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Insights into the ILO Formalize Your Business (FYB) Training Programme in Côte d’Ivoire, The Gambia and Senegal

Learning from FYB trainers and entrepreneurs

Key points

- The FYB training programme is implemented through partnerships with employer and business membership organisations, SME development agencies and youth employment agencies.
- The training is greatly appreciated by trainers and entrepreneurs.
- In the Gambia and Senegal, most entrepreneurs were in the trade register and had a tax ID prior to the training, however, they were not registered for social security and only few obtained relevant product certifications.
- Entrepreneurs found the sessions on registration, bookkeeping, taxes and social security most useful.
- The training helped entrepreneurs to better understand the usefulness of formalization. It has positively changed their attitudes towards transitioning to formality.
- Partnerships with national agencies such as training centres or business incubators may be explored to further roll out the training and help enterprises apply what they learned.

Introduction

Formalize Your Business is a training programme developed by the ILO to promote the formalization of small enterprises and the workers they employ. It complements policy design and policy implementation on enterprise formalization as well as institutional strengthening and capacity building, contributing to a holistic approach to transition to formality.

The FYB training programme equips participants to comply with relevant regulations and requirements to enter and remain in the formal economy. The training has been initially implemented in Côte d’Ivoire, The Gambia and Senegal since 2021 and recently expanded to further countries. The ILO has collaborated with different organisations to implement the FYB programme in the various countries. In Côte d’Ivoire, the employers’ organisation Confédération Générale des Enterprises de Côte d’Ivoire (CGECI) and the state-owned SME agency (CI PME) are the main implementing partners, together with the youth employment agency Agence Emploi Jeunes (AEJ). In The Gambia, the Chamber of Commerce and Industry (GCCI) supported the ILO with the programme implementation, while in Senegal the Agency for the Development and Management of SMEs (ADEPME) and the Agence Nationale pour la Promotion de l’Emploi des Jeunes (ANPEJ) assumed this role.

Between July and August 2023, the ILO initiated a data collection assignment in Côte d’Ivoire, The Gambia and Senegal, the first countries in which the FYB Training programme has been piloted. The data collection had the following main goals:

- Gather information on preliminary results of the FYB training programme and the perceptions of participating trainers and entrepreneurs.
• Understand the role national institutions play in the implementation of the training.
• Assess the relevant post-training support towards formalization that is feasible in each country.

The data collection is based on a review of training materials and workshop reports, key stakeholder interviews and focus group discussions/individual interviews with entrepreneurs who were previous training participants in each country. Key stakeholders included institutions already engaged in the implementation of the FYB training programme and others which had expressed interest about joining the training in the future. Entrepreneurs were selected based on random sampling methodology (n = 20) and interviewed either face-to-face or through phone calls. Starting from the emerging findings, several recommendations targeted at actors involved in the FYB training implementation are advanced.

The aim of this document is to briefly outline how the FYB training has been implemented so far, summarize the feedback of trainers who participated in the Training of Trainers (ToT) and entrepreneurs who completed the FYB training. The first section presents the profile of participants. The second section focuses on feedback on the training content from trainers and participating entrepreneurs. The third section reviews feedback on training modalities (such as length and delivery) while the closing section lists some recommendations and post-training activities to enhance the training’s overall impact.

Profile of FYB experts, trainers and entrepreneurs

FYB experts, who and what?

FYB experts are usually professionals who are highly experienced in business development services (BDS) and delivering capacity building for business owners. They have an extended national and/or regional network linked to BDS organisations and individual trainers and are very familiar with ILO training methodologies. In addition, they have a comprehensive understanding of a country’s enterprise formalization landscape (e.g., actors, mechanisms, policies), allowing them to integrate the FYB Training Programme in a more systemic way to enhance sustainable enterprise development. FYB experts can take on several roles. They may coordinate or support the training adaptation at the national level, act as a point of contact between the ILO, trainers of entrepreneurs and national implementing institutions. Additionally, FYB experts may organize – in partnership with the national partners – training sessions and follow-up activities for participating entrepreneurs. They can also be engaged to coordinate the development and enhance the technical accuracy of training tools and support the identification of consultants who adapt the content to each national context.

Trainers of entrepreneurs

There are several ways to identify and select trainers of entrepreneurs. An FYB expert can provide guidance, and propose potential trainers that are part of his or her professional network. Relying on this expertise is important, as delivering the FYB training requires combined experience in i) adult learning methodology, ii) business development training and iii) general knowledge on national registration and compliance procedures for enterprises. In addition, trainers of entrepreneurs can be recruited from national institutions that have a mandate or provide practical support towards enterprise formalization. This includes particularly institutions that are already involved in the adaptation of the training and participated in a ToT, which are delivered by FYB experts. Based on suggestions by national institutions, the ILO may engage FYB experts to conduct interviews and identify preferred candidates. It may also be the case that a national institution dedicates some of its staff to become trainers of entrepreneurs.

