

Data Sheet

USAID Mission:	Senegal
Program Title:	Private Enterprise
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	685-001
Proposed FY 2004 Obligation:	\$5,481,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$3,815,000 DA
Year of Initial Obligation:	FY 1998
Year of Final Obligation:	FY2006

Summary: The objective of this program is to increase private sector activity, especially among small and micro-enterprises. Clients include entrepreneurs, business associations, and financial institutions. The program provides a combination of training, technical assistance, and technology investments to remove administrative barriers to trade and investment, increase the availability and quality of financial services; help micro and small enterprises become more competitive and promote non-traditional agricultural and natural products for domestic and export markets.

Inputs, Outputs, Activities:

FY 2004 Program:

Strengthen the microfinance sector (\$1,277,500 DA). USAID assistance to microfinance institutions (MFIs) includes management training and installation of automated information systems and office equipment. The assistance enables MFIs to offer appropriate credit and savings products to a larger number of rural and urban entrepreneurs, particularly women. Local consultants deliver much of the training and technical assistance, thereby strengthening the local consulting industry and fostering commercially sustainable relationships among service providers and the MFIs. Principal contractor: Chemonics International.

Improve business services (\$1,981,000 DA). Business development activities are designed to correct weaknesses or bottlenecks in high growth sub-sectors, including dairy, cashew, vegetable, banana, and natural products to make them more successful and competitive in local and international markets. Interventions in areas such as marketing, business planning, inventory and quality control, product diversification, appropriate technologies, and access to finance, are tailored to the needs of businesses in each sub-sector. Principal Contractors: Chemonics International, Enterprise Works.

Increase commercialization of non-traditional agricultural and natural products (\$1,981,000 DA). Under the newly launched Agriculture and Natural Resources Management (AG/NRM) program, jointly funded with the local governance program (685-002), USAID will promote profitable joint ventures between rural communities and private enterprises to market natural products (such as shea butter, baobab, gums, and aromatics) and to cultivate and/or process non-traditional agricultural products (such as hibiscus, cowpeas, cashews, mango, and fonio) for national and export markets. This year the program will complete four market surveys and work with 800 local resource user groups to help them market their products. Principal contractor: International Resources Group.

Remove investment and trade barriers (\$241,500 DA). USAID is working with business associations and the Digital Freedom Initiative to establish an information network to link Senegalese entrepreneurs overseas with productive investment opportunities in Senegal. USAID will further assist Senegal's Investment Promotion Agency (APIX) and business associations to understand and take advantage of Africa Growth and Opportunity Act (AGOA) opportunities and further reduce barriers to investment. Principal Partners: APIX, business associations and local and US consulting firms.

FY 2005 Program:

Increase access to finance (\$538,000 DA). USAID training and technical assistance will assist entrepreneurs to gain access to credit, and help MFIs and the commercial banking sector expand service to small and medium enterprises. This should include increased partnerships between commercial banks and MFIs such as lines of credit and guarantees. Activities will focus on sectors in which USAID is active, such as non-traditional agricultural products and sectors with strong exports. Principal contractor: to be determined.

Improve business services (\$1,371,000 DA). The business development program will continue to provide tailored assistance to small enterprises to help them respond to market opportunities, increase value added production, and generally become more competitive. The program will employ approaches such as inter-firm cooperation, focus on regional markets, emphasis on innovations, and value chain analysis. The program will collaborate with the ongoing export promotion, AG/NRM, and Digital Freedom Initiative activities and target opportunities under AGOA. Principal partners: Enterprise Works, local and US consulting firms.

Increase commercialization of non-traditional agricultural and natural products (\$1,600,000 DA). Technical assistance and training will be directed at promoting high-value, non-traditional agricultural crops; establishing profitable joint ventures between communities and the private sector for marketing natural products from communal or protected forests (such as tourism or non-timber products); and developing grades, standards and quality control measures for commercially viable agricultural products. USAID plans to expand the AG/NRM activities to new regions to promote appropriate technologies to increase agricultural production and to promote trade in Senegal's natural and agricultural products. Same implementer as FY 2004.

Remove barriers to trade and investment (\$306,000 DA). USAID will continue to work with Senegal's Investment Promotion Agency and other organizations to reduce investment barriers. To increase exports, USAID will build on previous export promotion efforts to help exporters take advantage of trade opportunities in the West Africa region and overseas through trade agreements and legislation such as AGOA. Likely areas of focus include better market response through e-marketing, partnerships among Senegalese and foreign enterprises, and information on quality standards in export markets. Principal Partners: APIX, local and US consulting firms.

Performance and Results: By the end of the program, a better business environment will encourage new investment and entrepreneurs will be better able to identify and exploit economic opportunities at the grassroots level. To date, USAID has provided 52 MFI networks, an increase of 44% over last year, with institutional support and technical training, computers and office equipment. The number of clients served increased by 50% benefiting over 75,000 individuals and entrepreneurs. Because of clients' greater confidence in MFIs, savings deposits grew by nearly 100% while the number of loans more than doubled. From 2002 to 2003, the total number of clients jumped from 84,000 to 208,000; savings deposits nearly tripled from \$11.5 million to \$30.9 million; and the value of loans rose from \$22 million to \$30.6 million. Training in entrepreneurial skills, production and marketing techniques, off-season market gardening, and vetiver grass and new agricultural and environment technologies for nurseries helped 1,200 entrepreneurs, mostly women and youth, improve their businesses. A group of 100 arbitrators composed of lawyers, legal advisors, business managers, magistrates, and notaries have been trained in settling business litigation to help Senegal's Center for Arbitration, Mediation and Conciliation resolve cases in far less time than in traditional courts. The number of small and medium enterprises (SMEs) registering with the GOS which leapt by 25% to over 85,000, greatly exceeding the 66,000 target, indicates an improved business environment. The agriculture component worked with local producers to help them form producer groups that can negotiate joint ventures and sign contracts with other businesses. As a result, one producer group has a contract to provide 350 metric tons of Baobab fruit at a price 75% higher than they were originally able to obtain.

US Financing in Thousands of Dollars

Senegal

685-001 Private Enterprise	DA	DFA
Through September 30, 2002		
Obligations	27,628	100
Expenditures	17,335	96
Unliquidated	10,293	4
Fiscal Year 2003		
Obligations	7,137	0
Expenditures	9,143	1
Through September 30, 2003		
Obligations	34,765	100
Expenditures	26,478	97
Unliquidated	8,287	3
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	5,481	0
Total Planned Fiscal Year 2004		
Obligations	5,481	0
Proposed Fiscal Year 2005 NOA		
Obligations	3,815	0
Future Obligations	7,500	0
Est. Total Cost	51,561	100