



ENTERPRISES in Action

Africa Region

What is the general level of engagement with enterprises in your region/country? Is it increasing or decreasing? And what is the potential for additional engagement?

1.1 All five Country Offices engage regularly with enterprises through office activities and in particular through enterprise related development cooperation (DC) projects. Enterprises – in particular Small and Medium sized Enterprises (SMEs) - are directly assisted through Business Development Service (BDS) providers that the ILO is capacitating to deliver the various technical interventions and training packages and programs under the ENTERPRISES department.

1.2 In **South Africa**, engagement with private sector enterprises has been quite extensive under a series of DC projects that have directly targeted SMEs. Business competitions have furthermore seen partnerships with the corporate sector and multinationals who have offered prizes to winners and runners-up ranging from finance, technology assistance and mentorships. In the past 5 years more than 10,000 enterprises have been directly assisted. The most intense engagement with enterprises has been with Bidvest, Nedbank, Oracle, IBM, Microsoft and Spar.

1.3 The demand for ILO technical assistance in **South Africa** (e.g. SCORE, SIYB, SED, Green Enterprise etc.) is always high and there are opportunities for collaboration around enterprise development due to the Black Economic Empowerment legislation, which mandates larger companies to invest in supply chains to promote access to opportunities for SMEs. The South African government has launched a Jobs Fund, which supports intermediaries that can facilitate enterprise development and job creation through better supply chain linkages. This will require increasing engagement with private sector firms to unlock these opportunities for SMEs and the ILO envisages playing a role.

Editor's Message

The ENTERPRISES Department is launching ENTERPRISES in Action. The information compiled here adds to data encompassed in the yearly Director General's report to the Governing Body of the ILO on the Enterprise Initiative, and to our Newsflash delivered to a wider audience. Thanks to ENTERPRISES in Action, we will cast a better light on our activities in different regions or sub-regions and reflect more fairly the quality and the diversity of delivery of our team in the field. We are very much looking forward to your reactions and suggestions. The first edition of this series is devoted to **Eastern and Southern Africa**, and the input was coordinated by Jens Dyring Christensen, our enterprise specialist colleague in the Decent Work Team in Pretoria with inputs from the enterprise project team colleagues and the country offices of Antananarivo, Dar es Salaam, Harare, Lusaka and Pretoria.

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1.4 Furthermore, in **South Africa** the ILO got involved with Stanbic South Africa (a financial institution) in providing a Mutual Gains Negotiations Training for workers and management. The training deals with building the capacity of the Trade Unions and Management on how to effectively engage each other and to negotiate. The training is delivered by the Employers, Workers and Social Dialogue Specialists. It was offered to Stanbic employees who are based in Lesotho, Namibia, Botswana and Ghana. This was a request from Stanbic directly to the ILO. The company has recognised the benefits of such training. Further training will continue in 2017.

1.5 In **Zambia** engagement with enterprises has been very high through private sector and market systems development cooperation programmes such as the Zambia Green Jobs Programme and the Youth in Agribusiness Programme. It is expected that engagement will increase given the additional potential in terms of both number and value of partnerships. The Zambia Green Jobs Programme has engaged Lafarge Holcim; Saint Gobain South Africa; Barrick Gold Lumwana Mine and First Quantum Kalumbira Mine. There is a growing appetite for more partnerships from other renewable energy and housing developers and investors such as AEON Group USA. As for the Youth in Agribusiness Programme, the engagement and collaboration with the private sector includes MRI GENTA on input supply soy, JEDU Commodities on soy out grower schemes as well as PALAVANA Fisheries on fingerling inputs.

1.6 In **Malawi** enterprise engagement is increasing. There is potential for additional engagement in the areas of developing sustainable supply chain, OSH, business linkages with SMEs and social protection, apprenticeship and work based skills development and in shared value interventions.



