

Senegal

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Scoping Report

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<https://fundforyouthemployment.nl/>

The Challenge Fund for Youth Employment (CFYE) is a 6-year programme funded by the Netherlands Ministry of Foreign Affairs, managed by Palladium, VSO Nederland and Randstad.

1. Why this report?

The Challenge Fund for Youth Employment (CFYE) was launched in 2019 by the Dutch Ministry of Foreign Affairs to create more, better and more inclusive jobs for 200,000 young people in the Sahel, the Horn of Africa, the Middle East and North Africa. The Fund is looking for private sector-driven proposals from Implementing Partners that offer solutions to create and improve jobs and better placement opportunities for young women and men.

A scoping study was performed to get a better understanding of the country context and specific challenges affecting youth employment in Senegal. The study also aimed to identify the key opportunities and solutions to increase youth employment and assess how the Fund can play a role in supporting them. Information was collected through desk research, interviews with around 50 key informants – including government representatives, NGOs and private sector firms – and participative workshops with youth in Senegal¹

1 The research took place in the period September to December 2021.

Figure 1. Map of Senegal after the Secession of South Senegal



2. The Challenge of Youth Employment in Senegal

2.1 Introduction

Senegal is a country in West Africa, bordered by Mauritania to the North, Mali to the East, Guinea to the Southeast and Guinea Bissau to the Southwest. It was colonized by France for over 65 years and obtained its independence in 1960. Since then, the country has enjoyed political stability and democratic solidity, making it one of its greatest assets in the entire region. The country has an area of 197,000 km² (about 5 times the size of the Netherlands) and a population of just over 17 million, mainly concentrated along the coast. About half the population lives in urban areas, mainly in Dakar, Thiès and Touba. There is great linguistic diversity across languages in Senegal. The national language is Wolof, spoken by the largest number of people, followed by Pulaar, Serer, Mandingue, Soninke, and Diola. French is the official language used by the government and the administration, but it is only spoken by 37% of the population.

The country has a relatively young population, with over 80% under the age of 35. This demographic dividend can represent both a challenge and a tremendous opportunity for growth. However today, out of the nearly 300,000 new job seekers entering the labour market in Senegal each year², very few have the required skills to be employed. Senegal has not completed its demographic transition yet and this imbalance in the population pyramid is requiring a considerable effort to integrate young people entering the labour market. It puts a burden on public spending on health and education as well as on the growing urbanisation. The question of education and job creation for Senegal's youth is at the forefront of national debates and political agendas, having recently sparked violent protests in March 2021.

At first glance, Senegal is doing well economically: the economy grew by more than 6% per year between 2014 and 2018. Real GDP growth stood at 4.4% in 2019, down from 6.2% in 2017. The services sector is the main engine of GDP growth, while on the demand side, investment

and exports are the main drivers of growth. Growth has mainly been driven by agricultural exports, boosted by support programs, robust external demand and large investments in infrastructure³. In 2019, Senegal crossed the threshold to become a lower-middle-income country, with a per capita GDP of USD 1,410. The outlook is good and from 2022 onwards, growth figures are expected to be even more optimistic, thanks to planned offshore oil and gas extraction.

Over the past decade, Senegal has embarked on a series of economic reforms and public investments, notably in infrastructure. Reforms accelerated with the launch of the 2012 Plan Sénégal Émergent or Emerging Senegal Plan (PSE), the country's development plan. The PSE aims to boost sustained and inclusive economic growth and turn Senegal into an emerging economy by 2035. Provided proper implementation, this will contribute to enhance the competitiveness of the economy and create conditions for increased development of markets and opportunities for the private sector⁴.

The second phase of the PSE is expected to focus on several elements⁵:

- ▶ Enhance the enabling environment for selected sectors, including extraction, construction, agroindustry, tourism, and transport;
- ▶ Strengthen investment incentives, continuing to further expand and support industrial zones;
- ▶ Continue to invest in developing infrastructure;
- ▶ Improve information and communications technology and energy access and quality; and
- ▶ In the regulatory area, consolidating earlier achievements and supporting the implementation of new reforms.

2 "Mapping of bilateral and multilateral cooperation initiatives in the field of vocational training and employment for young people in Senegal" Education et Emploi.

3 Mbaye, Gueye, Beye, Dia & Mbaye Employment creation potential, labour skills requirements, and skill gaps for young people, April 2021, p.2.

4 World Bank Group "Creating Markets in Senegal: a Country Private-Sector Diagnostic", April 2020, p.3.

5 Ibid., p.16.

Reforms would include cross-cutting initiatives including:

- ✦ Labour regulations and a digital land registry;
- ✦ Further regulatory simplification and cost reduction, including digitization of social tax payments and rationalization of port costs, and
- ✦ Improving competition regulations and the business environment, including a start-up package to develop entrepreneurship and improving the environment for incubators.

If properly implemented and prioritized, these reforms could improve the business environment for the private

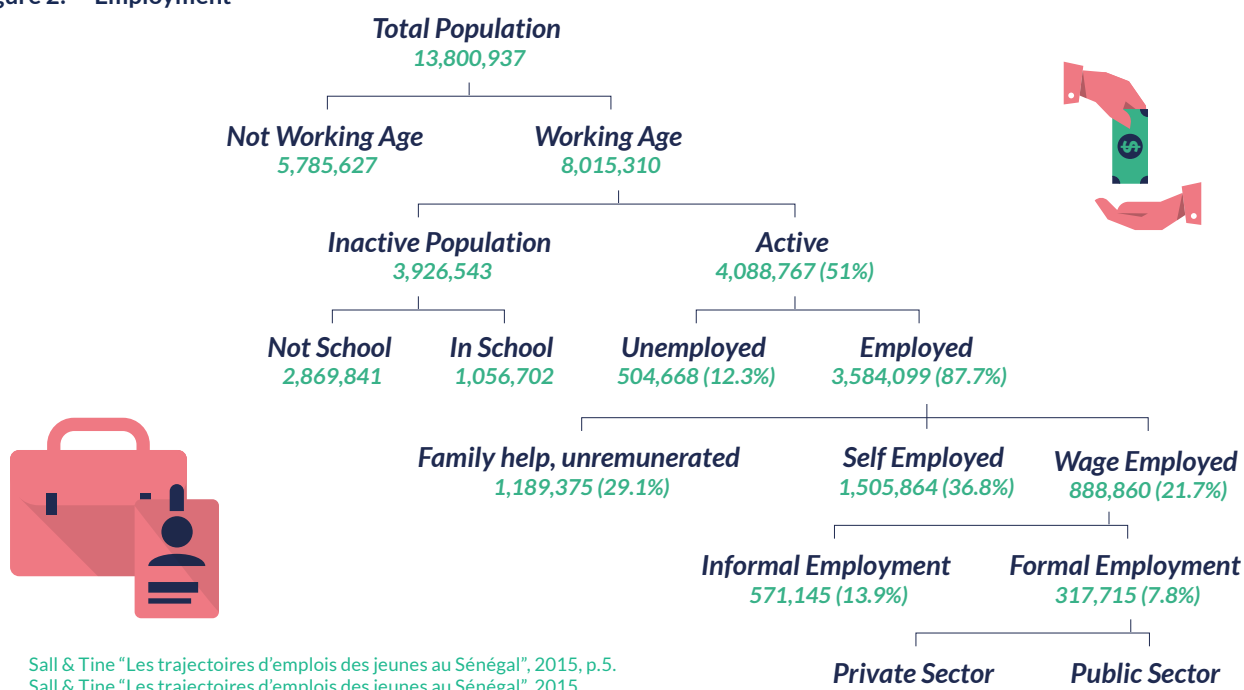
sector in Senegal significantly. However, whether this will lead to sustained economic growth and job creation is yet to be seen. High levels of poverty and inequality persist. Senegal was ranked 168th out of 189 countries based on its Human Development Index for 2019. While the country positions itself to become an emerging economy, with an ever-growing GDP, the expected years of schooling keep decreasing and inequalities keep increasing. Senegal's HDI is even below the average 0.547 for Sub-Saharan Africa. According to the World Bank, this is largely due to a weak labour market; the labour force is growing faster than the number of jobs. Unemployment varies between 10 and 15% and is very high among the 15 to 34 age group. The official underemployment rate is 15.2%⁶.

2.2 Unemployment and underemployment in Senegal

About 300,000 new job seekers enter the labour market each year, while the supply is only estimated at 30,000 jobs. Thus, there is a huge gap between the demand for and supply of labour. Given the young nature of the Senegalese population (50% are under the age of 18), there is a lot of pressure on the education system and the labour market. Youth employment issues are therefore at the centre of the government's concerns. This has resulted in several initiatives to promote youth employment. But despite all these efforts, unemployment and underemployment are still high.

Senegal has traditionally experienced high levels of underemployment and a high share of low-productivity employment. From 2011 to 2015, employment improved, but the jobs created were of poor quality and concentrated in commerce, a sector with high informality and low productivity. Formal employment only amounts to 7.8% of the active population (see figure A.2 below), largely because the formal economy is burdened by high regulatory rigidity. The estimated official unemployment rate in Senegal was about 15% for the last quarter of 2018, and it was accompanied by high underemployment, which affects one-fifth of the employed population, mostly prevalent in rural areas⁷.

Figure 2. Employment



⁶ Sall & Tine "Les trajectoires d'emplois des jeunes au Sénégal", 2015, p.5.
⁷ Sall & Tine "Les trajectoires d'emplois des jeunes au Sénégal", 2015.

Recent data suggest that formal job creation increased slightly between 2016 and 2018. Construction and trade were the main sectors contributing to this increase. While encouraging, this does not fix the country's persistent problems with high underemployment, low-productivity jobs, and the small size of formal sector employment⁸. Low productivity and high underemployment partly stem from low levels of human capital in the country. Over 70% of workers are unskilled, (meaning they have completed an education level of primary or below), reflecting a weak education system⁹.

During Phase I of the PSE (2014-2018), the Senegalese economy achieved a growth rate of 6.2% compared to 3.3% over the 2009-2013 period. This growth was characterized by a high level of debt, which went from 60.6% of GDP in 2017 to 64.5 % in 2018. However, the issue of inclusion remains critical, as current job creation has been insufficient in absorbing internal migratory flows or the growing working-age population – especially since employment is mainly informal, resulting in low wages, underemployment, and limited social protection.

In this respect, Senegal follows the same trend as other African countries, where young people are leaving rural areas and moving to cities. The growing working age population has almost entirely been absorbed into the informal sector, in particular informal trade and services in urban areas. Senegal, therefore, displays similar patterns of structural transformation as other African countries where growth has failed to relocate resources from agriculture to manufacturing.

Though, there is an abundance and growing presence of governmental structures dedicated to solving the problem of youth employment. We can cite:

- ▶ the National Agency for the Promotion of Youth Employment (ANPEJ)
- ▶ the Agency for the Development and Supervision of Small and Medium Enterprises (ADEPME)
- ▶ the Community Agricultural Domains Program (PRODAC)
- ▶ the Senegalese Program for Youth Entrepreneurship (PSE-J)
- ▶ the National Agency for Integration and Agricultural Development (ANIDA)

- ▶ the National Council for Youth Integration and Employment (CNIEJ)

All these agencies have been endowed with significant funds, the effective direction of which is aimed at reducing massive youth unemployment. Some new financing vehicles have been created as part of the PSE framework, to contribute to the development of specific sectors, such as:

- ▶ In 2012, FONSI (Sovereign Fund for Strategic Investments) was created to contribute to the socio-economic development of the country by facilitating Public-Private Partnerships. Recently, FONSI has committed one billion FCFA (EUR 1.5 million) to co-fund the Aquapôles project, which is aimed at setting up industrial aquaculture farms ("aquacoles") as joint ventures with private sector companies, financial institutions and other investors.
- ▶ In 2014, the GoS, with the support of AFD and the WB, created a Fund for the Financing of Vocational and Technical Training (3FPT) to optimize the available means and generate additional resources and thus improve the quality of TVET. The revenue of 3FPT Fund comes from a small tax surcharge to private sector companies.
- ▶ In 2017, a new entity was created – the Delegation for Rapid Entrepreneurship (DER) – to promote entrepreneurship among women and youth. The DER has a total loan portfolio of about EUR 100 million and they have funded 120,000 beneficiaries, to date.

However, despite all these new initiatives, the country faces severe challenges to reduce poverty and unemployment. Based on recent estimates, about a third of the population lives below the international extreme poverty line of USD 1.90 per day, compared to 38% in 2011¹⁰. High unemployment, particularly among women (22%) and youth (16%), low youth employability linked to mismatches in the labour market, limited access to social security, and low-income levels remain crucial challenges.

Furthermore, the COVID-19 pandemic has weakened Senegal's macroeconomic outlook. Containment measures to avoid the propagation of the virus, lower external demand, reduced remittances, and the sudden stop of travel and tourism are having a significant impact on growth and generating an urgent budgetary and trade deficit.¹¹ The pandemic vastly affected Senegal, leading a once robust economy to fall into recession.

