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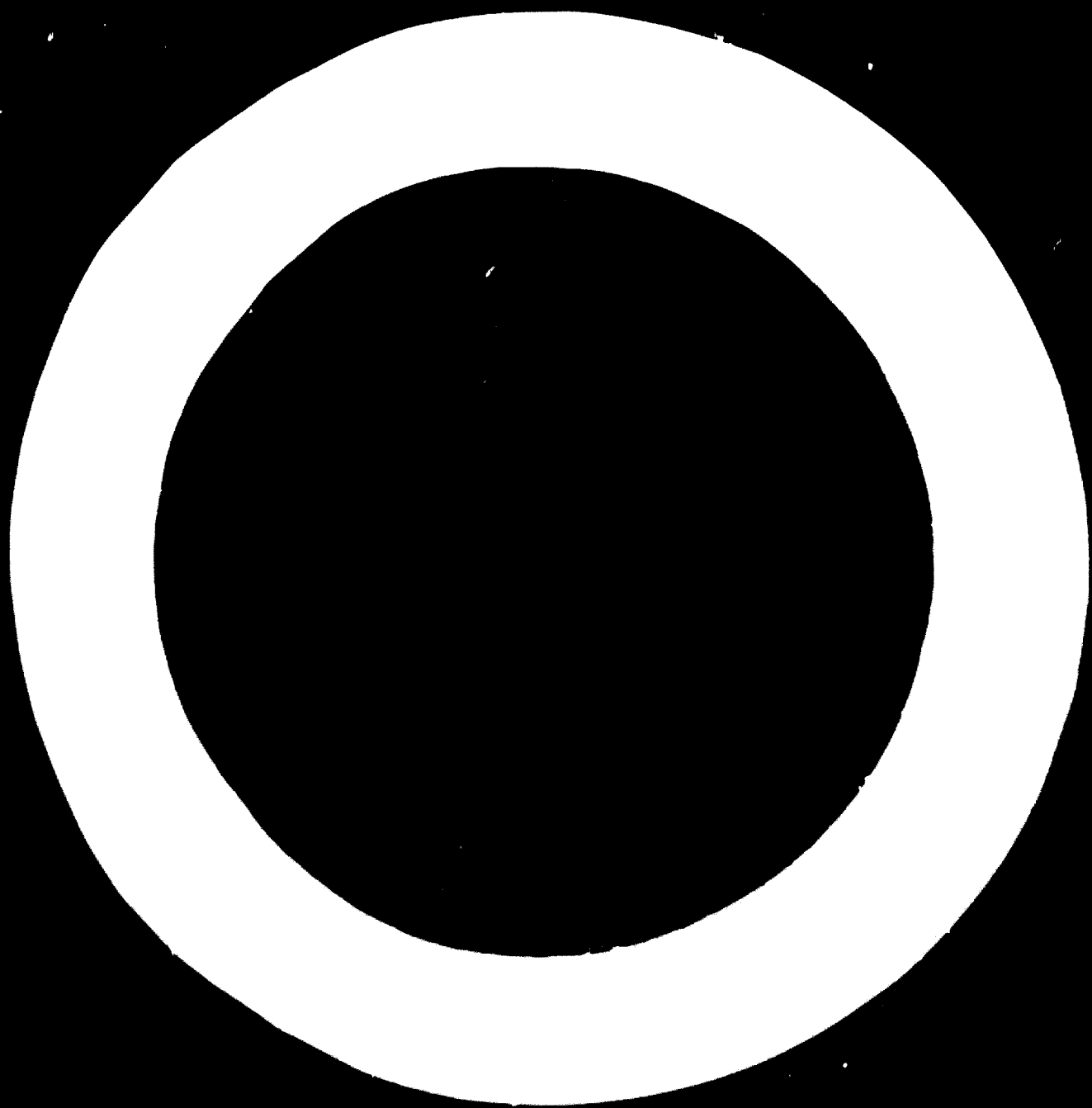
ROLE OF UNIDO IN CO-ORDINATION OF  
ACTIVITIES IN INDUSTRIAL DEVELOPMENT:  
CO-ORDINATION AT THE COUNTRY LEVEL

Addendum 2

Evaluation report: Senegal

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We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.



JOINT REPORT OF THE GOVERNMENT AND UNIDO ON THE EVALUATION  
OF THE TECHNICAL ASSISTANCE TO SENEGAL IN THE INDUSTRIAL FIELD  
(Abridged version)

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## CHAPTER I. INTRODUCTION

### Background and principles of the evaluation

1. During the official visit paid by the Executive Director of UNIDO to Senegal from 2 to 6 June 1970, it was agreed that Senegal would be chosen by UNIDO as the first African country in which an evaluation of technical assistance would be undertaken jointly by the recipient Government and UNIDO, with the co-operation of the UNDP Resident Representative at Dakar.
  2. This joint evaluation was carried out in three phases:
    - (a) On 16 July 1970, UNIDO submitted to the Government a basic report on the technical assistance provided;
    - (b) Subsequently, up to 15 October, additional information - including guidelines for the evaluation - was exchanged by the Government and UNIDO;
    - (c) In November 1970, during the visit to Senegal of two officials of the UNIDO Technical Co-operation Division, the report was prepared jointly with the Minister of Industrial Development and a senior official of the General Secretariat of the Government responsible for questions relating to UNIDO. Consultations and working meetings were held with the directors of the ministerial departments concerned with industrial development and with the UNDP Resident Representative. A joint communiqué, approving the final report (see Annex I), was signed at Dakar on 4 December 1970 by the Minister of Industrial Development of Senegal and the Deputy Director of the Technical Co-operation Division of UNIDO.
  3. The report is based on a thorough examination of every assisted project and of the activities undertaken by UNIDO, the objective being to determine the contribution of the technical assistance programme to the industrial development of Senegal.
  4. The evaluation was carried out in as concrete and practical a manner as possible, concentrating primarily on the work of the UNIDO experts and the achievements made as a result of their recommendations. Annex II describes the general principles applied in the evaluation.
- ### Evolution of technical assistance to Senegal in the industrial field
5. Up to the present, the preferred field of technical assistance by UNIDO to the Republic of Senegal has been - and still remains - assistance to small and medium-scale industrial enterprises.
  6. This action, which was prepared for from 1966 to 1968 by the mission of an industrial economist and backed up from 1969 onwards by three experiments at various levels (the first, of a general nature, involved the dispatch of a consultant industrial economist; the second, at the area level, concerned the starting up of the industrial estate at Thiès, and the third, at the enterprise level, related to assistance to the Société africaine de fonderie d'aluminium (SAPAL)), was expanded and strengthened following the approval by the UNDP Governing Council, at its January 1970 session, of a Special Fund project for the National Industrial Studies and Promotion Company (SONEPI).

7. The table below traces this evolution in financial terms:

Total amount of technical assistance from  
UNIDO to the Republic of Senegal  
(US dollars)

	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>Total</u>
Regular programme				
Experts		2,500	30,500	33,000
UNDP/Technical Assistance				
Experts	20,900	16,300	3,200	40,400
Special Industrial Services				
Experts		25,400	31,000	56,400
Fellowships		5,000	2,400	7,400
	20,900	49,200	67,100	137,200

8. This assistance is destined to be diversified, as is shown by the requests submitted by the Government concerning the furniture, mechanical and electrical engineering and metallurgical industries.

9. It should be stressed that there has been no interruption in the technical assistance process from the mission of an expert to the extension of that mission in the context of a Special Fund project.

10. The same has been true of the execution of the project for the provision of assistance to the Société de fonderie d'aluminium at Thiba, in which the continuity and the remarkable experiment made by the expert have made it possible for a Senegalese counterpart to run the enterprise with little assistance and to make arrangements for the diversification of assistance to cover the bronze and iron founding sector, within the context of the establishment of a pilot and demonstration foundry. This foundry was the subject of a priority request to the UNDP Special Fund for technical assistance.

11. Lastly, the agreement on long-term technical co-operation for the industrial development of Senegal demonstrates the necessity of continuing UNIDO's technical assistance within the framework of the guidelines laid down by common agreement between the Government and the United Nations Industrial Development Organisation.

**Principal conclusions**

12. The contribution of UNIDO has been only a small element in the Government's overall effort for the development of the country. However, it has been concentrated on several selected points, where it has been possible to make an identifiable and important contribution, whose economic impact is constantly increasing.



13. Although the resources used have been limited, it can be said that the technical assistance of UNIDO to Senegal has contributed a great deal to the achievement of three specific results:

- (a) Establishment and starting-up of an organization, namely, the National Industrial Studies and Promotion Company (SONEPI), which has already helped in the establishment of small and medium-scale industrial enterprises and is in the process of actively examining further projects for such enterprises;
- (b) Establishment, in the context of the activities of SONEPI, of the industrial estate at Thiès, which now comprises nine small-scale industrial enterprises;
- (c) Establishment and starting-up of an aluminium foundry which, in addition to its direct contribution to development, is having an important demonstration effect.

14. The three fields of technical assistance mentioned above will be described in detail in individual chapters of the report. The technical assistance of UNIDO, both in the past and at present, is reflected in the execution of the Government's various projects, and it is only in this context that its long-term effect can be evaluated.

## CHAPTER II. ASSISTANCE TO THE DEVELOPMENT OF SMALL AND MEDIUM-SCALE INDUSTRIAL ENTERPRISES

### Background

14. In November 1964, at the request of the Government of Senegal, the Chief of the Industrial and Machinery Section of the former United Nations Centre for Industrial Development accepted a mission to Senegal and had consultations with the Minister of Commerce, Industry and Crafts and with the Director for Industry and Crafts. As a result of that mission, the Government submitted a request for technical assistance in the form of a mission by two experts:

- One industrial economist for 1½ years;
- One industrial engineer for one year.

### Industrial economist (small-scale industry)

15. The main objectives of the expert's mission were:

- To prepare a programme for the development of small-scale industry, with estimates of costs, personnel requirements and possibilities for the training of cadres;
- To suggest tax and financial incentives and other Government measures designed to promote the development of new small-scale industrial enterprises or the expansion of existing enterprises;
- To advise the Government concerning the establishment of a first pilot industrial estate at Thiès and to study the possibility of establishing other industrial estates;
- To establish and organize within the Directorate for Industry a department for promotion, advice and assistance in respect of small-scale industry.

17. This post was approved on 25 June 1965 by the former Technical Assistance Board (TAB) for six months in 1965 under the Contingency Fund and for 12 months in 1966 under the Expanded Programme of Technical Assistance (EPTA).

18. The expert's candidature was approved by the Government, and he arrived at Dakar on 14 April 1966, completing his mission on 31 July 1968. The expert was assigned to the Directorate for Industry, and a Senegalese official was appointed as his counterpart. The expert's final report was officially submitted to the Government on 11 November 1968.

19. The expert made several recommendations concerning:

- (a) The establishment of a Senegalese organization for promotion of and assistance to industry, in particular small and medium-scale industry;
- (b) Encouragement of the financing of small-scale industry through measures such as participation by the State or State organizations in new small-scale Senegalese enterprises, the organization of certain forms of supervised credit (especially the establishment of mutual guarantee companies) and, possibly, the sale of turn-key factories;
- (c) The adaptation of technical education with a view to providing appropriate training for future Senegalese entrepreneurs;

- (d) The use, wherever possible, of foreign manufacturing licences for the production of items intended for the local market and for the nearest neighbouring markets, so as to make it possible to provide developing Senegalese industry not only with generally established markets but also with valuable technical assistance, and possibly even financial assistance, from the firms granting the licences;
- (e) Revision of the Investment Code, in order to enable the new small-scale Senegalese entrepreneurs to benefit from it as much as foreign investors;
- (f) The establishment of twenty-seven industrial enterprises.

20. The various recommendations led to the following action:

- (a) In co-operation with the private sector, the Government established the National Industrial Studies and Promotion Company (SONEPI). This organization, which receives technical assistance from the UNDP Special Fund, will be dealt with in a chapter in which some of the recommendations mentioned above, in particular the establishment of new industries, will be examined;
- (b) The Government is making increasing use of foreign manufacturing licences for the production of articles intended for the local or foreign markets. In view of its industrial policy, it would like to receive increased assistance.

21. It is in this context that the Government has submitted a request to UNIDO for assistance under the Special Industrial Services programme in organizing the manufacture of propulsion units for "pirogues" (indigenous river craft). This request is now being studied. In addition, Senegal is studying the possibility of establishing an automobile sparking-plug factory under Yugoslav licence and a fire extinguisher factory under French licence. The Government would like UNIDO, in the context of its action to promote the transfer of technology, to pay special attention to problems relating to the use of foreign licences for industrial manufacturing.

**Industrial consultant (small-scale industry)**

22. The objectives of the expert's mission were:

- To draw up a list of small-scale industries;
- To carry out feasibility studies and submit "bankable" projects for the establishment or expansion of small-scale industrial enterprises;
- To help in the establishment of industrial estates;
- To participate in the preparation of the programme for the development of small-scale industry and in all measures for promoting the establishment of new industrial enterprises or modernizing existing enterprises.

