



**Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship (WED/YED)**



**Report of the First Regional Seminar (UNIDO/SIDO)  
17 – 19 June 2008, Dar es Salaam, Tanzania**

## **I. Introduction**

### ***Context of the Project***

During previous assistance programmes in Malawi, Kenya, Eritrea, Tanzania, and Zimbabwe, UNIDO has developed partnerships with public and private sector agencies and Business Support Organisations (BSOs) to advance Women and Youth Entrepreneurship Development (WED/YED). Based on requests from the aforementioned countries, UNIDO is now taking these partnerships steps further to improve their networks and their Business Development Services (BDS) support to women and young entrepreneurs, notably in agri-businesses.

In 2007, the Thirty-First Annual Meeting of Ministers for Foreign Affairs of the G-77 supported UNIDO to provide such assistance through a regional project for South-South cooperation and networking in Southern and Eastern Africa with a focus on agri-businesses. The project is co-funded by the Perez-Guerrero Trust Fund (PGTF) and UNIDO<sup>1</sup>.

The project rationale is based upon the notion that BSOs would benefit greatly from building regional and national networks to sustain a market orientation, manage supply capacity to facilitate growth, and develop competitive thinking in agri-businesses, a sector which is highly relevant to Southern and Eastern African economies. Support services to women and young entrepreneurs for becoming more competitive in micro and small-scale businesses are currently insufficiently covered by BSOs operating in the region. A strategy is needed to mainstream BSO services targeting young and women entrepreneurs.

### ***Project Objective and Strategy***

The project is to contribute to poverty reduction, through private sector development (PSD) at the national level, promoting productive activities, building networks (regional/national) and market linkages, ultimately creating sustainable job opportunities through strengthening the base of WED/YED programmes.

Intended outputs:

- A regional network alliance of BSOs initiated and functioning to support WED/YED in the five countries.
- Capacities of BSOs strengthened, using ECDC/TCDC approaches to support WED/YED at the national level.
- Awareness created and information shared on agri-business sectors and existing credit options relevant to the participating countries.

As a strategy, the project is to strengthen capacities of BSOs and build cohesion among African countries, through regional and national networking of entities and through the application of ECDC/TCDC approaches for setting up effective BDS and essential training and coaching programmes promoting competitive agri-businesses. In particular, mainstreaming of WED/YED within BSO services will be promoted.

The project stimulates the partners to network internationally and nationally to make effective use of resources and opportunities that are available within the region and on the national level. Using a TCDC approach, with Tanzania as a lead partner, the

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<sup>1</sup> PGTF is a fund established by the Group of 77 (G-77) for the purpose of supporting activities in economic and technical cooperation among developing countries (ECDC/TCDC) of critical importance to member countries of the G-77, in order to achieve national or collective self-reliance, according to the priorities set by them.

project provides participants with technical training and coaching programmes, mutually agreed upon and within the scope of project funding.

Through the experiences and processes set in motion at the regional level (by using the ECDC/TCDC approach), the project is assisting the participating countries to initiate and sustain their own activities related to BDS, technology diffusion and networking among support groups at the national level. UNIDO's tools, methodologies and approaches are being applied to initiate and reinforce national level programmes. Collaboration with UN and other international agencies will be encouraged to widen the knowledge base needed.

This first regional meeting is part of a series of four regional capacity building and exchange seminars to be conducted. In addition to the meetings and seminars, the orientation of the network will be essentially web-based.

Through the initiated public-private sector partnerships for WED/YED, a common approach is being developed for:

- Entrepreneurship development and stimulating an entrepreneurial culture within organisations.
- Team- and trust building for achieving common goals for networking.
- Management development issues: reporting and proposal writing, keeping records and data, and the Results-Based Management (RBM) approach.
- Addressing constraints of agri-business sectors, and accessing essential resources for increased competitiveness.
- A sustainable and market-driven BDS system.

### ***First Regional Seminar***

The three-day meeting was held from 17-19 June 2008 in Dar es Salaam, Tanzania, organised and conducted in collaboration with the host country agency Small Industries Development Organisation (SIDO). The purpose of the meeting was to officially launch the project and bring together project partners from each of the participating countries for exchange of ideas, building understanding and trust, and to set the stage for extensive cooperation.

The specific objectives of this meeting were as follows:

- To review with the partners the project strategy and activities, and to familiarise them with UNIDO's entrepreneurship development approaches.
- To establish a regional network of participating entities/institutions.
- To develop a common goal and a shared vision.
- To formulate and finalise a regional project work plan for 18 months and reach agreement on implementation priorities.
- To prepare country level work plans for a duration of 6 months (December 2008) for follow up on commitments and planning of national level activities.

The following BSOs attended the meeting and are contributing to the regional network:

<b>Country</b>	<b>Participating Agencies</b>
Tanzania	<ul style="list-style-type: none"> <li>• Small Industries Development Organisation (SIDO), Dar es Salaam</li> <li>• Tanzania Women Chambers of Commerce (TWCC), Dar es Salaam</li> <li>• Umoja Wajasiriamali Zanzibar (UWAZI)/ZAFOPA, Zanzibar</li> <li>• Tanzania Gatsby Trust (TGT), Dar es Salaam<sup>2</sup></li> </ul>
Malawi	<ul style="list-style-type: none"> <li>• Development of Malawian Enterprises Trust (DEMAT), Blantyre</li> <li>• National Association of Business Women (NABW), Blantyre</li> </ul>
Eritrea	<ul style="list-style-type: none"> <li>• Eritrean National Chamber of Commerce (ENCC), Asmara</li> </ul>
Kenya	<ul style="list-style-type: none"> <li>• Willpower Incubation &amp; Research, Nairobi</li> <li>• Kenya Association of Women Business Owners (KAWBO), Nairobi</li> </ul>
Zimbabwe	<ul style="list-style-type: none"> <li>• Zimbabwe National Chamber of Commerce (ZNCC), Harare</li> <li>• Zimbabwe Opportunities Industrialisation Centres (ZOIC), Harare</li> </ul>

Annex I shows the list of meeting participants, representing the partner agencies, with their contact details.

Preparations for the three-day seminar were made in the weeks prior to the regional meeting. The participating organisations had been fully informed on the project with information letters and a project summary sheet, sent from UNIDO Field Offices. To prepare for the seminar, the participants received an invitation letter and a provisional agenda (please see Annex II) with a proposed programme and a timetable for the meeting in Dar es Salaam. SIDO hosted the meeting and made the necessary organisational arrangements for travel and venue selection.

The first regional meeting covered ten sessions spread out over three meeting days. The meeting was interactive in its approach, and included presentations by UNIDO and SIDO, resource persons and the BSOs. Open discussions and exchange sessions were conducted with the participating countries. The methodology and tools applied also addressed environmental aspects, e.g. the seminar demonstrated ecological footprint reduction possibilities by applying electronic means to reduce paper use.

## **II. Opening of the Regional Seminar**

The meeting was inaugurated by Dr. F. Turuka, Deputy Permanent Secretary, Ministry of Industry, Trade and Marketing. On behalf of the Government of the United Republic of Tanzania, he expressed gratitude and appreciation for the regional project's intended support to regional private and public sector partners to strengthen capacities of private sector institutions for women and youth empowerment through entrepreneurship development. The importance of these initiatives as drivers for achieving MDG 1 - poverty reduction and equitable growth - was highlighted. The Deputy Permanent Secretary said that the technical and economic cooperation

<sup>2</sup> As to the Tanzanian partners, the Tanzania Gatsby Trust is a national partner, which participated in this meeting to strengthen national level network activities within Tanzania.

approach applied in this project was in line with an essential agenda point of cooperation among developing countries. Specifically the South-South cooperation perpetuated under the Group 77 initiative was an important approach.

The Government of the United Republic of Tanzania expressed its full support for the project outputs, related to national and regional networking to obtain technology, expertise and financial resources, to be deployed for development of the agro-processing sector.

A copy of the opening statement is attached as Annex III. The opening of the meeting was covered by the radio, television and the written press of Tanzania.

### **III. Programme of Activities**

#### **Meeting Day I, 17 June 2008**

##### ***Proceedings and Results***

##### ***Session I 'Introduction'***

The UNIDO Project Manager and the UNIDO Consultant started the proceedings with an introduction of the project, addressing its objectives and outputs, the approaches to be taken for implementation (e.g. South-South cooperation through TCDC), constraints and needs to be addressed, project beneficiaries, and project coordination arrangements. The UNIDO team reviewed with the participants the following pressing needs related to BDS provision in the countries:

- Need for national and regional support network of associations and entrepreneurs.
- Need for knowledge on BDS approaches for assistance to entrepreneurs.
- Need for communication options and technologies for entrepreneurship development.
- Need for sufficient access to technologies, markets and credit for agro-businesses.
- Need for a clear understanding of credit facilitation options available from several banks and credit agencies within the region.
- Needs for basic standards and culture in data and record keeping.

UNIDO seeks to address these constraints by providing technical assistance for building up a sustainable and market-driven BDS system targeting agro-businesses with a market and quality orientation. The project therefore stimulates inter-organisational cooperation for promoting synergies and capacity building of BSOs at the national level. The project will organise regional seminars on fair trade, cluster development, developing public-private sector partnerships, training in monitoring and reporting approaches to establish a culture of self-evaluation, as well as keeping records and data, proposal writing, and the Results-Based Management (RBM) approach. Regional exchanges with financial institutions will be held to discuss credit options for BDS.

##### ***Session II 'Framework for HRD, Entrepreneurship Development and Management'***

SIDO and UNIDO each presented their strategies on promoting entrepreneurship development, underlining the importance of developing entrepreneurial skills and an entrepreneurial mindset for business development.

UNIDO explained that the major constraints to MSME<sup>3</sup> development, e.g. shortages in productive capacities and technical skills/knowledge for innovations, as well as inadequate access to resources, support, finance and market information, are effectively addressed by taking a 'holistic' approach to entrepreneurship. This approach aims to instil an entrepreneurial mindset in people and stimulate an entrepreneurial culture within organisations and management. For application in training programmes, a holistic approach means that technical skills training and functional knowledge are to be combined with developing basic entrepreneurial 'can do' attitudes.

SIDO further emphasised the great value of entrepreneurial skills, explaining that having an entrepreneurial attitude towards work is not exclusively beneficial to entrepreneurs but to employees of all kinds of organisations. Team- and trust building for achieving common goals and for networking was highlighted.