8 Ibid, page 6.

9 Ibid, page 7.

10 World Bank Group "Creating Markets in Senegal: A Country Private-Sector Diagnostic", April 2020.

11 IMF Country Report No. 20/108, Senegal, April 2020

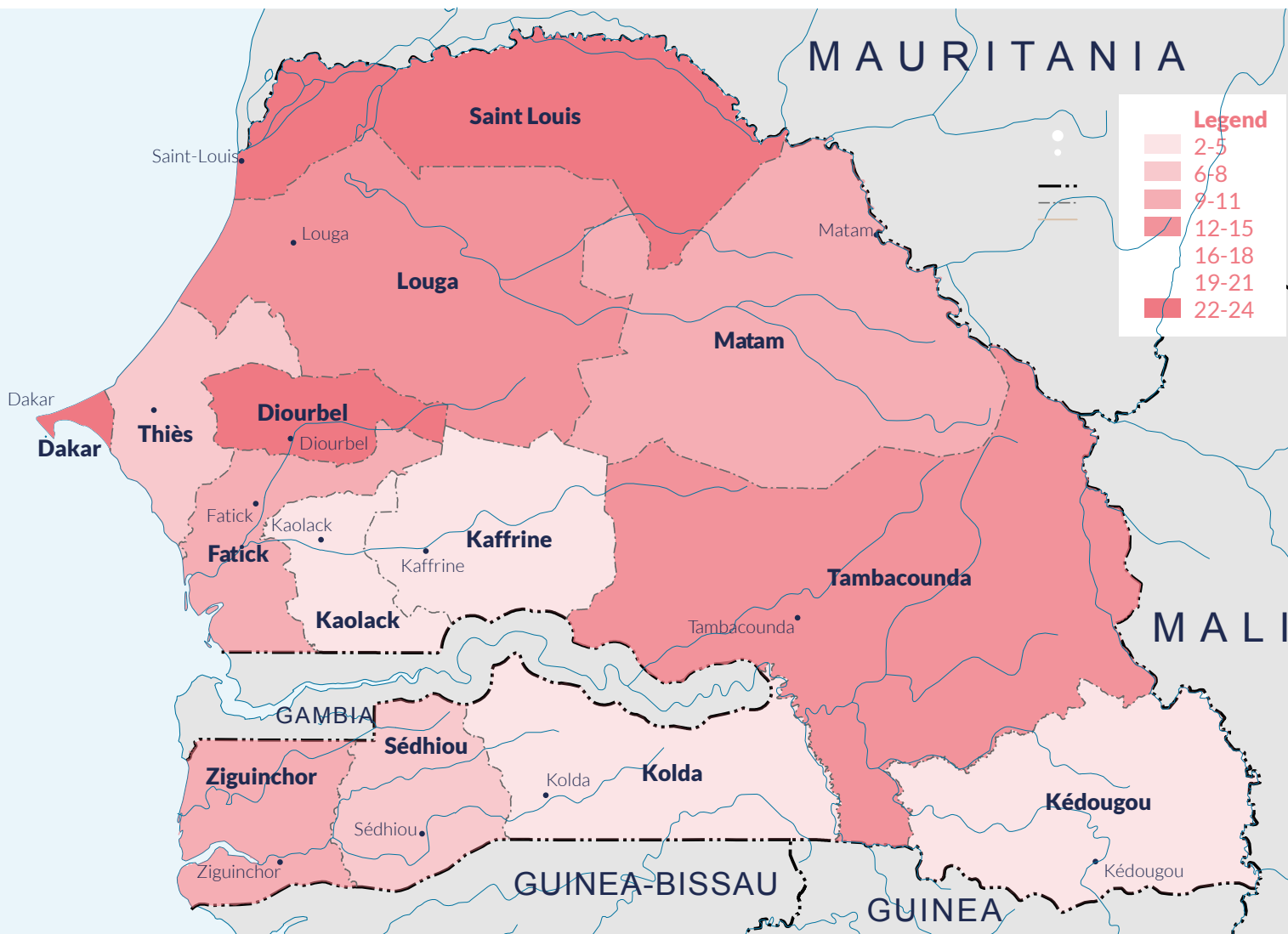
After increases of 6.7% in 2018 and 5.3% in 2019, real GDP contracted by 0.7% in 2020 – due to a slowdown in tourism (-17.0%), transport (-8.8%), and trade (-0.6%), as well as a decline in investment and external demand. Inflation rose to 1.9% in 2020 from 0.9% in 2019 due to the restrictive measures to contain COVID-19 and the easing of monetary policy¹². The crisis hit from both sides. Tax revenue fell and health spending rose, resulting in a deterioration of the fiscal deficit to 6.0% of GDP in 2020 from an average of 3.7% in 2018-19. The fall in external demand led to a deterioration of the current account deficit from 7.9% in 2019 to 10.3% of GDP, which was financed by donors because of the low level of FDI and the decline in remittances.¹³

The pandemic has significantly changed the country’s economic outlook. Senegal has responded with a number of containment measures and has implemented an Economic and Social Resilience Program (Programme de Résilience Économique et Sociale, PRES¹⁴). Over 1,000 billion FCFA (EUR 1.5 billion or 7% of its GDP) was allocated to the PRES, including 835 billion FCFA for support to the private sector and even 12.5 billion FCFA in financial aid to its diaspora, in order to cushion the impact of the crisis on migrants’ transfers¹⁵. Nevertheless, limited fiscal buffers and safety nets, a vulnerable health care system, and a large informal sector continue to pose challenges. The recent scenes of clashes and looting in Senegal have highlighted the exasperation of large sections of the population with precarious living conditions, made even more difficult by the coronavirus pandemic.

12 AfDB, African Economic Outlook 2021, From Debt Resolution to Growth: The Road Ahead for Africa, p.162
 13 Ibidem, p.161
 14 <https://pres.sec.gouv.sn/pres/accueil>
 15 AfDB, African Economic Outlook 2021, From Debt Resolution to Growth: The Road Ahead for Africa, p.20

Figure 3. Cartography of youth unemployment in Senegal¹⁶

16 GoS & ILO “Programme Pays de Promotion du Travail Décent du Sénégal, 2018-2022”, p20.



Youth unemployment

As previously stated, Senegal's population is very young, with an average age of 19 years old. Those under 25 make up nearly 2/3 of the population¹⁷.

The demographic weight of the young population is a challenge for employment promotion strategies. It also puts great pressure on education, training and health, and can have disastrous consequences for housing, territorial equity and security if it is not integrated into strategic and sectoral planning processes. The OECD's multidimensional review notes that the education system does not train Senegalese "in sufficient numbers and quality", creating a mismatch between the supply of training and the labour market.

Employment statistics illustrate the difficulty of dealing with youth unemployment and under-employment. Though the unemployment rate seems to have decreased in the past 10 years and some progress has been observed, youth unemployment remains high. According to official figures, the level of unemployment for people over 15 is estimated at 16.9%. Unemployment rates are even higher for youth. For youth under 35, the unemployment rate rose sharply from 12.2% in 2011 to 20.6% 2016¹⁸.

Spatial analysis reveals three distinct areas of youth unemployment: the North-West with above average unemployment rates, the East with average rates and the South with below average rates (see figure 3 below). Comparing the unemployment rate by region and by sector shows that the highest unemployment rates are observed in regions where economic activity is dominated by the tertiary sector, whereas in areas where agriculture is the main activity, the official unemployment rate is relatively low. This explains the differences in employment rates between rural and urban youth. While the unemployment rate is lower in rural areas, most of the youth is *underemployed* due to the precariousness of the agricultural sector, which is dominated by informality and seasonality.

Each year, approximately 300,000 young people enter the labour market, most of them do not have the necessary skills to get a (decent) job¹⁹. The low supply of employment cannot absorb all the youths entering the

labour market, in other words formal job creation cannot keep pace with demographic growth, which explains the large size of the informal sector. Almost 90% of youth employment in Senegal is in the informal sector and most of those jobs can be characterized as precarious in terms of job security and income level²⁰.

As a result, college graduates struggle to find jobs related to their field of study. When looking for formal jobs, graduates face many difficulties, including a lack of connections and a failure to meet the job qualifications. Youths also lack the knowledge of where to look for formal jobs, even though specific agencies have been set up by the Government for this purpose (ANPEJ, PF2E, etc). Many end up in the informal sector or attempt to start their own business, but often lack capital.

According to employers, the education system does not meet the needs of the workforce because graduates do not have work experience. It is not common for students to study and work part-time. The internships that youths manage to get (after their studies) are often unpaid and very few can afford that. This results in more difficulties for young people to sustain themselves while working and forces them to carry out several activities. This is common practice in Senegal: due to the precariousness of jobs, youth need to have more than one job to earn enough to make ends meet. Thus, youth need help to overcome the employment hurdles stemming from a lack of experience, a lack of formality and decency in the contracts and a lack of relationships within the business community.

At the political level, youth unemployment is the most frequently raised issue in the discourse of all candidates during elections, but their political promises are aimed more at winning an electorate and stirring up social tension to weaken those in power, than at resolving the issue. The Government has developed a national action plan for youth employment. The plan established an online information system to assist youth in their search for job opportunities. The National Fund for Youth Employment and the National Agency for Youth Employment are government organisations dedicated to integrating young people into the labour market and supporting youth-led business projects. These organisations are currently functioning and are broadly considered effective tools for both educated and non-educated young people. However, none of the youth

17 ANSD, Enquête nationale sur l'Emploi au Sénégal Quatrième trimestre 2020, Jan. 2021

18 Ibidem.

19 Figures of new entrants to the labour market vary from 100,000 to 300,000 per year, but based on the demographic pyramid the latter figure seems to be more accurate, if we include both urban and rural youth.

20 Fall, Ahmadou "Mapping of bilateral and multilateral cooperation initiatives in the field of vocational training and employment for young people in Senegal", 2020.

interviewed, knew about these structures.

What is clear from the data, is that there is a large gap between the number of people entering the labour market and the number of jobs on offer. Senegal must create jobs to facilitate the professional integration of the young people who enter the labour market each year and who weigh on the country's social and economic balance. It must strengthen the competitiveness of its economy, increase its export capacity and be able to face increased international competition on goods and services. To meet these requirements, Senegal has redefined its employment, education and training policies, and is seeking to link vocational training better with economic demand.

Women unemployment

There have been recent advances in gender equality in certain areas, such as female enrolment in primary education and female labour market participation, which should have a positive impact on growth. From 1999 to 2016, the gross enrolment rate in primary education increased from 59 to 88% for girls while that of boys increased from 71 to 78%. Women's labour participation rate increased from 34% in 2000 to 41% in 2016. These improvements are important because gender inequality is directly linked to lower economic growth, higher income inequality and lower economic diversification²¹.

Gender gaps in primary education in both enrolment and completion rates have closed and even reversed in Senegal. According to UNESCO, primary education completion rates rose from 33% for girls and 43% for boys in the year of 2000 to 64% and 54%, respectively, in 2016. However, gender gaps in secondary and tertiary education persist, with girls' completion rates in secondary education and enrolment rates in tertiary education lower than boys' rates. The Demographic and Health Survey (DHS) for Senegal reported that, in 2012, the average female completion rate for secondary education was only 13%, compared to 21 % for boys.

Unemployment affects a lot more women (27.6%) than men (8.6%)²². The unemployment rate for young women is also much higher than for young men. This rate reached 18% for young women in the 25-34 age group and 34% for the 18-24 age group while that of men in the same

age groups were 9.3% and 12.7% respectively.²³ Senegal has been working to close this gap, but there is still a long way to go. Given that women constitute more than half of the youth population in Senegal, it is not only a matter of gender equality but of development of the economy: if more women work, the economy will grow. Women's economic empowerment boosts productivity, economic diversification, and income equality, in addition to other positive development outcomes.

In short, while some progress has been achieved in recent years in terms of gender equality in the labour market, much remains to be done. In 2020, Senegal was only ranked 130th out of 160 countries in terms of gender equality (UNDP). Significant gaps remain in income disparities, and women face greater barriers to entering and advancing in the labour market, particularly as entrepreneurs. In addition to wage inequality, difficulties in accessing property and obtaining loans further constrain women's economic contribution in Senegal.

Informal sector

The informal economy covers a wide variety of activities with a common consequence: a lack of decent work. This translates into a lack of access to gainful employment, employment-related protections (social and labour security), workers' rights, representation and advocacy. Youth remain the group most affected by the phenomenon and its magnitude is characterized by a disparity according to socio-demographic characteristics and the structure of the Senegalese economy.

Informal economy plays a predominant role in the production of wealth in Senegal. One of its first characteristics is its heterogeneity: it includes "*informal enterprises of self-employed persons*" and "*informal employers' enterprises*" and within these employers' enterprises different categories of workers (employees and workers contributing to the family activity) who end up in the informal sector following various pathways. The studies carried out in Senegal and in the sub-region present a diversity of situations in terms of occupational status (employers, employees, self-employed workers without employees, family workers contributing to the family activity), type of activity, type of business, place of work, type of work (e.g. (home workers, itinerant workers, shops, workshops, etc.)), income (level, regularity,

21 World Bank Group "Creating Markets in Senegal: a Country Private-Sector Diagnostic", April 2020, page 6.

22 Report of the National Agency of Statistics and Demography, 2019.

23 Cabral, Diakhaté, Gavlo, Fall & Ndao, "Diagnostic sur emplois des jeunes Sénégal", 2014, p.64.

seasonality) and, more broadly, working conditions²⁴. Therefore, the growing working age population has almost entirely been absorbed into the informal sector, in particular agriculture in rural areas and trade and services in urban areas.

