

# Employment Promotion Programme (EPP III)

## Promoting Youth Employment through Local Economic Development

### Background

Sierra Leone faces highest levels of unemployment. Current labor force is estimated to be 2.7 million – out of this number 1,6 million (59%), particularly youth, are unemployed or underemployed. Youth marginalization, exclusion from education, access to and control over resources and lack of employment opportunities remain destabilizing factors for the country. Supporting the private sector, particularly in agriculture, will strengthen the rural economy and improve income opportunities for youths and young people in the country.

Within this framework, the German Federal Ministry for Economic Cooperation and Development (BMZ) is supporting the third phase of Promoting Youth Employment through Local Economic Development Programme (EPP III). EPP III is a Programme of the Ministry of Labour and Social Security (MLSS) funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

### Our approach

EPP III is aligned with and contributes to the Government of Sierra Leone's Agenda for Prosperity (2013 - 2018) and supports the effective implementation of the National Employment Policy and Action Plan (NEPAP). The Programme supports the improvement of income and employment situation in agriculture and its private sector in rural areas through training and coaching programmes in entrepreneurial and business development for Micro, Small and Medium Enterprises (MSMEs) and trains youths in life skills, vocational training and business skills.

Project name	Promoting Youth Employment through Local Economic Development
Commissioned by	Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung (BMZ)
Project region	Sierra Leone, West Africa
Lead executing agency	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Duration	31 July 2016 – 31 July 2020

The main objective of EPP III is to create an enabling environment for improved income and employment for youths between the age group 18-35 years, with special focus on women and disabled persons. To strengthen the rural private sector in Sierra Leone, the Programme employs a multifledged strategy based on five thematic pillars.

**Capacity Development of Partners:** EPP III is collaborating with MLSS in order to support the Ministry in its efforts to coordinate and implement the National Employment Policy Action Plan (NEPAP 2014 -2018) across sectors. Due to the cross cutting nature of the Policy, EPP III is also cooperating with other Ministries such as the Ministry of Agriculture, Forestry and Food Security (MAFFS), Ministry of Youth Affairs (MoYA) Ministry of Trade and Industry (MTI), and parastatal institutions like National Youth Commission (NAYCOM) and Sierra Leone Chamber for Agribusiness Development (SLCAD) to enhance their capabilities to effectively implement their mandate.

Overall, the component supports the development and implementation of macroeconomic policy framework meant to link employment with economic growth. This will provide the enabling macroeconomic and sectorial policy environment for more



Photo (left): Joint Strategic Planning Workshop involving officials from MLSS, Strategy and Policy Unit (SPU) and EPP III

Photo (right): On-going Functional Adult Literacy (FAL) class



Photo (left): Farmers working on rice field

Photo (right): Close-up of ripe coffee berries

employment, better management of unemployment and decent and productive work for all youths, including women and people with special needs.

**Youth Development:** The Youth Development component specifically aims to address the mismatch between skills supply and the labour market demand by providing targeted skills training for youth, thus promoting entrepreneurship and employability. Specifically, the component shall create labour-market oriented trainings for 10,000 youth focusing on life skills development, business and technical skills.

The youth livelihoods programming is consistent with the prevalent agriculture-based economy and addresses the needs of both vulnerable populations and businesses within three rural districts of Sierra Leone, namely Kailahun, Koinadugu and Kono. After a labour market and youth skills assessment conducted by the EPP youth development component, the following topics have been identified: agro-processing, solar PV installation and maintenance, governance and conflict resolution, psycho-social competences, entrepreneurship and employability. The component is also hosting a mass campaign on literacy and is supporting the local youth structures in organisational management.

**Agricultural Value Chains:** One of the ways in which the EPP III is creating opportunities for self-employment is through strengthening selected agricultural value chains. Agriculture continues to be the principal labour sector in Sierra Leone, employing around 75% of the country's active work force. The sector has large unused potential to provide more employment opportunities for youth that can be tapped into once some structural problems are resolved.