Management development issues that require attention in the countries were highlighted, such as effective reporting and proposal writing, regular data and record keeping and the RBM approach.

Major discussion points during this session were the requirements of BSOs for effective entrepreneurship development support to youth and women entrepreneurs and for instilling a private sector culture.

### ***Session III 'BDS for Agri/Food-Processing Businesses'***

The participants discussed in plenary the basic characteristics of agri-business sectors in their countries, and the constraints to and requirements for raising the competitiveness of these sectors. The main outcomes of these discussions are:

- Agri/food processing businesses often need to outsource supplies, because of insufficient access to finance for working within value chains.
- Exporters have a dominant role in agro-value chains. They can demand relatively low prices from farmers. As a result, exporters are getting the lion's share of profits made.
- Farmers face pressure to sell perishable commodities. Many of them can sell their products only periodically/once per year, which may result in unstable income generation, low bargaining power of farmers vis-à-vis food processing companies, 'fixed' contracts between farmers and oil producers, and monopolies created in the market (whereby minimum prices are being fetched).
- The value-added of farmers' produce needs to be raised.
- Risk management: agribusinesses need technical support to manage post-harvest losses.
- There is currently a lack of commodity associations, which can facilitate joint management of production, marketing and distribution. Groups in the agro-food processing sector should be further mobilised.
- BDS support is needed in the following areas: awareness and information on required quality standards for exports, market information, support to become

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<sup>3</sup> Micro, Small and Medium Enterprises

more productive, facilitation of joint investments by farmer communities to start their own processing activities.

- Potential products with value addition, existing market demand and with the potential to empower communities: e.g. banana and rosella wine, oil from vegetable seeds (i.e. sunflower, cotton). There are restrictions in the areas of financial/capital, post-harvest management, technological difficulties with bottling/packaging materials (currently have to be imported), improvements needed in product quality, modern equipment needed. Additionally, poultry processing businesses would require close attention in line with market demand (hotels and catering).

#### ***Session IV 'Working Group Session'***

The country teams worked together on a review of strengths, weaknesses, opportunities and threats (SWOT) with regard to their organisations and service provision.

#### **Meeting Day II, 18 June 2008**

##### ***Proceedings and Results***

#### ***Session V 'Country Presentations'***

On the second day, the participating agencies presented their current service approaches to providing BDS to entrepreneurs as well as the results of the SWOT analysis during 10-minute presentations. Annex IV gives an overview of SWOT analysis outcomes per country.

Overall, the participants expressed having a weak or non-existent BDS system set up by BSOs in their countries. This analysis culminated in the formulation of draft country work plans (6 months) for establishing networks at the national level to strengthen BDS provision. Annex V refers to the draft country work plans.

#### ***Session VI 'Sustainable and Market-Driven BDS System'***

A discussion followed on the role of BDS in entrepreneurship development support for youth and women, and approaches for setting up a sustainable and market-driven BDS system, with initial focus on providing access to micro finance.

The main outcomes of these discussions are:

- There is a clear need for improving economic literacy of rural entrepreneurs, as there are difficulties in communicating in business language. Business management, accounting and planning should be imparted in understandable terms. Technological literacy is another issue needing attention.
- BSOs to support WED/YED would need to enhance their capacities for their outreach programmes to urban and rural areas.
- Micro and small entrepreneurs need to be supported to move away from subsistence attitudes. Their focus has been too much on short-term thinking. Therefore, training programmes should include elements of trust building and cause-effect awareness training to support them with longer term planning and with accessing markets.
- There is a high market demand for BDS services that specifically target women, however this should be analysed and reviewed by each country.

- Women associations need to be networked to share experiences and to coordinate and synchronise their activities. This is to develop synergies and reach a higher effectiveness of their activities.
- Women entrepreneurs should be promoted to enter sectors and professions with high potential for sustainable income generation, which have so far remained uncommon or inaccessible to them. At present, women entrepreneurs still tend to be risk averse.
- BDS should include stimulating creativity in entrepreneurship for value-added products. Entrepreneurs can certainly make use of existing ideas and copy unpatented products, but the focus should be on generating new ideas, exploring innovative approaches, and differentiation to achieve competitiveness and reach niche markets.
- Market-driven BDS implies bringing in a private sector culture in developing services. This includes the elements of fair competition, paid services, and avoiding substitution of existing services in the market. Subsidised loans and free consultancy services should be avoided as much as possible, whereas remuneration for services is to contribute to sustainability of the service provision on its own and not depending on donor/government funding.
- The capacity for micro credit options for entrepreneurs needs to be further developed. A key issue is how to provide loans to entrepreneurs who have market potential but do not have sufficient collateral to apply for bank loans. Therefore, the basis for collateral needs to be reviewed. Networking of BDS providers/practitioners can be a good approach to improve the accessibility to micro finance.
- Networking with commercial and state banks is pivotal. Instead of focusing only on providing micro credit, BSOs could hire qualified staff to sensitise the banking sector for providing micro credit facilities. Training services should be clearly separated from money lending. In case of engaging in micro credit provision, BSOs can act as independent entities to facilitate entrepreneurs with obtaining lending contracts.
- Social capital/trust among beneficiaries/entrepreneurs and community leaders (e.g. village leaders) within the cultural settings can serve as collateral for micro loans.
- There is a strong need for communication options and technologies to support enterprise development. This can be facilitated through IT initiatives, such as setting up telecentres.
- A virtual entrepreneurship development academy, which brings together clients, is beneficial for strengthening entrepreneurial linkages and can be an effective forum for information exchange and learning (e.g. learning how others are dealing with specific business-related issues). However, it is indeed essential that entrepreneurship programmes include practical training in businesses and other commercial environments.
- Personal networks should be utilised in positive ways to pursue initiatives. BSOs should capitalise on public-private sector connections (Ministries, diplomats, MPs) and opportunities for high-level support, e.g. to access new markets.



- Considering that some of the BSOs are managed by volunteers and do not have their own office facilities, there is a resource constraint for effectively providing BDS services. Others are public sector agencies, and therefore prone to political involvement.
- Business regulations in many countries form barriers to export and growth of MSMEs. Public sector procedures might hinder change and swift decision making by the BSOs. Within this context, public-private partnerships are even more essential.
- A major constraint faced by BSOs is inadequate and irregular funding. BSOs are in need of technical assistance to improve their resource mobilisation.

### ***Site Visits***

SIDO organised site visits to a banana wine maker for review of this company's business activities, and its food-processing training facilities to demonstrate a practical example of a successful entrepreneurship development initiative with support services being provided.

### **Meeting Day III, 19 June 2008 *Proceedings and Results***

#### ***Session VII 'Network Development: Building an Alliance for PSD'***

On the last day, Mr. Sosthenes Sambua, a market access and business development specialist from the Tanzanian consulting firm Diligent Consulting Ltd, facilitated a presentation and debate session on building regional networks. He explained the main purposes of networks and opportunities that networks can provide, and offered practical advice on how to create and utilise networks.

#### ***Session VIII 'The way forward'***

The ensuing session generated a work schedule for follow up on commitments and planning of regional and national activities. Priority topics were identified for regional training workshops and technical seminars to be organised by the project as part of regional meeting programmes. The workshops will focus on BDS for competitive agri-businesses, and on working towards instilling a market and quality orientation. Regional meetings are to be held on a regular basis with 4 or 5-monthly intervals. Provisional dates and topics of these meetings as proposed are:

- Malawi (Lilongwe, 20-23 October 2008): BDS networks for PSD and WED/YED in the agribusiness sector, Fair Trade policies for the region, gender mainstreaming in entrepreneurship development, and exchanges with financial institutions for improved usage of credit options for WED/YED and mainstreaming of micro credit facilitation in BDS.
- UNIDO (Vienna, April 2009): BSO capacity building, cluster development for supply capacity building, quality standards, management development including monitoring and evaluation of effectiveness and results, and website management training.
- Kenya/Zimbabwe (August 2009): avenues for new industrial sectors to promote businesses for job creation through WED/YED.

The country teams presented their preliminary country work plans for national network development. Please see Annex V for an overview of the planned activities per country. From the ensuing discussions, it became clear that the countries are in need of seed funds to spearhead national level activities. This led to the agreement

that the project would provide each team of country partners an amount of approximately US\$ 4,500 to initiate national level network building and start relevant training activities for BDS.

### ***Sessions IX 'Agreements among Partners'***

During this session, the project partners highlighted major points of attention from the discussions held in the course of the three meeting days.

#### *Agreements at the Regional Level*

- The project partners confirmed their participation and expressed the commitment of their respective organisations to the project. The regional work plan (18 months duration) was approved by all participants of the first regional meeting, with the project priorities it sets and the roles of the participating organisations.
- The regional network of entities/institutions has been established during the first regional meeting.
- The project is a living entity; it is all partners together to achieve a common goal. Full commitment is required for project implementation. Therefore, it is important to ensure that the same participants are available and involved for project activities and meetings.
- The partners expressed the need for web-based exchanges, to be developed by the project to stimulate BSOs to network internationally and nationally. Therefore, a project website will be set up, which will serve as a forum for networking and information exchange. Willpower (Kenya) will construct the website together with UNIDO. Project information and details on the regional network will be posted on this website, to make this information accessible to the participants and to their national level network partners. The responsibility for content development is with the participating organisations at the national level. A Webmaster for the project is required. Additionally, each country team should identify a Webmaster who is to be trained to upload information.
- The partners can propose additional workshop topics within the framework and resource base of the project for consideration to UNIDO.
- Trade fairs (regional) are important for market linkages and exchanges can have positive impact on the regional network. The project can support participation in trade fairs of a number of partners on a cost-sharing basis, i.e. through information exchange and assisting with acquiring exhibition space.

#### *Agreements at the National Level*

- Agreement was reached on the draft country work plans for national level activities to be undertaken by the participants (initially for a period of 6 months).
- The project will provide the country partners with an amount of approximately US\$ 4,500 per country in response to their expressed need for seed funds to launch national level training initiatives for BDS networking. A budget revision within the UNIDO budget will be required, in the form of a new budget line 33-00, to facilitate this need, which is in line with the project objectives. The country partners are to seek additional funding options for their national level activities. UNIDO will assist them in this endeavour with technical tools.