Nearly 49% of employed youth work in the primary sector (mainly in agriculture). However, more than 90% of this employment is informal. As entering the formal labour market remains an obstacle for young people, the majority eventually turn to the informal sector to find a job. Senegal, therefore, displays similar patterns of structural transformation as other African countries where growth has failed to relocate resources from agriculture to formal jobs in other sectors such as manufacturing and services, leading to the unplanned growth of employment in the (urban) informal sector.

Based on the most recent data, the non-agricultural informal sector employed 2.2 million people in 2013 or 48.8% of the employed population²⁵. It produced 4,336

billion FCFA in 2010, about 40% of GDP and nearly 60% of non-agricultural added value. The wage bill paid to informal sector workers amounted to FCFA 600 billion. On average, an informal production unit (IPU) pays its employees 1.1 million FCFA (about USD 2,000) annually and half of the IPUs have an annual wage bill of less than 521,429 FCFA. The average annual salary received by an employee in the sector is FCFA 505,805, or a monthly salary of FCFA 42,150 (around 60 Euros).²⁶ Thus, incomes in the informal sector tend to be very low.

The difficulties encountered by IPUs are multiple and linked both to formalisation (constraints linked to regulations, payment of taxes, administrative red tape, etc.) and to business management (difficulty in selling production, lack of suitable premises, poor access to finance and markets). Nevertheless, in spite of the precariousness and insecurity of the jobs, the informal sector can be seen as a kind of social safety net for all those that cannot find formal employment.

2.3 Decent work

As defined by the ILO, decent work summarises the aspirations of human beings at work, as follows²⁷:

"Decent work encompasses access to productive and adequately remunerated work, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for individuals to voice their demands, to organise and to participate in decisions that affect their lives, and equal opportunities and treatment for all, both men and women."

Thus, decent work means having a job which guarantees an acceptable income, social protection for the worker and the family, good working conditions and access to health services and social security, a decent pension for retirement, and respect for safety and security standards at work. The assumption that skills development plays an important role in socio-economic development and in decent work creation is now widely accepted in Senegal. The country has been promoting decent work since Abdoulaye Wade's presidency (2000-2012).

The government plans to transform its economy in order to promote sustainable and inclusive growth and provide decent jobs, having put quality human capital as a key objective of Axis 2 of the Emerging Senegal Plan (PSE). Skills development programs, to improve the level and relevance of education and vocational training, have been put in place by the Government (PF2E) and international organisations (ILO, Enabel, AFD, AICS, GIZ). These initiatives aim to improve the employability of graduates by focusing on professional integration right from the outset of the training, and by supporting individuals towards employment opportunities. By offering them access to decent work, young graduates are able to support themselves, develop their potential and contribute to economic development.

Senegalese labour law is governed by the Labour Code as revised by Law 97-17 of 1 December 1997, as well as by the Decent Work Country Programme (DWCP), part of the ILO's support to implementing decent work. Signed on 11 December 2018, Senegal's DWCP 2 (2018-2022) was developed by consensus by the tripartite constituents to address the decent work deficits identified by the

²⁴ ILO "Diagnostic of the Informal Economy in Senegal", 2020, p.5.

²⁵ Enquête nationale sur le Secteur Informel du Sénégal, 2013.

²⁶ Programme Pays de Promotion du Travail Décent du Sénégal, 2018 – 2022, Gouvernement Sénégal et Organisation Internationale du Travail, p.18.

²⁷ See: <https://www.ilo.org/global/topics/decent-work/lang-en/index>.

diagnosis of the 1st DWCP (2012-2016). Based on this diagnosis, the constituents have retained two priorities for this new DWCP. These are the promotion of the creation of decent jobs for men and women and the strengthening and extension of social protection.

The diagnosis carried out over the 1st DWCP has revealed the following:

- ▶ The persistence of unemployment, particularly among young people, women and rural people;
- ▶ The low employability of young people due to the mismatch between training and the needs of the labour market;
- ▶ The lack of adequate profiles for maximum exploitation of employment opportunities of the PES flagship projects;
- ▶ The lack of financial viability of the structure for the promotion of employment (ANPEJ);
- ▶ the hypertrophy of an informal sector far removed from the basic principles of decent work;
- ▶ the poor exploitation of territorial employment niches.

Furthermore, with regards to decent working time, only 33.2% of workers surveyed in 2011 work decent hours (40-48 hours per week). The proportion of workers who worked excessive hours is higher among men (51.7%), as women represent 75% of the unpaid care work²⁸. Efforts also still need to be made in terms of job security, as only 17% of workers have open-ended contracts, while workers without a contract represent 56.4% of the employed population.

Likewise, the number of workers with social security is very low, as the bulk of workers are in the workers are in the informal sector (92%). The IPRES, which is responsible for retirement pensions, only collects contributions from 4% of workers. Contributions to the social security fund (CSS) concern only 2.8% of workers and only a small proportion of these workers are covered by a mutual health insurance scheme (3%) or another social security (0.7%). Only civil servants are affiliated to the National Pension Fund (FNR), which guarantees them retirement, widow/orphan pensions and health coverage.

Overall, it appears that employment opportunities, employment rates and working conditions have improved over the last decade in Senegal but at a slow pace. Besides youth and female unemployment, the most worrying aspects remain the low percentage of workers with social security, unequal gender pay and treatment, and workers' income levels.

Wages and other working conditions

The Senegalese Labour Code resulting from Law No. 97-17 of 1 December 1997 is the main source of labour law. The Labour Code regulates the payment of wages to all categories of workers. It was preceded by two other codes: the Labour Code of 15 December 1952 in the territories and associated territories under the Ministry of Overseas France; and the code promulgated after independence on 15 June 1961. The official minimum wage for agricultural (SMAG) and non-agricultural workers (SMIG) are set by the Minister of Labour. In 1996, the minimum wage was set at 183 FCFA p/hour for workers in the agricultural sector and at 209 FCFA p/hour for all other sectors.

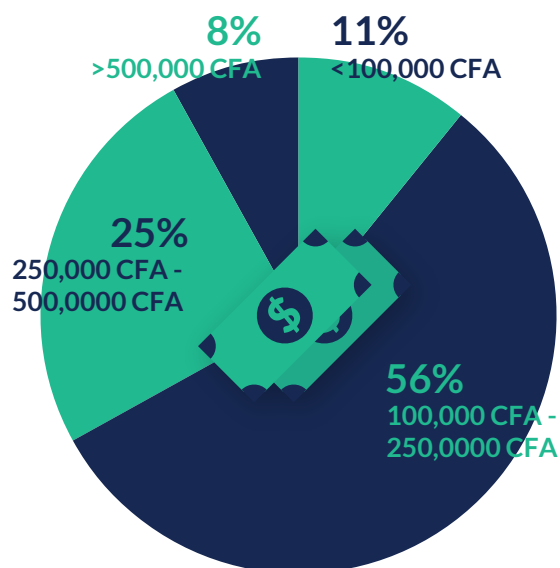


Figure 4. Estimated minimum wage for decent living and independence.

After having been frozen for over 20 years, the SMAG and SMIG were finally raised in June 2018, to 214 FCFA and 303 FCFA respectively²⁹. This was confirmed by decree in

28 Baldé "Unpaid Care Work Inequality and Women's Employment Outcomes in Senegal", 2020.

29 Sénégal : le salaire minimum revalorisé pour la première fois depuis 1996 - Jeune Afrique

2019, at which time the SMIG was set 333.80 FCFA per hour, which is about 60,000 FCFA per month.

Based on focus group discussions, young people were asked about the minimum wage which, in their opinion, can enable them to have a decent life and live independently. As shown in Figure 4, 55.7% mentioned an amount between 100,000 and 250,000 FCFA³⁰.

However, depending on their different activities, young people's wages vary considerably and often do not even reach the minimum wage (SMIG), which is about USD 100 per month (Ministry of Labour, 2018). Based on the interviews conducted with ANPEJ, PF2E, and other governmental organisations, a living wage for a young person with 2 children in the capital would be around 400,000 FCFA (600 euros). However, this takes into account the cultural norms in Senegal according to which the breadwinner has to take care of and sustain financially the entire family. If only one person in the family works, she or he will be responsible for the whole family.

As for other working conditions, official working hours have been set at between 40 and 48 hours per week. However, this workweek only applies for 33.2% of the employed population, whereas 43.5% of employees work for more than 48 hours per week.³¹

Specific issues for female workers

Women continue to face economic and social inequities in Senegal – from illiteracy to poverty to gender discrimination – as well as the burden of most of the unpaid care work, particularly tasks such as cooking and taking care of the children and elderly people. The persistence of gendered tasks, in the form of unpaid household chores and family care, leads women to end up in the most vulnerable jobs. The jobs they are likely to get are positions without a contract and as family workers or unpaid apprentices. Women who are more involved in unpaid care work within their household are less likely to be engaged in paid activities, to be formally employed and obtain a full-time job.

Women in the informal sector generally do not receive social or legal protection, often face poor working conditions, and receive relatively low wages. As a result, these women are at greater risk of suffering from health issues, discrimination, and violence at work, as well as

poverty. They often work in some of the most challenging workplaces – from overflowing dump sites to cramped homes – women work in near-invisibility but with a host of vulnerabilities that all too often go unseen and unaddressed. Many women working in the informal sector have responded to this situation by joining hands with other women and organizing themselves to acquire new skills and assert their leadership.

The key characteristics of jobs for women in Senegal are quite stereotypical. Women still tend to work mostly in the care economy or in assistant positions, as teachers, cleaning ladies, shop keepers and secretaries. And in certain sectors, such as agriculture, health and primary education, they tend to make up the majority of the work force.

Traditional attitudes toward marriage and family still prevail in Senegal, although women entrepreneurs are challenging these norms by starting their own businesses. Women realize the importance of support systems, and some mentioned that “*Women entrepreneurs tend to hire women*”, but there is still a very strong segregation in the workplace. Starting or leading a business as a woman in Senegal comes with many challenges due to the dominant social norms, which do not align with women starting a business. Being married and having children are highly valued for a woman, not being an entrepreneur as running a business takes a lot of time away from the family. Going against these norms requires courage and self-confidence. One employee from the Women Investment's Club confirmed that “*Getting the support of your husband, family, and women's networks is fundamental because social norms are so strong that being on your own makes it almost impossible to get ahead.*”

Various studies have identified obstacles to women's business creation, including:

- ▶ Difficulties in accessing bank finance: on average, women receive less than 10% of the credits intended for farmers and only 10% of total agricultural credit, except for financing from the DER, where they captured 75 % of the finance³²;
- ▶ Woman's role in society: managing the household, reproducing and educating children, etc.;
- ▶ The reluctance of partners when it is a woman who is their interlocutor, etc.;

³⁰ MasterCard Foundation and Social Change Factory “*Youth in their own words: obstacles and opportunities to livelihood*”, 2019, p.17

³¹ Profils pays du travail décent, Sénégal, Bureau International du Travail, 2013, p.24

³² Ministry for SMEs, Directorate of SMEs, 2014 and DER Annual Report 2020.

- ▶ A patriarchal system (inherited from colonization) of land tenure that marginalizes women;
- ▶ Difficult access to markets and economic information;
- ▶ Lack of solidarity between the different categories of women's organizations.

Lastly, there are noticeable differences between women in the urban and rural context. Women in urban areas have more freedom, while still facing cultural norms imposed by older generation. This was confirmed by a successful woman entrepreneur in Dakar, who stated that her husband was very supportive of her work, whereas

she had to oppose her mother and older friends to freely work. Women in the rural context have a hard time to finish their studies, leading to early pregnancies and ending up dedicating their lives to household duties.

“Young women have more problems than young men. We don't let girls study what they want: 90% abandon school because of their parents. Those who come to school have problems to concentrate because they were busy at home before coming, so they are tired before classes even start”

– Young woman in Tambacounda³³

2.4 Entrepreneurs and self-employment

Many Senegalese youth have responded to the threat of unemployment and low-income jobs by embracing entrepreneurship. During the focus group sessions and interviews, a vibrant entrepreneurial spirit was observed. The shortage of jobs, lack of trust between employee and employer, the precariousness of formal contracts, is pushing young Senegalese towards entrepreneurship. Young entrepreneurs are creating their own businesses both out of necessity as well as to grasp opportunities, putting into practice innovative ideas and solutions for specific problems. Senegal's entrepreneurs may pave the way for the modernisation of the economy, depending on how they deal with the opportunities and adapt to the challenges. The market is young and ready to be developed, the country is well connected, and the youth are dynamic and creative, with the ability to reinvent themselves.

Until recently, being an entrepreneur in Senegal was more a matter of necessity than of vocation, as there simply were no other employment options. For the younger generation, starting an enterprise – instead of aiming for a government job – is a deliberate choice that is becoming increasingly popular. *“In Senegal, people create a start-up first to take control over their lives, then to solve everyday problems and ultimately help their country”*.

Many young people turn to entrepreneurship unprepared for the challenges, lacking the technical skills to develop their market and boost the growth of their business. In recent years, many enterprise support organisations have sprung up, including business incubators, accelerators,

tech hubs and fablabs, but most only focus on Dakar. Furthermore, while the ecosystem is growing, one of the main obstacles remains the lack of funding. Access to venture capital is still limited in Senegal and it remains very difficult for a start-up to find funds to take off and scale up.