In the three countries reviewed, a total of 50 individuals have been trained between 2021 and August 2023 to deliver the FYB training programme. This group consists of 18 women and 32 men. Most of the trainers of entrepreneurs possess a bachelor’s or master’s degree. Concerning their professional activities, trainers are either employed in various structures and organisations that support entrepreneurship development or work as individual consultants.

Figure 1 specifies professional activity by country. In Côte d’Ivoire, 11 trainers of entrepreneurs were recruited from the employers’ organisation and four from the youth employment agency. In The Gambia, most trainers of entrepreneurs come from the employers’ organisation and consulting firms. In Senegal, they were mostly recruited from the SME Agency and youth employment agency as consultants. Many trainers hold executive positions in structures that support businesses or promote entrepreneurship, which facilitates the implementation of the FYB training as these organisations are in direct contact with entrepreneurs. This feedback was highlighted by the various institutions that participated in the ToT.
Entrepreneurs

In total, 16 training sessions were organised across the three countries between 2021 and August 2023 with eight training sessions in The Gambia, six in Côte d’Ivoire and two in Senegal. Figure 2 details the distribution of participants by country.

Prior to participating in the FYB training, 88 per cent of entrepreneurs had already registered their business. Moreover, all of them were used to conducting some form of bookkeeping/summary accounting, however, none were registered with the social security system.

Moreover, the lifespan of participants’ enterprises varies with the majority having been established between 1 and 5 years ago, as shown in the figure below.

Participants are selected by the implementing partner structures. In Côte d’Ivoire, more than half of participating entrepreneurs came from the General Confederation of Ivory Coast Companies (CGECI), the national employers’ organisation. Moreover, in the context of the operationalisation of the entrepreneur statute, CI PME provided formalization trainings based on FYB to several hundred young beneficiaries of the Informal Sector Support Fund (FASI) until the end of 2023, after the data collection for this brief had been finalized. In The Gambia, most participants originated from the Gambia Youth Chamber of Commerce, the University of The Gambia and farmers’ associations. In Senegal, participants were predominantly agricultural operators, selected in partnership with the Agency for Development and Supervision of Small and Medium Enterprises and the National Agency for Youth Employment.

Based on a sample of 20 entrepreneurs who participated in the FYB training, the most common fields of activity are:

- Agrifood
- Trade
- Agroforestry
- Agriculture
- Animal farming
- Business consulting

1 At the time of the data collection in July 2023.

2 The sample does not include participants from Côte d’Ivoire.
Feedback on the training content

Trainer feedback after participating in the FYB Training of Trainers

The interest in the thematic units of the FYB training varies from per group and across the three countries. In Côte d’Ivoire, the units on social security, tax registration, labour regulations and the benefits of formalization were the most interesting ones for trainers of entrepreneurs. In The Gambia, the units on social security formalities, labour regulation and other formalities related to decent work were deemed most interesting. In Senegal, the social security, labour regulations and decent work units attracted trainees’ attention the most, as they were already familiar with the other topics addressed in the manual such as business registration, accounting management and taxation. In general, trainers of entrepreneurs find the topics they are not used to dealing with on a regular basis the most compelling.

Trainers unanimously consider the FYB Training complete, written in an understandable way and very practical. They believe that the training addresses relevant aspects of formalization and stress that the training manual should be updated regularly to match the adoption of new legislation on formalization matters. Furthermore, they appreciate FYB experts’ professionalism, their competence and methodical approach.

Trainers of entrepreneurs suggest building more coalitions between the FYB training and already existing educational, entrepreneurship or management training activities that cater to individuals starting their business. These service offers could be designed as pre- and/or post-training activities, creating complementarities with the FYB curriculum. This recommendation also applies to entrepreneurs who have already established activities but have so far only registered their business.

Another suggestion is to develop complementary documents to summarize the training content (such as in PowerPoint format) for trainers to consult when delivering sessions. However, this proposal is not shared unanimously.

The institutions employing the participating trainers expressed a particular interest in further developing the training, as they will be able to advise and assist entrepreneurs with formalization procedures.

In general, trainers agree that the training is useful and complete, suggesting that – going forward – the training can stress the advantages of formalization even more. This can happen, for example, by inviting people who can testify on their successful formalization journey and share insights on advantages of formalization, all of which can reassure entrepreneurs.

Feedback from trained entrepreneurs

In The Gambia, the three topics entrepreneurs consider most useful are business registration, bookkeeping and social security. In Senegal, these are registration, bookkeeping and taxation. Across the three countries, the units that are considered more difficult to understand from the entrepreneurs’ perspective are taxation, bookkeeping and social security. In The Gambia, entrepreneurs particularly struggle with comprehending social security regulations, while Senegalese participants find tax rules more difficult.

All entrepreneurs surveyed in The Gambia and Senegal agree that the training helped to obtain a better understanding of the interest and usefulness of formalization. They also mention having positively changed their attitudes towards formalization after completing the training.

