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DEUTSCHE ZUSAMMENARBEIT

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Ministry of Planning and
Economic Development

Employment Promotion Programme

Business Loop



→ BACKGROUND

Sierra Leone remains one of the least developed countries in the world, ranking 182 out of 189 on the Human Development Index (2020). High rates of underemployment as well as unemployment represent a constraint to the socio-economic development and pose a risk to the political and social stability of the country. 60% – 70% of the working population classify as working poor, meaning that despite their employment, the household falls below the poverty line (ILO 2019). Youth and women in rural areas of Sierra Leone are particularly affected.

The economy in Sierra Leone is weak and undynamic; it is mainly characterised by agricultural production of raw materials, such as oil palms, rice, coffee and cocoa, with little value added in the country. At the same time, the level of education in Sierra Leone is very low. The lack of basic education and skills, as well as practical and quality technical and higher education and training, result in a mismatch between supply and demand in the labour market. This has a negative impact on productivity, self-employment and entrepreneurship, and thus on the potential for creating new jobs.

Against this background, the German Federal Ministry for Economic Cooperation and Development (BMZ), co-financed by the European Union, is supporting the fourth phase of the Employment Promotion Programme (EPP IV). The programme is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The main partner on the national level is the Ministry of Planning and Economic Development. The fourth phase of EPP is aiming to sustainably improve the employment and income situation of youth in agriculture and in micro-, small-, and medium-sized enterprises (MSMEs). EPP applies a multi-pronged approach that strengthens the employability of young people, employment opportunities in the private sector, and the institutional system of vocational education and training.

EPP FIELDS OF ACTION



1. Skills Development:

The skills development component designs and implements labour market-oriented training modules in life skills, business skills and labour market integration measures for youth in the four target districts.



2. TVET and Dual Studies:

The TVET component improves the preparation of young people for the demands on the labour market through the integration of practical experiences in their training and the demand-oriented adaptation of the VET system.



3. Agricultural Value Chain Development:

Value chain promotion activities aim at increasing production, quality of produce and ultimately employment in selected value chains, namely cocoa, coffee, rice and vegetables.



4. Private Sector – Business Loop (B-Loop):

Training of enterprises in management and business skills, record keeping, marketing, client/customer relationship is one of the core interventions applied to support MSMEs development. A subsequent advanced B-Loop track supports promising entrepreneurs in their further growth efforts.



5. Private Sector – Facility for Growth

(F4G): This intervention aims to further develop established micro-, small- and medium-sized enterprises through financial and in-kind support.

Entrepreneur filling in her records to keep track of sales and profits

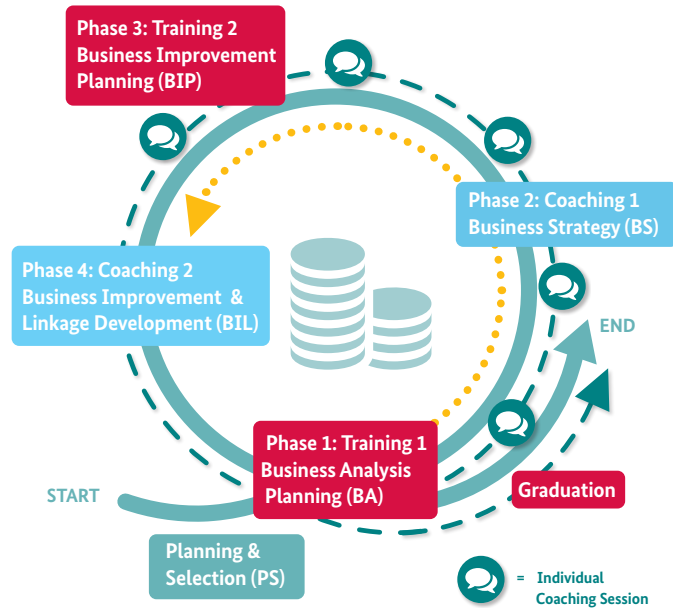


→ BUSINESS LOOP

The Business Loop (B-Loop) methodology supports MSMEs by providing them access to training and coaching. They acquire and master their business skills, product/market positioning, entrepreneurial attitude, negotiating skills, customer relations and preparedness to access financial services. This packaging is geared to help entrepreneurs achieve their business goals.

The whole cycle lasts for approximately 6 months and consists of 4 phases. The selection process includes an assessment of the entrepreneurs' characteristics and operational capacities of the enterprise. Interspersed between two training sessions each lasting for 3 days, are two coaching phases in which the topics learned are applied to the businesses under the guidance of the coach.

The final element of the program addresses different options to access funding - here the entrepreneurs are informed about various possibilities to access loans e.g. from commercial and community banks, microfinance institutions and financial services associations (FSAs) and contacts are facilitated with relevant stakeholders.



As an addition in the new project period, an advanced course for former B-Loop participants will be introduced. Selected entrepreneurs will be afforded the opportunity to go through a growth training specifically designed to further aid them improve their business skills and subsequently continue improving their businesses.



→ EXPECTED OUTCOMES

Over the programme lifespan a total of 1750 MSMEs (between 30% and 50% managed by women) will have received training as part of B-Loop.

Further 200 entrepreneurs will furthermore have completed the advanced B-Loop Growth Training. Core benefits of the B-loop include:

- a. Provision of hands-on guidance for entrepreneurs that ensure theory is put into practice during business coaching (one-on-one) sessions
- b. Through technical support provided by business coaches, entrepreneurs work through individual business targets that address specific problem areas in their respective enterprises
- c. A total of 1500 MSMEs will have the opportunity to receive small loans from a financial institution supported by EPP IV
- d. The most promising 250 B-loop graduates will receive further support through the facility for growth (F4G)



→ GIZ IN SIERRA LEONE

GIZ has been working in Sierra Leone since 1963 on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). GIZ supports Sierra Leone on behalf of the German Government ever since in the areas of employment promotion, value chain development, infrastructure development, regional resource governance and health system reform.

Entrepreneur operating – among other things – a solar-powered charging station and freezer to sell cold water in his village



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