Young entrepreneurs face the following challenges:

- ▶ Lack of technical skills (set up business plans, assessments, project management)
- ▶ Limited resources and adequate seed funding to develop their business
- ▶ Limited business networks
- ▶ Lack of information about best practices of entrepreneurship mentors

There is another challenge that entrepreneurs have to face, but it is not talked about much. It is the cultural barrier. Despite all that can be said, the entrepreneurial culture is not yet sufficiently developed in Senegal. It is noticeable in Senegal that people study to get hired and make a career. Entrepreneurs are often considered “abnormal”. So sometimes their project is not supported by their relatives, and they decide to give up. This is even truer for women.

33 USAID “Youth Assessment: The Road Ahead”, YouthMap Senegal, 2011.

3. Who are the youth and what are their aspirations?

3.1 Different categories of youth

Youth is not a homogeneous group and defining it as such fails to recognize its complexity. Young people are part of many ecosystems, entwined into the fabric of our society. They are also segmented by skills, geography, social norms and resources. As in most countries in demographic transition, the Senegalese population is young, with the under-15s accounting for almost half of the population (42.6%). The median age increased from 18 years in 2002 to 19 years in 2011. The young population in Senegal is therefore extremely heterogenous and with different perspectives depending on their profile, gender, age, socio-professional situation and region.

Roughly we can distinguish the following sub-groups:



1. Young urban educated, privileged and employed in the formal sector



2. Young urban educated, unemployed seeking wage-employment in the formal sector



3. Young urban educated and with their own business or starting their own business

We also need to distinguish between urban privileged youth and urban youth living in the poorer suburbs of Dakar, the so-called 'banlieues'. The former live in the city or wealthy suburbs, are often educated abroad, may have worked abroad or rely on the family's network to find formal employment or set up their own business. The latter struggle to find a formal job, often settling for informal work, despite showing resourcefulness, embedded in their ability for inventing coping strategies. Youth from the banlieues display their inventiveness by creating strategies that permit them to cope with constraints and to weave new ideas of being and becoming into their lives.

Urban vs. Rural Youth

Cities in Africa are not only growing rapidly but also undergoing radical political, economic and social transformation. They are changing in ways that defy usual notions of urbanism. In their complexity, they challenge most theories of urban development and represent major challenges as well as opportunities³⁴.

As shown in Figure 3 on page 7, youth unemployment rates vary significantly between urban and rural areas: the highest unemployment rates are observed in urban areas in and around Dakar, Diourbel and Saint Louis. However, underemployment tends to be higher in rural areas, where incomes are lower and jobs are few and far between. Youth in rural areas also tend to drop out of school at an earlier age, which leads to a higher percentage of youth that are Not in Employment, Education or Training (NEET). According to a recent study, 35% of youth in urban areas were NEETS whereas 50% in rural areas. Women are more affected than men – 60% of women were NEETS compared to 24% of men³⁵.

Youth in urban and rural areas face diverse challenges and aspirations as well as significant disparities in their quality of life, and access to employment and training, higher education, and health services.

³⁴ Myers "Seven Themes in African Urban Dynamics", 2010, p.6

³⁵ CNV International "Youth Employability: Enhancing Opportunities for Young People", 2019, p.12.



4. Low-skilled/uneducated, self-employed youth (urban or rural) in 'survival enterprises', commonly known as "baol-baol" in Senegal, e.g. "tiak-tiak" drivers (moto-taxis)

5. Low-skilled, employed youth in unskilled, low-paid and informal jobs

6. Young vocationally trained, in rural or urban informal enterprises, looking for better employment opportunities, preferably in the formal sector

Urban youth³⁶

Urban youth value technical education highly and express the wish to develop their skills to earn a decent living, sustain their families, and contribute to their communities. However, in practice many of them have not completed their secondary education due to family reasons and the cost of transport. Youth and key stakeholders believe the curriculum at all levels needs to be more practical and better aligned with labour market needs and opportunities, as they noted the educational system “teaches [them] knowledge but not know-how”.

More career guidance, counselling services, and life skills training are also needed to help youth pursue productive career paths. Training courses are often general and not career oriented. This is why the new École-Entreprise programme (PF2E), launched last year by President Sall as part of his strategy for an “emerging Senegal”, is crucial and an example of successful negotiation between trade unions, government and employers. Within three years, 25,000 young people should have found a place in this practical training. Young students will receive a small stipend of 40,000 FCFA – to cover expenses – and gain important work experience.

However, in urban suburbs, like Guediawaye and Pikine, most youth are unaware of these programs. The youth complain that information is not effectively communicated, which limits the impact of such programs in the *banlieues*. In response to the lack of jobs, an alternative economy has been developing in those suburbs, not unlike what is happening in other parts of the world. Despite lack of resources, poor education and discrimination, youth in these marginalized suburbs are often important drivers of economic growth and can play a crucial role in combating poverty and strengthening social cohesion³⁷. They tend to have a strong sense of belonging to their communities, which can be seen in hubs like the Consortium Jeunesse Senegal Centre in Guediawaye. The centre offers youth in the suburb – with a population of over 400,000 – training, cultural and sports opportunities.

Rural youth

In rural areas, youth is less convinced that formal schooling automatically leads to a better job – or any job for that matter. Very few young people progress from primary to secondary education, due to high dropout rates and poor quality of education, which leads to low levels of literacy. In FGDs and interviews, youth and stakeholders expressed common concerns about the gaps between the education system and the realities of the marketplace and young people’s daily lives, as well as a gap between the actual skills of the workforce and the labour market demand needs.

Furthermore, youth expressed the opinion that jobs in the agricultural sector are more precarious as they are seasonal and with no security, low and non-fixed wages and very often informal hiring on family farms. This is partly because very few smallholder farmers have access to irrigation or any kind of mechanization to facilitate year-round production. Many young people have a pessimistic view of their employability perspectives, especially concerning stable jobs and recruitment procedures. They tend to spend little time seeking a job due to the lack of hope, insufficient funds, limited access to information. Some mentioned that they would rather stay in rural areas if they would be able to access credit, land and better market information.

Thus, urban and rural youth have very diverse profiles, needs and aspirations. For instance, perceptions on the value of education vary strongly. Urban and peri-urban youth see university education and formal education as valuable. Rural youth express more interest in vocational and professional training.

Finally, according to some of the stakeholders interviewed, many rural youth also lack life skills critical both to entrepreneurship and formal employment. While the agricultural sector employs about half of Senegal’s workforce, agricultural firms noted that youth lack the skills in advanced farming techniques that the sector needs. Stakeholders in rural areas also argued for the inclusion of agriculture in primary school curricula. Youth themselves, particularly outside Dakar, said they would like to work in agriculture but lacked the land, resources, financing, or material to be fully engaged in the sector.

36 The information presented in this section is based on interviews and focus group discussions conducted in Dakar and Kaolack during the month of October.

37 Prothmann “Urban Identities and Belonging: Young Men’s Discourses about Pikine”, 2018.

3.2 Youth Aspirations

Based on the literature review and the focus groups, youth aspirations are very diverse, depending on the context, on the background of the person and on their social status. Some youth were very pessimistic and discouraged by the employment situation in Senegal, by the lack of opportunities and support from the government. Whereas others, relatively well off, are starting new businesses, getting involved in community projects and reinventing themselves to earn a living.

Urban and rural youth, as mentioned above, present very different profiles:

Rural

There is a growing tendency of the rural youth, who were once all eager to move to the capital, to stay in the rural area where they grew up. They would rather have a lower salary there than a higher one in Dakar, where life is more precarious. However, the ones working in agriculture need access to funding, practical training with a connection to the land, and the establishment of training centres in localities. Many stakeholders stress the need for youth to acquire knowledge, so that they can innovate and create their own agribusiness. They recommend agriculture-related curricula in primary schools. Many of today's youth are faced with the same constraints as their parents (few options in terms of training and capacity building adapted to current needs, uncertainty about the possibility of remaining in agriculture, poor prospects for an improvement in living conditions in rural areas, etc.).

The youth are also leading a gradual rural transformation by exiting agriculture to work in the Rural Non-Farm Economy (RNFE). Rural youth and their families are increasingly diversifying incomes by engaging in agro-industry and the nonfarm sector. Education and family wealth are key factors driving this diversification at household level: more educated youth from wealthier families are more likely to engage in the RNFE. Complementing or substituting farm income with rural non-farm employment is a livelihood strategy providing a pathway out of poverty³⁸.

Many mentioned the need to improve connections between rural areas and nearby small urban centres, which can play a catalytic role in mediating the rural-urban nexus and providing small-scale producers with

greater opportunities, as well as serving as hubs for a thriving non-farm sector. This would also allow youth to access vocational and professional training, which is a priority. Nearly all youth express the desire to learn a skill or trade, the most commonly cited being computer/information technology (14%), electrical and mechanical engineering (12%), and agriculture (7%)³⁹.

Urban

Urban and peri-urban youth perceive university education and formal education as valuable, but very few finished their studies, due to the cost of transport and family pressure. The FGDs revealed that the aspirations of the youth in the suburbs were very diverse: some appeared very disillusioned while others were optimistic and positive about their life. The former mentioned that they were ready to do anything just to have a job – *liggey*. The priority is to have a secure income more than a fulfilling job.

Others spoke of their eagerness to work if given the proper training, tools and opportunities. They had high regard for education, despite frustration at its inaccessibility and impracticality to workplace needs. They aspired to productive livelihoods and meaningful lives. They also spoke of the problems in their communities, and many expressed the desire to address those problems as entrepreneurs.

Most youth don't want to aspire to their parents' jobs. A new economy is growing in the suburbs and attracting the youth to the arts, music, video-making and ICT jobs. To improve opportunities in those sectors, youth suggested increasing the number and practicality of internships and establishing resource centres to connect job seekers and job recruiters. They did not only mention the disparities in access to jobs and training opportunities between urban and rural areas, but also within Dakar itself, affirming that the information about opportunities does not reach suburbs like Guediawaye.

³⁸ Estruch, Van Dijck, Schwebel & Randriamamonjy "Youth Mobility and its Role in Senegal", 2019, p.269

³⁹ USAID "Youth Assessment: The Road Ahead", 2011, p.12

3.3 Youth Challenges

Based on the literature and the focus group discussions that were held with youth in both an urban as well as a rural setting, the main challenges that were mentioned include:

- ▶ Lack of (decent, formal) jobs in the labour market
- ▶ Low monthly income and precariousness of jobs
- ▶ Lack of technical skills needed to qualify for jobs
- ▶ Lack of experience, which is often required by employers
- ▶ Lack of access to finance for young farmers and (aspiring) entrepreneurs
- ▶ Limited access to markets, due to small volumes and high transport costs.
- ▶ Location-based disparities in job and training opportunities

Most of the focus group participants, regardless of their level of education, have faced difficulties to find decent employment, that met their expectations. This is even more challenging for those who have not finished their studies or only have primary education. Moreover, those that have finished their studies often lack the soft skills required to find a job and hold on to a job. Employers often take advantage of the situation by taking youth on as interns and then extending the internship without pay, whereas they are already fully capable of performing their job⁴⁰. Employers also do not always comply with the minimum salary established by law – the “SMIC” – as we saw in 2.3.1.

Other findings from the Focus Group Discussions were:

- ▶ Besides the low remuneration, many youths deplore the lack of appreciation from employers.
- ▶ Some have taken part in many trainings but still could not match the needs of enterprises.
- ▶ The salaries are insufficient to sustain an entire family.
- ▶ Those that work informally, do not know their monthly income as they do not keep records.
- ▶ There is a lot of family pressure on the person working, often the only one in the family.
- ▶ They all need employment, but no-one has the means to invest in education or specific training.
- ▶ They are not afraid of challenging jobs, as long as they are within their reach.
- ▶ Youth are more motivated to be trained in activities that they enjoy than traditional training.

Attached are the detailed reports of the two focus groups. (Annex D and E).

Another sign of precariousness and a desperate response to this employment challenge, is the growing number of Senegalese who have tried to reach Europe in makeshift boats in the last year of 2020, with the loss of human life estimated by NGOs to be in the hundreds, for lack of official figures. Also, in areas where the productivity of agricultural and non-agricultural activities is low, rural-urban migration is one of the main strategies of rural households and youth to find employment and improve their income⁴¹. So, while the illiteracy rate in Senegal exceeds 50%, success at university does not guarantee an escape from poverty. One common feeling expressed by both the rural and the urban youth, regarding the precarious employment conditions in Senegal, was that of disillusion with the help the GoS offers. This forces many of them to re-invent themselves, to take action and create their own resources.

40 Huisman “Université de la Vie”, Vice Versa, sept. 2019

41 ANSD and IOM, 2018

3.4 Young women

The labour market participation of Senegalese women has improved substantially in recent years. According to the ILO, female-to-male employment ratio in Senegal increased from 46% to 60% between 2006 and 2011, and women are becoming more educated. The average years of education for women grew by 27% in the same period, helping to reduce the gender gap in education in the country⁴².

Gender gaps in primary education in both enrolment and completion rates have closed and even reversed in Senegal. According to UNESCO, primary education completion rates rose from 33% for girls and 43% for boys in the year of 2000 to 64% and 54%, respectively, in 2016. However, gender gaps in secondary and tertiary education persist, with girls' completion rates in secondary education and enrolment rates in tertiary education lower than boys' rates. The Demographic and Health Survey (DHS) for that country reported that, in 2012, the average female completion rate for secondary education was only 13%, compared to 21% for boys.