23. This post was financed for twelve months under UNIDO's regular programme. The request for publication of the job description was made on 13 December 1967.

24. The expert was to work in a team with the industrial economists, studying the development of small-scale industry in Senegal. His main task would have been to prepare from the technical point of view the programme for the development of small-scale industry formulated by the Ministry of Commerce, Industry and Crafts and, with the assistance of his colleague, to facilitate the execution of this programme.

25. As a result of recruitment difficulties, the expert began his mission only on 28 November 1968. For this reason, and in particular owing to the establishment of the National Industrial Studies and Promotion Company (SONEPI) by the Government, the initial plans were altered and the expert was assigned to SONEPI.
26. The expert worked with two Senegalese counterparts from the outset.
27. The main results of the mission, which - as the expert wishes to stress - were obtained through teamwork under the direction of the Managing Director of SONEPI, can be summarized as follows:
- Organization of SONEPI and assistance in the preparation of a programme of work for several years and of budget estimates;
  - Feasibility studies for more than thirty industrial projects (fourteen for small-scale industry, including two in the industrial estate at Thiès);
  - Listing of twenty-seven Senegalese promoters;
  - Participation in the actual establishment of small factories, two of which are operating and two others of which (one of them in the industrial estate at Thiès) are being completed;
  - Initiation of an analytical index of industrial projects;
  - Search for industrial sites and study of four industrial estates;
  - Formulation of policy guidelines and a programme for the establishment of industrial estates in Senegal (on the basis of lessons learnt from the experiment made at Thiès by another UNIDO expert, Mr. Hoecker);
  - Development of a project for the establishment of "Equity Participation and Guarantee Funds" for small and medium-scale industrial enterprises, and search for sources of financing;
  - Organization of elementary training courses for small-scale Senegalese entrepreneurs (enterprise management, accounting, organization of workshops, etc.);
  - Initiation of a study for the establishment of a "Business Training Centre" designed to give industrialists and merchants additional knowledge with regard to industrial and commercial management;
  - Initiation of a study for the establishment of a leasing company.

This project is being continued in an expanded form with the UNDP/Special Fund project concerning SONEPI, of which Mr. Hervouet is the Project Manager.

#### **Industrial estate at Thiès - pre-investment study**

28. Following an official request by the Government, dated 26 July 1967, the project was approved on 13 December 1967. The expert's candidature having been accepted by the Government, he started his mission on 16 January 1969.
29. The mission of the expert, which was planned to last one year, consisted of preparing a plan for the conversion of former military premises in the city of Thiès into an industrial estate and of giving advice on the execution of this plan, especially by helping the first industrial units to become established, making recommendations on the organization of apprenticeship services for the workers and foremen of the enterprises which were to be established in the estate, and carrying out feasibility studies for new enterprises to be established under a plan for the development of the estate.

30. Two six-month fellowships in the management of industrial estates and the planning and evaluation of projects for small-scale industry were also approved, and were used by the Government.
31. Shortly after his arrival, the expert was assigned to the National Industrial Studies and Promotion Company (SONEPI) and a Senegalese counterpart was seconded to work with him.
32. Through the activity of the expert and his counterpart, and with the assistance of SONEPI, the industrial estate at Thiès was established. The articles of association for a joint State/private company to operate the Thiès industrial estate were prepared, and nine small-scale industrial enterprises are settling on the estate.
33. A training course was organized by the expert for the entrepreneurs establishing enterprises on the estate, and the entrepreneurs have attended two complementary sessions.
34. Two fellowships for training abroad were awarded, one of the recipients being the director of the estate.
35. A source of bilateral assistance (USAID) supplied the entrepreneurs with equipment to the value of US\$6,000.
36. At the request of the Government, the scope of the expert's mission was expanded and he studied the possibility of establishing one or more industrial estates in various areas of Senegal.
37. Since January 1970, the expert's mission has continued within the framework of the UNDP/Special Fund project concerning SONEPI.

#### **Expert in marketing and export promotion**

38. The official request of the Government, received on 17 September 1968, envisaged financing from the Special Industrial Services programme, but since there was an economist available under UNDP/Technical Assistance it was the latter programme which financed the project. The request was approved by UNDP on 22 May 1969, and the expert took up his duties on 2 December 1969.
39. The purpose of the project, which was approved for six months, was to advise the Director of SONEPI on matters relating to marketing and export promotion. In particular, the expert was to perform the following tasks:
  - Studying, classifying and evaluating all the research and studies hitherto carried out in the country on the marketing of any product which might be the subject of studies by SONEPI;
  - Preparing market studies oriented in particular towards the development of exports and import substitution;

- Studying the possibilities of economic and financial incentives for exports and giving advice in that connexion;
- Participating, within his field of competence, in other work by SONEPI which might be carried out at the request of the national authorities.

The expert's mission was completed on 17 May 1970.

40. The results of the mission include the following:

- The compilation of bibliographical references;
- The gathering and utilization of socio-economic data, on the basis of which the expert carried out two general studies, one on the Senegalese market and the other on the development of Senegalese exports;
- A market study on lingerie articles (brassières), designed to assess the advisability of establishing a new enterprise.

41. The expert also evaluated a study on the market for socks in Senegal.

42. Action is now being taken to recruit a new expert, provided for under the UNDP/Special Fund project concerning SONEPI.

#### **Expert on project preparation (investment promotion) - Nairobi meeting**

43. As part of its investment promotion programme, UNIDO is organising meetings designed to promote specific industrial projects in the developing countries. A meeting of this type has been held in Nairobi.

44. The Government had identified a number of industrial projects for which external financing and other types of co-operation with possible partners from industrialised countries are sought.

45. A UNIDO official helped SONEPI to review and evaluate the available economic, financial and technical data and aided in the preparation of information sheets for each project, following the model supplied by UNIDO.

#### **Training fellowships**

46. Two training fellowships were awarded to Senegalese nationals under the Special Industrial Services programme:

- (a) One for a six-month training course in small-scale enterprises in Belgium;
- (b) One six-month course, also in Belgium, on the organisation and management of industrial estates.

The fellows have now resumed their duties and have thus been able to apply the training they received during their courses.

**Utilization of the UNIDO Industrial Inquiry Service**

47. SOWEPI submitted requests for the following information:
- (a) On 20 March 1969, information was requested regarding the establishment of a small sparking-plug factory: type of equipment to be used, cost, names and addresses of suppliers. The reply was given on 19 June 1969, with the assistance of the DECHPMA Company (Federal Republic of Germany);
  - (b) On 30 March 1969, information was requested regarding the establishment of a small mill for the production of maize and millet meals: types of machinery required, names and addresses of suppliers. UNIDO provided replies in July and August 1969 with the assistance of the CeCoCo Company (Japan) and the BIRO Company (Canada);
  - (c) On 13 April 1970, information was requested regarding the establishment of a plant to manufacture peanut butters: similar small enterprises in Africa or India, processes used, markets, and literature references. Replies were given in June 1970 by the Light Industries Section, with the assistance of FAO and the Tropical Products Institute (United Kingdom);
  - (d) On 14 April 1970, information was requested regarding the establishment of a small plant to manufacture cloth coated with polyvinyl chloride. Several replies, from extremely varied sources, were given in July and August 1970.

### CHAPTER III. ASSISTANCE TO SONEPI

#### The request for technical assistance

48. In response to a request to the UNDP Special Fund for the provision of technical assistance to SONEPI, a joint UNDP/UNIDO mission went to Senegal in January 1969. Subsequently, a Senegalese delegation visited Vienna in April 1969 to discuss with UNIDO certain points which had not been settled, in particular the priority to be assigned to the various possible promotion activities. In the minds of its founders, SONEPI was above all a "natural auxiliary of investors, small or large, domestic or foreign, who wish to limit their risks through objective information, serious project studies and effective assistance at the implementation stage". The joint UNDP/UNIDO mission had indicated two priorities to SONEPI: the first was to be the promotion of Senegalese entrepreneurs operating small and medium-scale enterprises, while the second was to be action to ensure that foreign investors were informed of opportunities in Senegal. It was finally decided to concentrate the Special Fund project on the first priority aspect.

49. The project, as amended, was approved by the UNDP Governing Council at its January 1970 session. The counterpart contribution of the Government amounts to US\$483,000, while the UNDP contribution is US\$470,000.

50. The purpose of the project, which is scheduled to last for three years, is to help the Government to make SONEPI an effective instrument for industrial promotion in Senegal, mainly through assisting Senegalese entrepreneurs operating small and medium-scale industrial enterprises. The assistance of the UNDP/Special Fund should enable SONEPI to carry out the following tasks:

- Gathering and disseminating all information on the industrialization of the country;
- Undertaking feasibility studies concerning industrial projects (cost calculations, market studies, evaluation of equipment requirements, possibilities for financing, etc.);
- Studying and promoting the establishment of industrial estates for small and medium-scale enterprises;
- Providing Senegalese industry with training and industrial extension services and with all the advice required for its promotion.

In addition to the Project Manager, who is an industrial economist with expert knowledge of the promotion of small and medium-scale industry, four other international experts will be assigned to the project:

- One industrial consultant specializing in industrial estates;
- One industrial consultant specializing in industrial extension services;
- One expert in market studies and export promotion;
- One expert in industrial information, together with short-term consultants, for a total of twenty-four months.

51. In addition, five six-month fellowships will be awarded.



52. The UNDP contribution also includes amounts of \$27,000 for the purchase of equipment and \$21,000 for miscellaneous expenses.
53. With the agreement of the Government, the industrial economist small-scale industry expert, whose mission was previously financed by the regular programme of UNIDO, was appointed Manager of the Special Fund project at the end of December 1969. The expert on industrial estates was also transferred to the Special Fund project as of January 1970.
54. The recruitment of three other international experts is now under way.
55. The Plan of Operation was signed on 3 December 1970.

#### **Establishment of SONEPI**

56. The National Industrial Studies and Promotion Company (SONEPI) was established on 23 January 1969 by the public authorities, with the participation of the private sector. Its establishment was a landmark in official policy on industrial promotion, which had been based, until then, only on the system of protection and monetary incentives which benefits foreign enterprises. The establishment of SONEPI represented a new effort to provide Senegalese entrepreneurs with opportunities and incentives.
57. SONEPI is a semi-public company which is intended to be one of the main instruments of the Third Development Plan for the industrialization of the country. It operates in co-operation with the public authorities, the private sector (industry, trade and banking establishments) and bilateral, multilateral or international aid organizations.
58. SONEPI has a capital of 45 million CFA francs, subscribed by the Senegalese State, the Banque nationale de développement du Sénégal (BNDS) (National Development Bank of Senegal), the Union sénégalaise des banques (USB) (Senegalese Banking Corporation), the Groupe des organismes bancaires et financiers (Group of Banking and Financial Organizations), the Senegalese and non-Senegalese private sector (industry, trade, insurance), and the Chamber of Commerce and Industry.
59. The Board of Directors of SONEPI is composed of representatives of the State and private and public organizations. It is headed by a Managing Director proposed by the State.
60. We shall consider, successively:
- The resources available to SONEPI;
  - The programme which it has set itself, with the agreement of the Government;
  - Specific project action under this programme, and its results.

### **The resources of SONEPI**

61. SONEPI has a room assigned to the industrial information service, a conference room, sixteen offices, facilities which enable it to carry out most of the activities on its programme, and part of the economic documentation required for the studies under way.

62. The staff includes Senegalese nationals and foreigners:

(a) Senegalese staff

- The Managing Director;
- Two industrial economists;
- One industrial consultant;
- Two specialists in industrial estates;
- One investigator for market studies (recruitment imminent);
- One management specialist;
- Staff for the administrative and financial departments.

(b) Foreign staff (from two sources)

(i) International assistance (UNIDO)

- One industrial economist, Manager of the Special Fund project,
- One consultant specialising in industrial estates,
- One economist specialising in market studies (the expert left his post in June 1970);

(ii) Bilateral assistance (Fonds d'aide et de coopération française - FAC)

- Military personnel seconded to provide assistance,
- One industrial consultant,
- One economist.

63. SONEPI will have the following additional resources:

- Equipment supplied by the Special Fund project;
- A large amount of additional documentation, also supplied by the Special Fund project;
- Supplementary staff:

(a) Senegalese staff

- Five new counterparts (consultants, economists, specialists in industrial estates and management);

(b) Foreign staff

(i) International assistance (UNIDO)

- One industrial consultant responsible for industrial extension services;
- One specialist in industrial information;
- One specialist in market studies, plus consultants for specific studies.

64. On the whole, the Government has respected all its counterpart undertakings. In particular, it has provided the experts with counterparts having the necessary qualifications, and the continuity of service of these counterparts has been outstanding, so that they have been able to take full advantage of the instruction acquired during their training courses and their participation in seminars and conferences. Continuity was also reflected in the appointment of the former Director for Industry, Mines and Geology to the post of Managing Director of SONEPI.