- Participating organisations will network internationally and nationally to acquire funding for starting up new WED/YED projects.
- The seminar participants will promote taking a holistic approach to entrepreneurial thinking and attitudes within their own organisations (BSOs) and with the partners/entrepreneurs they are working with. Stimulating innovative approaches and exploring new areas of work are central.
- Networking is key to doing business effectively. There is a need to nurture connections with stakeholders (including Government entities), and keeping them involved.
- Connecting markets, clients, training institutions, NGOs, government offices and private sector agencies through a network of Public-Private Partnerships will spur local economies, support women and youth, and can help to organise production (supply capacity building)<sup>4</sup>.
- When initiating a network, BSOs are to involve as many potential partners as possible. Interested organisations are to get acquainted with the plans and requirements for networking.
- External communication to transmit ideas related to an effective business culture, as well as for collaboration and proposals, should be done in an effective way. It is important to increase awareness on the formulation and use of positive expressions in documentation, the spoken form, as well as in non-verbal communication. In all instances communication should have a positive orientation. For instance, referring to challenges instead of putting emphasis on problems and difficulties, and demonstrating sensitivity when portraying beneficiaries as vulnerable groups.

#### **IV. Meeting Achievements and Follow Up: Actions in line with Project Objectives**

The first regional meeting has reached its objectives. The participating partners exchanged views and experiences and established a network of regional partners with a common goal and a shared vision for improving BDS provision through national network development within their respective countries. They expressed their commitment to the project objectives, and joint agreements were reached on implementation priorities and approaches to be taken.

The meeting was greatly appreciated by the country partners, and culminated in practical agreements among project partners on priorities, commitments and arrangements to be put in place. A summary is as follows:

- a) UNIDO has introduced the project and presented its WED/YED and BDS approaches to the country partners. Their full commitment is to be taken further in the next project period until December 2008 and beyond.
- b) Agreement has been reached on the regional project work plan for 18 months as a common programme of action.

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<sup>4</sup> A list of Public-Private Partnerships, presented during the meeting, is available from UNIDO

- c) The partners have developed and mutually agreed their country level work plans, based on a review of requirements for effective entrepreneurship development support to youth and women, SWOT analyses of the partner organisations and their service provision, and the characteristics, constraints and requirements for competitiveness of agribusinesses.
- d) A project website will be set up before October 2008 to serve as a forum for networking and information exchange.
- e) Country teams will submit to UNIDO a concept note for a national network and a related budget for the activities planned for the period of project duration, in line with country work plans. Upon approval, UNIDO will provide each team of country partners an amount of US\$ 4,500 to start off national level network building and training activities for BDS.
- f) Three additional regional meetings are scheduled (tentatively), to be hosted by Malawi (October 2008), UNIDO (Vienna, April 2009) and Kenya or Zimbabwe (August 2009).
- g) The Second Regional Seminar will be held in Lilongwe, Malawi, 20-23 October 2008. Main topics to be covered: BDS for PSD and WED/YED in the agribusiness sector, Fair Trade policies, gender mainstreaming in entrepreneurship development, and micro credit facilitation.

## Annex I – List of Participants – First Regional Meeting/Seminar

Country	Partner	Contact details
Tanzania	1. Small Industries Development Organisation (SIDO), Dar es Salaam	<u>Ms. Happiness Mchomvu, WED-SIDO</u> Tel: +255 222 215 1383 Mobile: +255 754 267 556 Email: wed@sido.go.tz happymchomvu@yahoo.co.uk
	2. Tanzania Women Chambers of Commerce (TWCC), Dar es Salaam	<u>Ms. Dina Bina, Chairperson</u> Tel: +255 754 282 106 Email: twcccommerce@yahoo.co.uk dinaflowersltd@yahoo.com
	3. Umoja Wajasiriamali Zanzibar (UWAZI)/ZAFOPA, Zanzibar	<u>Mr. Mohamed Omar, Chairperson</u> Tel: +077 7426 882 Email: uwazi10@hotmail.com
	4. Tanzania Gatsby Trust (TGT), Dar es Salaam	<u>Ms. Wankembeta S. Kinyau, Project Officer</u> Tel: +255 784 20 1966 Email: wkinyau@yahoo.com
Malawi	1. Development of Malawian Enterprises Trust (DEMAT), Blantyre	<u>Mr. Daniel Ghambi, Operations Manager</u> Tel: +265 9 956 797/+265 8 956 797 Email: demat@malawi.net danghambi@gmail.com
	2. National Association of Business Women (NABW), Blantyre	<u>Mr. Lackson Kapito, National Coordinator</u> Tel: +265 1 877 812 / 874 106 Mobile: +265 8 891 055 Email: nabw-bt@sdpn.org.mw lacksonkapito@yahoo.co.uk

Eritrea	1. Eritrean National Chamber of Commerce (ENCC), Asmara	<u>Ms. Tsehaitu Daniel, Head of Research &amp; Training, and Head of Women in Business Development Unit</u> Mobile: +291 1 718 2046 Email: tsehaitu2001@yahoo.ca
Kenya	1. Willpower Incubation & Research, Nairobi	<u>Mr. Kiringai Kamau, Value Chain Analyst</u> Tel: +254 020 2719 733 Mobile: +254 722 800 986 Email: kiringai@willpower.co.ke kiringai@vacidafrika.or.ke
	2. Kenya Association of Women Business Owners (KAWBO), Nairobi	<u>Ms. Betty Anne Mboche</u> Tel: +254 727 679 100 Email: bawanroses@wananchi.com
Zimbabwe	1. Zimbabwe National Chamber of Commerce (ZNCC), Harare	<u>Ms. Marah Hativagone, ZNCC President</u> Tel: +263 4 480 260/487 711/2 Mobile: +263 912 428027/011605748 Email: marah@codchem.co.zw
	2. Zimbabwe Opportunities Industrialisation Centres (ZOIC), Harare	<u>Mr. Phillip Bohwasi, Executive Director</u> Tel (office): +263 4 708 889 / 708 909 Direct line: +263 4 252 767 Mobile: +263 11 601 914 Email: phillip@zoic.co.zw

## Annex II – Programme First Regional Seminar



### Programme: First Regional Seminar

17 – 19 of June 2008, Dar es Salaam, Tanzania

<p style="text-align: center;"><b>Tuesday 17/06/2008</b> <b>Facilitator<sup>1</sup></b> <b>Inez Wijngaarde, Project Manager, UNIDO</b></p>
<p style="text-align: center;"><b>Welcoming and Official Opening Session (09.00-09.45 hrs)</b></p> <ul style="list-style-type: none"><li>➤ <b>Welcoming of the Participants</b> <i>By the UNIDO/UNDP Representative</i></li><li>➤ <b>Official Opening</b>, (focus on poverty reduction through entrepreneurship development for Private Sector Development (PSD) to create more jobs in the productive sector)  <i>Representative of the Government of the United Republic of Tanzania</i></li></ul>
<p style="text-align: center;"><b>Coffee Break (09.45-10.15 hrs)</b></p>
<p style="text-align: center;"><b>Facilitator: Happy Mchomvu, SIDO</b></p> <p style="text-align: center;"><b>Session I (10.15-11.30 hrs)</b></p> <ul style="list-style-type: none"><li>➤ <b>Introducing the Project Partners</b> Introduction of the participants</li><li>➤ <b>Introducing the Project</b><ul style="list-style-type: none"><li>- Overview of the project objectives and the structure of the meetings</li><li>- Project rationale: context, constraints and needs to be addressed, outputs and strategy</li><li>- What is ECDC/TCDC?</li><li>- Project beneficiaries</li><li>- Project coordination</li><li>- Expectations, roles and responsibilities of the participants/counterparts</li><li>- The role of SIDO and UNIDO in implementation</li><li>- Project evaluation arrangements</li></ul><p style="text-align: center;"><i>UNIDO PowerPoint Presentation by Inez Wijngaarde, PM, and Robert van Lavieren, Consultant.</i></p></li><li>➤ <b>Discussions on Issues Brought up by Participants</b></li><li>➤ <b>Agreement on the Project Results Framework</b></li></ul>

<sup>1</sup> The facilitators of day 2 and 3 have been selected by the meeting (rotational basis).

## Session II (11.30-13.30 hrs)

- **Framework for Human Resources Development, Entrepreneurship Development and Management**
  - Entrepreneurship development support for youth and women, using a holistic approach: developing entrepreneurial skills and an entrepreneurial mindset
  - Developing an entrepreneurial culture in management

*PowerPoint Presentations by UNIDO and SIDO*

- Management issues: report writing, the importance of keeping records and data, responsibility and accountability, team and trust building

*UNIDO Multimedia Presentation*

- **Discussions on Issues Brought up by Participants**

- **Agreement Summarised**

## Lunch Break (13.30-14.30 hrs)

## Session III (14.30-16.00 hrs)

- **BDS for Agri/Food-Processing Businesses**

*Review and debate*

- Identifying the characteristics of agribusinesses within the region/countries
- Needs and constraints to growth, region/countries
- Skills requirements, quality standards and essential resources for competitiveness (fair trade) and value-added

- **Agreement Summarised**

## Tea Break (16.00-16.30 hrs)

## Session IV (16.30-18.00 hrs)

- **Working Group Session (Two Working Groups)**

- Analyse and review constraints
- Perform a SWOT analysis on your organisation, as regards its BDS provision
- Review and develop regional and country work plans
- Prepare a PowerPoint presentation per country on the origin and set up of BDS in each respective country (e.g. effectiveness of services, payment for service provision, whether any monitoring and evaluation activities are in place), and on the current approaches taken by the participating organisations in providing BDS to entrepreneurs
- Develop a proposal for the set up of a local network to strengthen BDS provision in your country
- The PowerPoint presentations should be of approximately 10 minutes duration (8 slides)

- **Wrap up Session/Reports of the Day**

- **Announcements by Organisers**



**Wednesday 18/06/2008**  
**Facilitator: Phillip Bohwasi, ZOIC**

**Session V (09.00-10.30 hrs)**

➤ **Presentations by the Participants**

- Each participating country presents its case to the plenary meeting
- As part of the presentation, the participants present their organisations, which will include the results of the SWOT analyses
- A list of prospective national partners for network building, as well as an initial draft work plan for regional and national level activities are to be submitted to the meeting

*PowerPoint Presentations by the participating organisations (approximately 10 minutes duration)*