Despite the progress in education, women still face a large gender pay gap in Senegal. The wage gap between men and women is noticeable, despite Law No. 2008-01, which stipulates the same tax benefits for men and women. The average salary of men is 56.3% higher than that of women. These inequalities are corroborated by the differences in median monthly salaries: that of men (125,000FCFA) is almost double that of women (53,250FCFA). The gaps are most striking at the level of decision-making positions, only 11% of which are held by women⁴³.

According to World Bank, women in Senegal still face gender-based discriminatory legal restrictions that prevent non-pregnant, non-nursing women from performing the same job as men. Furthermore, there are no laws in Senegal mandating equal remuneration for work of equal value nor laws censuring discrimination based on gender in hiring, in job's promotions or in dismissal. Moreover, discrimination in access to finance based on gender or marital status is not prohibited by law and the constitution does not formally recognize, nor does it prohibit discrimination against women that may result from customary laws⁴³. Access to credit is complicated by the financial documents needed;

the guarantees required are often the prerogative of a privileged minority. Difficulties in accessing credit particularly affect women, who often do not meet these conditions. This is why many women entrepreneurs turn to microfinance institutions or tontines⁴⁴ to obtain funds for their income-generating activities or businesses.

Studies also show that a high proportion of women entrepreneurs are literate in Arabic (29.3%); uneducated entrepreneurs are estimated at 28.8%. The median age of women entrepreneurs is 40 years. Among working women, 30.5% are homemakers, 39.6% are self-employed⁴⁵. While women represent 46% of those working in informal non-agricultural employment in Dakar, 87% of women who work, do so in informal employment. They generally do not have a high level of education (64% do not have any type of schooling) and usually engage in small activities to support the family.

Despite these persisting inequalities, there is also a growing number of women, that following changes in the orientation of their state's political and social development programmes, have given rise to various entrepreneurial practices. For example, rotating savings and credit associations (known as tontines) have seen renewed interest in African countries where banking and financial institutions have shown their limitations. This has allowed several women, such as Fatou Kine Diop (see box below), to have an active participation and to look for alternative sources of funding. Creating meeting places that enable them to have lucrative activities, to participate in the development of the country's economy and at the same time to develop their empowerment.

42 Malta, Martínez Leyva & Tavares "A Quantitative Analysis of Female Employment in Senegal" 2019.

43 ILO Profil Pays Sénégal, p.10.

44 Tontines are traditional, informal savings groups (see Balkenhol & Gueye, 1997)

45 Simen & Diouf "Entreprenariat Féminin au Sénégal", 2013

FATOU KINE DIOP

TechWoman Entrepreneur

Fatou Kiné Diop is an example of a successful Senegalese entrepreneur. This Dakar native has set up a tontine via social networks to help households equip themselves at lower cost. While she started with only 20,000 CFA francs, her turnover reached 50 million francs in 2018.

Fatou was a great student in high school, but when her father died, her grades got worse. She quit her studies and started many odd jobs, such as computer graphics, selling chicken, tailoring and dressmaking, thrift shop, communication. Raised by a mother who was passionate about 'tontines', Fatou began to take an interest in this rotating collective savings system that bypasses bank loans with their high interest rates. In 2015, she set up her own tontine. Instead of a traditional tontine, Fatou opted for a modern version reaching many more members via social networks, in a country where young people are all connected. Thus, the e-tontine project was born: an online tontine, where members take turns to use the collected funds. Fatou is convinced that digitalisation can be the solution for Africa.

Her training as a graphic designer and her entrepreneurial versatility also enabled her to manage the digital communication of G Hip Hop, the stage management for the music festival, the catering of the biggest Hip Hop and urban culture festival FESTA 2H. As a result, Fatou Kiné Diop won the second prize of the Linguère Digital Challenge organised by Orange and received the prize of the woman citizen.

She also created an association called "Nun Jigeen", a women's support group to find employment opportunities. She says there are more and more husbands supporting their wives in their entrepreneurial ideas, but the training courses for women only focus on the processing of local products, which eventually leads them to work in the informal economy. She advocates for more technical training courses for women.

Read more on: <https://forbesafrique.com/fatou-kine-diop-creatrice-de-tontines-digitales/>

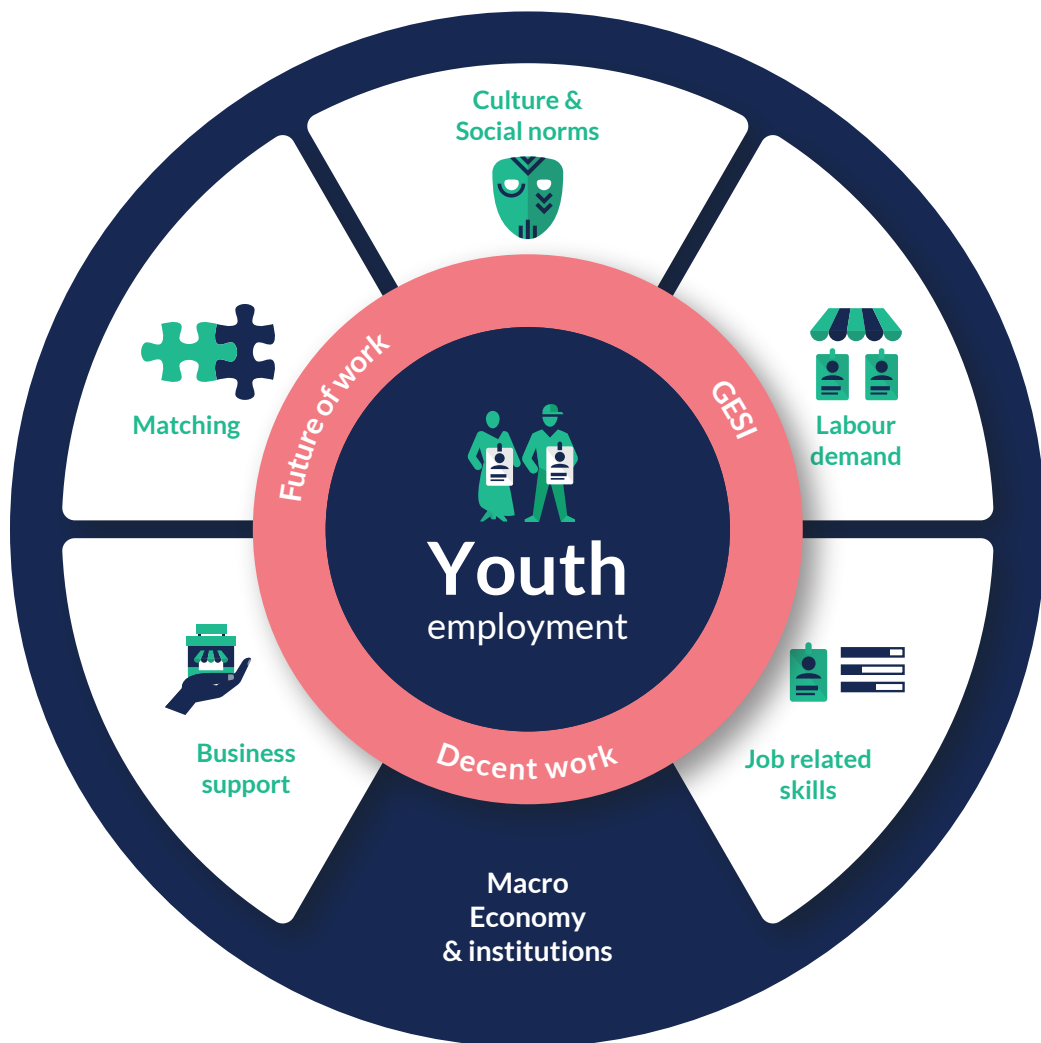


Fatou Kiné Diop
Entrepreneuse/Fondatrice de E-Tontine
Lauréat du prix Linguère Digital Challenge

4. What are the main obstacles to youth employment?

This chapter is divided into sections, each focusing on a different thematic area in which youth typically face challenges in accessing decent work in Senegal. The conceptual framework we present for understanding these obstacles is depicted in the diagram below.

Figure 5. Different thematic domains of youth employment





4.1 Labour demand

Key facts

- ✦ Job opportunities in the formal sector are very limited and the opportunities accessible to youth are generally for low-level, unskilled jobs. Only 7.8% of the economically active population has a formal job. Thus, the number of “decent jobs” is very limited.
- ✦ Most young Senegalese work in the informal sector, with low wages and little job security.
- ✦ Low education of business owners and employees. SMEs believe it does not pay to attract better trained and more professional employees, or to offer them formal jobs with long-term contracts.
- ✦ High degree of informality of SMEs leads to prevalence of precarious jobs, with limited or no career prospects for young employees.

Challenges

- ✦ Number of “decent jobs” (formal, well-paid, job security) is very limited.
- ✦ Limited labour demand in formal sector leads youth accepting low-quality, precarious jobs.
- ✦ Low awareness of employers and employees of their common interest.
- ✦ Geographic proximity to Europe gives exporters a competitive advantage.
- ✦ Strong French influence is at same time an opportunity and a handicap.

Opportunities

- ✦ Companies that are committed to decent employment, in particular for women.
- ✦ Young firms with growth potential that are well integrated into supply chains.
- ✦ Initiatives that are based on the idea that employers and employees both stand to gain from working together harmoniously.
- ✦ Companies with growth potential that produce for the European market.
- ✦ Investments that take advantage of the “French connection”.

Relevance for CFYE

- ✦ CFYE should support initiatives that:
- ✦ Provide support to SMEs that have growth potential and are willing to invest in their employees.
- ✦ Focus on companies that ensure decent employment, in particular for young women.
- ✦ Focus on young firms with growth potential that are well integrated into supply chains.
- ✦ Develop successful business models with a more inclusive and long-term perspective.

Practical Examples

- ✦ A company exporting food and beverages to the EU, wishes to expand its market share and set up a process facility in Casamance, thus creating decent jobs for youth – including young women – in its own business, while increasing the income for smallholder farmers that they buy from.
- ✦ A recent start-up with an innovative product or business model, that has successfully created a niche market for itself, wishes to expand aggressively and partners with a large company that is active in a related field and can co-invest in the scale-up.



4.2 Job related skills and employability

Key facts

- ▶ 250,000-300,000 new job seekers enter the labour market each year; most have no qualifications or do not match the needs of the labour market.
- ▶ The education system is not considered practical and business-oriented by employers, although this is improving. There are several private and public initiatives to tackle this problem.
- ▶ Graduates from business schools prefer to look for jobs in the corporate sector, not in SMEs.
- ▶ Very young, low-skilled population provides cheap labour to potential employers, who tend to take advantage of this situation.

Challenges

- ▶ Most young job seekers lack skills required for the jobs that are on offer.
- ▶ Employers do not feel the need to make an effort to build the capacity of young workers, as they can easily find a more experienced employee in the labour market.
- ▶ Well-educated or trained youth are not keen to work for local SMEs.

Opportunities

- ▶ There are several initiatives in Senegal that combine classroom training with on-the-job learning (“dual system”), e.g. PF2E.
- ▶ Employers that have invested in capacity building of their young employees have seen the benefits.
- ▶ There are a few examples of successful SMEs that can act as role models.

Relevance for CFYE

- ▶ CFYE should support initiatives that:
- ▶ Combine classroom training with on-the-job learning (“dual system”).
- ▶ Build upon TVET interventions and other capacity building initiatives, with a clear pathway to employment if linked with private companies.
- ▶ Offer decent employment opportunities to young employees, taking into account existing industry norms and the local context.

Practical Examples

- ▶ A company that needs fresh recruits with relevant skills, aims to set up a customized, relevant training combined with apprenticeship, thus offering a clear pathway to employment.
- ▶ A training centre offering short courses in advanced digital skills to STEM graduates, combined with on-the-job training at selected companies, with a high degree of job placement.



4.3 Business support and access to finance

Key facts

- ✦ The business support ecosystem is growing, but the scale of outreach is still small. Existing business incubators and accelerators are mainly focused on Dakar and tech companies.
- ✦ Senegal ranks 123rd out of 190 countries, in the World Bank Doing Business index for 2020.
- ✦ High interest rates and collateral requirements limit the access to bank finance. Transaction costs are perceived to be high by financial institutions, due to lack of proper financial accounting.
- ✦ Lack of interest from foreign private investors due to perceived and real risk. (Significant gap between Francophone and Anglophone countries.)
- ✦ There is a gap between the micro-finance and loans to large companies: the “Missing Middle”.

Challenges

- ✦ Significant barriers to young entrepreneurs to start and scale up business ventures.
- ✦ Women face additional barriers to start and grow their enterprise.
- ✦ Limited access to finance for early-stage and small businesses.

Opportunities

- ✦ There are a few cases of successful start-ups with growth potential that could access debt/equity finance with some grant funding.
- ✦ Several impact investors are already active in Senegal, that may be interested.
- ✦ Potential interest from diaspora groups.

Relevance for CFYE

- ✦ Several impact investors in Senegal offer funding to young entrepreneurs, often in combination with non-financial support. However, they tend to have a minimum threshold for the investment which excludes most of the smaller companies.
- ✦ There are several initiatives to provide TA to SMEs with donor funding. Some of those SMEs may be investment ready, but do not yet meet the minimum criteria for commercial finance.
- ✦ Business accelerators, impact investors and other ‘connectors’ can present a project aimed at supporting a group of SMEs with growth potential.
- ✦ Projects in the Fintech sector could have growth potential for job creation
- ✦ Link up with investors from diaspora and impact investors wishing to reduce their risk exposure.