### The promotion programme

65. This programme comprises the following activities:
- Studies of important industrial projects which could be proposed to investors under the Third Development Plan;
  - Promotion of small and medium-scale industry, and in particular means of promoting small-scale industrial enterprises;
  - The establishment of facilities for receiving enterprises, in particular industrial zones and estates.

### Studies concerning important industrial projects

66. The source of these studies was, on the one hand, a list of projects selected on the basis of a preliminary analysis by the first expert, industrial economist Mr. J.L. Godet, and on the other, a series of projects selected at a later date. A number of these projects already had promoters:

- Mineral water bottling plant;
- Plant for the regeneration of lubricating oil;
- Manufacture of felt hats;
- Manufacture of fatty acids;
- Wire-drawing plant;
- Brush manufacturing plant;
- Utilisation of shark products;
- Palm oil mill;
- Cottonseed oil mill;
- Industrial bakery;
- Tannery and tawery;
- Screw and bolt manufacturing plant;
- Agricultural implements factory;
- Household water-filter factory;
- Shipyards;
- Graving dock for supertankers;
- Pharmaceuticals industry (this project was submitted to the Nairobi investment promotion meeting in November-December 1970);
- Petrochemical complex.

### Other studies

67. SENEPI has also participated in sub-contracted studies. This participation has consisted primarily in collecting statistics, arranging contacts with Senegalese Government departments, taking part in market studies and discussing the conclusions.

68. These studies were as follows:

- Vegetable tannin plant (under way);
- Synthetic textile factory (under way);
- Screw and bolt factory (completed and submitted at the Nairobi meeting);
- Factory for the manufacture of gas cylinders, locks and door fittings and electrical equipment (completed);
- Water pump factory (completed);
- Tap, cock and valve factory (under way);
- Refrigerating equipment for urban and rural centres (completed).

We should like to stress that the experts and their counterparts took an active part in all these studies.

#### **Promotion of small or medium-scale indigenous enterprises**

69. The primary task of SONEPI is to assist in the actual establishment of small and medium-sized Senegalese enterprises, in other words, enterprises whose promoters are Senegalese and whose centres of decision are in Senegal.

70. In this connexion, the conclusions of the first studies by SONEPI revealed that:

- (a) Contrary to a very widespread opinion, there were some heads of small-scale Senegalese craft and commercial enterprises who had all the necessary qualities to become industrial promoters. It therefore appeared possible to develop a network of small-scale enterprises capable of subsequently constituting the foundation for larger industrial achievements;
- (b) Analysis of attempts to establish enterprises showed that failures were usually due to one or more of the following causes, often in combinations:
  - Lack of preliminary study of industrial projects (feasibility studies);
  - Lack of elementary training in management methods;
  - Impossibility of obtaining medium-term bank credit for financing the capital investments needed by all craft-type enterprises wishing to progress to the stage of small or medium-scale industrial enterprises, e.g., purchase of ground and construction of a workshop (for craft-type enterprises are usually narrowly confined in urban surroundings); acquisition of additional equipment required for series production; financing of permanent stocks.

#### **Preliminary study of small-scale projects**

71. As soon as it was established, SONEPI launched an information campaign aimed at Senegalese employers in order to inform them of the services which it could render - especially with regard to feasibility studies for projects - to entrepreneurs wishing to establish or develop an industrial enterprise.

72. In each case, SONEPI performed the following work in conjunction with the entrepreneurs:

- Analysis of the current and potential markets for the product to be manufactured (domestic market and, where applicable, export market);
- Preparation of a proposed workshop or factory plan appropriate for the volume of production envisaged;

- Analysis of the various headings under which investments must be made;
- Preparation of a forecast operating account;
- Preparation of a proposed financing plan.

73. SONEPI has also continued its action in the form of providing advice of all types (on technical matters, marketing of products, etc.).

74. At present, some forty projects have been examined and twenty have been selected for more thorough study in conjunction with the promoter (detailed study of the financing plans, search for sources of bank credit, technical study of the workshop to be set up, search for ground, etc.).

75. Three of these projects have already been realized:

- (a) SENETRANSFIL is an enterprise set up for the manufacture of razor blades, barbed wire, paperclips, staples and pins. Investments of the order of 50 million CFA francs will be made within a year, and twenty jobs will be created. The factory has begun producing barbed wire; production of razor blades will start as soon as the equipment, whose delivery has been delayed, is received.
- (b) The Société sénégalaise des artisans associés, was developed from a craft-type joinery enterprise whose Senegalese promoter had prepared original models for shop and office furniture and fittings. It has expanded its activities to the manufacture of aluminium articles. Sixty jobs have been created.
- (c) COMAPECHE, which was established by a Senegalese, has two activities: from October to May, it helps to market edible fish from the fishing centre at Cayar, while from May to October it keeps this craft-work centre in operation by processing shark products. COMAPECHE has already established distribution networks for the direct sale of shark products in Europe and the Far East. The production envisaged is approximately 1,200 tonnes/year of various types of products. Thirty to forty jobs will be created, depending on requirements.

#### **Training of small-scale Senegalese entrepreneurs in management methods**

76. One of the main obstacles to the promotion of a body of Senegalese entrepreneurs is the inadequate training of employers in the management of enterprises.

77. The Government is fully aware of this situation, and the University is planning to introduce courses on enterprise management designed to give young university graduates high-level theoretical and practical instruction. These courses will be given in addition to those of the Institut universitaire de technologie (IUT) (University Institute of Technology).

78. However, this measure will not be able to produce concrete results before two or three years have elapsed.

79. In addition, parallel to this advanced instruction, it was necessary to make arrangements for elementary instruction accessible to small-scale industrialists and craft workers and practical medium-level training intended to serve as upgrading training for industrialists and merchants who are already in business.

80. SONEPI has endeavoured to meet these two requirements in the following manner:
- (a) In June and July 1969, a first elementary training course (organization of workshops, fundamentals of accounting, calculation of costs, etc.) was organized with the assistance of USAID;
  - (b) For medium-level training, SONEPI has undertaken the preparation of a study for a "Business Training Centre" to operate within the framework of the Chamber of Commerce and Industry of Dakar.

#### **Access to medium-term bank credit - Equity Participation and Guarantee Funds**

81. At present, medium-term bank credit is almost inaccessible to small-scale Senegalese enterprises owing to the terms laid down, namely, that the enterprise must have a recognized local structure or must submit accounts for a period prior to the request for a loan; that there must be security in the form of real estate, and above all that the company must provide funds of its own equal to at least 35 per cent of the loan requested. In the case of small-scale enterprises, it is vain to hope that any solution can be found through the formation of groups or mutual guarantee arrangements.

82. SONEPI therefore set up Equity Participation and Guarantee Funds whose role is to participate in the capital of small and medium-scale industrial enterprises which it is desired to establish.

83. The Equity Participation Fund is designed to enable small-scale Senegalese enterprises to gain access to rediscountable bank credit in order to finance their capital investment programmes. This Fund operates by participation in the capital of enterprises which are to be established or developed. Participation is taken out in the name of SONEPI; in no case may it exceed 5 per cent of the total amount of funds involved in a given transaction.

84. The Guarantee Fund guarantees requests for loans submitted by Senegalese enterprises to an extent which may in no case exceed 5 per cent of the total of a given transaction and for a period of not more than five years.

85. The management and accounting of the two Funds are separate. Decisions are taken, at the proposal of the Boards of Management of the Funds, by the Board of Directors of SONEPI.

86. The two Funds come under a department of SONEPI, the "Equity Participation and Guarantee Funds Department". The capital is provided by the Senegalese State, the National Development Bank of Senegal (BNDS), the Senegalese Banking Corporation (USB), the Central Bank of the West African States (BCEAO), the Caisse centrale de coopération économique (Central Economic Co-operation Fund), the Fonds d'aide et de coopération (FAC) (Assistance and Co-operation Fund), etc.

87. The entrepreneur thus has his "own funds" at his disposal, and his bank is thus enabled to grant him a rediscountable medium-term loan.

88. In order to avoid any danger of abuse, access to the Equity Participation and Guarantee Fund is subject to several conditions.

89. Thus, when this operation is completed, the private nature of the new Senegalese small-scale industry will be preserved, while at the same time the small-scale Senegalese enterprises will be brought into the traditional banking circuit.

90. It is worth noting that, quite apart from the obvious advantages which Senegal will derive from the promotion of domestic industry, the placing of enterprises' accounting on a regular footing will result in a considerable contribution to the public finances.

91. In addition, SONEPI has negotiated lines of credit for financing small-scale industry with the Government of West Germany, the Crédit Lyonnais (France), the Fonds d'aide et de coopération (Assistance and Co-operation Fund) (France) and the National Development Bank of Senegal.

#### **Improvement of the Tax Code to encourage the promotion of small and medium-scale Senegalese Industrial Enterprises**

92. Article 4 of this Code deals with exemptions applicable to newly established enterprises: exemption from the tax on industrial and commercial profits, the trading licence fees and the minimum lump-sum tax during the five years following the establishment of the enterprise.

93. An executive order in force since 1963 specifies the limits of exemptions, which can only be granted in respect of "factories" and "processed articles".

94. Among the incentives which it would appear most necessary to grant to Senegalese enterprises established in coming years, we would mention the following:

- (a) Exemption from duties and taxes on imported equipment;
- (b) The possibility of importing raw materials into private bonded warehouses (a much more flexible and practical arrangement for an industrialist than temporary admission);
- (c) Exemption from taxes, duties and charges during the first few years following the starting up of a workshop (five years for Cap-Vert and eight years for other areas).

95. In response to proposals made by SONEPI, decisions will soon be taken on amendments to be made to the Investment Code with a view to the promotion of small and medium-scale Senegalese industrial enterprises.

### The Investment Code

96. The benefits available under the Investment Code can at present only be granted in two cases:

- (a) In the case of investments exceeding 40 million CFA francs or the creation of more than forty jobs (Cap-Vert area);
- (b) In the case of investments exceeding 20 million CFA francs or the creation of more than twenty jobs (other areas of Senegal).

97. Small and medium-scale Senegalese enterprises are able to meet these conditions only in exceptional cases. These criteria therefore need to be reviewed. Under the new industrial promotion policy of the Government, it does not appear very logical to place the small-scale enterprises at a disadvantage in comparison with their large competitors.

### Industrial Development Finance Corporation

98. The Government is currently studying a project for the establishment of an Industrial Development Finance Corporation (SOFIDI). The main role of this corporation would be to engage in industrial development in the broad sense of the term, in other words, in all non-agricultural sectors. It has been suggested that, during the first years of its existence, the general management of SOFIDI should be entrusted to the Senegalese Banking Corporation. It is envisaged that SOFIDI will have a capital of 250 million CFA francs provided by the Senegalese State, the Senegalese Banking Corporation, the Central Economic Co-operation Bank, the International Finance Corporation and other Senegalese and foreign commercial and industrial banks and enterprises. The role of SONEPI in the study and evaluation of the industrial projects to be financed has not yet been determined, but it would be advisable for this to be done in order to avoid any squandering of the resources available to SONEPI.

### Action with respect to productivity

99. In order to supplement the three types of activity described above (training, project studies and financing of programmed investments), SONEPI recently established a Productivity Department which is to operate inside the enterprises being promoted, the plan being to provide these enterprises with continuing assistance in the form of advice on the organization of workshops, management, the organization of new manufacturing activities, etc.

100. The department will thereby provide much-needed support to heads of enterprises, who are constantly faced with problems for which they cannot always themselves find a solution.

101. The establishment of three other bodies is now being studied:

- (a) A centre for technical assistance designed to help small-scale Senegalese building enterprises, in particular with regard to organization;
- (b) A section for assistance to the woodworking and furniture industry, for which preliminary technical assistance has been requested (see above);
- (c) An export promotion service (Centre for the promotion of manufactured goods); this project could be carried out with the co-operation of UNIDO, UNCTAD and GATT.



102. The establishment of these three bodies, which will really be departments of SONEPI, is planned for 1971. Whether it will actually be possible to establish them depends on the staff and equipment available.

#### **Industrial estates and zones**

103. As indicated above, the technical assistance requested would consist of the preparation of a plan for converting the former military facilities of the city of Thiès into an industrial estate and the provision of advice and assistance in the execution of this plan, in particular by helping the first industrial units to become established.

104. In 1968, at the recommendation of the first small-scale industry expert, the Government placed premises vacated by French troops at the disposal of the Directorate for Industry. These premises were to make possible the establishment of the first industrial estate. SONEPI was subsequently made responsible for implementing the project.

105. The choice of Thiès was dictated by the slump in economic activities in the city as a result of the loss of income due to the departure of the French troops and the delay in the resumption of joint management by Senegal and Mali of the Dakar-Niger railway, of which Thiès was a main operating centre.

106. Furthermore, there were already some industrial units in the area. The Centre régional de l'artisanat (Regional Craft Centre) and the Manufacture nationale de tapisserie (National Carpet Factory) are located close to the industrial estate.