➤ **Discussions on Issues Brought up by Participants**

➤ **Agreements Summarised**

**Coffee Break (10.30-11.00 hrs)**

**Session VI (11.00-13.30 hrs)**

➤ **Setting up a Sustainable and Market-Driven BDS System**

- Business Development Services (BDS): what are these; how can they serve entrepreneurs most effectively; and what is the role of the service provider in assisting WED/YED programmes and policies
- Discussion on a sustainable business model for BDS to support WED/YED and promote growth in agri-businesses, including:
  - a. Expectations, roles and responsibilities of the participants/counterparts
  - b. Structure of financial management
  - c. The role of the management of business support organisations in meeting the needs of beneficiaries
  - d. HRM issues: selection of business coaches/consultants
  - e. The portfolio of services

*Interactive session with UNIDO Multimedia Presentation*

➤ **Agreement Summarised**

**Lunch Break (13.30-14.30 hrs)**

**Site visits:** **Departure - Dar Es Salaam (14.30 hrs)**

**Return to the Hotel approximately at 20.00 hrs**

**Thursday 19/06/2008**  
**Facilitator: Daniel Ghambi, DEMAT**

**Session VII (09.00-10.30 hrs)**

- **Network Development: Building an Alliance for PSD**
  - Why networking: regional networking as a tool to strengthen business support organisations and groups for private sector development
  - Inclusion of NGOs in networks?
  - Network building: how to establish networks on the local and national level for improved private sector assistance to entrepreneurs in agri-businesses
  - The use of regional expertise and resources

*PowerPoint Presentation by Resource Person, Mr. Sasthenes Sambua, Diligent Consulting Ltd*
- **Discussions on Issues Brought up by Participants**
- **Agreements Summarised**

**Coffee Break (10.30 – 11.00 hrs)**

**Session VIII (11.00-13.00 hrs)**

- **Work Schedule for Follow Up on Commitments and Planning of Activities**

*Review and debate*

  - Discussion of national network development and country work plans
  - Planning a training seminar on monitoring effectiveness and results; developing monitoring indicators; and why monitoring and evaluation is relevant to enterprise development
  - Exchange seminar with financial institutions for improved usage of credit options for WED/YED and mainstreaming micro credit facilitation in business support services
  - Participation in trade fairs
  - Other proposals for workshops and seminars

**Lunch Break (13.00 – 14.00 hrs)**

**Session IX (14.00-15.30 hrs)**

- **Agreement among Project Partners**
  - Agreement on implementation modalities/priorities in the work plan and the roles of the participating organisations
  - Agreement among partners on the topics and dates for the regional training workshops and technical seminars for competitive agri-businesses, and instilling a market and quality orientation
  - Agreement on regional network and on country work plans with national level activities to be undertaken by the participants
  - Agreement on a proposed business model for BDS and options to promote entrepreneurship

**Tea Break (15.30-15.45 hrs)**

**Session X (15.45-17.00 hrs)**

- **Closing Session**
  - Final report of the Seminar (by the Working Groups)
  - The Way Forward

## **Annex III – Opening Statement**

**Address by the Deputy Permanent Secretary of Industry, Trade and Marketing, Dr. Florens Turuka, at the Inauguration of the 1<sup>ST</sup> Meeting / Seminar of the Regional Project: Strengthening of Capacities of Private Sector Agencies and NGOs in Malawi, Eritrea, Kenya, Zimbabwe and Tanzania, on 17<sup>TH</sup> June 2008**

**VENUE: BELINDA BEACH RESORT, DAR ES SALAAM, TANZANIA**

Madam Inez Wijngaarde - Project Manager, UNIDO HQ, Vienna  
Madam Juliet Kabege - Officer in charge-UNIDO  
Mr. Robert L. van Lavieren - Consultant, UNIDO HQ, Vienna  
Mr. Pius Wenga - Ag. Director General, SIDO  
Facilitators  
Distinguished participants from all the countries represented  
Members of the Press  
Ladies and Gentlemen.

Let me start by welcoming all our guests to Tanzania and to wish you a warm and comfortable stay. Karibuni sana!

Participants, let me express on behalf of the Government of the United Republic of Tanzania and on my own behalf our gratitude and appreciation for the United Nations Industrial Development Organization (UNIDO) supporting the formulation and start of this regional project. The project will support the efforts of regional private and public partners to strengthen capacities for the private sector business institutions and particularly focusing on women and youth empowerment through entrepreneurship development as an important driver for achieving the poverty reduction MDG no. 1

We are also grateful for your choice of Tanzania, in particular our organization SIDO, to be the hub for the implementation of this project, in recognition of its reputable experience in promotion and support of women and youth enterprises in Tanzania and other countries in Africa

Obviously, this project focuses on a very important agenda of cooperation among developing countries; specifically the South-South cooperation perpetuated under the Group 77 initiative. You are aware that despite the abundant local resources and the related comparative advantages within our countries, many remain marginalized. Therefore, the global approach to Technical Cooperation among Developing Countries (TCDC) and the Economic Cooperation among Developing Countries (ECDC) is very pertinent at this era of the globalised world, with freer trade and open markets.

Distinguished participants, one possible strategy which our countries can execute to mitigate poverty and achieve equitable growth in responding to the millennium development goal 1; is networking and collaboration among us to obtain technology, expertise and even financial resources to be deployed in development. The Technical and Economic Cooperation approach in this project is on this line.

The approach calls for the participating organisations from the different countries to work together to overcome or address the common challenges on poverty reduction, creation of viable competitive enterprises, and employment to enhance national and regional economic development.

Participants, traditionally women are key players in post-harvest operations both at farm, enterprise and household levels. However, their operations have remained at primary level processing with limited efforts to develop the agro-food sector towards real value added processing.

I have gathered that for the past five years UNIDO has supported entrepreneurship development programmes focused on women and youth in agribusinesses in all the project countries of focus; Malawi, Kenya, Eritrea, Zimbabwe and Tanzania. These programmes basically reached their central objectives of setting up a base for entrepreneurship development for SMEs in urban and rural areas, which have contributed to income generation and to some extent improved livelihood of the beneficiaries.

In the case of our country Tanzania, the UNIDO support has also created a base of trainers/counsellors who have promoted women entrepreneurship and market linkages for MSMEs contributing to institutional capacity building for the relevant partners such as SIDO.

We, in Tanzania can see light on the impact to the value added food processing through the emerging MSMEs in the food sector who are beneficiaries of such programmes.

Notwithstanding these achievements, organizations working with entrepreneurs and providing business support services, still need capacity and technical expertise in targeting markets and managing supply capacity to facilitate growth in agro-processing businesses.

That is why; the Government of the United Republic of Tanzania fully supports this UNIDO initiative as well as previous projects that assisted in developing the agro-food processing sector. We believe that strong business support organisations working together with governments, NGOs and other development partners in our countries will greatly spearhead the development of viable private sector enterprises.

This project has the objective to strengthen capacities of private sector agencies, NGOs and build cohesion between countries that are participating in the regional project through networking and application of ECDC/TCDC approaches to support Women and Youth Entrepreneurship Development. We commend the strategy of building on the existing capacities of our national agencies in setting up effective business development services and essential training/coaching programmes to promote agro-businesses.

Distinguished participants, in the case of our respective countries and for the region at large, this initiative compliments our national policies and strategies to develop the agro-industry sector which is an important link to efforts for improving income and employment generation among our people. Real value added processing of our agricultural raw resources in line with market demands, contributes positively to wealth creation and national development as a whole.

Yet we all know that most of our countries have failed to fully utilize the preferential trade opportunities to export say under AGOA and EBA, due mainly, to inadequate production capacity and quality compliance, yet we see about 70% of the processed products consumed in our counties as imports.

Therefore bridging the entrepreneurial capacity gaps through technical packages such as WED/YED to assist SMEs to become competitive is necessary in this

globalised business environment. We commend the focus of this project on strengthening linkages between local institutions and NGOs in each country so that they can collaborate to give capacity to entrepreneurs. The regional collaboration through the TCDC/ECDC will promote exchange of knowledge and transfer of skills to create synergies in Business Development Services (BDS) markets.

Distinguished participants, in concluding my remarks, I hope that during this premier meeting, you will be able to develop clear plans of work and programmes for national action that will assist us all to reach the goal of creating competitive enterprises that will turn out quality products for competing locally and in export markets. Moreover, the linkages that will be established in the region should provide a body base of regional experts that can be collectively used in developing the agro-industry/agri-businesses in our region and beyond. We in the Ministry stand ready to support this activity, which has been packaged in this cost effective way covering 5 participating countries.

Once, again I wish to thank UNIDO for the continued support in development of the business and agro-processing sector in our countries and in the region through WED/YED programmes to drive growth of the private sector. I also thank SIDO for the excellent role of coordination of the project and to you participants, I urge you to seize the opportunity of being in Tanzania to sample our many attractions around and learn about our friendly culture.

Having said that, I now wish to declare this meeting /seminar open.

Thank you for your attention.

## **Annex IV – Country SWOT Analysis**

### **TANZANIA**

#### TWCC

##### *Strengths*

- Group mobilization specifically for agro-processing sector
- Strong leadership, connection with public and private sector, motivated members, having SIDO as mentor and diplomatic women spouses
- Savings and Credit society
- The only umbrella women business association in Tanzania

##### *Weaknesses*

- Depend on volunteer leaders
- Chamber not institutionalised
- No permanent office/work places
- No immediate solutions to members for access to finance
- No role model for the women chamber to learn from
- Tanzanian Entrepreneurship culture still on learning stage

##### *Opportunities*

- Use existing connections to get to embassies for assistances
- Support from Government and private sector (embassies, media, NGOs, MPs, TCCIA, CTI, TPSF, Banks)
- Exhaust opportunities available with BDS e.g. SIDO-short term loans

##### *Threats*

- Frustrating members when no tangible results seen
- TAFOPA/ZAFOPA members face a problem of not going global due to rigorous certification from relevant authorities

### **MALAWI**

#### DEMAT

##### *Strengths*

- Expertise and experience in MSME training
- Qualified and experienced Human resource
- Own structures that could be used as office space
- Offices in all regions of Malawi

##### *Weaknesses*

- Government owned and hence prone to political interest
- Customer orientation needed from public sector
- Sometimes difficult to implement changes/decisions due to cumbersome public sector procedures
- Erratic and inadequate government subvention
- Poor resource mobilisation

##### *Opportunities*

- Expansion of microfinance operations
- Poultry production training expansion

- Government ownership makes it easy to benefit from government and donor-funded projects
- Non-government resource mobilisation

#### *Threats*

- Government owned and hence prone to political interest
- Erratic and inadequate government subvention
- High staff turnover