A request has been received from the sugar producer Illovo (Malawi) Ltd to create employment and income opportunities for young men and women through the promotion of entrepreneurship and SME development. The aim is to create business opportunities in value and supply chains by improving the business linkages between large companies and local SMEs thereby creating more employment opportunities.

1.7 In **Mozambique** over the last two years the level of enterprise engagement increased thanks to a UN Joint Project (lead by the ILO) which focused on improving the opportunities for SMEs along the value chains linked to the extractive industry. The project facilitated contacts to MNEs, including Eni and a study tour was organised to Italy. The ILO started to play a brokering role among MNEs, SMEs and the government but and potential for improvement especially when the large investment will finally come in 2018-2020 has been identified. There is still room for improving the linkages with the sectoral employers' associations.

1.8 In **Kenya** engagement with enterprises is thriving with increasing interest in public private partnerships aimed at public service provision becoming an area of focus for the UN and the Government collectively. The rapid growth of SMEs in Kenya, provides an opportunity for investment and societal transformation. Rural communities are no longer considered aid recipients, but trading partners. The Agribusiness sector in Kenya has grown with increasing potential for social economic transformation. There is an impact investment opportunity at the production level, focusing on small holder producers in diverse value chains. Sustainable sourcing, that incorporates gender sensitive value chains and youth involvement will increase employability, collaboration and revenue.

1.9 Training and education for sourcing, retailing and manufacturing companies provides a great opportunity in **Kenya**. The USDOL approved a project in 2016 on work place training, which will work very closely with the private sector. Technology advancement and innovation provides improved access to infrastructure, information and is likely to encourage youth participation in local production especially through ICT. Another project under development is the Public Private Development Programme (PPDP) project being developed between ILO, Sida, Akiira (a Swedish geothermal company) and 20 national public and private partners.

What are the main forms of the engagement (e.g. requests for information from enterprises, meetings or participation in ILO activities, formal partnerships, other forms, etc.)?

1.10 In Tanzania the general level of engagement with enterprises is on the rise in almost every sector and issues, especially the ones related to productivity, employment and livelihoods are being addressed. In skills development, the Government is pushing the agenda of actively involving enterprises in workplace training programmes, heightening the engagement and involvement of enterprises and companies. Through the national internship programmes and apprenticeship initiatives, the engagement and involvement of enterprises in key growth sectors has intensified. On gender, there is increasing efforts towards ensuring that, women and youth led enterprises are productive and provide decent employment opportunities. In promoting youth employment, increased support for youth led start-ups and youth led enterprises are on the rise. Both Government and development partners are turning their attention to supporting enterprise growth and engagement to spur growth, and improve productivity and presence in the national and international trade chains.

1.11 In Tanzania the ILO has worked with established financial institutions in a partnership to facilitate access to finance and business training for women entrepreneurs and young people. The potential for additional engagement is immense. The current engagement only addresses part of the issues and enterprise engagement through a value chain approach has not really taken root in the country. Furthermore technological impact on enterprise performance has not been properly explored and, many enterprises still falls short of decent work markers. This calls for increased and expanded involvement.

1.12 In Uganda the level of engagement with enterprises is also increasing. Under the Youth Entrepreneurship Facility (YEF) development cooperation project funded by the Danish and led initially by the Africa Commission and later on by the EU, this long running partnership with the biggest commercial bank has been in place to facilitate access to finance and business training for young people. In addition partnerships with micro finance institutions as well as savings and credit cooperatives (SACCOS), and BDS providers (implementing partners) facilitated the provision of finance to young entrepreneurs. There is significant potential for additional engagement with the public and private sectors in the area of employment especially for youth which includes; business and financial linkages, green jobs and value chain development.

1.13 In Madagascar, Comoros, Mauritius and to a lesser extent in Seychelles - due to limited capacity of the Employers' Organization - the private sector has been strongly engaged to promote the decent work agenda through the national Employers' Organizations. The engagement with enterprises has increased over the past years and potential for further engagement is high. In particular, this engagement could be further developed through value chain development, promotion and monitoring for respect of fundamental principles and rights at work and enhanced productivity, in particular for SMEs.