107. The following enterprises have been set up in the industrial estate:

- Cabinet-making and carpentry firm;
- Body work, sheet metal work and painting enterprise;
- Joinery and metal construction shop;
- Plumber's shop;
- General electrical workshop;
- Central workshop for general mechanical work, maintenance work, maintenance and repair (this workshop was the subject of a request to UNIDO for technical assistance under the voluntary contributions);
- Upholstery and harness-making workshop;
- Prefabricated concrete workshop and building enterprise;
- The Société africaine de fonderie d'aluminium (SAFAL) (African Aluminium Foundry Company) (This enterprise receives technical assistance from UNIDO).

108. With a view to organizing the enterprises in the estate, a semi-public company has been established to manage the estate. In addition to the State, it comprises all the representatives of the economic sector in the area.

109. In actual fact, the industrial estate at Thiès is a pilot experiment for the economic development of urban centres in the various areas of Senegal. At Thiès, the biggest problem was that of organizing the existing enterprises. It was at their request that they were housed in the industrial estate.

110. This made it possible to organize them and give them all the technical assistance required for expanding their activities, not only from the point of view of technology and management, but also from that of the search for markets. Furthermore, it was possible to grant them loans through the action of the Thiès Industrial Estate Company and SONEPI. The experiment is only in its initial stage, but there is no doubt that those mainly concerned - the enterprises established in the estate - are taking a very special interest in it.

111. It is considered that, before attempting identical experiments in other areas of Senegal, it would be useful to analyse the results of the experiment at Thiès. In this connexion, it must be noted that the delay in the installation of the equipment requested under bilateral and international aid programmes is greatly hampering the satisfactory execution of this pilot project.

112. However, an important study has been carried out in respect of the establishment of two other estates:

(a) Industrial estate in the Cap-Vert area (Dakar)

This study, which has been communicated to the various sources of financing (such as the World Bank), should make it possible to obtain the international loans required for carrying out the capital investment programme, or at least make possible the first development work (levelling, road building, power supply and drainage of waste water) in the zones intended for small and medium-scale enterprises at Cap-Vert;

(b) A number of preliminary studies have been started in respect of the establishment of estates at Ziguinchor, Saint-Louis, Kaolack, Diourbel and Tambacounda.

113. As a result of this work, it has been possible to draw certain conclusions. The first of these concerns what might be called the philosophy of industrial estates in Senegal.

114. It has become clear that, except in the case of the Cap-Vert area, the conventional concept of large-scale industrial estates is not always valid for Senegal.

115. In the other areas, the estates should be limited, at least for the next few years, to the grouping of activities which are half way between industry and service to industry. The plan would be to group these activities (metal construction, woodworking, and electrical, plumblings' and automobile repair workshops) around a general mechanical workshop.

116. Such a group of activities would constitute the focal point whose absence in the urban centres other than Dakar currently makes industrial decentralisation so difficult. The few existing enterprises in such urban centres tend to leave them to move to Dakar because they cannot find the industrial services of which they have daily need on the spot. It is therefore difficult to persuade entrepreneurs to establish new enterprises in areas where they know that their operating accounts will be burdened by extra expenses entailed owing to their remoteness from Dakar.

117. Viewed from this standpoint, the establishment of small estates or, more precisely, "industrial services nuclei" constitutes one of the most necessary supporting facilities for area development activities.
118. On the other hand, according to SONEPI experts, it would currently appear unwise to try to establish large estates in certain areas of Senegal, for these estates would simply "starve to death".
119. In this context, SONEPI thinks that it would be preferable, instead of undertaking the establishment of industrial estates, to consider the organization of existing industrial zones.
120. SONEPI would then help the enterprises to draw up their projects and establish themselves in these industrial zones by providing them with the technical assistance required in technological, management, marketing and training matters.
121. This new approach has been dictated by the fact that the creation of industrial estates involves from the outset investments which are beyond the present possibilities of the Government.

## CHAPTER IV. GENERAL CONCLUSIONS AND RECOMMENDATIONS CONCERNING SONEPI'S ACTIVITIES

122. The establishment of SONEPI marks the beginning of a new stage in the Government's industrial promotion policy. Since the role of the Directorate for Industry consisted in studying the industrial projects proposed by investors, for the most part foreign, the Government decided to establish SONEPI, whose task is to further the development and implementation of projects and to encourage Senegalese nationals in the industrial sector. In order to enable SONEPI to play an active role in promotion, it was thought preferable to endow it with the status of a semi-public company, the private enterprise aspects of which make possible greater dynamism and flexibility.

123. It is a significant fact that the founding of SONEPI coincided with the beginning of the Third Economic and Social Development Plan of Senegal. Through the systematic preparation of projects, the search for investors, and its activity in the promotion of small-scale Senegalese-owned industry, SONEPI constitutes one of the Plan's most effective instruments for the achievement of industrial objectives.

124. SONEPI can provide effective liaison with the various organizations concerned with industry, the private, industrial or banking sector, the State, and technical co-operation and assistance bodies. It thus ensures that there is a direct and continuing dialogue between all parties concerned with the industrial development of Senegal.

125. SONEPI has thereby given rise to many hopes, not only among the Senegalese, but also among foreigners living in Senegal who wish to launch themselves in small, medium-sized or large industrial enterprises. The growing number of Senegalese or foreign promoters or entrepreneurs who approach SONEPI in connexion with the preparation or development of a study or for advice or technical assistance bears witness to this fact.

126. It can be considered that the technical assistance project selected was a very wise choice. The preparation of the project and the aims of the technical assistance are in keeping with the objectives assigned to SONEPI by the Government in respect of the development and promotion of small-scale and medium-sized Senegalese industries.

127. The Special Fund project is being executed under excellent conditions. It is important to stress that there has been no interruption in technical assistance and, consequently, no delay between the request for technical assistance and the beginning of operations.

128. Indeed, the Government established SONEPI without waiting for the Special Fund project to become operational. SONEPI was created by a decree passed on 23 July 1968, and its company capital - 45 million CFA francs - was fully subscribed by the State, banks, professional bodies and private firms before the UNDP project started up.

129. The Government more than fulfilled its undertakings regarding its contribution and provided acceptable and thoroughly adequate premises, staff, materials and equipment, etc., well in advance.
130. On the whole, the local counterparts have the desired qualifications and their continuity of service is outstanding. The Government has succeeded in a short space of time in supplying industrial economists and consultants and management and training specialists with the desired qualifications and a certain amount of previous experience by, inter alia, making use of fellowships and training courses (regular programme of UNIDO or Special Industrial Services programme).
131. The relations and co-operation between experts and counterparts have been excellent and fruitful. Thanks to their good qualifications, the counterparts have helped the experts to gain a better understanding of Senegalese conditions and even to integrate into them. However, it appears that the experts will have some difficulty in obtaining greater understanding and even acceptance of the Senegalese cadres of SONEPI by foreign industrial circles, which still account for a majority of the Senegalese economic sector.
132. The counterpart participate on a permanent basis in the work and studies of the experts. Responsibility for carrying out a study rests with both the expert and the counterpart. For Senegal, technical assistance is not an end in itself and should not be looked upon as a source of additional personnel to make possible an increase in working capacity.
133. In this context, there are good hopes that the present counterparts of the experts will be able, in the very near future, to conduct operations themselves with a minimum of technical assistance.
134. The UNIDO experts have all the required qualifications. Through their experience, efficiency, ingenuity, understanding and determination, they have been able to achieve substantial results which are the fruit not only of teamwork with their counterparts, but also of close co-operation with the other experts made available through multilateral or bilateral assistance and with the representatives of private or governmental organisations concerned with industrial development (industry, trade, stock breeding, banks, universities, training centres, etc.).
135. However, the following remarks have been made regarding the execution of the Special Fund project:
- (a) The delay in recruiting the international experts after the Senegalese counterparts have already taken up their posts hinders the smooth execution of SONEPI's programme of activities.
  - (b) The Project Manager who, as an industrial economist, should participate in all SONEPI's activities, spends too much of his time drafting reports and attending to administrative matters; greater understanding and more flexibility would be desirable in order to save the Project Manager from wasting valuable time;

- (c) Despite an acute need for training of technical and management cadres, SONEPI has not used all the training fellowships assigned to it under the regular programme of UNIDO, nor has it taken advantage of all the training opportunities afforded by UNIDO. This is probably due in part to the fact that the group training courses proposed often deal with specialities for which it is difficult, if not impossible, to find adequately qualified Senegalese candidates. The very long duration of the courses and the lengthy local administrative formalities are a further cause of delay.

136. The following remarks have been made concerning the programme of work of SONEPI:

- (a) In the industrial estate development programme, the industrial estate at Thiès, which is already being established, must be distinguished from the other industrial estates which it is planned to establish in various parts of Senegal. The project at Thiès should in fact be looked upon as a pilot experiment. This experiment has produced some results which, while not perhaps at present spectacular, appear encouraging for the future. However, the arrival of all or most of the technical assistance (equipment and experts) requested under bilateral or multilateral aid programmes must be awaited before the project can be fully evaluated and a decision taken on the advisability of undertaking similar operations in the other areas of Senegal. Owing to the scope of the industrial estate development programme in Senegal and the continuing uncertainty as to the profitability of establishing industrial estates in various areas, the programme must be designed to take place by stages. In this context, it would be useful to study the possibility of organizing industrial zones (levelled and drained ground supplied with electric power and equipped with sewers and a minimum of roads). Entrepreneurs would then be provided with technical assistance in the installation, start-up and development of their industrial enterprises;
- (b) In its two years of activity, SONEPI has awarded subcontracts for a number of industrial studies because it was not always able to undertake them alone. For this reason, it is suggested that more use should be made of the industrial information service of UNIDO, which is in a position, through its contacts, to reply to SONEPI's questions and thus help to enable SONEPI to prepare itself a considerable proportion of the studies which would otherwise have to be subcontracted. Naturally, it is hoped that UNIDO would be able to reply to these questions quickly and, if possible, in French. In addition, it has been suggested that SONEPI should make increased use of the Special Industrial Services programme of UNIDO, after preliminary study of projects, in order to facilitate evaluation of requests for technical assistance. However, SONEPI has remarked on the rather long delay in answering requests and in executing projects;
- (c) The Government would like UNIDO to assist it in the establishment of agro-industrial complexes;
- (d) In the general programme for the promotion of Senegalese industry undertaken by SONEPI, the first phase relates to manpower training. As already stated above, elementary training courses have been organised and are operating satisfactorily. SONEPI should continue this training activity with Government support. Furthermore, the preliminary study on the establishment of a business training centre designed to train industrialists and senior management cadres gives reason to think that such a centre can be established, provided the necessary financial resources are available. Multilateral and bilateral technical assistance could be granted to SONEPI for execution of this project in co-operation with, in particular, the Chamber of Commerce, Industry and Crafts;
- (e) As regards the financing of the industrial projects being followed up by SONEPI, the Equity Participation and Guarantee Funds appear able to provide a preliminary solution in all cases where small or medium-scale enterprises are involved. However, it should be emphasized that the resources available to the funds are modest. In addition, the Government would like UNIDO to study the possibility of assisting it by making a certain sum available to the Equity Participation Fund in the form of equipment purchased out of the voluntary contributions of Governments;

- (f) The possible creation of SOPIDI, which is designed to marshal the channels of credit obtained by Senegal, and the establishment of a leasing company should make it possible to finance the substantial capital investment programmes which are outside the scope of the SONEPI Equity Participation Fund. In the context of this action to promote the execution of large-scale industrial projects, SONEPI should act as a consultant and evaluation office in matters concerning SOPIDI and the leasing company. In other words, SONEPI would fulfil its function of seeking investors and promoters, providing advice in the evaluation of projects, and submitting financing studies;
- (g) SONEPI will tend to participate increasingly in industrial activities, i.e. in the actual execution of capital investment programmes (fitting-out of factories, organization, and internal and commercial management). In order to do so, it is imperative that SONEPI should develop its Productivity Department, which is currently inadequate. It will also require specific technical assistance, probably on a larger scale than that provided for under Special Fund project SEN-14;
- (h) Hence, all the industrial promotion activities depend on the effectiveness of SONEPI, which can act only if it has at its disposal resources commensurate with its goals.

137. This raises certain special problems, including:

- The support which SONEPI must continue to receive from the Government whenever small-scale Senegalese entrepreneurship is to be promoted;
- The organization of the actual financing of work undertaken by SONEPI on behalf of the State which, by definition, will remain its main "client".

138. However, the experiment carried out by Senegal in establishing SONEPI should achieve its goal, namely, the development of jobs through the establishment of substantial new industrial enterprises and the creation of an organized and properly structured corps of industrial employers in Senegal. In this connexion, the first results obtained by SONEPI finally appear to have had some effect, both in Senegal and abroad, since they have encouraged some African countries to follow Senegal's example by creating industrial promotion bodies.