#### NABW

#### *Strengths*

- Training and microfinance
- Information dissemination to members

#### *Weaknesses*

- Policy Advocacy
- Networking and linkages
- Resource mobilisation

#### *Opportunities*

- Easy to access resources on the basis that the focus is on women
- Donor confidence based on successful implementation of several projects

#### *Threats*

- Inclination towards basket funding by donors
- High staff turnover

### **KENYA**

#### KAWBO/WILLPOWER

#### *Strengths*

- Committed, innovative and strategic board
- Extensive local and international network
- Experienced entrepreneurs
- Huge intellectual capacity
- Highly innovative
- Linkages with the smallholder farmers
- Strong agricultural policy support
- Focus on women empowerment by government, financial institutions and donor agencies: Ministries of Gender, Youth, Women Fund, Youth Fund, GOWE
- Have a track record in supporting SME's in agriculture
- Ability to integrate ICT to agriculture
- Strong linkages with development and research institutions
- Strong partnership with the government
- Strong ICT and Technology leaning
- Strong and Passionate Human Resource
- Synergistic institutional framework (ICT, NGO and SME support group, Women Banking – KREP, KWFT, Equity, KCB, Standard Chartered)

#### *Weaknesses*

- Not widely known yet
- Housed secretariat
- Low membership

- Driven by the vision of a single individual
- Organic driven growth with no external investment
- Clients only want to have one individual represent Willpower

#### *Opportunities*

- Direct access to established global market
- Favourable social and economic environment
- Partnership with regional farmer organizations
- Focus on women empowerment by government, financial institutions and donor agencies
- Emerging need for women business associations
- Potential to network with international organizations
- Strong agricultural policy support
- Growing interest and need in agricultural value addition and cottage industry development; ICT village initiatives; field data capture solutions and web supported business networks

#### *Threats*

- Unstable exchange rates
- Low membership
- Potential political involvement
- Negative perception of women business organizations (mushrooming of too many similar associations)

## **ZIMBABWE**

### ZNCC/ZOIC

#### *Strengths*

- A good outreach set up in place
- Good image and visibility
- High level of organizational development
- Good and ready supporting infrastructure as in roads, transport, telephone systems
- Comesa custom union /SADC Free Trade Area – (reduction in duty)

#### *Weaknesses*

- No capacity to implement the Network Model
- Technical skills for lobby and advocacy

#### *Opportunities*

- Opening regional offices – centres
- The existing links with social investor indicate opportunities
- Framework for BDS proposal in place
- A multitude of BDS service providers in all sectors (well established Commodity Associations)
- Enabling policy framework e.g. SME Policy, Micro Finance Policy, indigenization thrust
- High literacy rate – one of the best in region leading to high work ethics
- High endowment of natural resources – land, water, minerals

#### *Threats*

- Current inhibitive legislative framework
- Break down of public private partnership, social contract
- Political environment not conducive



- Economic meltdown (record hyper inflation)
- Lack of global competitiveness (international relations, isolations)
- Resources for expansion BDS provision nationwide

## **ERITREA**

### ENCC

#### *Strengths*

- There are a lot of women engaged in agribusiness so that the intervention can be a leap for the economy
- There are many organizations that support women in agribusiness (ENCC, NUEW, Ministry of Agriculture, Village Administration, ECD)
- The women are hard working
- Women are taken as trust worthy by financial institutions

#### *Weaknesses*

- Lack of network and coordination between the different parties that support women in agribusiness
- Women are risk averters so they do not want to take credit to grow their business

#### *Opportunities*

- Positive policy towards empowerment of women in agribusiness
- Dams built everywhere to develop agribusiness
- As kindergartens are being built even in the remote villages women can have time for their business
- Women can get credit from financial institutions as they are taken trust worthy in returning loans

#### *Threats*

- Most women in this sector work in the informal sector which is taken as illegal business
- Women cannot take loan from the big financial institutions as they need collateral

## Annex V – Draft Country Work Plans For Building National BDS Networks

### TANZANIA

No.	Activity	Responsible Party	Period	Remarks/Indicators
1.	Meeting of stakeholders	TWCC	End June 2008	Participants will be SIDO, UWAZI, TGT, TWCC, Prosperity Institute
2.	Identification and contacts with networks partners	TWCC	July 2008	The vertical network will be implemented
3.	Selection of pilot groups	UWAZI, TGT, TWCC, Prosperity Institute	Early Aug. 2008	Selections will base on associations of national coverage, committed to the network
4.	Conduct situation analysis	SIDO, UWAZI, TGT, TWCC, Prosperity Institute	Sept. 2008	
5.	Identify and select BDS providers	SIDO, UWAZI, TGT, TWCC, Prosperity Institute	Sept. 2008	
6.	Familiarization workshop on terms of reference	SIDO, UWAZI, TGT, TWCC, Prosperity Institute	Oct. 2008	BDS providers expected to acquire the concept
7.	National networks strategy for Tanzania	SIDO, UWAZI, TGT, TWCC, Prosperity Institute, UNIDO	Nov. 2008	Program implementation and linked to regional network

Possible organizations: Banks, NGO, Embassies, Diplomatic Nations, Government

### MALAWI

No.	Activity	Responsible Party	Period	Remarks/Indicators
1.	Set up work programme for the national network formation Agree on selection criteria of possible partners	DEMAT, NABW	July 2008	
2.	Introduce networking idea to possible partners	DEMAT, NABW	Aug.–Sept.2008	10 one to one meetings with possible partners conducted
3.	Meeting with possible partners to explain details of the network and clarify issues	DEMAT, NABW	Oct. 2008	1 meeting conducted
4.	Selection of possible partners	DEMAT, NABW	Nov. 2008	
5.	First meeting with selected partners	DEMAT, NABW	Dec. 2008	National network set up

## KENYA

No.	Activity	Responsible Party	Period	Remarks/Indicators
1.	National Workshop	Willpower, KAWBO	First quarter	National network with specific taskforces for women, youth, ICT, agribusiness: partners, Ministries of Youth, Gender, Agriculture, Cooperative and Finance
2.	Women in Business Workshop and Training of Women leaders	Willpower, KAWBO	Third – fifth quarter	National network of women enterprises: partners, AWAN, VACID Africa
3.	Youth Enterprise Workshop and Youth Training Programmes	Willpower, KAWBO	Third – fifth quarter	National network of youth enterprises: partners, YES Association
4.	ICT Providers Workshop and Telecentre Training	Willpower, KAWBO	Second – sixth quarter	National ICT Network: partners, Octagon, ICT Board (Min of I&T)
5.	Agricultural Service Providers' workshop and Training Programme for regional outreach	Willpower, KAWBO	First – second quarter	Create a national network of agricultural service providers: partners, Kenya Horticultural Association, (KFC&FPEAK), KENFAP, KAPP/KARI, HCDA

## ZIMBABWE

No.	Activity	Responsible Party	Period	Remarks/Indicators
1.	Analysis of the BDS environment	ZNCC, ZOIC	July–Sept. 2008	PEST analysis (political, economic, social and legal framework) Profiling of stakeholders (interests, focus)
2.	Concept paper development	ZNCC, ZOIC	Oct.–Dec. 2008	Marketing document Highlight BDS, PPP, PSD issues Identifies gaps and opportunities and options
3.	Marketing the network idea	ZNCC, ZOIC	Ongoing	Press release, local national meetings, workshops, dinners, exchanges visits, case studies, membership

				profiles
4.	Proposal development	ZNCC, ZOIC	Oct. 2009	Proposal document in place Interact with social investors and fundraising

### ERITREA

No.	Activity	Responsible Party	Period	Remarks/Indicators
1.	Contacting and discussing with different partners	ENCC, MTI, SMCP, NUEW, MAG	July 2008	In all the activities we will work closely with UNIDO Office in Eritrea
2.	Organizing a workshop on Networking with the different partners	ENCC, MTI, SMCP, NUEW, MAG	Aug. 2008	
3.	Define and launch the network structure	ENCC, MTI, SMCP, NUEW, MAG	Sept. 2008	
4.	Finalizing the work plan with partners	ENCC, MTI, SMCP, NUEW, MAG	Oct. 2008	

## Annex VI – Photo Gallery





## National Network Building for Mainstreaming of WED/YED and Micro Credit Facilitation in BDS for the Agribusiness Sector in Eastern and Southern Africa



**Report of the Second Regional Seminar  
20 – 22 October 2008, Lilongwe, Malawi  
(UNIDO/SIDO/DEMAT)**

## **I. Introduction**

In the technical networking seminar series of the UNIDO regional project for strengthening WED/YED capacities of public and private sector agencies in Eastern and Southern Africa, a second three-day meeting was conducted in Lilongwe, Malawi (20-22 October 2008), in collaboration with the Small Industries Development Organisation (SIDO) and the host country agency Development of Malawian Enterprises Trust (DEMAT). The purpose of the seminar was to follow up on the outcomes of the regional seminar held in Dar es Salaam, Tanzania (June 2008), where a regional network alliance of Business Support Organisations (BSOs) was initiated to support WED/YED in the five countries.

The three-day interactive meeting programme focused on Business Development Services (BDS) for agribusinesses, which included presentations and workshops by UNIDO, ILO, Equity Bank Kenya and Bank of Industry Nigeria, as well as open discussion and exchange sessions with the participating countries. The information sharing with the programmes of ILO and the financial institutions was deemed very beneficial to the network partners.

The methodology and tools applied during the seminar also addressed environmental aspects. UNIDO demonstrated ecological footprint reduction possibilities by applying electronic means to reduce paper use.

All participating countries were represented with the participation foreseen. However, UWAZI Zanzibar, Tanzania, informed the meeting that it could not attend. The full list of participants is attached as [Annex I](#).

UNIDO had invited the Fairtrade Labelling Organisation (FLO) to attend the seminar for sharing its experiences in fair trade practices with the network. However, due to unforeseen circumstances FLO was not able to participate. In view of this, more time was allocated to the central theme of the seminar 'BDS for Entrepreneurship Development'. Consequently, the sessions on 'Fair Trade and Corporate Social Responsibility (CSR) in Entrepreneurship Development' and 'Networks for Private Sector Development' were moved to the next seminar, which is to take place in April 2009.

