in energy conservation.

67. In addition, the Government has recently submitted a request for assistance in establishing an Energy Conservation Office (BEE). BEE's purpose is to assist industries in taking short-term measures to reduce their energy consumption. BEE will also participate, in the long term, in the formulation of industrial production and investment strategies aimed at making more effective use of energy and increasing the part played by local energy sources in meeting the country's energy requirements.

68. Lastly, it should be noted that a large part of the package allocated to this sector has not yet been programmed; how it is to be used will therefore be one of the main concerns of the continuous programming strategy during the first two years of the third country programme. Should it prove impossible to identify a sufficient number of high-quality projects, reallocation of these funds to other priority sectors might be considered.

D. Development planning and general administration

<u>UNDP allocation</u>	\$
Ongoing projects	2,358,000
New projects	756,000
Not yet programmed	<u>0</u>
Total	3,114,000 (13.6 per cent)

69. Since 1972, UNDP has given its support to the Ministry of Planning and Co-operation in the fields of economic and social development planning and regionalization of the planning process, through the assistance which it provided under projects SEN/71/525 and SEN/77/010. Those projects enabled Senegalese nationals to be trained, either abroad or locally.

70. Under the new country programme, two ongoing projects, for Assistance planning (SEN/77/010) and Physical planning (SEN/77/106), will continue their activities. Those projects will be geared to two new approaches under the Sixth National Plan.

71. The first approach involves the application of a strategy for ensuring effective community participation in decision-making in the field of economic and social development. The implementation of this strategy will be facilitated by the establishment, in 1982, of planning units in the Louga, Senegal River and Casamance regions, where reforms have already been carried out. Similar reforms will be put into effect in the Senegal and Cap-Vert regions before the end of the Sixth National Plan, thus covering the entire country.

72. The next phase of the project Assistance for planning (SEN/82/023), at a cost of approximately \$1.3 million, will seek to strengthen the central and regional planning structures of the Ministry of Planning and Co-operation. This will involve improving methods of planning and strengthening the Ministry's capacity to carry out a more detailed analysis of the key sectors. In addition, management training activities will continue.

73. The second approach under the Sixth National Plan centres on a strategy for "organizing physical planning". The project, Assistance for physical planning (SEN/82/016), executed by the United Nations, conforms to that strategy and is providing the Government with UNDP assistance in formulating its first National Land Use Plan. Other sources of finance are supplying additional assistance. For example, the United Nations Fund for Population Activities (UNFPA) is assuming

responsibility for the population component, USAID is providing assistance in setting up a satellite data reception and processing system (LANDSAT) and the Italian Government will shortly be supplying additional expert services under a bilateral agreement.

74. The assistance granted by UNDP since 1977 under the previous project (SEN/77/106) will thus be continued until 1984 and will amount to \$2.1 million (including approximately \$500,000 for the period of the present country programme).

75. The purpose of the new project, Promotion of the social habitat (SEN/82/005), is to assist the Government in developing and implementing a new housing policy for rural and semi-urban areas. With the new policy it should be possible, firstly, to make maximum use of local materials and, secondly, to solve the problems encountered by low-income sections of the population; as a result, the project should help to reduce the exodus from rural areas. The project, which gets under way towards the end of 1982, will receive funding of \$858,000, including \$58,000 from the United Nations Conference on Human Settlements (UNCHS) and \$650,000 under the third country programme. UNCHS is also seeking additional funding, outside the IPF budget, to cover the capital goods component of the project.

76. In the field of public administration, the Government is giving priority under the Sixth National Plan to consolidating the administrative reform started in 1980 as part of its economic rehabilitation programme.

77. The Minister for Planning and Co-operation, in presenting the Sixth National Plan at the Paris conference of donors, described that approach in the following terms:

"There are still too many sectors where the execution of projects is so slow that it causes waste.

"A far-reaching reform of the public and semi-public sectors ... was undertaken. Once the reform had reached its limits and supervision by the competent institutions had been intensified, we introduced new management methods, which are more effective because they are more decentralized and delegate greater responsibility."

78. The Bureau of Organization and Methods, which reports to the Office of the President of the Republic, has for many years been one of the main channels through which the Government can promote its administrative reform policy and introduce changes in management procedures, particularly in State agencies, mixed-economy companies and other related services.