## CHAPTER V. TECHNICAL ASSISTANCE IN THE STARTING-UP AND EXPANSION OF THE SOCIÉTÉ AFRICAINE DE FONDERIE D'ALUMINIUM (SAFAL)

### Background

139. For the purpose of evolving and trying out a policy for the promotion of genuinely Senegalese small-scale industry, the Government entrusted the Compagnie d'études industrielles et d'aménagement du territoire (CINAM) (Company for Industrial Studies and Physical Planning) with the establishment of one or more pilot enterprises. Of the three projects studied, it was decided to undertake the establishment of the Société africaine de fonderie d'aluminium (SAFAL), a limited liability company which is a tripartite association of Senegalese public and private capital.

140. One of the three parties - namely, the staff of the enterprise - has set up a special private company, the Société de gestion du portefeuille du personnel de la SAFAL (SOGEP) (SAFAL Staff Portfolio Management Company), the purpose of which is the purchase and common management of the SAFAL staff shares in accordance with the aims envisaged for shareholders, namely on-the-job training for enterprise management and responsibility in order to provide SAFAL with Senegalese management. The second party is represented by local investors united in a private company, namely, the Société de promotion industrielle (SPI) (Industrial Promotion Company), whose object is to contribute to industrial promotion through all types of participation, such as the purchase of rights in any company to be set up. Finally, the State participation, which is provisional and is to be gradually replaced by local private capital as savings are built up, represents a necessary guarantee for foreign private investments.

141. SAFAL manufactures products from light alloys by chill casting. This chill casting process, which is new for African industry, should make possible series production of goods of constant quality at low costs, thus satisfying several conditions which are of decisive importance in the effort to reach foreign markets.

142. The technical assistance of CINAM at first (March 1967) related to the planning of the enterprise and its establishment as a legal entity. Subsequently, assistance concerned the installation of the means of production, the organization of activities as a whole and the first production and marketing tests. Substantial assistance was provided by the workshops of the Naval Dockyard in respect of training and tool-making. This technical assistance continued until June 1967, when CINAM's technical assistance contract expired.

143. The activities during this period made possible:

- Demonstration of the economic interest of a chill casting foundry;
- Demonstration of the possibilities of transfer of technology and their limitations due, inter alia, to the inadequacy of the industrial environment;
- Training of personnel in basic casting procedures.



### The request for technical assistance

144. After an interruption of four months in the technical assistance, all the activities of the enterprise came to a halt as a result, among other things, of breakdowns. For this reason, on 26 July 1967 the Government requested technical assistance under the UNIDO Special Industrial Services programme in order to secure proper operation of the foundry and development of the articles manufactured. The project was approved by UNDP on 4 October 1967 and the expert took up his duties on 8 October 1968.

145. The purpose of the project was to ensure the starting-up of the Société africaine de fonderie d'aluminium (SAFAL), which was established at Thiès in March 1967 under the sponsorship of the Directorate for Industry of the Ministry of Commerce, Industry and Crafts. The expert, whose mission was planned to last one year, was to assume, in particular, the following tasks:

- Improving and developing manufacturing processes, preparing the production programme and organizing the management of the foundry;
- Training Senegalese casting technicians;
- Recommending solutions to any problems arising.

A six-month fellowship was also approved. At the request of the Government, the expert's mission was extended for three months under the Special Industrial Services programme and for twelve months under the UNDP/Technical Assistance programme. UNDP also approved a request for foundry equipment to the value of US\$3,000.

146. Two Senegalese counterparts (Mr. Huchard and Mr. Babacar Gueye) assisted the expert. The expert's activities can be broken down as follows:

- (a) Establishment of the organizational and management structures of the aluminium foundry (SAFAL);
- (b) Studies, dealing primarily with the search for products for which there was a large market;
- (c) Activities preparatory to production, relating to the production and perfecting of generally complicated equipment (chill casting process) and alloys meeting the standards in force, study of the operating conditions of chill casting moulds, mass production conditions in general, and the commercial launching of products through several distribution channels;
- (d) Production activities: the final stage of production has been reached for eight products (twelve-litre and eight-litre cooking pots, W.C. traps, washstands, outdoor traps (10 and 12 cm) and ground-nut and millet sower discs);
- (e) Training activities, which have been carried on side-by-side with all the technical activities of the enterprise, thus enabling the staff (foundry and chill casting workers) to be trained.

In addition, under French bilateral aid, engineers and technicians from the shops of the French naval dockyard at Dakar have continued to assist in perfecting aluminium casting methods.

#### **Establishment of the organizational and management structures of the SAFAL aluminium foundry**

147. The financial and commercial implications of the interruption of enterprise's activity were serious. In order to lighten the resulting burdens and provide the financial foundations for the development of the enterprise, it appeared necessary to increase the company capital and envisage re-organization measures.

148. The general management of the enterprise was assumed by a Board of Management which was set up pending the appointment of a Senegalese director, whose appointment took effect in August 1970. This director holds a degree in economics. His deputies are an accountant and a Senegalese technical director who has participated since 1968 in the design, production and perfecting of equipment at the Naval Dockyard. This technical director was awarded a supplementary UNIDO training fellowship which ended in December 1970.

#### **Studies relating to the search for products to be manufactured**

149. In contrast to the commercial practices ordinarily applied by foundry shops which are not integrated into a larger complex and work only to order, SAFAL has generally been obliged, because of the local situation, to take the initiative with respect to the products to be manufactured. This represents a very considerable extra commercial risk, for the equipment required for producing an article by chill casting is very costly, and there must be assurance that reasonable amortization is possible. Moreover, SAFAL has been obliged to assume responsibility for the manufacture of the chill moulds because there is no local workshop specialized in this line. The machining equipment available had therefore to be taken into account in the selection of items to be manufactured. Lastly, in order to reduce metallurgical problems, it was reasonable to restrict the range of alloy qualities used, and this again has a bearing on the selection of items to be manufactured.

150. These considerations explain the care which had to be devoted to the technical and economic studies for the selection of articles to be manufactured under SAFAL's responsibility. Fourteen products have been manufactured, fifteen others will be produced later, and three are under study.

151. However, the relative newness of SAFAL's activities means that it has so far only built up a small amount of goodwill reflected in offers for the execution of work on a subcontracting basis. In these cases, the tooling is billed to the client, thus considerably reducing SAFAL's capital investment, while the marketing of the goods produced is guaranteed.

152. Thus, for example, the Société nationale de développement rural (SODEVA) (National Rural Development Corporation) entrusted SAFAL with the manufacture of discs for ground-nut and millet sowers (These are Senegal's main agricultural products). The appropriate tooling was designed, produced and perfected in the shops of the Naval Dockyard under SAFAL's responsibility and charged to SODEVA. SAFAL then produced the discs on order from SODEVA and exclusively for it. It may be noted that sower discs were previously imported at a price of 350 francs each, while the price for SAFAL's first delivery to SODEVA was 80 francs per disc.

153. In addition, an industrialist recently launched the manufacture under licence of a product (fire extinguishers), for which there is a large market in Africa. Some components are to be made of light alloy and can be produced by gravity chill casting. An estimate of tooling costs is currently being prepared by SAFAL for submission to the customer, with the understanding that if local production of the tooling is impossible or too costly, the customer will temporarily import tooling of the type used in France for use at SAFAL.

#### **Activities preparatory to production**

154. After the selection of products, the tooling (i.e. the metal mould and its handling system) must be designed, produced and perfected once the appropriate alloy quality has been determined. Finally, the conditions of utilization in mass production are studied through a preliminary batch which also serves to determine the commercial interest shown in the product in question in several distribution networks.

155. These activities go far beyond the general framework of foundry operation as such and call for an entirely different dimension of technical knowledge. They entail substantial investment costs, but are decisive for subsequent successful production. These activities therefore involve very heavy responsibilities and require long-term assistance.

156. The need for this assistance is particularly understandable when it is borne in mind that there is no appropriate local technical environment to provide the continuing advice which equivalent specialists working in the developed countries receive. Hence, the launching of a new manufacture will remain, from the technical point of view, a risky operation which technology alone does not always suffice to make feasible.

157. None the less, it has been possible to manufacture some items, and high levels of technical performance have sometimes been achieved. This is the case with the twelve-litre cooking pots, which it was possible to manufacture with walls only 3 mm thick. The tooling, which weighs 600 kg, required 1,000 hours of work.

158. From the commercial point of view, on the other hand, no major difficulties have arisen except, perhaps, in the case of entering traditional sales circles with their own special arrangements for payment.

159. The commercial problems of SAFAL are perhaps alleviated by the fact that the products are innovations. Thus, for example, SAFAL is the only enterprise to have undertaken the manufacture of silumin alloy traps for seatless toilets. The commercial reception has been such that this article is no longer imported into Senegal, while exports of SAFAL's silumin traps are acquiring some importance. Conclusively successful enamelling tests have been made on these same traps. It is easy to imagine how much this new operation, the technique for which is still extremely recent, means to SAFAL. This article easily competes with cast-iron imported traps.

160. With regard to the production and maintenance of production equipment, the difficulties caused by delays in execution should be stressed. The only engineering workshop adequately equipped for this activity is that of the Naval Dockyard, which is available only for short periods. The solution to this problem is to use the central maintenance and repair workshop which it is planned to install on the industrial estate at Thiès.

### **Training**

161. Training has logically gone hand-in-hand with all the technical activities of the enterprise. Most of the workers recruited were not skilled in foundry work. The acquisition of skills by the workers, all of whom are shareholders in SAFAL, was pursued all the more enthusiastically because errors made in operation were penalized by repercussions on the profitability of the enterprise. This in-plant training was continued until complete mastery of the methods and processes used had been acquired.

162. At the same time, however, separate training will also be given in the utilization of the metallurgical characteristics of materials (melting, operation of furnaces, treatment of molten metal baths, preparation of alloys). A start has already been made on this training programme, which should be brought under the Special Fund project for the establishment of a pilot and demonstration foundry at Thiès.

163. In addition, a technician was awarded a UNIDO fellowship for 3½ months and received training in several factories in Italy, including Fiat.

### **Equipment**

164. The equipment has consisted primarily of melting and mixing equipment. The melting equipment arrived at the end of May 1970, in other words, approximately ten months after the request. It was installed a few days after receipt. It is used primarily for demonstrations of the preparation of Alpac, and for the treatment of molten metal baths in general. The mixer, however, has still not been delivered (December 1970), and this hampers the normal production programme.

### **General conclusions on assistance to SAFAL**

165. The technical assistance programme was well prepared from the outset. The job description for the expert and the list of equipment requested reflect the objectives sought, which have been achieved. The project has been remarkably well executed, and it can now be considered to have arrived at the point of no return. Demand is such that SAFAL can meet local and foreign requirements only with difficulty, since the enterprise's products have been well received not only among local customers, but also in neighbouring countries such as Mauritania, Mali and the Ivory Coast.

166. In order to guarantee SAFAL's future, however, it should be given additional technical assistance in order to bring about a broader diversification of production, for which it is adequately prepared.

167. The technical and management training has gone well, and qualified staff are now at their posts. SAFAL has thus played a training role for its own workers, while at the same time ensuring the profitability of the enterprise. This profitability has been amply demonstrated, as has the technical adaptability of the staff.

168. SAFAL's profitability continues, however, to be determined by labour productivity, for which further technical assistance is still required. It is this fact which justifies the request to the UNDP/Special Fund for technical assistance for the establishment of a pilot and demonstration foundry which will serve to support training and production not only for SAFAL, but for the whole foundry sector in Senegal. If this sector is to be maintained in an effective state it urgently requires assistance, particularly with regard to training and the demonstration of new techniques for brass and bronze.

169. The success of the project for assistance to SAFAL can be regarded as a guarantee of success for the future pilot foundry project.