### ***Objectives of the Second Regional Seminar within the Scope of the Regional Network***

The specific objectives of this meeting were as follows:

- To review with project partners their country level activities since June 2008, and to adjust country level work plans for 2009.
- To develop a common vision and approach on BDS development and delivery with facilitators and providers, including micro finance, within the framework of the national networks for WED/YED.
- To review and share experiences as well as tools and approaches with ILO and private/public sector micro credit facilities related to their support to promote WED/YED in Africa.

To prepare for the seminar, the participants received in advance an invitation letter and a provisional agenda ([Annex II](#) refers) with a proposed programme and a timetable for the meeting in Lilongwe. DEMAT hosted the meeting and SIDO was

*Regional Project in Eastern and Southern Africa (YA/RAF/08/015): 'Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship (WED/YED)'*

responsible for overall coordination. Both made the necessary organisational arrangements for travel and venue selection.

The seminar covered eight sessions spread out over three days. The network partners presented the progress made on national level BDS activities and their proposed strategies for national network building to set up a sustainable and market-driven BDS system that supports WED/YED in agri-businesses. Broad consensus exists among the network partners for the need to develop with national partners a coherent BDS system to increase the development impact of entrepreneurship development on growth and job creation. There was agreement that opportunity entrepreneurship requires special attention. This would involve moving existing programmes for necessity entrepreneurs in the direction of new business ventures based on opportunity-driven behaviour.

## **II. Opening of the Regional Seminar**

The Principal Secretary II of the Ministry of Industry and Trade, Mr. Nebert Nyirenda, inaugurated the meeting. On behalf of the Government of the Republic of Malawi, he expressed gratitude and appreciation for the regional project's intended support to regional private and public sector partners for improved BDS provision to the MSME sector through network development.

Mr. Nyirenda informed the meeting that the Government of Malawi accords high priority to supporting women and youth in its economic development policies. The Government is investing resources for economic stability and growth, recognising the critical role of the SME sector for job creation, growth and poverty reduction. Following the set up of solid foundations for macro-economic stability, the Government now aims at building on these fundamentals to sustain economic growth through more and better private sector investments, especially from SMEs. The Principal Secretary mentioned that increased cooperation between the Government and the private sector is required to achieve these goals, as well as interventions for capacity building of the SME sector to feed their production into export markets, especially with regard to agri-businesses. Technical assistance is needed for moving the country's production toward higher value added products, e.g. in the areas of marketing, packaging, warehousing and logistics.

The Principal Secretary conveyed that networking could offer an effective platform for achieving these objectives and therefore the UNIDO regional network initiative could serve the backbone of economic development. As an open economy, Malawi understands that initiatives that promote investment, growth and human resources development in the region, will reflect positively on all countries involved. He urged the countries to look at practical solutions.

A copy of the opening statement is attached as Annex III. The press of Malawi covered the opening of the meeting.



### **III. Programme of Activities**

#### **Meeting Day I, 20 October 2008 Proceedings and Results**

##### **Session I 'Project Achievements'**

The UNIDO Project Manager and the UNIDO Consultant started the proceedings by highlighting the achievements of the first regional meeting in Tanzania, and outlining the programme components of the current seminar (Annex II refers).

#### **Highlights of the 1<sup>st</sup> Regional Seminar Dar es Salaam, Tanzania, 17-19 June 2008**

- The project and UNIDO's approach introduced to the project partners.
- A regional network of project partners established with a common goal and a shared vision.
- Agreement on regional project work plan and implementation priorities.
- Country level work plans established.
- Agreed on a project website to be set up to serve as a forum for networking and information exchange (October/November 2008).
- Agreed that each country team would receive seed funds, based on their proposals for starting off network building activities at the national level.

The UNIDO Project Manager noted that UNIDO has transferred seed funds for training and national meetings (US\$ 4,500), included in country level proposals, to initiate national level network building and start relevant training activities for BDS in Kenya, Tanzania and Zimbabwe. The proposals of Malawi and Eritrea are forthcoming.

The plenary discussed the regional network website. Mr. Kamau of VACID Africa, which is hosting the website, announced that the website was now operational and that all project partners should register on the VACID website to obtain access. It is required that the project partners agree on a mechanism for review of content for public information on the website. This can be either based on a quality check before release by UNIDO, the network Webmaster or through a peer review. The following information can be posted on the website:

- Information on the participating agencies, including contact details.
- Substantive information on regional and national network activities.
- Case studies (best practices) and manuals.
- Administrative issues as regards the implementation of the project (in addition to email messages).

The network website is to be linked to a UNIDO project website.

The UNIDO Consultant informed the meeting about the possibility of participating in a UNIDO International Conference on Sharing Innovative Agribusiness Solutions, 26-27 November 2008, in Cairo, Egypt. The conference focuses on strengthening agribusiness value chains, expanding developing countries' food supplies and access to markets, technology and investment. In addition to discussions on

*Regional Project in Eastern and Southern Africa (YA/RAF/08/015): 'Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship (WED/YED)'*

challenges and needs, the conference provides an opportunity for matchmaking between those seeking ways to achieve sustainable agribusiness development and those with innovative solutions. The project proposed that one project partner would present an agribusiness solution at the conference on behalf of the regional network, and report to the network on conference findings relevant for BDS provision to agribusinesses.

Following, the UNIDO team presented its holistic approaches to entrepreneurship development. The team described the process that leads to entrepreneurial activities, and highlighted the relations between the type of entrepreneurship and impact on economic development, emphasising the differences in economic impact of opportunity-driven entrepreneurship as opposed to entrepreneurial activities that are driven by necessity. The key question posed for discussion was how to promote opportunity-driven entrepreneurship in the countries through BDS networks, and how to turn necessity entrepreneurs into effective opportunity seekers.

The network participants agreed that a BDS system needs to focus on strengthening entrepreneurs to get their new businesses or enterprises based on 'necessity' through the critical period (of approximately 3.5 years) to become stable businesses with growth potential. A mindset change would be necessary to achieve this. Entrepreneurs in the region are in need of improved cooperation/coordination among the private sector as well as public-private sector partnerships to enable enterprises to diversify, innovate and increase the value-added of production (instead of competing in 'doing more of the same').

With regard to the required technical skills training and entrepreneurship programmes targeting youth and women, tools should be developed for confidence building of trainees and ensuring their commitment. Trainees need to be made more aware of the immediate benefits of specific BDS programmes.

### ***Session II 'The Status of National BDS Network Building Activities in the Countries'***

The country teams presented outcomes and impact of recent activities undertaken at national level, including any constraints encountered in BDS network building (Annex IV refers). Additionally, the countries brought forward their proposed national level network activities to promote effectiveness of BDS services provision.

The project partners noted that most countries in the network are on schedule with the initiatives foreseen at national level.

### ***Session III 'Interactive Training Workshop: ILO Entrepreneurship Development and Training Programmes'***

The ILO Consultant, Mr. Ned Lawton, presented the ILO's Women's Entrepreneurship Development and Gender Equality (WEDGE) programme, which is currently active in five countries in East Africa (Ethiopia, Kenya, Uganda, Tanzania, and Zambia) and will soon be expanding into a further four countries in Southern Africa (Lesotho, Malawi, Mozambique and South Africa). Consequently, there is a robust and established methodology in place, as well as a range of tools for supporting women entrepreneurs and their service providers.

ILO has set up programmes in three of the countries that are part of UNIDO's BDS network (Kenya, Malawi, and Tanzania). In Kenya and Tanzania there have already been contacts between the two programmes. It is envisaged that this collaboration will deepen and that synergies will be developed in Malawi.

*Regional Project in Eastern and Southern Africa (YA/RAF/08/015): 'Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship (WED/YED)'*

In March 2008 the ILO Governing Body endorsed a strategy document on women entrepreneurship. The key operational levels of the strategy are:

- Creating an enabling environment for WED.
- Institutional capacity building in WED.
- Development of tools and support services for women entrepreneurs.

The ILO has a Coordinator for WED/YED programmes, based in Geneva. There are also two Chief Technical Advisors (CTAs), one based in Addis Ababa, covering East Africa, and one based in Pretoria, covering Southern Africa. In each of the nine African countries there is, or will be from 2009 onward, a National Programme Coordinator.

Moreover, the ILO's Enterprise Specialists and the Regional Gender Specialist are sensitised to deliver programme support on women entrepreneurship development. Specialists from the DFID-funded COOP Africa project and ILO's Social Finance Programme are also part of the ILO team implementing its WED strategy in Africa.

## **Meeting Day II, 21 October 2008**

### ***Proceedings and Results***

#### ***Session IV 'Interactive Training Workshop: BDS for Entrepreneurship Development (WED/YED)'***

The UNIDO Project Manager led an interactive presentation and discussion session with the assistance of the UNIDO consultant about the factors that need to be considered for developing a sustainable BDS system with positive impact on MSME growth. Issues that were discussed include:

- What is the role of a BDS network? How should the BDS network be organised, and which type of organisations should be part of it?
- Which roles for BDS facilitators and providers in the network?
- What services are essential for necessity entrepreneurs with MSMEs to become opportunity entrepreneurs?
- How can BDS services be affordable and sustainable?
- Which services are entrepreneurs willing and able to pay for?
- Which interventions can be undertaken to develop BDS markets without distorting the market forces?
- Which marketing and pricing strategies for BDS activities with varying scope and impact?

The focus was on developing a market-oriented BDS service package for MSMEs. This requires more than only building functional support and training programmes for e.g. product development, input supply, credit and finance mechanisms, and market access facilitation. It is equally important to see these services as part of an encompassing business concept that effectively links to the value chains in which MSMEs are operating. For instance, in the case of processed food products it would be advisable for a BDS provider to consider services that align with current value-added market trends, such as lifestyle products, tourism markets, and wellness (health/beauty). This means that end products should be packaged in such a way that they reflect the lifestyle of the end customer, which calls for innovation and creativity.

Although MSME entrepreneurs often name the lack of finance as their principal limitation, access to finance may not always be the main constraint to business growth. The actual problem could rather be in the area of market linkages or in business-related capacity development. It is the task of the BDS market facilitator to identify the general obstacles to MSME growth, while the BDS provider would identify and work out a plan for addressing the specific constraints of their MSME clients.

