

Special Initiative on Training and Job Creation

Working together for sustainable growth and jobs in Senegal

A magnet for private investment

Senegal's political situation has become steadily more stable since the 2012 presidential elections. The government is seen as being focused on reform and development. The country is also attracting increasing amounts of private investment thanks to its market-oriented economy. Senegal boasts new growth industries, and its economy expanded by 5.3 per cent in 2019. As part of its national development strategy, the Senegalese Government has recently focused on areas including support for its food industry and the digital economy.

Despite this positive trend, however, the country still faces major challenges: youth unemployment is high, and nearly half the population lives in poverty. The Senegalese economy is characterised by a significant dependence on imports, a small domestic market and little diversification in its exports. Although its proximity to Europe and the USA offers considerable potential for increasing exports, a great many barriers still need to be broken down in order to promote private investment and value creation in the country.

The approach of the Special Initiative

To open up more prospects for the future, particularly for young people in the country, the **Special Initiative on Training and Job Creation** of the German Federal Ministry for Economic Cooperation and Development (BMZ) is encouraging long-term private investment. The aim of the Special Initiative, which is operating under the **Invest for Jobs** brand, is to create more and better employment. Thus, it contributes to the implementation of the Marshall Plan with Africa and the G20 investment partnership 'Compact with Africa'.

Key facts on Senegal and the Special Initiative	
Population	16.3 million*
Gross domestic product (GDP)	USD 23.9 billion*
GDP growth	5.3 %*
Unemployment rate / youth unemployment	6.6 % / 8.2 %**
Special Initiative clusters	Food processing industry, ICT / digital economy

Source: GTAI (2020), *estimates for 2019, **World Bank (2019)

Through **sustainable investment** and needs-based **cooperation with the private sector in Germany, Europe and Africa**, good-quality **jobs and apprenticeships** are to be created in the Special Initiative's **partner countries** – currently Côte d'Ivoire, Egypt (in preparation), Ethiopia, Ghana, Morocco, Rwanda, Senegal and Tunisia. During the ongoing coronavirus crisis, Invest for Jobs is also supporting local companies with economic stabilisation measures that are **ensuring business continuity and preserving jobs**.

We are supporting sustainable investment

Together with German, European and African companies and investors, we are developing demand-oriented projects – known as **training and job partnerships – across all industries**. These partnerships are intended to overcome investment barriers and create sustainable employment.

Implemented by



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Production of masks in cooperation with Women in Fashion

Grant funding worth between EUR 1 million and EUR 10 million is being awarded for **investment projects** in a competitive process. This funding is aimed at removing barriers to the creation of more and better jobs and training in the private sector. To this end, interested companies from Senegal, other African countries and Europe will be able to submit their proposals.

We are supporting attractive business locations and growth industries

Together with our Senegalese partners, we are developing **attractive business locations**, including business and industrial parks, and are promoting selected growth industries. In Senegal, our work focuses on areas including the **food processing industry** as well as **information and communications technology (ICT) / digital economy**. Our support is not limited to these industries.

Dakar is one of the largest centres of the food industry in West Africa and thus offers significant employment potential throughout the entire value chain.

This also holds true for the **food processing industry**, which includes the packaging industry and the industrialised processing of agricultural products, for instance.

The **ICT / digital economy** sector is another priority area for the government. For example, the largest ICT incubator in West Africa is to be built in Dakar and will help to grow the sector.

We are strengthening Senegalese SMEs

We are supporting **small and medium-sized enterprises (SMEs) in Senegal** and helping to establish business links between Senegalese and European – especially German – SMEs. Measures to improve the quality of Senegalese products are also boosting export potential and creating new jobs.

Example: To contribute to the upturn of the textile sector, the association *Women in Fashion* is supported in setting up a creative center in Dakar. There, **300 young people** will be trained, and **200 new jobs** will be created. As a response to the corona pandemic and in cooperation with *Women in Fashion*, face masks and bed sheets to be used in hospitals are produced. Around **20.000 locally manufactured masks** are distributed to families in need and **1.000 bed sheets** are donated to under-provided hospitals treating patients suffering from Covid-19. Simultaneously, 50 jobs in the textile sector were preserved.

Other Invest for Jobs offers

Partnerships with chambers and business associations as well as vocational training institutions are improving vocational qualifications, education and training in Senegal. Agricultural organisations and schools in Senegal are currently working with the *German Federal Association of Machinery Rings* to set up Senegalese machinery rings in three selected locations on a sustainable basis to serve as agricultural self-help organisations. They will also be creating corresponding training structures with a practical focus, again for the long term.

Within the framework of the **University-Business-Partnership Programme**, higher education with a practice-oriented focus is encouraged and labour market relevant courses of study are developed.

Under **partnerships between civil society and the private sector**, training and job creation is supported through joint projects with civil society organisations.

In all our activities, we set great store by **cooperation** between the companies and investors involved, the German Chambers of Commerce Abroad, civil society, the Government in the partner country and the German Government.

Please get
in touch!

info@invest-for-jobs.com
invest-for-jobs.com