

**Strategies and Lessons Learned on
Sustainable Reintegration and Job Creation**

A joint presentation by
UN, World Bank, GDC, IFAD and EU
based on the practical experience
in **Sierra Leone**

December 2nd 2010

employment and industry and strengthening the capacity for monitoring and evaluation of the country's employment situation. This requires a combination of structural change, and total factor productivity growth (productivity growth of capital, labor and land) accompanied by an increase in the quantity and quality of employment.

In the short term, policy formulation

women and men into the labor market. The emphasis, therefore, should first and foremost be on national employment policy, and within that have measures to address the age specific barriers and problems young people face in the labour market. The experience of a number of countries

had largely positive findings in terms of beneficiary perceptions of the temporary employment and infrastructure created.

Food for Work Programme

This was a World Food Programme with the main objective to rebuild livelihoods of food-insecure households of rural communities and increase their access to food, markets and social services through labour-intensive work. The programme was initially in six districts (Kono, Kailahun, Kenema, Pujehun Bonthe and Bo) in the east and south. The service was further extended to Port Loko, Tonkolili and Moyamba district as a result of the support from the EU Food Facilities..

A food for training component forms part of the food-for-work programme to enable participants acquire improved agricultural skills and techniques which include agricultural processing, marketing, organizational management skills and improved techniques of rehabilitating agricultural asset. The training is conducted by MAFFS & SLRA and facilitated by cooperating partners such as FAO and GTZ Implementation of activities is done in close collaboration with the Ministry of Agriculture and Food Security and the Sierra Leone Roads Authority, local and international NGOs.

Cash For Work/Cash+Food For Work - In 2008 and 2009, new shocks associated with high food and fuel price and the global recession severely set back the work to rebuild infrastructure and achieve economic growth. This eroded the resilience of lower-income households by reducing their purchasing power, further pushing an additional 150,000 people (World Bank 2008 estimate) into poverty, particularly unemployed and unskilled young people.

- As a result, a cash transfer was recommended by an assessment conducted in 2007 for employment schemes through public works with the bulk of the participants being youths (supply of staple food was regular and markets capable of meeting the increased demand generated by CFW).
- Food insecure urban and peri-urban areas, particularly slums and informal settlements, where economic access to food is the main constraint, were targeted. Activities include rehabilitation of roads, drains and paths, environmental management and low-cost community assets.
- Two models – food+cash and cash only - were piloted through two cooperating partners; CRS implemented food+cash whilst Coopi implemented purely cash.

Quick Impact Employment Creation (QIEC)

Implemented by the ILO under the UN's Joint Vision Programme 19, the QIEC has the development objective of creating productive employment opportunities for the youth within Bombali district (pilot district) using cost-effective labour-based methods for feeder roads rehabilitation and maintenance using private contractors. Project implementation commenced in

August 2010 in the form of preparatory activities and full-fledged training has been on-going since October.

The Project, in collaboration with SLRA and Bombali District Council, has selected seven feeder road sub-projects for rehabilitation and/or drainage structures and spot improvement. The sub-projects were selected from a list of feeder roads provided by SLRA/Council based on criteria agreed upon by the partners.

As of October 2010, the first set of graduates from

with a total annual value of over \$250,000.

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employment impact is limited. To develop the micro finance sector, accompanying measures in skill development are necessary, as is comprehensive support of mentoring or coaching of groups through other interventions. People need to be made fit for micro finance.

The potential and need for additional man power in rural areas

Because rural areas are in vast need of infrastructure building, from roads to buildings, partly as a consequence of the civil war, there is a huge employment potential for the youth, both female and male. In addition, rehabilitation of tree crop farms and development of inland valley swamps are highly labor intensive. These employment opportunities could raise incomes for and could empower the youth.

Labour Shortages in Rural Areas⁹

- Coordination between those concerned with the technical side of development projects with those concerned with employment promotion,
- Linking district economic development planning with planning for public works, value chain analysis, projects on employment and national macro-economic planning.