Additionally, entrepreneurs from The Gambia report becoming more knowledgeable about the services that organisations such as the national Chamber of Commerce and Industry (GCCI) can provide to them, improving their perception of employers’ organisations.

Finally, participants mention that it is important to include success stories of entrepreneurs who completed the FYB training and have further formalized their enterprises in future adaptations of the programme.

Feedback on training modalities

Concerning training length, more than half (65 per cent) of entrepreneurs trained in The Gambia and Senegal believe that the duration of the training is sufficient. The remaining 35 per cent of entrepreneurs propose increasing the training length from 3 or 4 days to a total of 5 days.3

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3 This response is elaborated from data collected in Senegal and The Gambia, excluding Côte d’Ivoire.
Furthermore, trainers of entrepreneurs unanimously agree that **having two FYB experts deliver the ToT is optimal.** In their opinion, this makes it possible to follow the training schedule as planned and maintain participants’ attention throughout the training.

Overall, trainers and entrepreneurs agree that the FYB training programme is complete and well-implemented. **Entrepreneurs report having acquired a better understanding of formalization procedures and the type of services that national institutions can provide with regards to business registration and compliance.** The thematic units that are considered most valuable or difficult to master vary across the three countries, also considering the different professional background and prior experience of trainers of entrepreneurs and entrepreneurs.

**Follow-up actions that contribute to the FYB training’s impact on sustainable enterprise development**

Follow-up actions linked to the FYB training programme can be divided into two categories: they are i) related to the specific training modalities and ii) of a systemic nature which involves policy design and implementation for formalization, including measures that create a more enabling environment for businesses to operate in the formal economy.

**Make training modalities even more responsive**

**Certifications and matching trainers with demand**

Trainers who have participated in the ToT receive an attestation of participation. However, to be certified as trainers of entrepreneurs they need to first deliver the FYB training. As some trainers have not yet had the opportunity to do so, the number of participants in the ToT does not correspond to the number of currently certified trainers. **The data collection has highlighted that trainers expect the implementation partners to provide them with entrepreneurs to train.** The expansion of the coordinating role of FYB experts will contribute to improve the matching of trainer capacities with training demands.

**Copyright and periodic updating of training materials**

In some countries, the absence of a national organization responsible for the reproduction of the training material might lead to its unauthorized adaptation or diffusion of biased material, as multiple organizations have access to the training content. Moreover, some implementing partners are lacking capacity or have not yet succeeded to cover the costs of updating and reviewing the training material periodically as changes in regulatory requirements occur (e.g., tax or social security reforms).

To assure continuous consistency and accuracy of the training material, MoUs that cover issues related to copyright and content update were signed between the ILO and the implementation partners. For example, in The Gambia, the Chamber of Commerce and Industry mentioned its availability to develop the programme on its own. In Senegal, ADEPME manages the FYB training programme but is also available to collaborate with other national structures. These and similar arrangements are being adopted in other countries where the FYB training is being implemented.

**Further embed the FYB Training Programme with stakeholders in the ecosystem and link it to national policy design and implementation efforts**

One of the key objectives of the data collection was to understand what post-training support for entrepreneurs can be created and which offers are already available to complement the FYB training programme. In general, the respondents attested to a great demand for follow-up actions for trainers and entrepreneurs. In the three countries, this has not yet been streamlined and the implementation of specific activities depend on the availability of FYB experts and trainers and/or financial resources of national partners. In Senegal, for example, CEPEM (the Business Incubator for the Promotion of Employment through Micro Enterprises) suggested reaching out and recruiting existing FYB trainers to train its member entrepreneurs, bearing all costs related to their work.

Although entrepreneurs generally agree that the training has allowed them to have a better understanding of the usefulness of formalization, not all of them have been able to apply what they have learned such as taking action to better comply with social security and labour regulations. On the one hand, this is related to limited access to finance to properly comply with the respective formalization requirements for their businesses. On the other hand, as has been proven in other FYB countries beyond West Africa, it is crucial to **strengthen the functioning of formalization ecosystem stakeholders** such as BDS providers, SME development agencies and employers’ organisations as these actors are able to guide entrepreneurs and link them up with financial institutions, tax offices and sectoral agencies. In other words, giving formalization ecosystem
stakeholders a leading role in the design and implementation process of the FYB training and similar initiatives paves the way for a more systemic impact towards transition to formality.

Moreover, **formalization trainings must be linked to policy design and policy implementation efforts at the national level,** an area the ILO has supported and advocated for in various countries including Côte d’Ivoire, the Gambia and Senegal. For example, through the simplification of registration and compliance processes, the development of tangible formalization benefits and by facilitating access to finance for formalizing enterprises. All these are important policy areas which contribute to continuously achieve the overall objectives of the FYB Training Programme to enhance sustainable enterprise development.

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