#### **Establishment of a pilot and demonstration foundry**

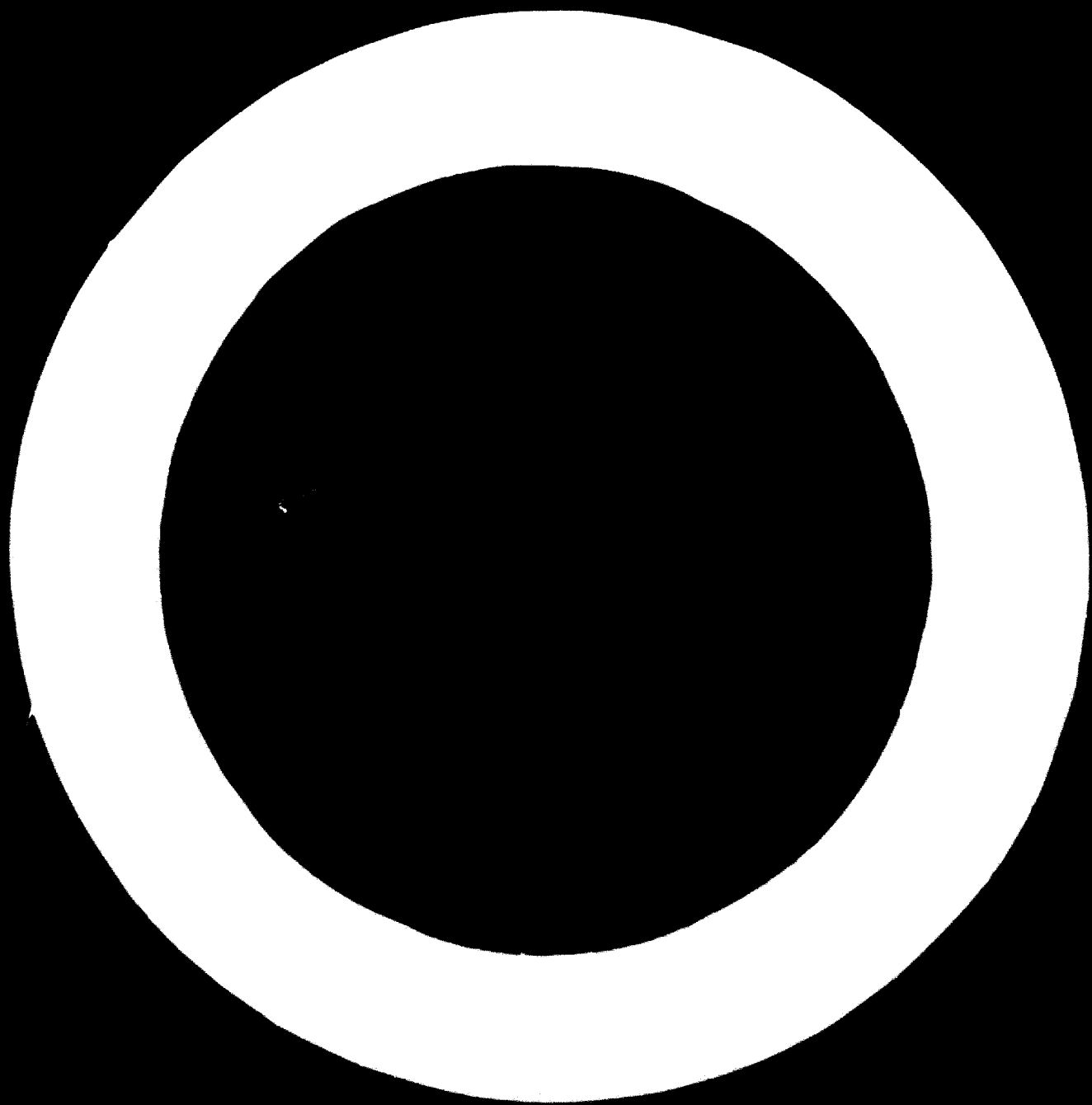
170. In a letter dated 26 February 1970, the UNDP Resident Representative transmitted a request by the Government for a UNDP/Special Fund project for the establishment of a pilot and demonstration foundry. At the same time, the Government requested that a UNIDO official should be sent to assist in finalising the request.

171. After amendment at UNIDO headquarters, the revised project was returned to the Senegalese authorities by a UNIDO official during a mission to West Africa at the beginning of April 1970. It was then decided that the questions which were still open would be studied by the aluminium casting expert who was in Senegal so that the request could be submitted in September 1970. UNDP subsequently requested additional information.

172. The objective of the project is the establishment of a pilot and demonstration foundry which would constitute the hub of the future development of metalworking technology. It would operate on a semi-commercial basis and would make it possible to give extensive training to local personnel and to demonstrate the equipment and techniques used in foundries. It would assist existing industries by supplying them with various ferrous or non-ferrous castings required for their manufacturing work and for maintenance and repair.

173. The project would last four years. The Government contribution would amount to approximately US\$563,000, while the UNDP contribution would pay for the services of five international experts, the award of fellowships and the purchase of equipment.

174. This project is of decisive importance, not only for the development of the foundry sector in Senegal, but also for its maintenance. Foundry work is a basic activity for all industrial development, and this is why the Government has entered into such a substantial financial commitment for this project.



**ANNEX I**  
**REPUBLIC OF SENEGAL**  
**MINISTRY OF INDUSTRIAL DEVELOPMENT**

**COMMUNIQUE CONCERNING THE JOINT EVALUATION BY UNIDO AND THE GOVERNMENT  
OF TECHNICAL ASSISTANCE TO SENEGAL FOR INDUSTRIAL DEVELOPMENT**

As provided for in paragraph 6 of the joint communiqué signed on 6 June 1970 by Mr. Daniel Cabou, Minister of Industrial Development, and Mr. I.H. Abdel-Rahman, Executive Director of the United Nations Industrial Development Organisation, an evaluation of the technical assistance of UNIDO to Senegal was jointly undertaken in three phases by the Government of Senegal and UNIDO.

The joint final report on this evaluation was prepared at Dakar between 2 November and 4 December 1970 by representatives of the Government and of UNIDO, with the co-operation of Mr. Jerkovic, acting UNDP Resident Representative at Dakar.

The Government of Senegal was represented by Mr. Daniel Cabou, Minister of Industrial Development, and Mr. Faly Ba, Technical Adviser of the General Secretariat of the Government.

UNIDO was represented by Mr. E.E. Ward, Deputy Director of the Technical Co-operation Division, and Mr. A. Enguerre, Evaluation Unit, Office of the Director of the Technical Co-operation Division.

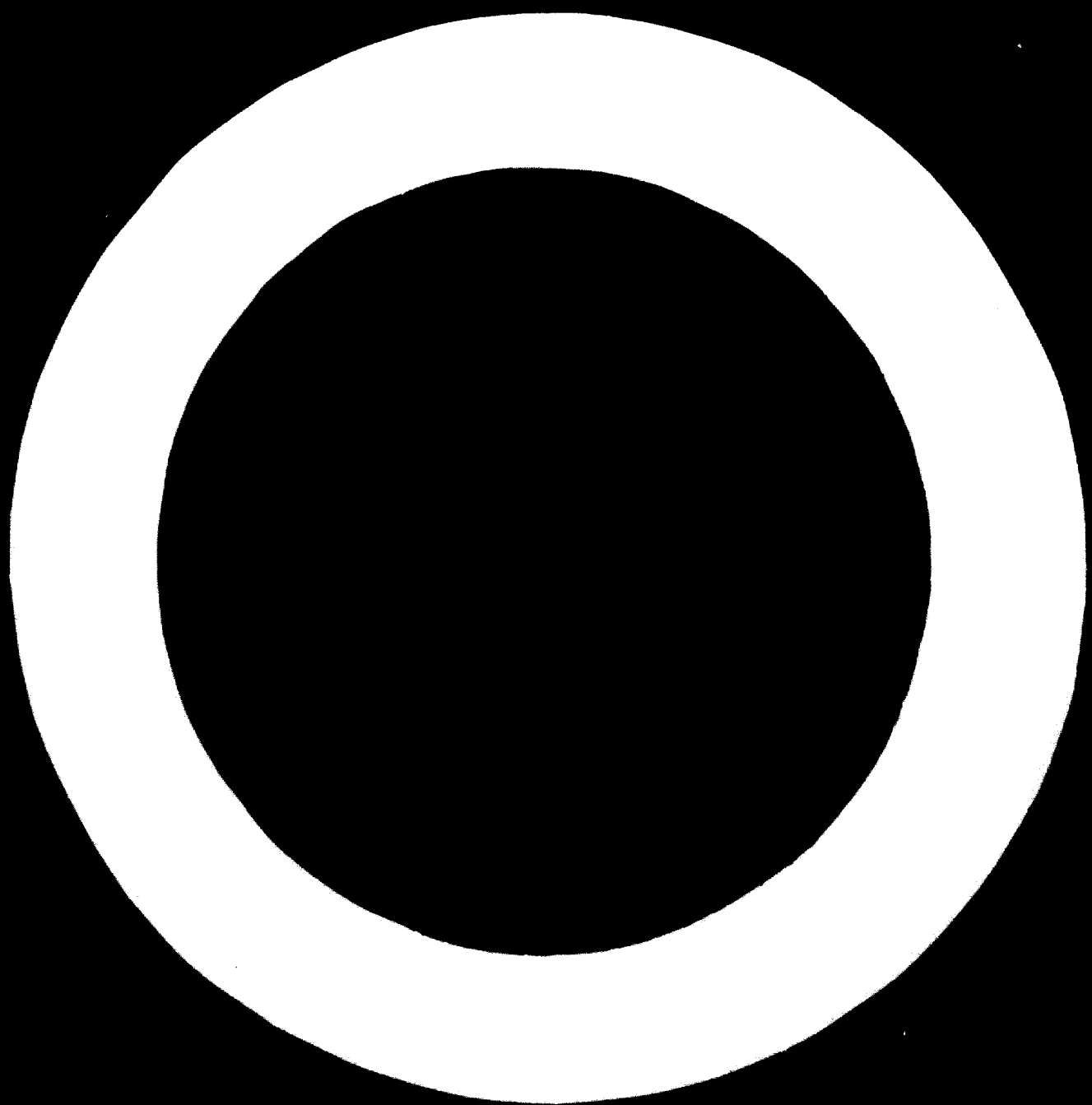
The joint evaluation provided an opportunity for a very fruitful exchange of views, not only on current technical assistance to Senegal, but also on ways in which this assistance could in future be conducted more efficiently.

The final report is attached.

Dakar, 4 December 1970

For the Government of the  
Republic of Senegal  
Daniel Cabou  
Minister of Industrial Development

For the United Nations Industrial  
Development Organization  
E.E. Ward  
Deputy Director of the Technical  
Co-operation Division





## ANNEX II

### GUIDELINES FOR THE EVALUATION OF THE CONTRIBUTION OF UNIDO TO THE INDUSTRIAL DEVELOPMENT OF SENEGAL

1. The following guidelines will be used by the Government, Resident Representative and UNIDO as appropriate in assessing the contribution of UNIDO to the industrial development of the country in question.

2. The evaluation should be as practical and concrete as possible, concentrating on identifiable results and factors whether in quantitative or qualitative form and based primarily on an analysis of each particular expert assignment, fellowship, project or activity.

3. Time taken to meet request

The lapse of time between the receipt of the original request and the beginning of field operations may have a significant bearing on the final outcome. Comment should therefore be made on this factor. If there have been any undue delays in implementation an attempt should be made to identify where the causes lay.

4. Job descriptions, terms of reference of subcontractors (if applicable)

Comment should be made on any cases where the job description for an expert or the terms of reference of subcontractors did not adequately reflect the task to be performed.

5. Quality of experts

The following should be taken into account:

- (a) Professional qualifications of experts for the duties called for in the job description;
- (b) Adaptability to circumstances and environment of the country in question and consequent ability to transmit and apply his knowledge.

Use made of experts services

- (a) Was reasonable scope given for utilisation of the qualifications and skills of experts?
- (b) Were general conditions of work and supporting services satisfactory taking into account the circumstances of the countries?

6. Counterparts

Availability and suitability of counterparts for experts including, particularly, the following:

- (a) Qualifications;
- (b) Seniority;
- (c) Continuity.

7. Fellows

- (a) Qualifications of fellows nominated by government in relation to training requested;
- (b) Adequacy of training programmes arranged by UNIDO;
- (c) Use made of training acquired by fellows on return to home country.

8. Recommendations by experts

The outcome of an assignment by a technical assistance expert is usually embodied in the recommendations he makes. These might be in periodic and final reports or sometimes less formally in his day-to-day discussions with governments. An attempt should be made to identify all major recommendations as one of the basic elements in the evaluation exercise.

9. Extent to which recommendations of experts applicable and applied

Once an expert has made recommendations the next step in the evaluation of the effect of the project is the extent to which these have been applied or could be applied. An attempt, therefore, should be made to identify the ultimate use, if any, made of recommendations of experts.

10. General evaluation of experts' contribution

In some cases the contribution of an expert may not be traceable to the full extent in the recommendations which have been made formally or informally. If there is a basis for assessment over and beyond this such an assessment should be made.

11. General impact

It may be that the contribution of UNIDO's technical assistance cannot be fully assessed by the analysis of the work of individual experts but by the impact of more than one expert or project in a broader field. If this is so such an assessment should also be made although it should be ultimately based on the study of the individual projects.

12. Measurability

In some cases results may be measurable in terms of increased outputs, etc., but in others the contribution may be either not measurable or mainly qualitative. The form appropriate to the case should be used.

13. Extent of impact

Since UNIDO co-operation in various forms is only a marginal factor in the industrial development of a country it is not likely to be useful to try to assess this impact on industrial development as a whole. The primary yardstick should generally therefore be the extent to which the project achieved the immediate objectives rather than speculation on possible wider repercussions.

14. Industrial information and investment promotion

Comment should be made on the use, if any, made of the industrial information service and participation in industrial promotion activities.