Finally, involvement with the private sector has been through the Employers' Organisations in all countries where the ILO helps to build the capacity of Employers' Organisations to deliver relevant services to their members. This work is ongoing and with an increasing demand from EOs

2.1 In South Africa engagement comes in different forms, but primarily in the form of requests for technical assistance. One form of engagement has been through sponsorships of a business competition. This included technical training and the promotion of supply chain opportunities and mentorship. Another form of engagement is the training of SMEs on inter alia practical business management and improvement, increased productivity through workplace cooperation and cooperative training. The ILO partnership with the Department of Small Business Development will indirectly require greater engagement with private sector firms through the new National SME Database and Rating Agency, which has been developed with support from the ILO. The aim is that the SME register will enable business networking and marketing opportunities for big and small businesses. Small businesses will be able to obtain a "sustainability rating" based on good business practices and regulatory compliance with business and labour legislation.



2.2 In Zambia the main forms of engagement have been in formal partnerships, joint activities and project implementation where the results contribute to the economic, environment and social objectives of both parties. In Malawi the main form of engagement is partnerships in implementing mutually beneficial activities, followed by participation in meetings. Engagement has also been facilitated through the Employer Organization. In Mozambique activities have been organized by ILO led projects together with the Government partners. The government institutions are still the main entry points. This is to some extent positive but reflects also the weak capacities of the SMEs in driving any forms of engagement to further their goals.

2.3 In Kenya in general, partnerships have been difficult to formalise in the few cases that some projects have attempted to do (e.g. Equity Bank in Kenya). This inability has been largely due to cumbersome administrative requirements even for partnerships which did not involve any transfer of funds either way. In the end the office and development cooperation projects resolve to lose collaboration arrangements, which do not involve any signing of agreements. Partners agree what each party will do and they simply go ahead with implementation. There are follow up meetings to plan for the interventions and to agree in more detail who does what.

2.4 In Tanzania the ILO is requested to provide technical assistance on the mechanism through which public private institutions can sustainably be established with specific reference to training. There is ILO support for the establishment of mechanisms through which different private institutions can work together to promote decent work in small enterprises and assist their growth and performance. ILO has been requested to contribute to the technical know-how, provide capacity building, share tools, share best practice, support development of systems, and assist with the development of policy and legislative pieces that can best facilitate enterprises engagements. In other instances ILO has been requested to become a partner in developing youth led enterprises through sharing its best known tools such as SIYB and cross broader trade and entrepreneurial training targeting different levels of enterprises.

2.5 In Uganda the main forms of engagement are agreements, partnerships in implementing grants and contracts and participation in joint project implementation through National Advisory Committees which include workers and employers.

2.6 In Madagascar, Comoros, Mauritius and the Seychelles there are various levels of engagement with enterprises, depending also on the scope of the activities and projects implemented. Enterprises participate in workshops organized by ILO at country level – for example benefiting from capacity building in a training workshop on labour conditions for overseas workers in Mauritius. They also show their engagement through other forms of actions: provide the necessary information requested, contribute to the organization of events (job fairs, future of work initiative, etc.), contribute to develop the Public Employment Services (vacancy jobs, trainings,) Another level of engagement of enterprises consists in active participation in the development cooperation activities implemented, in particular, in Madagascar. For example, enterprises signed the Code of Conduct against Child labour in specific sectors – such as vanilla and tourism. In Madagascar enterprises are both beneficiaries and implementation partners of a project on innovation and research that aims to promote dialogue and better synergies between academia and the world of work. Enterprises will be actively involved through a value chain approach in enhancing productivity and the fight against child labour in the vanilla sector in Madagascar.



How has the engagement helped your office to achieve its objectives?