79. Since its establishment in 1969, the Bureau has received UNDP assistance totalling \$4 million. The third-phase project (SEN/77/009) ended in 1981. However, in view of the importance of the objectives to be attained, the Government requested a continuation of UNDP assistance to the Bureau. The project activities are to be continued until the end of 1984. The cost of this assistance for the period of the third country programme is \$600,000. Special emphasis will be placed on the training of high-level staff to replace expatriate expertise.

80. In addition to administrative reform, the Government recently initiated a long-term programme in the field of education. For this purpose, it has asked UNDP to provide the Ministry of Education with a full-time adviser to oversee the work of the national commissions for education reform. The project started in 1982 and the funds needed total \$200,000, of which \$106,000 will be provided under the third country programme.

E. Promotion of small and medium-sized enterprises

(modern and craft sectors)

<u>UNDP allocation</u>	\$
Ongoing projects	1,135,000
New projects	1,000,000
Not yet programmed	<u>100,000</u>
Total	2,235,000 (9.7 per cent)

81. When Senegal became independent most small and medium-sized businesses were owned by foreigners. The Government then introduced a policy of promoting the establishment of Senegalese enterprises while at the same time providing active support for existing enterprises. The Sixth National Plan confirms that approach by laying down the following objective:

"To promote private investment, particularly in small and medium-scale industry, and to accelerate the inclusion of Senegalese businessmen and staff in the management and ownership of enterprises."

In order to implement this policy, the Government set up the National Society for Industrial Studies and Promotions (SONEPI), to which UNDP and UNIDO will continue to provide support, as in the past. The total budget for the project Assistance to SONEPI (SEN/80/005) under the third country programme is \$1.1 million. It is hoped that, during this phase, additional financing will be obtainable from UNCDF or from bilateral aid sources. The additional financing will enable SONEPI not only to establish a credit guarantee fund for loans to enterprises but also to expand its activities in rural areas.

82. In view of the troubled state of the world economy and the situation in Senegal itself, where there is serious unemployment and underemployment and the population is expected, at the present rate of growth, to double in the next 20 years, the modern industrial sector alone can obviously not satisfy the demand for jobs. That being the case, attention must be directed to other sectors, including the craft sector, which has the advantage of offering better prospects for the creation of jobs.

83. The Senegalese Government has set two priority objectives for the craft sector: (a) encouraging production; (b) promoting self-management of the sector. In order to attain these objectives, the Government has already made considerable efforts to facilitate the creation of structures conducive to the development of craft industries by establishing guilds in each region. The guilds began their activities in 1981. However, they still need assistance during the current phase.

84. Accordingly, it has been decided that the new UNDP/International Labour Office (ILO) project, Technical and technological support for the Department of Craft Industries and for guilds (SEN/82/007), will be initiated in 1982. Assistance for this project, amounting to approximately \$1 million, will cover the period 1983-1986. UNCDF could provide additional financing to cover capital expenditures.

F. Miscellaneous

<u>UNDP allocation</u>	\$
Ongoing projects	1,175,000
New projects	1,985,000
Not yet programmed	<u>148,240</u>
Total	3,308,240 (14.4 per cent)

85. In view of the diversity of the expertise supplied by the United Nations system and the widespread needs of the Senegalese Government, it has been decided that some 15 per cent of the budget of the third country programme will be reserved for projects not falling within any of the categories described above. This approach will enable some of the smaller agencies in the United Nations system to continue to provide assistance during the third programme.

86. The projects referred to in this section will be divided into two broad categories. The first, development of human resources in specialized sectors, concerns projects the principal objective of which is to give specialized training and provide consultant and advisory services in certain essentially technical fields. Examples include the following:

(a) The UNDP/International Telecommunication Union project (SEN/82/020), which, in association with the Swiss Orbital Tests Programme (OTP), under a unique arrangement, provides assistance in the field of telecommunications with regard to training and central planning;

(b) The UNDP/International Atomic Energy Agency (IAEA) project, Nuclear technologies (SEN/77/005), the objective of which is the establishment of a central laboratory;

(c) The UNDP/International Civil Aviation Organization (ICAO) project, Civil aviation fellowships (SEN/82/021), the aim of which is to train civilian air traffic controllers and other civil aviation professionals;

(d) The UNDP/Universal Postal Union (UPU) project, Postal fellowships (SEN/82/009), for the training of postal officials.

87. In 1977, UNDP and ILO joined with the World Bank under project SEN/77/014 in initiating a technical assistance project for the establishment of the Permanent Centre for General and Advanced Training (CFPP). The aim of this project is to train technicians at different levels for the modern industrial and craft sectors.