15. General co-operation

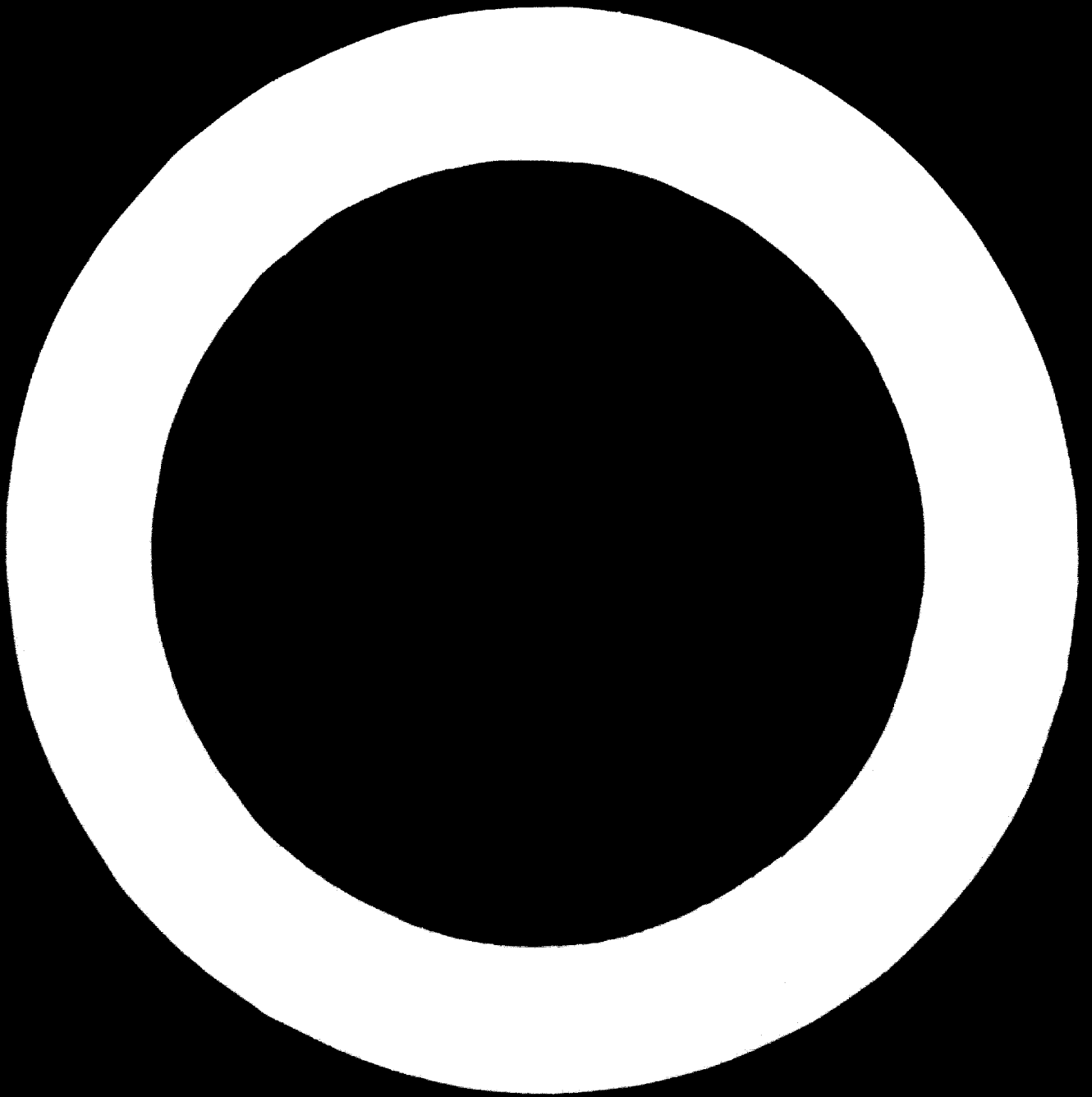
Relations with UNIDO are not confined to experts and fellows, but also involve visits by Industrial Development Field Advisers, UNIDO headquarters' staff and consultations at UNIDO headquarters by senior officials of the country, etc. An evaluation should also be made of the contribution which such contact may or may not have made.

16. Long-range programming

Comment should be made on the significance of the long-range programming exercise for UNIDO's assistance in the implementation of the Development Plan.

17. New approaches

UNIDO is always seeking new ways to help the industrialization of developing countries and if there are proposals for activities outside the forms in which this co-operation has so far taken place they would be welcome.



### ANNEX III

#### COMMUNIQUE CONCERNING THE OFFICIAL VISIT TO SENEGAL OF MR. ABDEL-RAHMAN, EXECUTIVE DIRECTOR OF UNIDO

At the invitation of the Government of the Republic of Senegal, Mr. Ibrahim Helmi Abdel-Rahman, Executive Director of the United Nations Industrial Development Organisation, paid an official visit to Senegal from 2 to 6 June 1970.

Accompanied by Mr. Jacques Leger, Resident Representative of the United Nations Development Programme, and Mr. Albert Deguerre, a UNIDO staff member, the Executive Director was received in audience by His Excellency Mr. Léopold Sédar Senghor, the President of the Republic of Senegal, His Excellency Mr. Abdou Diouf, Prime Minister, His Excellency Mr. Karim Gaye, Minister for Foreign Affairs, and His Excellency Mr. Daniel Cabou, Minister of Industrial Development.

His Excellency Mr. Gabriel d'Arboussier, Ambassador of Senegal and Permanent Representative to UNIDO, attended the conversations and working sessions.

Meetings were also held with the representatives of the private sector, at Dakar, at the Chamber of Commerce, Industry and Crafts of Cape Verde, and at Thiès.

Working meetings were held under the chairmanship of His Excellency Mr. Daniel Cabou, Minister of Industrial Development, which were attended by Mr. N'Diawar Sow, Technical Adviser, Ministry of Industrial Development, Mr. Louis Alexandrenne, President and Director-General of SONEFI, Mr. Faly Ba, Director for Industry, Mr. Mouhamadou Sy, Director for Mines and Geology, Mr. Ousmane Fall, OERS Co-ordinator, Mr. Samba N'Diaye, Technical Adviser, Ministry of Foreign Affairs, Mr. Djoje Faye, Director for International Technical Co-operation, Ministry of Foreign Affairs, Mr. Magib N'Dao, Technical Adviser, Secretariat of State for Planning, Mr. Lamine Ba, Technical Adviser, Ministry of Technical Education and Vocational Training and Mr. Cheikh Amidou Kane, Director of External Finance, Ministry of Finance and Economic Affairs.

The discussions dealt with UNIDO's short-term and long-term programme of technical assistance and co-operation for the Republic of Senegal, and relations between Senegal and UNIDO.

The following decisions were taken:

1. Under the UNIF Special Fund project, UNIDO is assisting SONEFI in carrying out its function of promoting small-scale and medium-scale industry and setting up an industrial information centre.
2. Under a UNIF Technical Assistance project, UNIDO is assisting the SAFAL pilot aluminium foundry shop at Thiès.

3. A programme of technical assistance is in hand, particularly with regard to the furniture industries.  
Agreement was also reached on an additional technical assistance programme for SONEPI, with regard to the establishment of new industries (food industries, iron and steel and non-ferrous metals), and also for the Thiès pilot aluminium foundry shop and the industrial estate at Thiès.
  4. A long-term programme of technical assistance and co-operation in the industrial development field for the Republic of Senegal was signed on 4 June 1970 by Mr. Jean Collin, Minister of Finance and Economic Affairs, and Mr. Abdel-Rahman, Executive Director of UNIDO.  
This programme includes long-term technical co-operation and assistance objectives and targets corresponding to the perspectives of the Senegalese Four-Year Plan in order to assist the Republic of Senegal in accelerating its industrial development.
  5. In the framework of UNIDO's programme of activities during the Second United Nations Development Decade, the Government of Senegal agrees to co-operation with UNIDO in the form of a thorough appraisal of the industrial development strategy adopted by the Government. This first meeting between the representatives of the Government and UNIDO will take place at the beginning of 1971.
  6. It was agreed that Senegal would be chosen by UNIDO as the first African country in which an evaluation of UNIDO's technical assistance would be made jointly by the Government and the Organisation. The phases of this joint evaluation will be:
    - (a) Before 15 July 1970, UNIDO will submit to the Government a background report on the technical assistance provided;
    - (b) The Government and UNIDO will exchange comments and additional information on this background report before 1 October 1970;
    - (c) The final report, prepared jointly by UNIDO and the Government of Senegal, with the co-operation of the Resident Representative of UNIP, should be ready before 1 December 1970.
- Mr. Faly Ba, Director for Industry, was designated as Senegal's correspondent for this purpose.
7. Senegal agrees to act as host country for the first course organised outside Vienna intended for officials in charge of industrial development from the French-speaking countries of West Africa. This course will be organised by UNIDO, using the voluntary contributions from the Swiss Government. The course could be organised early in 1971.
  8. The Government of Senegal agrees to the convening in Vienna in May-June 1971 of the Special International Conference on Industrial Development pursuant to resolution 29 (IV) of the fourth session of the Industrial Development Board.

9. The Government of Senegal decides to establish a national committee for UNIDO which will be composed of representatives of the Government and the private sector interested in industrial development. The purpose of this committee will be to discuss questions relating to the industrial problems of Senegal and its relations with UNIDO. The Director for Industry will assume the functions of Secretary of the Committee.

The Government of Senegal gives its full support to UNIDO in its programme of activities to promote the industrial development of Africa and would like increased efforts to be made in this field within the United Nations development system.

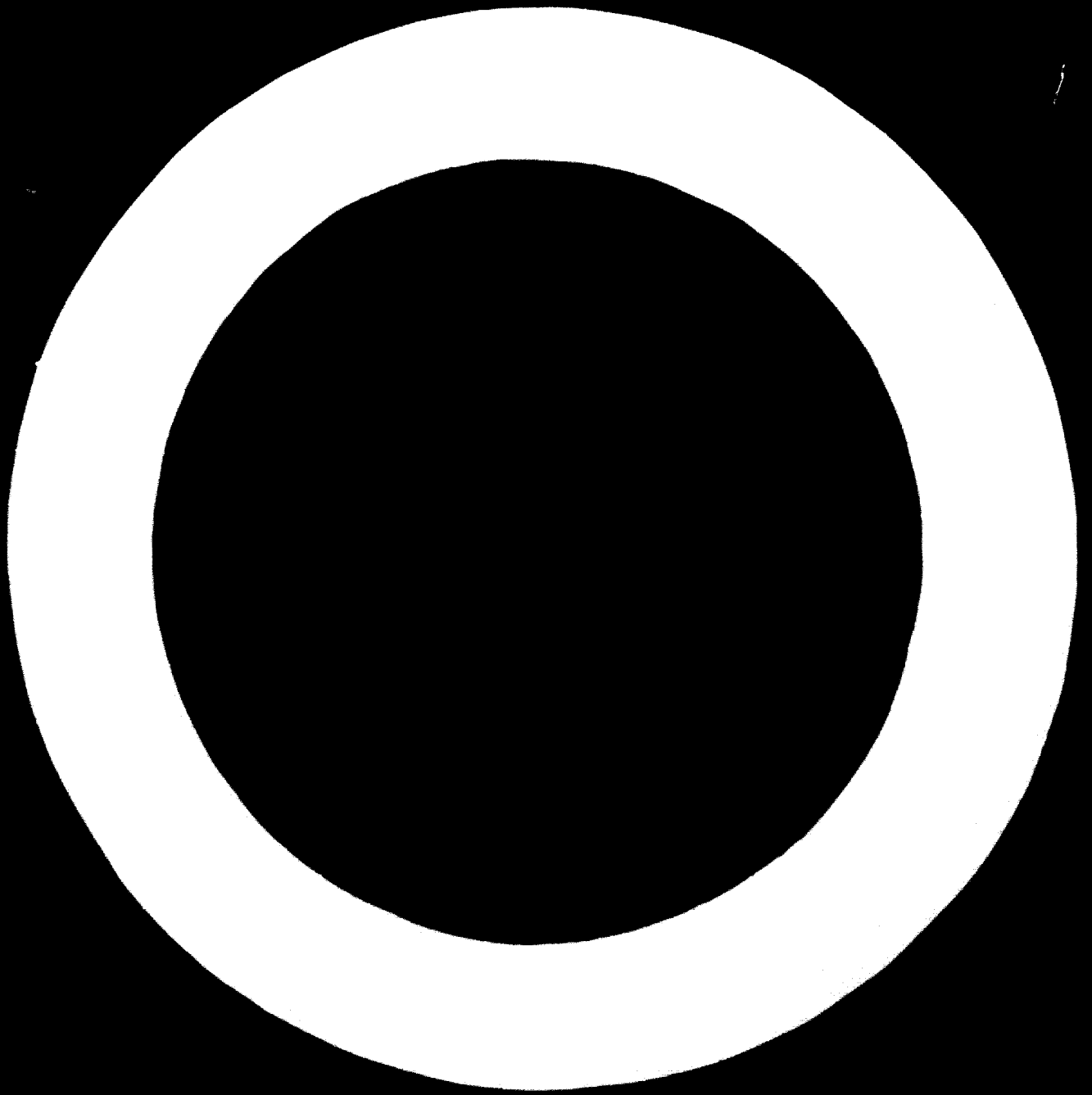
The Executive Director appreciates the interest shown by Senegal in the establishment of the United Nations Industrial Development Organisation and the interest that it continues to show in the Organisation's development and activities. In this context, Senegal has a very important part to play not only at the national level but also at the sub-regional, regional and international level, in the framework of organizations such as the Organisation of the Senegal Riparian States, the Economic Community of West Africa, the Common African, Malagasy and Mauritian Organisation and the Organisation of African Unity.