The following general principles as regards BDS market development were brought forward during the presentation:

- Rather than concentrating its technical assistance directly on a few traditional and public-supported BDS providers, instead UNIDO's approach is to provide technical support that aims at facilitating broad market development to expand commercial BDS markets. Likewise, other donor-funded and NGO supported programmes would need to operate lightly in markets to avoid market distortion and subsidy dependency.
- Market development is an inclusive approach that involves working with and promoting many BDS providers, including existing public and private sector providers. Because of the broad scope of market development initiatives, fair competition and market efficiency are stimulated, whereas market distortion and crowding out can be largely avoided. In the optimal situation, every player in the market would benefit equally.
- Market development promotes the involvement of a greater number of BDS providers overall, as well as unconventional forms of BDS by various private sector parties. This includes business support services by:
  - Commercial firms that provide services to partner MSMEs through business transactions (embedded BDS).
  - Value chain leaders (embedded BDS).
  - Advanced partner MSMEs operating in the same sector as client MSMEs
  - Part-time (informal) or full-time privately-owned commercial BDS providers.
- This should ultimately result in a movement toward a competitive and evolving BDS market with:
  - An increased number of differentiated private sector BDS providers.
  - Suppliers with a commercial orientation that offer competitively priced products and do not rely on subsidies.
  - A large variety of available service products, including business coaching.
  - Improved service quality, fuelled by increased competition.
  - An increased number of market transactions.
  - A separation of roles between BDS market facilitators and BDS providers.

#### **Different Roles of the Market Facilitator and the BDS Provider**

- BDS provider: concentrates on direct BDS service delivery to MSMEs.
- Market facilitator: aims at developing a competitive BDS market through support to the BDS network.
  - Focus is on technical assistance to BDS providers.
  - Provides incentives that encourage BDS start-ups, innovative behaviour, and entry into new and under-served markets.
  - Activities: assessing supply and market demand, developing and testing new services, training of BDS providers, conducting market research, liaison role between providers and donors by negotiating and managing donor funds, measuring programme impact.

For the BDS market to become effective, each BSO should make a clear strategic choice between taking up the role as a market facilitator or assuming the role of a BDS provider. Although the mixing of these roles is in some occasions unavoidable, it would be better to prevent this entirely and focus on specialisation instead.

Because a single BDS provider is unlikely to have sufficient knowledge and competitive advantage on all aspects in every business field, specialisation in services provision to MSMEs is recommended. BDS providers need to identify their most profitable and competitive activities, so that they can differentiate their services.

Market facilitators in a BDS system need to develop a transactional relationship with BDS providers; this increases ownership on the provider side and enables facilitators to become permanent and financially sustainable market actors. Similarly, BDS providers should aim at delivering financially viable services to MSMEs for competitive prices. Currently, too many training meetings are still offered for free with allowances given to the recipients. Free and subsidised services should be avoided as much as possible, because free services tend to decrease the feeling of ownership and the motivation of recipients.

Pricing strategies therefore need to be tailored to specific target groups. In village areas it would be completely viable to use promotional techniques, including incentives, to sensitise people and make them aware of their need for BDS services. Similarly, entrepreneurs in general need to be made aware of the direct benefits of attending business training. In many cases, entrepreneurs ask 'What is in this training for me?' The expectation is still too widespread that entrepreneurs ought to get an allowance as compensation for 'leaving their business behind for the day', as often their feeling is that their participation benefits the nation more than themselves, thus the Government should remunerate them.

### **The Shoe Repair Analogy**

If a shoe needs repair, it would be usual for the user to bring it to a shoemaker, then wait for some time to get it repaired, before collecting it and paying the shoemaker accordingly for the service performed. This is because if a shoe does not get repaired, then one might have to walk barefoot.

If many people everywhere are willing to pay a shoemaker to get their shoes fixed, then why not pay the BDS provider for its services?

The challenge is that the micro entrepreneur is often 'shoeless'! As we cannot expect the repair of shoes to become critical to one who is shoeless, a similar phenomenon may be apparent with micro entrepreneurs who have many critical issues to address, including financial, before engaging in extraneous activities like BDS.

Therefore, BDS facilitators and providers need to work together to make BDS more accessible to micro and small businesses, and create awareness among entrepreneurs on the specific benefits of BDS for the growth of their enterprises.

It is expected that offering appropriately remunerated services, which are closely adapted to the specific needs of entrepreneurs, would diminish expectations of receiving allowances and subsidies. BDS programmes would get a clientele that is both intrinsically well-motivated and opportunity-driven. There are several alternative constructions available that can help to safeguard affordability and accessibility of these commercial services:

- Partner companies in the value chain can provide so-called 'embedded services' at relatively low cost, e.g. in the areas of materials supply, quality control, packaging, market information and promotion.
- Cross-subsidising from high-end customers (opportunity-driven SMEs) and revenues from other activities to support services for micro enterprises and necessity entrepreneurs at lower prices. Profiling of clientele into these distinctive groups would then be a requirement.
- Charging higher prices for services that are generally high in demand, while providing other relevant services at nominal prices.
- Packaging services in small pieces by offering short modules according to the needs of the clientele.
- Third party payment: a large firm pays for BDS to a particular MSME, in exchange for value-added services from the MSME (e.g. advertising).
- A clear task division between market facilitators and BDS providers will contribute to minimising the costs of BDS service provision.
- Gradual payment mechanisms and loans.
- Introductory services for a small fee.
- Payments 'on commission' if the services help the client business to make a profit.
- Cost sharing possibilities through group purchase, possibly with group discounts.

Another option would be to build BDS into other services. Experience has shown that when BDS is integrated in other services, clients are more willing to pay a small extra fee for BDS.

As an example of cost sharing, Eritrean women's groups involved in flower arranging have successfully adopted a culture of cost sharing since 2003. There are however additional constraints in some country settings like Zimbabwe, where necessity creates limitations to the BDS operators in charging fees for services, as humanitarian aid organisations are on the ground who hand free food to clients. Clients would often be more inclined to get food for their immediate needs than to attend training on a strategically beneficial programme.

In order to improve the willingness of entrepreneurs to pay fees for services, their usually short-term concerns need to be better aligned with the generally longer-term benefits of BDS services. The benefits of BDS services can often appear only after some time (delayed impact), while the entrepreneur may feel the cost of the service fee and the opportunity cost of not being at the company directly in the wallet.

The regional network partners called for better coordination between agencies at national level to have a consistent and unified 'payment for services' approach, which would enable a greater acceptance of paid services. Pricing policies would therefore be an important point of attention in BDS network development at national level. Within these networks, associations would need to work towards having equal pricing approaches and delivery mechanisms based on a common vision.

*Regional Project in Eastern and Southern Africa (YA/RAF/08/015): 'Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship (WED/YED)'*

### **Session V 'Panel on Mainstreaming Micro Credit Facilitation in Business Support Services for WED/YED'**

Equity Bank from Kenya shared their experience in agribusiness support to women and youth through an integrated approach in the value chain with specific financial and non-financial packages. The Bank of Industry from Nigeria (BOI) shared the opinion that for effective development to take place, greater emphasis should be put on the enhancement of the capacities and capabilities of MSMEs through bottom up and all-inclusive strategies focusing on entrepreneurship.

The representatives of the Bank of Industry, Mr. Mohammed Alkali, and Equity Bank, Ms. Esther Muiruri and Mr. David Mukaru, led a discussion with the seminar participants on their innovative experiences with mainstreaming micro-credit facilitation in BDS.

The main details from the panel discussions are:

#### **Bank of Industry**

BOI is committing 85% of its resources to the financing of MSMEs. The bank has established gender desks to assist women entrepreneurs. Additionally, a micro finance bank has been established to assist micro enterprises.

BOI is spearheading the establishment of industrial parks and cluster facilities for MSMEs, based on the need to achieve the MDGs. The above is aimed at the structured industrialisation of the economy through the conversion of geo-location comparative advantages into competitive ones. The bank's initiatives are anchored on the stimulation of local entrepreneurship and revamping of indigenous economic activities, and targeted at the generation of employment and the economic empowerment of citizens, especially women and youth, for creating the missing middle class.

BOI cooperative lending targets:

- Entrepreneurial groups.
- Individuals already in business.
- Managers (employed) or employed technicians.
- Women and vulnerable groups.

BOI started its cooperative lending programme 6 months ago and now supports over 500 cooperative groups. The scheme operates without requirements for collateral; instead the enterprise groups guarantee each other in groups of 10 entrepreneurs, which can open joint and separate accounts. Each group has a leader who is in direct contact with the bank.

Subsidised rates (10%) for smaller companies:

- Entrepreneurship programmes.
- Infrastructure for SMEs (building, road, power generation, etc), if the Government does not provide these.

The Framework for Success:

- Infrastructure: the availability of adequate and appropriate infrastructure, such as power, roads, and water supply.
- Incentives: the provision of necessary and workable incentives that will create an enabling environment for business to thrive.

*Regional Project in Eastern and Southern Africa (YA/RAF/08/015): 'Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship (WED/YED)'*

- Institutions: the creation of appropriate institutions that would professionally manage and monitor all the development strategies for the benefit of all the stakeholders.
- Entrepreneurship: the development of modern entrepreneurial skills through human capacity building and empowerment.
- Hence, the equation: 3 Is + Entrepreneurship = Development.
- With the above variables effectively in place and working harmoniously to encourage public-private sector partnerships.
- Avoid prescriptive solutions. Secure the buy-in and commitments of all stakeholders. Encourage the principle of total ownership.
- Put emphasis on demographic variables and identify the accelerants.

### **Equity Bank**

The target market of Equity Bank consists of micro and small enterprises, salary and wage earners, agribusiness enterprises, and youth and women enterprises.

Equity has set aside Ksh 5 billion for women enterprises, dubbed as 'Fanikisha' (it can be done), and specifically designed to support the growth and development of women businesses.

Equity is working closely with the Ministry of Youth Affairs to target and design products for youth-savings and credit. The bank has established a youth desk in all branches, and the staff that is dealing with youth entrepreneurs receive capacity building training in Business Development Services.

Outline of principles:

- Creativity and innovation in product development for women and youth, as a key driver for the bank.
- Lack of traditional collateral is not a constraint to lending – it can be anything that demonstrates moral commitment.
- Use of a group lending methodology has reduced the risks in lending. There are constant engagements between the bank and the clients.
- The bank disburses credit before the customer receives BDS training, because the bank holds that BDS training prior to disbursement is not a condition. Mandatory training before credit release would 'de-motivate' the customers.

### **Conclusions of Session V**

- According to BOI, access to financial services is a human right, and banking should be available to everybody.
- Competitiveness in the banking sector is on the rise.
- There is great potential in financial services delivery to MSMEs, as exhibited by the fast growth in numbers and branches of Equity Bank.
- There is great scope for regional collaboration between the project partners and BOI and Equity Bank to make credit options available to BDS programmes within the region. Some project partners have established links with the banks during the seminar for mutual cooperation on micro credit facilitation in BDS for WED/YED.
- There is a strong belief that through cooperation African countries will be enabled to follow in the footsteps of the 'Asian Tigers', to become the 'African Lions'.