3.1 In South Africa the engagement with enterprises has immensely enhanced the achievements of country objectives as set out in the Decent Work Country Programme (DWCP) where employment creation through SME development is an explicit country priority outcome under **CPO ZAF101**. Through sponsorship of the business competitions, business linkages and networking for the beneficiary SMEs have been greatly improved. The SMEs have also been provided with unique opportunities to gain sector-specific knowledge and technical skills that would have been otherwise too costly to provide. The recent collaboration with a private sector bank and crowd funding platform has enabled the project to provide beneficiaries with an innovative approach to accessing business finance.

3.2 The direct engagement with larger enterprises in **South Africa** has allowed the office to increase its type of partners as well as the in-kind contributions towards delivery of country priority outcomes. The engagement with smaller enterprises has enabled the office to understand the SME environment better and to realize the burdens faced by the informal sector and smaller enterprises. Whether it is partnerships or training, the engagement helps the office to achieve compliance with ILO international Standards by employers, e.g. upholding the ILO Standard on Collective Bargaining. In the area of other partnerships, the engagement contributes towards creating opportunities for creating employment both directly through projects and by strengthening sustainable enterprises so that they become competitive and grow, thereby improving opportunity for new jobs.

3.3 Furthermore, the lessons learned from engagement with enterprises has resulted in the implementation of a number of cabinet resolutions over the past two years. One of these resolutions is to fast-track economic transformation through a preferential procurement framework where government and private sector are able to procure from social enterprises and cooperatives.

3.4 In Zambia private sector partnerships have been the main avenue of project implementation for both the Zambia Green Jobs Programme and YAPASA project in their contribution to country priority outcomes as set by the constituents in Zambia under **CPO ZMB133**. This has leveraged development funds both technically and financially to achieve greater outreach, scale and impact. In some cases the private sector has provided critical insights, information and knowledge on making markets work for the poor, women and young people. This closer collaboration, synergy and strategic partnership with the private sector has enable the Lusaka office to achieve considerable results and enhance ownership and sustainability of enterprise development interventions.

3.5 In Malawi the engagement on business linkages has helped target SMEs to access markets while for skills developed it has helped in the effective implementation of work based skills development programmes. Technical support to enterprise development for job creation in Malawi is a priority as identified by constituents and an RBSA allocation for 2016/17 has been made available to achieve this objective in support of **CPO MWI106**.

3.6 In Mozambique the engagement is so far key in achieving the objectives of strengthening the capacities of the SMEs linked to the extractive industry, which is also a priority by constituents under **CPO MOZ105** which seeks to improve the enabling environment to facilitate the integration of SMEs and Cooperatives into local and global value chains.



3.7 In Kenya the engagement has also contributed to achieve **CPO KEN130**, which seeks to improve young women's and men's entrepreneurial skills for self-employment and SME development. The engagement with enterprises has furthermore leveraged additional funding for DC project activities, increased scale and reach, contributed to sustain project interventions and enabled the achievement of DC project outcomes.



3.8 In Tanzania engagement with hotel companies has supported the promotion of workplace training programmes to the extent that it has become a significant approach featured in every skills development programme in the country thereby, making it possible for the Government to start funding workplace training programmes. This approach will provide hundreds of direct jobs to young people who go through the apprenticeships and quality internship programmes; The partnerships with BDS providers and financial institutions have helped design products that are tailored to meet the financial needs of women and youth led groups with some banks, who benefited from ILO training, then partnering with the ILO in delivering similar training to their clients. By so doing, women and youth led enterprises are benefitting from financial inclusions programmes that help spur growth of their enterprises to the next levels.

3.9 In Uganda the engagement with enterprises has contributed greatly to achieve **CPO UGA128**, which seeks to increase young men's and women's entrepreneurship competencies for self-employment. The engagement has directly contributed to the achievement of project objectives, has led to greater outreach and dissemination of enterprise level training tools, the testing of new approaches and increased visibility of the ILO and constituents.

In **Madagascar, Comoros, Mauritius** and the **Seychelles** the enterprises engagement helped the Office to promote employment and social dialogue efficiently in the countries.