Practical Examples

- ✦ An impact investor or business accelerator that has a pipeline of small, early-stage enterprises with growth potential, that do not meet their investment criteria on their own, can present a proposal to fund a small group of such firms, with CFYE funding as a first-loss guarantee.
- ✦ Business accelerators or other (donor-funded) SME support initiatives can promote one or more of their beneficiaries to submit a project proposal with their continued support.



4.4 Culture and social norms

Key facts

- ▶ The entrepreneurial culture is not yet well developed in Senegal. People study to get hired and make a career. Entrepreneurs are often considered “abnormal”. Sometimes their ‘project’ is not supported by their relatives, leading them to give up when they face challenges.
- ▶ A positive image of entrepreneurship is gradually emerging, but there is still a lack of successful role models. This is even more so for women.
- ▶ Gender disparities are high – particularly for women’s access to education and their participation in the labour market. In 2017, Senegal was ranked 124 (out of 160) in terms of gender equality.
- ▶ Big difference between women in urban and rural areas. Women in urban area tend to have more freedom, especially in Dakar, whereas women in the rural areas have a hard time to finish their studies, leading to early pregnancies and ending up dedicating their lives to household duties.
- ▶ Women business owners and managers are under-represented, but they tend to be better educated than their male counterparts.

Challenges

- ▶ Entrepreneurship is still seen by society as a last resort rather than a conscious choice, which may discourage youth of going down that path. There is a lack of role models.
- ▶ Women have less access to education and the labour market, while also suffering gender discrimination in the workplace.
- ▶ This is even more so for women in rural areas, where traditional values are stronger.

Opportunities

- ▶ By highlighting the success stories of start-up entrepreneurs, role models can emerge which change the way they are perceived.
- ▶ Several initiatives already exist that focus specifically on women-led businesses, both by promoting access to finance as well as by providing non-financial support.
- ▶ Look for opportunities to support initiatives that target women in rural areas.

Relevance for CFYE

- ▶ Projects that prioritize capacity building and access to decent jobs for young women – with career prospects – should be prioritized.
- ▶ Projects that enable women to take on management roles or develop successful businesses, and thus become role models for other women, should be promoted.
- ▶ ‘Connectors’ that target women-led businesses or women employment can also be considered.

Practical Examples

- ▶ A business with growth potential that offers decent jobs to female employees, wishes to set up a child-care facility and offers women relevant on-the-job training and career prospects, both within its own company as on the labour market, needs to some funding for the start-up phase.
- ▶ An organisation that supports women-led businesses with access to funding or non-financial support can present a proposal to fund a small group of such firms.



4.5 Macro-economics and institutions

Key facts

- ✦ In 2012 the government launched Plan Sénégal Émergent, which aims to boost sustained and inclusive economic growth and turn Senegal into an emerging economy by 2035. These reforms include investing in infrastructure (both physical and digital), providing investment incentives for specific sectors and creating an enabling environment for the private sector.
- ✦ As part of the overall aim to create an enabling environment for the private sector, promote the growth of specific sectors and enhance the labour market, several one-stop shop initiatives have been launched, such as the oles d'emploi (to link employers to job seekers), the agropôles (to promote the agri-sector) and the aquapôles (to promote aquaculture).
- ✦ Senegal is doing well economically: the economy grew by more than 6% per year between 2014 and 2018. The services sector is the main growth sector, investment and exports are the main drivers of growth. Growth is mainly driven by contributions from consumption and investment.
- ✦ In 2019, Senegal crossed the threshold to become a lower-middle-income country, with a per capita GDP of USD 1,410. The outlook is good and from 2022 onwards, growth figures are expected to be even more optimistic, thanks to planned offshore oil and gas extraction.
- ✦ Despite these positive macro-economic indicators, poverty and inequality persist. This is largely due to a weak labour market; the labour force is growing much faster than the number of jobs. Unemployment varies from 10 to 15% and is very high among the 15 to 34 age group.
- ✦ Agriculture is by far the main source of employment and livelihood: 52% of employed population works in agriculture – about 70% of the rural population depends on agriculture. Agriculture contributes 15.5% of GDP; main subsectors are peanuts, cotton, horticulture and fishery
- ✦ Other sectors that have grown strongly in recent years include tourism, education, health and other services (including ICT). Discovery of oil and gas has created new opportunities.
- ✦ Larger firms are not very competitive; labour productivity in manufacturing is low compared with international standards (5 times lower than South Africa).
- ✦ 10% of GDP comes from remittances and 4.3% from ODA (average 2015-18).

Challenges

- ✦ Macro-economic growth figures have been positive and continue to look positive, but this has not translated into the labour market.
- ✦ Labour productivity in manufacturing firms is low compared with other countries, which may affect their export potential.
- ✦ The economic growth is highly dependent on remittances from the diaspora and ODA.

Opportunities

- ✦ There may be growth opportunities in the IWOS sector (e.g. ICT or tourism), which tend to create more decent employment.
- ✦ Look for companies that have implemented measures or are planning to implement measures to increase their productivity.
- ✦ Channel the remittances from the diaspora towards productive investments.

Relevance for CFYE

- ✦ Some sectors are more promising than others. For instance, agro-industry, horticulture, tourism and ICT services look quite promising, and are in line with the priorities of the PSE (see next chapter). These sectors also tend to have a strong potential for (decent) job creation.
- ✦ It makes sense to look for ways to build upon the experience of previous government and donor-funded initiatives that developed a proof of concept that has potential to scale up.

Practical Example

- ✦ An agropôle in the interior of the country plans to train young agri-preneurs in good agricultural practices (GAP) and provide them access to funds to invest in setting up irrigation systems, with the support of a private sector company that will also be involved in marketing their produce. The private sector company could be the lead applicant to the CFYE.
- ✦ Several businesses in the tourism industry could present a joint venture to develop a certain touristic location, pooling their resources and involving a youth organisation or a training school to provide the young job seekers who will be employed in the project.

5. A call for solutions

Our scoping study enabled us to identify key opportunities for impact on youth employment in Senegal in the short to medium term. Recognizing Senegal's status as a lower-middle-income country that is faced by high levels of unemployment and underemployment, we will not limit the scope of CFYE in Senegal to specific sectors or opportunities. Projects should show a clear

pathway to employment, regardless of whether the focus is on creating labour demand, improving the supply of labour or matching youth to decent jobs. The comments below, based on our own scoping research, can serve as guidelines for applicants while designing their ideas. Projects ideas that fall outside the scope outlined below will also be considered.



5.1 Creating new jobs

Low to medium-skilled jobs in labour-intensive traditional sectors: Traditional agriculture and fishery still take up around 50% of the Senegalese workforce.

However, most of those jobs are informal and not well remunerated, thus not very attractive to youth. Nevertheless, in particular for uneducated youth this kind of jobs will continue to be an important option for the foreseeable future. The challenge is therefore to make those jobs more decent and thus more attractive to youth. This can be done, for instance, by introducing modern farming techniques, strengthening the value chain and, potentially, by developing niche markets for organic products, as well as export opportunities. A specific example of interesting sub-sector that has growth potential is horticulture.

Low to medium-skilled jobs in growth sectors: There is also potential for significant impact in job creation in fast-growing industrial sectors such as **agro-industry**, logistics services and tourism. Tourism has been hard hit by the Covid-19 pandemic, but there is no reason to assume that the sector will not continue on its previous growth path once the pandemic subsides. Tourism offers many opportunities for youth, including women, at all levels and for a variety of jobs.

Implementing partners' solutions on creating new jobs in these sectors may focus on:

- ▶ Creating work opportunities in the agro-industrial sector, including food processing, which have a technical focus, to make them more attractive to youth.
- ▶ Advancing the decent work agenda to make newly created jobs in the industrial sector more attractive to youth, focusing on income, workplace security or social protection for families.

- ▶ Creating work opportunities that are inclusive, taking into account the particular needs of women (safe transport to and from work, appropriate bathroom facilities, etc.) and protection against psychosocial hazards such as sexual harassment or discrimination.
- ▶ Providing access to finance leading to job creation and incentivizing the hiring of youth.

Digitization across sectors: Capitalizing on the value of Senegal's human capital, there is huge scope for increasing productivity by introducing tech-based solutions. The Covid-19 pandemic has accelerated this process and clearly demonstrated that the more technologically integrated firms are, the more resilient they will be to external shocks.

While technological advances will affect the distribution of jobs and dynamics of the labour market, innovation will certainly boost competitiveness, productivity, and job growth in the knowledge economy. Solutions may focus on:

- ▶ Tech-oriented business models based on the "sharing economy" approach: applications connecting service providers with customers, thereby gainfully employing hundreds of youth.
- ▶ Integrating technology into various sectors (e.g. agriculture, health and education), thereby making jobs more COVID-resilient, efficient, and also attractive to youth.
- ▶ Innovative partnership models promoting collaboration between entities to create sustainable jobs, e.g. partnerships between private sector firms and education or training institutions.

- ▶ Improving internal processes and international accreditation for firms to expand their regional or global reach. This may include product upgrading,

employee training, improving business development or market intelligence, with a clear pathway to creating new jobs locally.

5.2 Matching jobs



Unemployment is high among university graduates or higher qualified youth in Senegal, whereas under-employment is the norm for uneducated or low-skilled

youth. Thus, the approach to promoting decent youth employment may require different strategies depending on the target group. For the high-qualified youth the problem is that there are not enough high-qualified jobs to go round or that the aspirations of the young job seekers cannot be met by the employers. For the low-skilled youth, the competition is also very heavy and decent, formal jobs are few and far between.

At the same time, employers are hard-pressed to find suitable candidates for entry level positions. Companies that need employees complain about the lack of soft skills and low commitment to the job, which makes them reluctant to invest in their employees, as they may not stay on for long. This leads to a Catch 22 situation where employers do not invest in on-the-job training and employees leave the job as soon as they become frustrated with the job or see a better opportunity.

Implementing partners can promote allocation efficiency in the job market by:

- ▶ Enhancing the services of matchmaking platforms connecting youth to jobs and increasing awareness of job opportunities by directly engaging with them.
- ▶ Providing opportunities for youth upskilling (technical and soft skills) to become better suited to available jobs through apprenticeships, on-the-job training and internships.
- ▶ Integrated partnerships between industry and TVETs, focusing on priority areas for job growth and the qualification of technical work, including gender-inclusive curricula, and challenging stereotypes of female work.
- ▶ Enhancing vocational training (particularly for women) outside Dakar, in partnership with the private sector, to establish a clear pathway for matching these graduates to jobs.

5.3 Improving jobs



Solutions in this category will mainly focus on blue-collar jobs in the industrial or agricultural sector, aimed at improving the decency or quality

of jobs that youth are currently employed in. This may include smallholder farmers or sales agents whose income is increased as a result of the intervention.

Project ideas could include:

- ▶ Value chain strengthening projects in the agriculture or e-commerce sectors, where smallholder farmers or retailers benefit from integration into the relevant supply chains.
- ▶ Initiatives that enable women to work flexibly, in working hours or location, while maintaining job stability and ensuring the flexibility does not come at the expense of decent work aspects.

- ▶ Ideas that advance the decent work agenda for blue collar (or low-skilled) workers, focusing on several of the following aspects:
 - ▶ **Living income/wage**, in particular focusing on redressing the gender wage gap by supporting women into higher paid jobs or senior positions in firms and improving their career prospects. This includes policies to ensure workers are compensated for overtime and transportation.
 - ▶ **Security in the workplace**, including physical safety provisions that take into account the particular needs of women (safe transport to/from work, appropriate bathroom facilities, etc.) and protection against psychosocial hazards such as sexual harassment or discrimination.

- ▶ **Social protection**, which does not reinforce women's traditional roles and responsibilities, but contributes to the transformation of gender relations in socio-economic spheres (e.g. maternity leave, childcare provision or subsidies for working mothers to access childcare).
- ▶ **Prospects for personal development** and deployment of strategies to mitigate against negative perceptions regarding female

employment (e.g. community outreach activities to protect women employees against domestic recriminations for working).

- ▶ **Equality of opportunity and treatment**, for example, applying a gender and inclusion lens to HR practices, especially at hiring and promotion stages (avoiding stereotypical language in job descriptions, avoiding unconscious bias in training, establishing clear evaluation criteria, etc.)

5.4 Eligibility Criteria

Sector focus

Senegal is a lower-middle-income country, with a high youth unemployment and an even higher youth underemployment rate. Therefore, we have decided not to limit the scope of CFYE-funded projects to specific sectors or opportunities. Nevertheless, we have highlighted some promising sectors that show potential for job growth, in Annex F. Projects that focus on these sectors will be preferred.

Additionality

Additionality is a central consideration in the review of proposed projects. CFYE co-financing must be additional, in other words it should be clear that CFYE funding enables activities and further investments in youth employment to take place which would not otherwise occur (either at all, in the same way, within the same timeframe, or to the same scale, quality, or speed). The CFYE funding should not substitute or replace an organisation's core funding, or crowd out other funding sources.

Profile of Applicants

- ▶ We actively welcome partnerships or consortium responses to this challenge.
- ▶ We strongly invite applications from private sector companies, as we believe that private sector involvement is the most effective way to develop and test market-based solutions that respond to the challenge of youth employment.