The component focuses on cocoa and coffee, rice and vegetables value chains, reaching 12,500 farmers. The main objective is the sustainable increase in productivity of primary producers and the continuous domestic expansion of secondary processing of agricultural raw materials. These value chain promoting activities aimed primarily at enabling youth to earn a livelihood from self-employed agricultural work. The component is helping youth in supporting their efforts to improve agricultural assets and to introduce new and improved production methods. The activities are closely accompanied by a tailored Integrated Farmer Training (IFT) to build capacities for a successful entrepreneurship as a farmer. Main activities which are carried out by the component include analysis of the value chain, rehabilitation of abandoned or neglected fields, production raising, capacity building activities, development of business models and linkages with private companies, upscaling and dissemination of successful models. This

component is implemented by the association AFC-GOPA, with Welthungerhilfe and GEFAC as sub-contractors.

**Highlight 1: Integrated Farmer Training** is a new and innovative concept for capacity building of farmers in challenging environments of low initial skills and weak educational backgrounds. This includes illiterate and innumerate people for which the didactic concept is broadly based on visual comprehension.

IFT integrates essential knowledge and skills of Good Agricultural Practices (GAP), farming as a business and entrepreneurial motivation / attitude change into a series of one-day sessions which are normally aligned with the production cycle. Additional follow-up on-site meetings with smaller groups consolidate the understanding and allow to practice new skills and address implementation problems.

IFT is modular and can easily be adapted to different target groups and technical topics. Currently three completely elaborated curricula on cocoa, coffee and rice are available, including overall framework, individual session plans and training materials. In Sierra Leone 45 qualified and privately organized IF trainers are available for implementation. During a pilot phase, IFT has been introduced and successfully tested with more than 5,000 farmers. The positive acceptance by beneficiaries was shown among others by a returning rate to training sessions and an application rate of acquired skills of both over 80%. The approach is now significantly upscaled by the Employment Promotion Programme and new curricula are in preparation.

**Business Loop (B-Loop):** targets Micro, Small and Medium Enterprises (MSMEs) from the private sector in local economies. It provides MSMEs business development services that help grow and improve the performance of their businesses.

The Component will support youth to gain competencies that facilitate their inclusion in the economy through employment or self-employment. Sectors of activities covered stem from agribusiness-related businesses to other economic activities linked directly to the economy of rural areas. The geographical implementation areas of the program are the districts of Kailahun, Kono and Koinadugu.

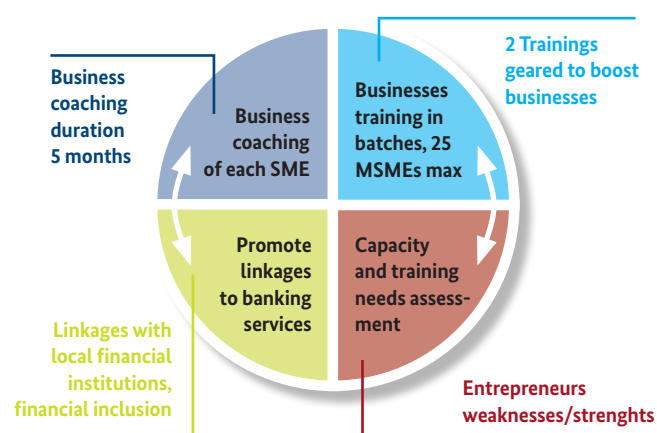
As a core component of EPP III, the B-Loop approach has the objective to train and coach 1,000 entrepreneurs in business and entrepreneurial skills for a period of approximately one year. The whole cycle lasts approximately 12 months. The B-Loop has four main pillars:

**Pillar One—Capacity Training Needs Assessment (CTNA):** This ensures an objective assessment of the entrepreneur’s skills and the enterprise capacities. As part of the outcomes, the CTNA is used to set individual enterprise targets to be achieved within the coaching period and at the same time it serves as a tool to collect monitoring data on the enterprise.

**Pillar Two—Business Training:** Business training comprises two separate training sessions each lasting for three (3) days. Training methods include lecture, role plays and group work. Training modules include: entrepreneurship, cash management, inventory – customer – supplier record keeping, introduction to enterprise analysis, communication skills, decision-making, marketing, production management, access to financial services, business planning.

**Pillar Three—Business Coaching:** These are practical sessions involving business coaches from service providers who accompany them in implementing the changes, tracking progress and re-assessing milestones. Coaching sessions are individualized sessions made on site. There is clear periodicity in the visits of the business coaches for the total duration of the coaching within 5 months. Peer to peer exchanges are organized between beneficiaries by coaches.

