SENEGAL

IREM (Initiative pour la Résilience Économique des Micro, Moyennes et Petites Entreprises)

With the COVID-19 pandemic, rural populations in Senegal struggle to get ahead. MEDA is providing support to the agribusiness sector, by helping 19,000 farmers, micro, small and medium enterprises (MSMEs), local farmers organizations and young leaders in Ziguinchor, Sedhiou, Kolda and Tambacounda maintain jobs and incomes.
Quick macro level figures (World Bank)

- Total Population: 16.3 million
- Rate below poverty line: 46.7%
- Rate in rural areas: 52%
- GDP: $23 billion (USD)
- Rate of businesses in the informal sector: 80%
- Rate of the population primarily in agriculture: 29%

MSMEs, smallholder farmers, and women and youth-led businesses are particularly susceptible to the stressors of COVID-19. Shortages of key agricultural inputs, particularly high-quality seeds adapted to changing climate conditions, could potentially affect productivity levels while restriction of movements and market closures may prevent farmers from harvesting and selling crops. A high level of people have lost their income streams due to COVID-19 which has also suppressed consumer demand for farm products. The difficulties smallholder face are compounded by those of other vulnerable actors in the agriculture value chains, including traders and food processors, ultimately leading to unstable food prices and limited purchasing power. While COVID-19 has hampered food imports – on which Senegal depends – it offers an opportunity for local producers to increase production and sales.

MEDA’s Approach to Roll Out IREM

IREM aims to protect agricultural value chains, strengthen the resilience of MSMEs, speed up their economic recovery, and increase diversification of production and economic growth. The project will catalyze digital platforms to limit disruptions of the supply chains during the COVID-19 pandemic and beyond. So, the linkages between farmers, processors, distribution, storage, aggregation and MSMEs will be reinforced to prevent a food security crisis. In addition to raising awareness on COVID-19 safety protocols, these measures will ensure that:

- Farmer households have access to affordable high-yield and drought-tolerant varieties of seed, technology packages such as mini-boreholes and solar pumps, and digital agricultural trainings and extension services – promoting environmentally sustainable production practices. These initiatives attract youth to horticultural production;
- MSMEs receive digital business development services, gain access to financial services and are able to buy and sell their products on a digital marketplace.

Background

To prevent a food crisis in Senegal as a result of the COVID-19 pandemic, the Government of Senegal launched the Force COVID-19 plan, a stimulus effort to provide direct economic support to the most affected economic sectors. The Mastercard Foundation’s support to the Force COVID-19 plan seeks, in part, to support the private sector by helping MSMEs sustain employment.

Outcome | 2-Year Project Budget

- Diffusion and distribution of improved varieties of seeds and other inputs to producers
- Off-season horticultural production by testing and multiplying new varieties of rice and other seeds
- Digital agricultural training platform
- Digital agricultural marketplace platform
- Digital business development services and remote-led interactive trainings
- Awareness raising on COVID-19 and preventive measures
- Investment into a financial institution

$500,000 USD
$2.81M USD

MEDA Risk Capital Fund
Mastercard Foundation