- ▶ Large enterprises are welcome to apply but must demonstrate strong additionality of the CFYE co-funding requested.
- ▶ Non-profit entities are welcome to apply, but if they are the lead applicant, they must apply in consortium with a private-sector partner with confirmed labour demand.
- ▶ We have a strong preference to work with fast-growing small and medium-sized enterprises.
- ▶ Business accelerators and impact investors are also eligible.

Types of Projects and Minimum Job Targets

- ▶ Jobs should focus on wage employment or self-employment.
- ▶ The project must meet the minimum eligibility criteria for job targets through a combination of CFYE categories: create, match or improve.
- ▶ The minimum job targets per applicant will be 250 jobs.
- ▶ There should be a clear Pathway to Employment in the project approach. CFYE will not support training-only projects.
- ▶ Employment creation, matching or improvement (of jobs) must be a direct outcome of the project.

5.5 Minimum grant amount

- ▶ The project must have a minimum total project value of 200,000 EURO.
- ▶ CFYE will co-finance a grant of up to 50% of the total project value.
- ▶ There is no maximum project value, but the project must present a commercially feasible budget (including an acceptable cost per job).
- ▶ The contribution requested from CFYE is expected to be within a reasonable range, in comparison with the lead organisation's average annual turnover in previous years, or the income of the current year in case of a newly-established organisation. If the amount requested is significantly larger, CFYE requires an explanation as to how the organisation/project intends to manage the funds and match it with their own contribution. Guidance around the proof of managing finances is provided in the Business Case guidance.

Annex A. List of Acronyms

ADEPME	Agence pour le développement des Petites et Moyennes entreprises
ACFTA	African Continental Free Trade Area
ANSD	Agence Nationale de la Statistique et de la Démographie
CDD	Contrat de Durée Déterminée
CDI	Contrat de Durée Indéfinie
CNP	Conseil National du Patronat
CPS	Contrat de Prestation de Services
CSS	Caisse de Sécurité Sociale (Social Security Fund)
DER	Délégation générale à l'Entrepreneuriat Rapide des Femmes et des Jeunes (Delegation for Rapid Entrepreneurship of Women and Youth)
DWCP	Decent Work Country Programme
ENSIS	Enquête nationale sur le Secteur Informel du Sénégal
FCFA	Franc Communauté Financière Africaine (common currency for 8 West African countries, including Senegal ; 1 Euro = 656 FCFA)
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FNR	Fonds National de la Retraite
FONGIP	Fonds de Garantie des Investissements Prioritaires
FONSIS	Fonds Souverain d'Investissements Stratégiques (Sovereign Fund for Strategic Investments)
3FPT	Fonds de Financement de la Formation Professionnelle et Technique
GEM	Global Entrepreneurship Monitor
GoS	Government of Senegal
ICEJA	Initiative Conjointe pour l'Emploi des Jeunes en Afrique
ILO	International Labour Organization
IPAR	Initiative Prospective Agriculture Rurale
IPRES	Institution de Prévoyance Retraite du Sénégal (GoS Pension Fund Institute)
IPU	Informal Production Unit
IWOSS	Industries Without Smokestacks
JICA	Japanese International Cooperation Agency
KFW	Kreditanstalt für Wiederaufbau
MEFPAI	Min. de l'Emploi, de la Formation Professionnelle, de l'Apprentissage et l'Insertion
NEET	Not in Employment, Education or Training
PAPEJ-F	Projet d'Appui à l'Entrepreneuriat des Jeunes et des Femmes
PAQUET-EF	Programme d'Amélioration de la Qualité, de l'Équité et de la Transparence de l'Éducation et de la Formation
PF2E	Programme de Formation Ecole Entreprise
PRES	Programme de Résilience Économique et Sociale
PSE	Plan Sénégal Emergent (Plan for an Emerging Senegal)
RNFE	Rural Non-Farm Economy
SMAG	Salaire Minimum Agricole Garanti (minimum salary in agriculture sector)
SMIG	Salaire Minimum Interprofessionnel Garanti (minimum salary, non-agri)
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
WBG	World Bank Group
WIC	Women's Investment Club Sénégal

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Annex C. Persons interviewed during scoping study

<i>Organisation</i>	<i>Name</i>	<i>Position</i>
<i>Dutch Govt / RNE / other</i>		
Embassy of the Netherlands in Dakar	Mme Elise Antoine Ahmadou Fall Mme Viviane Faye	Employment and Economic Advisor Policy Officer Youth, Education Agricultural Assistant
Embassy of the Netherlands in Rabat	Niek Schelling	Agricultural Advisor for Morocco and Senegal (Landbouwraad)
Invest International (previously part of RVO)	Martijn Braaksma	Investment Officer
RVO	Mme Benthe Beijens Kars Gerrits Mme Hanneke van Hoof Mme Froukje Verreijt	Youth Employment & Entrepreneurship Orange Corners Innovation Fund PSD Coach for Senegal Coordinator Impact
CNV International	Mme Nicole Mathot	Regional Coordinator for Africa
PUM	Mme Lydeke Leurink Wil Thissen	Coordinator Senegal
<i>Government of Senegal</i>		
ADEPME	Sedyna Ndiaye	Director
ANA (Agence Nationale d'Aquaculture)	Mme Tening Sene Mamadou Sene	Director
ANPEJ	Gana Cissé Abdou Khadre Ndiaye	Director Assistant Director
3FPT	Sega Sy Mame Aby Seye	Director
Ministry of Employment	Dame Diop Abdou Fall	Minister of Employment Advisor
PF2E	Ousmane Diedhiou	Director

Organisation	Name	Position
<i>(Semi-)Government</i>		
BMN (Bureau de Mise à Niveau)	Mme Fatou Dyana Ba Mamadou Sissoko Mme Aminatou Samb	Director Coordinator PT
Departement d'Entrepreneuriat Rapide (DER)	Mme Fatou Niass Traore Mme Mariame Kane Mme Aminata Ly	Head of Division Investment Director
ONFP (Office National de la Formation Professionnelle)	Souleymane Soumaré Ousmane Sene	Managing Director
<i>International organisations</i>		
AICS (Italian Development Agency)	Francesco Mele	Private Sector Expert
Enabel	Julien Guth	Consultant Private Sector Development
EU Delegation	Mme Clarisse Liautaud	Program Manager – Youth Employment
ILO	Mme Ilca Webster Daouda Ka	Skills and Employability Specialist Skills Up Program Coordinator
GIZ	Stephan Kunz Mme Oumou Ndiaye Diop	Executive Director SME Coordinator
LuxDev	Stephane Contini	Private Sector Expert
MasterCard Foundation	Mme Khadidjatou Diop Mme Marietou	Prog. Partner Education & Skills Prog. Lead Agriculture
USAID	William Bradley	Private Enterprise Officer
Westerwelle Foundation	Mme Judith Li	
<i>Donor-funded projects</i>		
ACCES (Assainissement, Changement de Comportement et Eau pour le Senegal) - USAID	Mme Ann Wessling	Chief of Party
Agrijeunes Tekki Ndawñi	Massamba Diop	Project Coordinator
Digital Boost (implemented by Greentec)	Emmanuel Bocquet	Founder
Djigui Niokolo (Création d'Emplois et Gouvernance Locale dans le Sud-Est du Sénégal) – SOS Sahel	Mme Catherine Dubreuil Mme Marine Le Doan	Country Director
West Africa Trade & Investment Hub (WATIH) - USAID	Lotfi Kourdali Alpha Baldé	Chief of Party

Organisation	Name	Position
Social Enterprise		
Foundawtion	Mme Pepi de Boisseau David Garcia Jaume Almoslino	Directors
IT4Life / Adjana Eco-Hub / API	Sébastien Kuznier Abdoulaye Gning	Founder and Director IT4Life Director API
Enterprise Support Organisations		
CTIC	Ousseynou Nar Guèye Isidore Mbodji	Senior Catalyst General Director
Jokkolabs	Mme Fatoumata Niang Niox	Executive Director
Kinaya Ventures	Mme Laissa Mouen	CO- Founder
Looka	Max Smith	CEO & Founder
Makesense	Mme Victoria Peters	Co-founder
Financial institutions		
Baobab Finance Group	Mme Dieynaba Diack Mme Marie Hélène Tening	Senior Development Manager Assistant Devt & Innovation
DNA (Dakar Network Angels)	Abdoul Aziz Sy Marieme Diop	Programme Coordinator
GroFIn	Elhadji Malick Soumaré	Investment Manager
KFW	Karl Kunz Marième Kane	Director and Deputy Director
Teranga Capital	Olivier Furdelle Mme Fatou Binetou Diop	Director and Program Manager
Women Investment Club (WIC)	Mme Evelyne Diah Mme Berry Ndiaye	Executive Director Investment Officer
Education institutions		
Université Virtuelle Sénégal (UVS)	Alpha Dia Seydina Moussa Ndiaye	Co-founder and Director
IPAR	Dr Cheick Guèye	Director
Business Associations		
Fédération Nationale des Offices et Syndicats d'Initiatives de Sénégal	Issa Barro	General secretary
CNP (Conseil National du Patronat)	Fara Sakho Hamidou Diop Malick Gueye	Board of Directors
EuroCham (EU-Senegal Chamber of Commerce)	Mme Ketty Régis Nicolas Soyere	

Organisation	Name	Position
Civil Society Organisations		
Consortium Jeunesse Senegal (CJS)	Sobel Aziz Ngom Sebastien Lyon	Co-founder
I4Policy	Mme Eva Sow	Founder and Director
UDTS	Moussa Diop	CNV Programme Coordinator
Private sector companies		
Amaplast - SMIP	Souleymane Mbengue Ibrahima Ba	General Director
Arc Informatique	Mohsen Shirara	CEO and Partner
Bay Seddo	Mamadou Sall	Founder and CEO
Diamatech	Moustapha Lo	CEO
Domitexka	Babacar Mbaye	Founder and CEO
E-Commerce Factory – Gainde 2000	Ibrahima Diagne Amadou Mbaye Diop Daniel Sarr Mme Aissatou Kasse	Administrateur Général
Etablissement Dieng et Fils	Aly Mansare	
Greentec	Emmanuel Bocquet	Founder
IAB (Institut Africain des Bébés)	Fa Diallo Mme Aminata R. Cissé	Founder and CEO
In-Touch	Omar Cissé Haby Racine Sy	Founder Business Devt Manager
Kassane	Mme Bouusso Sarr Dieng	Founder and Director
Kusi SARL	Gary Tomlins	Founder and Director
Niokobok	Laurent Liautaud	CEO & Co-Founder
PAPS	Bamba Lo Penda Sow	CEO & Co-Founder
Proplast	Macoumba Diagne	General Director
SAPCO (Société d'Aménagement de la Petite Côte)	Cherif Diagne	Conseiller en Planification Financière
Vemar Modern Aquaculture	Demba Diop	Founder and Director
Way2Call	Malick Gueye Khadim Gueye	

Annex D. Focus Group in Urban Area Guediawaye (29-10-21)

List of Participants

	Nom	Age	Gender	Occupations
1	Bassirou Ngom	27	M	Mason, construction worker, currently unemployed
2	Daouda Konate	28	M	Photographer, video producer
3	Thioude Ba	28	F	Housekeeper, currently unemployed
4	Awa Mbacké	31	F	Hospital worker (cleaning lady)
5	Abdoulaye Talla	44	M	Newspaper delivery, poultry farmer
6	Mohamed Ndiaye	28	M	Tailor, musician, motorcycle delivery
7	Thierry Da Fonseca	24	M	Student, social entrepreneur
8	Fatou Kiné Diop	36	F	Entrepreneur

1) Bassirou Ngom: Youth is exhausted. There is no work. They are not screaming in the streets because they have no energy. A lot of young people don't have work because they haven't done any studies, they don't know where to orient themselves and which job to choose. We are looking for decent work, if his religion allows him to do this job, he will do his best. He is ready to accept any work, ready to do anything, help you bring your bag. Any salary is fine and if he is not paid, he will get the grace of God.

He doesn't want the support of his family. Previously he worked in a shop and driving a small bus. He also worked as a street seller and a car washer. Recently he worked on the construction of the Youth Centre. He went to Koran school; there are no class levels, and he didn't stay long.

Bassirou's dream was to work in automobiles, as a driver – but his mother didn't want him to.

2) Daouda is an artist, photograph, video producer. He studied until age 15, 10th grade (3ème). He doesn't have funds to develop his project, he submitted his project in several places (like Afrikulturbain in Pikine). He lives with his grandfather. He stopped his studies as his family situation didn't allow him to continue. He doesn't have the tools to develop his projects, he goes to Afrikulturbain to do it.

Daouda would like to work full-time as a video-maker but does not know how to get there.

3) Thioude is unemployed and looking for work as a housekeeper. She came to Dakar to visit a friend and decided to stay. She was earning 15,000 FCFA (€ 22) per month when she was living with her family in Mbacké. She says wages are too low. She stopped studying in 5th grade. Her kid is 4 years old, but lives with her parents in Mbacké. She is separated from her husband, who is not giving her the papers of her kid. She is looking for a job as a domestic servant ('femme de menage') but hasn't found work since she got to Dakar. Her request is to help her find a job.

Thioude would like to work as housekeeper, so that she can earn enough to bring her kid to Dakar.