Mr. Ibrahim Helmi Abdel-Rahman thanks His Excellency Mr. Léopold Sédar Senghor, President of the Republic of Senegal, His Excellency Mr. Abdou Diouf, Prime Minister, Mr. Karim Gaye, Minister for Foreign Affairs, Mr. Jean Collin, Minister of Finance and Economic Affairs, Mr. Daniel Cabou, Minister of Industrial Development, and all their staff for the kind invitation and the very warm and fraternal welcome that was accorded to him.

Done at Dakar, on 5 June 1970

Daniel Cabou,  
Minister of Industrial Development,  
For the Government of the  
Republic of Senegal

Ibrahim Helmi Abdel-Rahman,  
Executive Director,  
United Nations Industrial  
Development Organization





## ANNEX IV

# UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

## LONG-TERM TECHNICAL CO-OPERATION PROGRAMME FOR INDUSTRIAL DEVELOPMENT IN THE REPUBLIC OF SENEGAL

### A. INTRODUCTION

1. The Government of the Republic of Senegal and UNIDO have decided to establish a joint programme involving long-term technical co-operation and assistance objectives as well as objectives in keeping with those of the Senegalese Four-Year Plan designed to assist the Republic of Senegal in speeding up its industrial development.

The purpose of the above-mentioned programme is to implement technical assistance projects in the following sectors:

- Maintenance and repair;
- Mechanical and electrical engineering industries;
- Metallurgical industries;
- Pulp and board industry;
- Animal and vegetable produce processing industry;
- Furniture industry;
- Building material industry;
- Industrial research institutions;
- Development of small-scale industry and industrial estates;
- Technical assistance to Senegalese industrial entrepreneurs;
- Industrial information;
- Training of industrial cadres.

2. Jointly with the Government of Senegal and in close co-operation with the UNEP Resident Representative at Dakar, UNIDO will, as the need arises, examine all requests for technical assistance to which the Government attaches priority in any of the industrial sectors listed in paragraph 1 above. The field advisor on industrial development will be closely associated with the discussions.

3. The present long-term technical co-operation programme will be undertaken within the framework of national development plans.

### B. CURRENT PROJECTS

4. UNIDO, with UNEP participation, is now extending technical assistance to the Senegalese Government for the following projects:

- (a) Special Fund Project SW-14: "Assistance to the National Industrial Research and Promotion Corporation (SONIPI)";

- (b) UNDP/TA project SEN-69/5: "Assistance to the SAFAL pilot aluminium foundry at Thiès";
- (c) SIS project 69/685 SEN-10: "Assistance to the furniture industry".

The Government of Senegal will submit requests for subsequent additional technical assistance to SONEPI in connexion with the development of medium-sized industries and industrial estates.

In addition, the Government of Senegal has submitted a request for technical assistance to the UNDP Special Fund for the establishment and development of a pilot iron and bronze foundry.

As regards the establishment of a central general mechanical, maintenance and repair workshop at the industrial estate at Thiès, technical assistance in the form of experts will be required under the Special Industrial Services programme, and supply of equipment will be requested from the programme supported by voluntary contributions from States to UNIDO.

#### C. LONG-TERM ACTION

5. Under this UNIDO long-term technical co-operation programme, it has been agreed to set up projects in accordance with Senegal's programme of economic and social development and, especially, industrial development.

The purpose of this technical assistance programme will be to assist the Government of Senegal in achieving the objectives of the Third Four-Year Economic and Social Development Plan in the field of industrial development by:

- Creating the fundamental conditions required for strengthening and developing industrial policy;
- Encouraging and developing private initiative;
- Assisting industry in surmounting certain difficulties arising from the economic situation.

In addition, the Third Plan is primarily designed to:

- (a) Achieve a larger measure of integration between agriculture and industry by utilising local products and processing them on the spot through the establishment of agro-industrial complexes in the vegetable production, livestock, fishery and forestry sectors;
- (b) Meet the local requirements of households and enterprises through maximum exploitation of all natural potential resources;
- (c) Encourage local entrepreneurs and increase the participation of nationals in the country's industrialisation;
- (d) Promote industrial investment.

In this context, the UNIDO technical co-operation plan for Senegal takes into account the aim of the Third Plan to promote the development of small-scale and medium-sized industry with the participation of nationals and the establishment of industrial estates and areas in the various regions of Senegal. The Plan has made the National Industrial Research and Promotion Corporation (SONEPI) into "an efficient instrument in the service of industrial development, with regard to both the search for foreign private investment and the implementation of measures planned to promote national small-scale industry".

Lastly, co-ordinated action will be taken with regard to the training of Senegalese industrial cadres and entrepreneurs.

The long-term technical co-operation programme agreed upon by the Government of Senegal and UNIDO will thus comprise the following:

(a) Assistance to the National Industrial Research and Promotion Corporation (SONEPI)

In addition to the assistance currently extended to Senegal under a UNEP Special Fund project, additional technical assistance will be subsequently necessary for the accelerated development of small-scale and medium-sized industry with a view to:

- (i) Undertaking feasibility studies for small-scale and medium-sized industries;
- (ii) Facilitating the financing of small-scale industry;
- (iii) Creating and developing an industrial information centre;
- (iv) Assisting the Government in implementing a regional programme for the establishment and development of industrial estates at Thiès, Dakar, Saint-Louis, Ziguinchor, Tambacounda and Kaolack;
- (v) Studying and implementing a regional programme for the establishment of central general mechanical, maintenance and repair workshops;
- (vi) Furnishing technical assistance to furniture manufacturers;
- (vii) Studying and assisting in the establishment of a paper-pulp and board industry;
- (viii) Assisting the Government in implementing a co-ordinated programme for agro-industrial complexes and food industries;
- (ix) Assisting Senegal in the establishment of an export promotion centre.

In order to carry out these projects, recourse will be had to the UNEP Special Fund or Technical Assistance components, the UNIDO Special Industrial Services programme or the voluntary contributions of States to UNIDO, as appropriate.

(b) Assistance in the establishment of a pilot and demonstration foundry

In order to promote industrial or general development and the establishment of new industrial activities, the Government of Senegal has just submitted a top-priority request for technical assistance to the UNEP Special Fund for the establishment of a pilot and demonstration iron and bronze foundry.

The final project will be prepared following the necessary consultations between the Government, UNEP and UNIDO.

(c) Metallurgical industries

- (1) In view of the existence of substantial deposits of titaniferous sand along the Senegalese coast, technical assistance will be required for undertaking technological studies on the industrial working of the titaniferous sand deposits and on the possibility of establishing a pilot plant. Technical assistance will be required under the programme supported by voluntary contributions to UNIDO and also under the Special Industrial Services programme. A request for technical assistance for the establishment of the pilot plant may be submitted to the Special Fund, with possible use of voluntary contributions to UNIDO as regards the application of technological processes and the supply of industrial equipment;

- (11) Assistance will also be required for studying the possibilities of establishing a copper industry in Senegal.

(d) Training of industrial cadres

An overall plan will be prepared for the purpose of meeting Senegal's requirements in the sphere of training, specialization and re-training of national industrial cadres and entrepreneurs.

The Government attaches special importance to the organization in the country or abroad of study courses, seminars or group training programmes and to practical on-the-job training of national entrepreneurs. Recourse will be had to UNIDO programmes in this field.

(e) Promotion of industrial investment

The Government of Senegal will, as required, call upon the services of UNIDO for investment research with a view to the implementation of industrial projects. Periodic exchanges of views will take place on this subject.

General comments

In undertaking the medium and long-term technical co-operation programme proposed above, the following general considerations will be borne in mind:

- (a) The present co-operation programme, agreed upon by the Government of Senegal and UNIDO, will serve as a basis for the implementation of new projects in the industrial sectors mentioned in this document. Requests for technical assistance will be officially submitted according to the usual procedures. Since the projects under the Third Plan require immediate assistance, UNIDO will study the requests submitted to it by the Government of Senegal as quickly as possible;
- (b) UNIDO will extend all technical assistance required by the Government in any stage in the preparation of a request and, after its approval, in the implementation of the projects to be executed;
- (c) The next periodic review of this technical co-operation programme will take place in 1971, but changes can be made at any time as required with regard to any sector considered above.

Done at Dakar, on 4 June 1970

For the United Nations Industrial  
Development Organisation

(Signed)

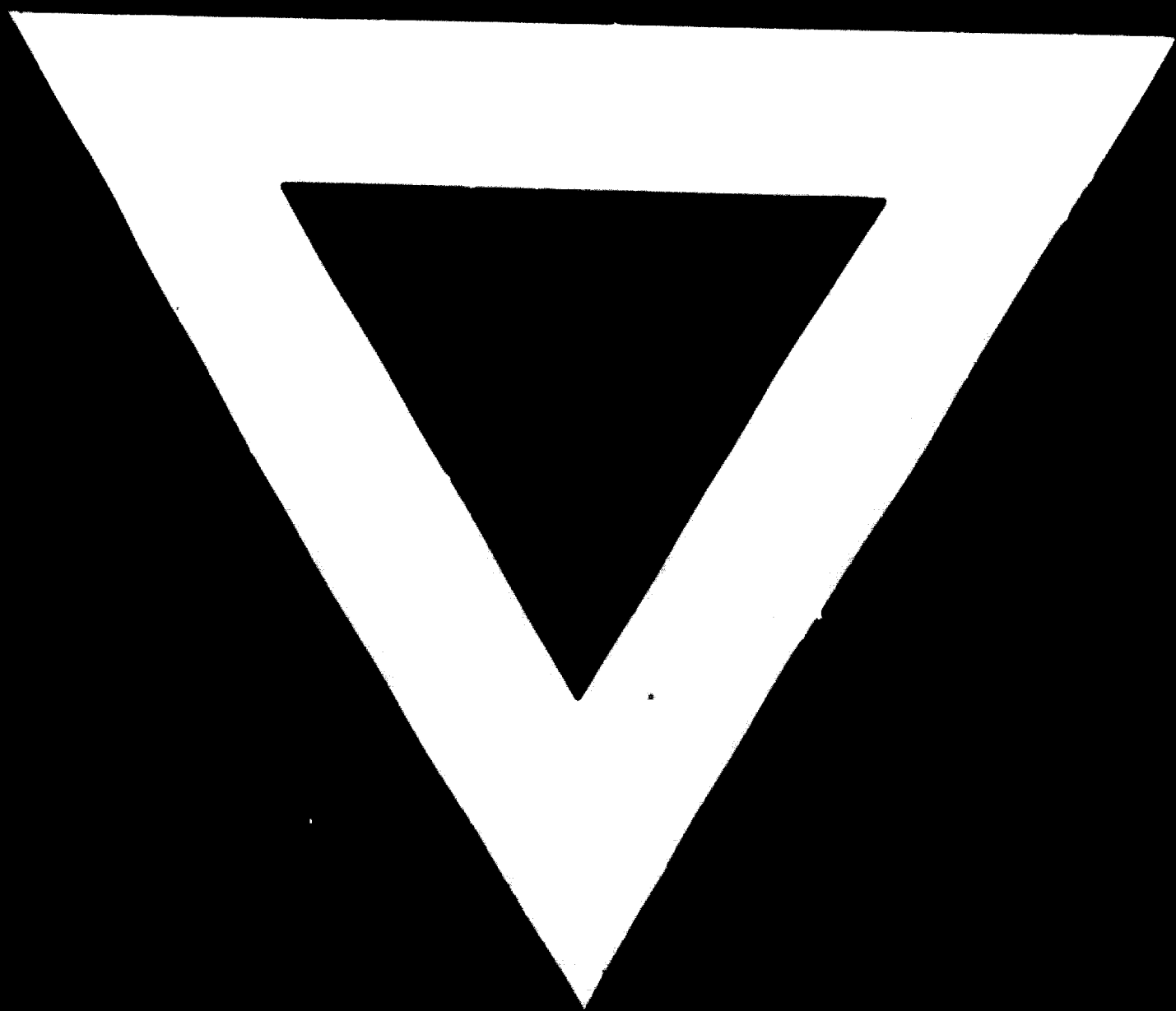
I.H. Abdel-Rahman

For the Government of the  
Republic of Senegal

(Signed)

Jean Collin





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