**Pillar Four—Access to Finance:** During the training sessions, formal financial service providers namely commercial and community banks, microfinance institutions and financial services associations (FSAs) give an insight into types of financial services available and how can the MSMEs access their products and services. It is a two-way process that allows the beneficiaries to eventually access the services and also the financial institutions to better understand the needs of MSMEs.



Graduation and post-graduation activities: after successfully going through the four pillars a graduation ceremony is conducted to showcase the achievements made over the period. Successful entrepreneurs are handed two vouchers which they are expected to utilize within a period of six months.

**Highlight 2: B-Loop for illiterate:** The number of first B-Loop applicants revealed to be formed in 60% of the cases by illiterate people. Previous experience from EPP II showed that illiterate young micro entrepreneurs face difficulties in the learning pattern and in their achievements. The Programme is therefore planning to pilot SME B-Loop targeting illiterate micro-entrepreneurs. The pilot SME B-Loop seeks manners to bridge the competence gaps that hinder the abilities of motivated micro-entrepreneurs to properly acquire the needed capacities offered by the SME B-Loop training and coaching.

Some shared benefits expressed by entrepreneurs who successfully participated in previous SME B-Loop training and coaching sessions:

- With technical support from business coaches, entrepreneurs have the opportunity to develop and work through individual business targets that address specific problem areas in their respective enterprises
- Promotes better business and entrepreneurial skills
- Provides hands-on guidance for entrepreneurs that ensures theory is put into practice during business one-on-one coaching sessions

Within the Program lifespan, a total number of 1,000 entrepreneurs is expected to complete the whole B-Loop cycle.

**B-Loop Targets:**

Year	Number of MSMEs
2018	475
2019	525
Total	1000

**Facility for Innovation (F4I):** The Facility for Innovation F4I targets 100 business ideas to be developed into “matured” business concepts which will create new opportunities for employment. This means new products and services with increased added economic values, which translate to increasing market demands. A core requirement for the new business idea to be selected is the potential for innovativeness and/or distinct value addition.



Photo (left): Entrepreneur markets agricultural products

Photo (right): F4I applicant exhibiting his products derived from Palm Kernel

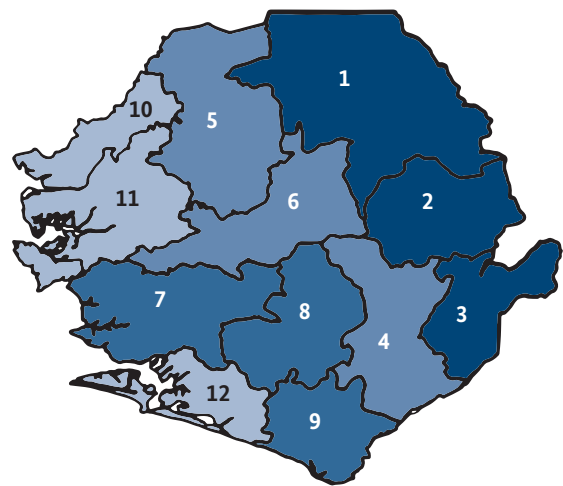
F4I will focus on sectors with strong economic growth potentials. The following main sectors are considered in the implementation of the F4I but not limited to: agribusiness-related activities; fisheries; renewable energy; information communication technology (ICT); transport and merchandizing; and tourism.

The F4I helps entrepreneurs transform their business ideas into fully developed business proposals with the assistance of an expert. The most elaborated business ideas are presented to a selection panel by the entrepreneur. Successful business plans are awarded a grant for their actual implementation.

**Highlight 3: F4I Core criteria for the business selection:**

1. Strong market opportunities for the products or services
2. Good inclusive economic/financial growth potential
3. Opportunities to create jobs for youth and women
4. Potential positive impact for the economies of the communities
5. Business shall be environmentally and socially friendly

The F4I will initially target the same three Districts in the North-Eastern area of the country before expanding to Districts that share borders with them. This will continue until project target is met.



Initial districts	Expansion Level 1	Expansion Level 2	Expansion Level 3
1. Koinadugu	4. Kenema	7. Moyamba	10. Kambia
2. Kono	5. Bombali	8. Bo	11. Port Loko
3. Kailahun	6. Tonkolil	9. Pujehun	12. Bonthe
			13. Western Area

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