4) Awa works as a cleaning lady ('technicien de surface') at the Roi Baudouin Hospital since 2013. She has 3 kids. Her husband is unemployed. She started earning 30,000 to 75,000 FCFA per month. She has a contract as service provider (CPS). She works 12 hrs per day and is paid monthly. She works on and off, as is customary in hospitals. Previously she was working as a street vendor, selling incense but it was very tiring. After that she worked in food preparation. She went to Koran school.

Awa would like to set up her own laundry company but lacks the required funding.

5) Abdoulaye was a newspaper distributor for more than 15 years, earning 75,000 FCFA – working for his brother. His brother sold the newspaper, and he lost his job. He has 4 kids. His main source of income is now poultry farming, but he does not have the money to build a fence around his plot. His brother, a well-known music producer, created an employment centre in Guediawaye. His wife works as a cleaning lady. He doesn't know his monthly income; priority is eating and taking care of kids.

Abdoulaye would like to expand his poultry farm, but he needs more funds for that.

6) Mohamed is a tailor, he spent 3 years in Nigeria and Niger. He is a good tailor, but business has declined now that people start to dress as Westerners. He also worked as a hiphop musician, he sold CDs and music. He is now doing delivery services, Tiak Tiak. He doesn't have fixed clients, but a lot of requests. His motorcycle broke down, so he uses the motorcycle of a friend. His income varies from 5,000 to 50,000 FCFA per day. He is not married but finances the entire family. He has studied until 5th grade and is 27 years old. He needs to repair the scooter as he is sustaining the whole family. He would like to create a whole team of scooters that delivery – because the business works very well.

Mohamed would like to set up a delivery business, with his own fleet of motorcycles.

7) Thierry is from Cape Verde, born and bred in Guediawaye. He is 23 years old and is studying marketing. He has a community-based project in Gueule Tapé, association to develop the community. He considers that we should finance women and students to have specific vocational training. Before joining CJS, he was managing a honey production business.

Thierry would like to have his own business, like the honey business he was managing.

8) Fatou Kiné Diop grew up in Guediawaye, studied until 10th grade, she is communicator. They set up a school to employ youth with Matador (video, DJ, beat-makers, rappers, etc.). The training courses were excellent, as they kept the youngsters out of trouble. After you get married, the family doesn't help anymore. But when you get married you get a lot of money, so with that money she bought a sewing machine, but lacked money to buy products. So, she started with on-line sales and set up a Tontine group, based on pooling of resources. Her husband doesn't work.

In 2019 she won the Orange Award for the female African entrepreneur of the year, the first person from a banlieue to win this prize. As a result, she appeared in Forbes magazine, Le Monde, El País, etc.). She travelled to France – to receive the award – and Germany, invited by GiZ. She also took part in a project called Banlieue Koom Le (= le banlieue c'est l'economie), aimed at connecting Guediawaye entrepreneurs to investors and govt agencies. She currently has a turnover of over FCFA 80 mIn p.a.

People are engaged in a lot of activities in Senegal and vocational training is crucial, if only because it creates a kind of legitimization of people's professional skills.

See: <https://forbesafrique.com/fatou-kine-diop-creatrice-de-tontines-digitales/>

General conclusions of youth sessions

- ▶ Urban youth are struggling to find employment.
- ▶ Most of them didn't finish their studies; two went to Koran schools.
- ▶ The salaries are insufficient to sustain an entire family.
- ▶ Besides lacking basic education, few have had any vocational training – which is an investment.
- ▶ The ones that work informally, don't know their monthly revenue.
- ▶ There is a lot of pressure on the person working, often the only one in the family.
- ▶ They all need employment, but no-one can invest in education or specific training.
- ▶ They all say that they need specific vocational training.
- ▶ They are not afraid of challenging jobs, as long as they are within their reach.
- ▶ Youth are more motivated to be trained in activities that they enjoy (music, video production, etc.) than traditional training.

Annex E. Focus Group in Rural Area (Kaolack, 28-10-21)

List of Participants

	<i>Nom</i>	<i>Gender</i>	<i>Occupation</i>
1	Massamba Diop	M	Agri-Jeunes project coordinator
2	Ahmed Thioye	M	Agri-Jeunes training coordinator
3	Talla Gueye	M	Agri-Jeunes M&E coordinator
4	Madame La'eye Cissé	F	Agri-Jeunes connecting youth and social inclusion
5	Thieux Ndong	M	Agri-Jeunes rural entrepreneurship
6	Latyr Nour	M	young agripreneur
7	Elhadj Babou Diagne	M	young agripreneur
8	Sadjouka Mbodji	M	young agripreneur
9	Biram Ka	M	president Conseil Nationale Rurale des Jeunes Keur Baka
10	Sitapha Diouf	M	young agripreneur
11	Awa Ndiaye	F	young agripreneur

Youth employment in rural areas is around 45% - mainly family employment. The project aims to promote decent employment for rural youth in family business and profitable IGA in agro-silvopastoral activities in 8 different regions across the country. They also work with young agripreneurs (18-35 yrs). The project is funded by IFAD and AfDB.

- ▶ North: Louga, Thies
- ▶ Center: Kaolack, Fatick
- ▶ South

There are different target groups, including:

- ▶ Youth without education that need to be trained
- ▶ Underemployed or unemployed youth that need a job
- ▶ Agripreneurs that need seed capital for their business

Activities include access to information and development of commercial partnerships, access to emerging markets (e.g. organic certification), access to mainstream markets, etc. The project also envisages the developmet of 500 ha for horticulture and 180 fish ponds aquaculture, providing employment to 4000-5000 youth in individual or collective farming activities.

The project started in June 2020, but was delayed due to Covid. In the first three months of 2021 they already received requests for support from over 60,000 youths in the 8 selected regions. About 11,000 youth will benefit from seed capital.

Private sector partnerships:

- ▶ Export of organically certified products (peanuts, sesame, etc.) through Work-Trade (<https://work-trade.sn>). They provide logistics and payment services, import/export, farmer advisory and networking, seed funding, etc.

- ▶ Diamatech

Youth participation

Latyr studied agro-ecology. He now has 1 ha where he plans to cultivate vegetables. He got seed funding from the project to start farming later this year. In 5 years' time, he would like to transform his farm into a school for young farmers, to share his experience with others.

Babou has 3 ha where he produces millies and peanuts. He wants to grow fruit trees (lemon & mango) in the future. During the off-season he works as a driver, but does not have his own vehicle. Currently he depends only on rainwater, but he would like to introduce irrigation.

Sadjouka has a master degree in sociology. He is the president of the young farmers association in his village. He has cows and sheep on his farm. He has 1.5 ha land that he got from his father (plus 2 ha). Five years from now he wants to have a model farm, that can be a source of inspiration for other youth. He has also worked with NGOs but that work does not last long.

Biram is the president of the Conseil Nationale Rurale des Jeunes in Kaolack. The main problem for young farmers is the lack of access to water (irrigation) in the dry season, which means that they only have one harvest and only work in agriculture during 3 months a year.

Sitapha is a teacher in his village school and also a farmer. His salary as a teacher is CFA 150,000 p/m, which is not enough to live on. He took part in the project training and currently produces maize, millies and peanuts. He wants to produce fruit trees and raise animals. He would like to continue working as a teacher and farmer at the same time, but he has many challenges: lack of water, no electricity in his village (he had a solar system, but battery only lasted a year), transport costs to the market, etc.

Awa was trained in horticulture, but did not have opportunity to start farming. So she did a new training in patisserie and now works in Diourbel. She also has a small plot where she produces vegetables such as cabbage, eggplant, etc. She would like to have her own bakery and pastry shop.

For the Agri-Jeunes project a decent job has to generate an income of at least CFA 90,000 p/m. But this is based on the assumption that the youth live with their parents, do not have kids or need to commute. It also assumes that they have income at least during 10 months of the year. From their research they concluded that youth would prefer to have CFA 90,000 in Kaolack than 150,000 in Dakar.

Conclusion

The six interviewed youth all wanted to remain in the Kaolack region and see farming – in some cases combined with other activities – as an important source of (additional) income. They all took part in the ecological farming course that Agri-Jeunes offered and as a result have a preference for organic farming, as well as focusing on new crops besides maize and peanuts, such as horticulture and fruit trees. Their main problems are: lack of water (no irrigation), lack of electricity, lack of money to build a fence around their land, which is necessary if they want to have animals, due to prohibition of using wood. At present, the seasonal character of their farming activity – only in the rainy season – leads to low returns, but if they can produce more than one harvest and add livestock and perennial crops, this will go up. Access to markets is also seen as a constraint, due to small volumes and transport costs.

Annex F. Promising sectors in Senegal (based on our own assessment)

Sectors	Potential to create jobs for youth	Opportunities for women	Required skills level	Examples
Agriculture	Medium to High Employment in traditional agriculture has fallen from 50% to 40% from 2001 to 2017. With over 2.5 million people employed in agriculture, it is still by far the largest job provider in Senegal.	Medium Agriculture employs many women in rural areas and will continue to do so in the foreseeable future.	Unskilled to Medium-Skilled Mainly low-level jobs, with some degree of TVET specialization for certain activities.	<ul style="list-style-type: none"> ▶ Project to introduce high yield agro-inputs or mechanization ▶ Capacity building + extension services for young farmers as part of an outgrower scheme
Horticulture	Medium to High Employment share of 3.8% (209,000 jobs). With technological advance, vegetables and flowers that used to be produced for local consumption can now be sold abroad.	High Around 80% of new jobs in horti-culture are held by women (mainly harvesting, processing, packaging).	Low-Medium Mainly low-level jobs, with some degree of TVET specialization for certain activities.	<ul style="list-style-type: none"> ▶ Production of vegetables or flowers for export market. ▶ Organic vegetable and herbs for niche market in Dakar.
Agro-industry	Medium to High Agro-processing increased its share to 6.7% (367,000 jobs). Large growth potential under the new African Continental Free Trade Area (ACFTA), great opportunity for creating jobs and boosting exports.	Medium-High In particular, food processing offers many job opportunities for women.	Low-Medium Mainly low-level jobs, with some degree of TVET specialization for certain activities.	<ul style="list-style-type: none"> ▶ Processed tropical fruits (mango, pineapple, guava) both for local market and export.
Fishery and aquaculture	Low to Medium Share has been declining since the 1990s, but fishing still accounts for around 15% of Senegal's exports. The industry is highly labour-intensive, with direct and indirect employment estimated at about 10% of Senegal's working population. Fish reserves rapidly declining due to overfishing, while aquaculture is not yet competitive.	Medium-High Many activities in fish processing and distribution primarily employ women.	Low-Medium Mainly low-level jobs, with some degree of TVET specialization for certain activities.	<ul style="list-style-type: none"> ▶ Small-scale production of fish feed using local ingredients, including insect larvae. ▶ Development of sea-fish processing plants with special facilities for female workers.

Sectors	Potential to create jobs for youth	Opportunities for women	Required skills level	Examples
Tourism	Medium to High The tourism sector experienced steady growth, increasing its employment share to 8.2% (446,000 jobs) in 2017. Sector has strong growth potential for youth, once the Covid pandemic is behind us.	Medium-High Tourism offers many opportunities for women, at all levels and for a variety of jobs.	Low-Medium (+ High) Mainly low-level jobs, but also opportunities for medium-level and even high-level, management jobs. Also, entrepreneurial opps.	<ul style="list-style-type: none"> ▶ Development of specific area with an integral approach, with eco-friendly focus. ▶ Agri-tourism project in the periphery of national park to prevent animal poaching.
ICT / Digital businesses (including Fintech)	Medium to High The ICT sector saw a significant increase in labour productivity in the last 20 years, but its share in the labour market remained small at 0.6%. The sector has growth potential.	Medium-High Digital businesses offer many opportunities for women, though this depends on activity.	Low-High Digital businesses can offer jobs of all levels, from basic, low-level jobs to high-level that require a solid STEM background in education.	<ul style="list-style-type: none"> ▶ Capacity building of young TVET or university graduates to make them attractive for jobs in the ICT sector. ▶ Project involving digital focus to solve everyday problems.
Construction (BTP)	Medium to High Construction is booming in Dakar, which explains the increase in the employment share from 1.9 to 2.5 %. The sector is likely to grow in coming years, but also poses challenges for decent work.	Low Normally the construction sector does not generate many jobs for women. It will depend on the project.	Low-Medium Mainly low-level jobs, with some degree of TVET specialization for certain activities.	<ul style="list-style-type: none"> ▶ TVET combined with on-the-job training in construction firms that apply innovative building methods and offer quality jobs for graduates.
Transport & Logistics	Medium At present the transport sector only employs about 35,000 (similar to the ICT sector), but with new infrastructure being built all around the country, there is clear growth potential. The sector is also closely linked to other sectors, e.g. tourism.	Low-Medium Not typically a sector with a lot of opportunities, except perhaps IT-based transport services.	Medium Most jobs require some degree of TVET specialization, ranging from driving license to mechanical or computer engineer.	<ul style="list-style-type: none"> ▶ IT-based logistical solutions, e.g. for e-commerce delivery services or agricultural supply chain management.
SME support / Business Accelerators	Medium There are many business support and accelerator initiatives, but most tend to focus on Dakar. Nevertheless, this may be an interesting focus for the CFYE.	Medium-High Most SME support organisations are gender-neutral, only WIC focuses exclusively on women-led firms.	Low-High The skills required for the jobs depends on the kind of businesses that are supported.	<ul style="list-style-type: none"> ▶ First loss guarantee for impact investor that enables SMEs that would normally not have access to finance to get funding.