In the short term interventions to create employmen

The Development Department of HELP-SL thus takes the gamble in the absence of collateral to service the loan and delivers the intensive support required in the early days of the business. Once skills have been consolidated, the enterprise has built a reputation and rhythm to its operations, the micro-finance institution (in this case a second department of the same organisation) steps in, confident that the young entrepreneur is a good credit risk and therefore should be facilitated to move his/her business into the next stage of growth. It is anticipated that eventually some businesses will be equipped to transfer across to the formal banking sector for yet further expansion.

Enterprise Development through a Micro-franchise model:

The project begins with a mapping of potential franchise partners and assessment of the value chain. Selection is based upon current success, simplicity of the business model and local accessibility of goods. So far, six types of items have been traded under the scheme: bread; mobile phone top-up cards; fish; ice; cosmetics.

The micro-franchise model includes a ready-made business plan for the Youth which encompasses approved suppliers, task lists and performance indicators. The Youth are trained in concepts such as: customer service; budgeting; profit and loss; market demand and competition; key aspects of the product offered. They receive life skills and mentoring to enable appropriate responses to dilemmas as and when they arise plus s

Annex 2

Examples of links between access to microfinance and youth employment promotion

The following examples of MITAF try to illustrate direct links between access to finance/microfinance and youth employment promotion. Please note that there are numerous indirect links and synergies with other donor interventions, e.g. the GTZ Employment Promotion Program with its youth reintegration component (reintegration of youth who want to start a business and need seed capital/ working capital apply for a loan);

- In Sierra Leone, the microfinance institution HELP Micro targets one of the principal obstacles to youth entrepreneurship, namely lack of access to finance, *in a progressively staged approach*. In the first phase, beneficiaries are provided with basic business development services and mentoring plus a soft loan to establish or expand an existing enterprise. In the second phase, at the end of the repayment period of six months, the credit rating of the beneficiaries is transferred to the Micro-Finance Department of HELP-Sierra Leone who then reassesses the business for areas of expansion and consequently provides a second, larger loan.
- Another example from Sierra Leone is IRC's (International Rescue Committee) experience of piloting youth micro-franchising which suggests that it is both a viable and fruitful strategy for youth employment and livelihood development. For the 100 youth enrolled in the Sierra Leone pilot, 100% were still engaged in their micro-franchises seven months after start-up, 83% of youth reported making a profit and 16% of youth reported breaking even seven; 100% of youth in Freetown and 48% of youth in Kenema opened savings accounts with local retail banks; and, 43% of youth reported

Annex 4

Outgrower schemes:

Pilot outgrower schemes have been started on their own by various private companies e.g. Nedoil, Marika Enterprise etc, but more consistently in public-private-partnership arrangements, as used by GDC/ GTZ and also IFAD. Both work with Goldtree Ltd. in Daru, Kailahun to provide support to farmers for the rehabilitation of their oil palm farms. Farmers will be trained in rehabilitation, replanting, plantation management, harvesting and post-harvest handling. Afterwards, they will deliver Fresh Fruit Bunches to Goldtree for processing. This would provide smallholder farmers with access to inputs, secure markets and fair prices and be a stimulus to produce high quality products, which would, in turn, increase the reputation of Sierra Leonean exports in international markets, in particular in the cocoa trade.

Annex 6

Lessons learned for successful micro finance lending

- **Always check whether the money has been given to the right people or not:** This is fundamental in terms of sustainability from the perspective of both beneficiaries and the organization itself. In operational term it has to do with the "selection criteria". In general MF tends to work with the poorer segment of the community rather than the poorest of the poor. The latter group needs a different intervention and more intensive care rather than exclusive micro finance services. So the target group for MF should be the group who is often bypassed by traditional banking system but yet productive enough to make use of the loan given.
- **Women** are the most reliable group for micro finance lending.
- **Credit**