

Box 18.4: The sovereign fund prioritizing Senegal's sustainable development agenda

In 2012, the government created, by law, the Sovereign Fund for Strategic Investments (FONSIS).

This fund uses state revenue from oil and gas to invest in capital funds targeting SMEs in sectors prioritized by the *Senegal Emerging Plan*, such as solar energy, agriculture and health. The long-term goal is to reduce dependence on this form of revenue through a diversified investment portfolio.

In 2015, FONSIS created a subsidiary, the Medical Infrastructure Hub (POLIMED), which designs and manages clinics and hospitals. POLIMED is currently rehabilitating the Matlaboul Fawzaïni Hospital and putting in place an e-information system for patient files.

In February 2020, FONSIS signed an agreement with General Electric

to equip public and private clinics and hospitals with scanners and other modern medical equipment.

In January 2019, the pharmaceutical company Parenterus, a subsidiary of FONSIS, opened its first factory in Senegal.

Another subsidiary is Sogenas, a company specializing in the production and commercialization of dairy cows genetically modified to resist hot, dry conditions.

In November 2019, FONSIS raised 31 billion francs CFA to build solar plants in Kaél and Kahone with a total capacity of 50 MW. Approximately 25 billion francs CFA are being provided by a consortium consisting of Proparco, part of the Agence française de développement, the World Bank and European Investment Bank.

These new solar plants bring the total to four. They will help Senegal to reach its objective of raising the share of renewable sources to at least 21% of the country's energy mix by 2018. Moreover, the Senegalese electricity company, Senelec, will be able to buy each kilowatt hour for just 25 francs CFA, reportedly the lowest price in sub-Saharan Africa.

In 2019, FONSIS created a generational fund for long-term investments, which pay smaller dividends but involve a lesser degree of risk.

Up until now, investments have focused on SMEs in Senegal but the fund has begun investing abroad, as well, as authorized by its statutes.

Source: www.fonsis.org