88. Having determined the great importance of these activities for Senegal, the Government has requested an extension of the project until 1985. The financing needed for the period 1983-1985 is \$700,000. It would be desirable for World Bank assistance, which is due to end in 1983, to be extended over an equivalent period and for other financing to be obtainable for the large equipment component, which is not covered by the IPF. A request to that effect has been submitted to UNCDF.

89. Lastly, with regard to the development of human resources, the establishment of a multi-sector fellowships project has been included in principle in the third country programme. The aim of this project will be to respond to ad hoc requests for fellowships which do not fit into the framework of specific projects. This project will be operational as from 1984.

90. The second category concerns projects calculated to increase Senegal's participation in UNDP-supported regional and subregional institutions. By their very nature, such projects lend support, through the national IPF, to the activities of the UNDP regional programme for Africa. A global budgetary package of \$1.4 million has been estimated. Examples of projects of this kind include:

(a) The project for assistance to the OMVS infrastructure programme. The major financing effort is planned to start in 1984. The exact form this assistance will take is still to be determined. The activities might be similar to those under project SEN/81/006 that made possible the repair of the Faidherbe bridge at Saint-Louis, owned by Senegal, which had to be rebuilt before construction work on the Diama dam could begin;

(b) A package of \$150,000 is also to be provided for a project (SEN/82/011) for assistance to the National Committee of CILSS. The IPF will thus contribute to strengthening the activities of CILSS, which is a subregional institution;

(c) Another multi-sector fellowships project (SEN/82/010) falls into this category; the fellowships in question are reserved for such regional training centres as the African Institute for Economic Development and Planning and the African Training and Research Centre in Administration for Development, which are already receiving assistance from the UNDP regional programme. This project, costing \$225,000 over the period of the third country programme, conforms to the Governing Council's decision recommending the financing out of country IPFs of fellowships for training nationals of the countries concerned at such institutes.

G. Reserve

91. In order to meet needs which are at present unforeseeable or might result from changes in the Plan or in the national development strategy, it was decided to constitute a reserve of approximately \$2.2 million. In view of the budgetary constraints in the first years of the third programme, the reserve will not actually be available until 1985.

92. This reserve, which represents 9.5 per cent of the available resources, should be conducive to implementation of the concept of continuous programming which makes the country programme both a flexible and a dynamic instrument.

Annex

FINANCIAL SUMMARY

\$

A. Resources

(a) IPF and other resources

(i) Illustrative IPF for 1982-1986	33 000 000
(ii) Less unprogrammed balance a/	(6 600 000)
(iii) Less authorized budget level for 1982	(4 392 000)
(iv) Previous IPF cycle balance	<u>(831 000)</u>
Total resources available for programming:	21 177 000

B. Use of resources

(a) Programmed

(i) Ongoing projects	5 834 100
(ii) New projects and new phases of ongoing projects included in the country programme	8 882 400
(iii) Earmarked for specific objectives and activities for which projects are to be worked out at a later stage	<u>6 071 000</u>
Subtotal:	20 787 500

(b) Reserve

	<u>389 500</u>
Total programmed plus reserve:	<u>21 177 000</u>

C. Financial distribution of programme, by sector

	<u>Sector b/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>Total</u>
		\$	\$	\$	\$
02	General development	2 358 000	475 000	-	2 833 000
03	Natural resources	-	914 400	4 358 100	5 272 500
04	Agriculture, forestry and fisheries	319 100	4 340 000	1 464 700	6 123 800

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	<u>Sector b/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>Total</u>
		\$	\$	\$	\$
05	Industry	1 135 000	-	100 000	1 235 000
06	Transport and communications	300 000	260 000	-	560 000
07	International trade and development financing	42 000	-	-	42 000
09	Human settlements	-	650 000	-	650 000
10	Health	-	854 000	-	854 000
11	Education	-	106 000	-	106 000
12	Employment	730 000	1 000 000	-	1 730 000
14	Social conditions and equity	-	183 000	-	183 000
16	Science and technology	950 000	100 000	-	1 050 000
17	Miscellaneous (multi-sector)	-	-	148 200	148 200
TOTAL		5 834 100	8 882 400	6 071 000	20 787 500

a/ Representing 20 per cent of the illustrative IPF² which has not been taken into account for programming.

b/ According to ACC classification.