### **Site Visits**

The network partners undertook site visits to two successful local micro entrepreneurs in Lilongwe.

#### **Site Visits**

##### **Chikaya's Godknows Tailoring Shop**

Ms. Chikaya Godknows is a successful micro entrepreneur, who set up her tailoring shop as a small workshop 5 years ago. Her business now employs 7 people. She produces e.g. national costumes, suits, dresses, uniforms, bedcovers, sofa covers and embroidery for the local market. Ms. Chikaya intends to expand her business further as the market demand for her services is enormous. However, she is facing constraints in liquidity and business skills to expand her business. The national-level project initiatives are meant to assist her and other entrepreneurs with achieving these goals.

##### **Women Training Centre**

Ms. Elizabeth Chikoya, National Board Chair of NABW, has transformed her house into a small training centre for local urban women. The women (approximately 40) are being trained in mushroom growing, tailoring, food processing, and soap making. To be able to grow, she indicated that she would require assistance for equipment acquisition and technical training in product development, BDS, business management, and entrepreneurship development training for her clients.

The site visits clearly indicated that there is a pressing need for effective and continuous Business Support Services by the project partners and the network in Malawi. DEMAT and NABW will initiate BDS-related assistance to support both these initiatives and other opportunity-driven entrepreneurs who are in need of assistance.

### **Meeting Day III, 22 October 2008**

#### ***Proceedings and Results***

##### ***Session VI 'Working Group Session: BDS for Entrepreneurship Development (WED/YED)'***

The UNIDO Project Manager opened the third meeting day by setting the stage for a working group session in which the country teams developed national BDS network strategies for follow up on work plans and national level activities.

##### ***Session VII 'Work Schedule for Follow Up on Work Plans and Activities'***

The country teams presented their preliminary BDS network strategies for national level activities. Annex V provides an overview of the planned activities per country.

##### ***Sessions VIII 'Closing Session'***

During the closing session, major points of attention from the discussions held in the course of the three seminar days were highlighted.

The seminar participants agreed that each of the faculty teams for technical and entrepreneurship training to BDS providers in the countries should include one representative from another country within the regional network, who will be actively involved in the training sessions.

*Regional Project in Eastern and Southern Africa (YA/RAF/08/015): 'Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship (WED/YED)'*

The next regional seminar, sponsored by this regional project, is scheduled to take place from 01 to 03 April 2009, at UNIDO Headquarters in Vienna. The fourth seminar is scheduled for 10-12 August 2009, to be organised by the project partners in Kenya.

**Draft Provisional Agenda 3<sup>rd</sup> Regional Seminar 'Capacity Building of BSOs for Mainstreaming of WED/YED in Agribusinesses' Vienna, Austria, 01-03 April 2009**

- Country reporting on national level BDS network activities and initiatives undertaken.
- Capacity building of Business Support Organisations (BSOs) in support of strengthening WED/YED.
- Network/cluster development for supply capacity building.
- Quality standards and trade capacity building.
- Project management development, including Results-Based Management (RBM) and monitoring and evaluation of effectiveness and results.
- Fair Trade policies for the region to support WED/YED in agribusinesses.
- Website management.

## IV. Meeting Achievements and Impact

The regional seminar in Malawi was highly appreciated by all participants, because it provided applicable technical information and a regional platform for exchanges between the project partners, which has empowered them to undertake action on BDS network building at national level. The excellent collaboration in organising this meeting between the network partners SIDO and DEMAT, as well as with assistance from NABW, has further deepened the relations within the network. The network partners have started to make practical links between their WED/YED programmes by having exchanges with technical representatives from each other's agencies.

The meeting provided ample opportunities for exchanging views with the financial institutions Equity Bank and Bank of Industry. Their participation was found to be very enriching, and subsequent initial contacts were made for an enduring cooperation with the network. Several project partners have established links with the banks during the seminar for mutual cooperation on micro credit facilitation in BDS for WED/YED.

Collaboration ties have also been established with ILO's Women's Entrepreneurship Development and Gender Equality (WEDGE) programme. ILO expressed its intention to further develop practical synergies with the UNIDO-supported BDS network for supporting women entrepreneurs and service providers in the countries.

### **Highlights of the 2<sup>nd</sup> Regional Seminar Lilongwe, Malawi, 20-22 October 2008**

- Workshops: UNIDO's holistic approaches to entrepreneurship development promoting opportunity-driven entrepreneurship and BDS market development reviewed.
- Consensus reached among project partners about a common approach for BDS market development.
- Preliminary country strategies for BDS network building at the national level presented and reviewed (including 6 month work plans).
- Experiences shared among regional project partners with ILO, Bank of Industry (Nigeria), and Equity Bank (Kenya) related to their support to promote WED/YED in Africa, as well as tools and approaches used.

### ***Common Approach to Develop the BDS Market***

The network partners agreed on developing a coherent BDS system with their national partners to increase the development impact of entrepreneurship development for growth and job creation.

Major points of agreement on the market development approach:

- Existing support programmes for entrepreneurs should move in the direction of supporting new business ventures based on opportunity-driven behaviour.
- The BDS system foreseen is to focus on strengthening entrepreneurs to develop their ventures into stable opportunity-driven businesses with growth potential.
- BDS support to entrepreneurs is to be sustainable, market-driven, and demand-oriented, providing both immediate and longer-term benefits.

- Differentiated roles for BDS market facilitators and BDS providers.
- Designs need to be developed for sustainable commercially-based services, which are to make paid services feasible.

### ***Impact***

- Initial steps have been taken for BDS network formation in Kenya, Tanzania, and Zimbabwe to assist women and young entrepreneurs. Malawi is to follow soon.
- Eritrea is gradually opening up to the notions of public-private sector collaboration and networking for BDS.
- The country partners are going through a positive paradigm change with regard to entrepreneurship development approaches.
- Dynamic information exchanges and visits on BDS opportunities are taking place between the network partners. The network partners intend to involve one representative from another network country in each other's BDS provider training sessions.
- Awareness among network partners that entrepreneurs in the region are in need of improved cooperation/coordination among the private sector, as well as public-private sector partnerships, to enable enterprises to diversify, innovate and increase the value-added of production.

## Annex I – List of Participants: Second Regional Seminar, Malawi

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## Annex II – Programme Second Regional Seminar



### Programme: Second Regional Seminar

20 – 22 October 2008, Lilongwe, Malawi

**Monday, 20/10/2008**

**Moderator: Inez Wijngaarde, Project Manager, UNIDO**

#### Welcoming and Official Opening Session (09.00-09.45 hrs)

- **Welcoming of the Participants**
- **Opening Statement:** The Importance of Business Development Services for Entrepreneurship Development

*Representative of the Government of the Republic of Malawi  
Ministry of Industry, Trade and Private Sector Development*

#### Coffee Break & Meeting the Press (09.45-10.15 hrs)

#### Session I (10.15-11.15 hrs)

- **Introduction: Project Achievements**
  - Brief overview of the report on the First Regional Seminar, Dar es Salaam, Tanzania (June 2008)
  - Brief overview of progress made so far and issues to be addressed
  - Project coordination issues and evaluation arrangements
  - The objectives of the Second Regional Seminar and topical areas to be covered (BDS, fair trade, and credit facilitation)

*Interactive session, UNIDO, by Inez Wijngaarde, PM, and Robert van Lavieren, Consultant*

- **Discussions on Issues Brought Up by Participants**

#### Session II (11.15-12.30 hrs)

*Moderator: Malawi, Daniel Ghambi, DEMAT*

- **The Status of National BDS Network Building Activities in the Countries**
  - The country teams are requested to present:
    - a. Outcomes and impact of recent activities undertaken, including experiences about constraints and opportunities encountered in BDS network building
    - b. Initial proposals for national level network activities promoting the effectiveness of services provision

*PowerPoint presentations, to be prepared by each country team (approximately 10 minutes duration; 5 slides)*

- Relevant questions for review, based on work undertaken:
  - a. What is the current status of BDS provision within the country?
  - b. What is the role and the need for the BDS network? (defining purpose and specific objectives)
  - c. Who are the BDS service providers and facilitators in the market?
  - d. Which type of organisations should be part of the BDS network?
  - e. How should the network be organised (service delivery structure), and how is network membership defined?
  - f. Who are the clients that currently make use of these services, and what will be the target beneficiaries of the network? Special attention to women and youth?
  - g. Which services should the network offer to MSME entrepreneurs? (the portfolio of services)
  - h. How can BDS be provided on a sustainable basis (sustainability strategy), e.g. based on client service delivery fees, cost recovery, or general membership fees?

➤ **Discussions on Issues Brought Up by Participants**

**Lunch Break (12.30-13.30 hrs)**

**Session III (13.30-16.00 hrs)**

*Moderator: Kenya*

➤ **Interactive Training Workshop: Fair Trade and Corporate Social Responsibility (CSR) in Entrepreneurship Development**

*PowerPoint presentation and workshop by Fairtrade Labelling Organizations International (FLO)*

➤ **Discussions on Linkages with FLO and Implications for BDS Provision at the National Level**

**Tea Break (16.00-16.15 hrs)**

**Session IV (16.15-18.30 hrs)**

*Moderator: Tanzania*

➤ **Interactive Training Workshop: Promoting Gender Mainstreaming and Decent Work in Entrepreneurship Development**

*PowerPoint presentation and workshop by ILO*

➤ **Discussions on Issues Brought Up by Participants in relation to ILO Tools and Methodologies for WED/YED**



**Tuesday, 21/10/2008**

**Session V (09.00-10.30 hrs)**

*Moderator: Eritrea*

➤ **Interactive Training Workshop: BDS for Entrepreneurship Development (WED/YED) (Part I)**

- Guidelines for effective BDS provision to agribusinesses through institutions
- Developing a demand-oriented service package
- Costing and price setting of services
- HRM issues: selecting business coaches/consultants
- Exchanges on best practices

*PowerPoint/multimedia presentation and workshop by UNIDO, Inez Wijngaarde, PM*

➤ **Discussions on Issues Brought Up by Participants**

**Coffee Break (10.30-11.00 hrs)**

**Session VI (11.00-12.00 hrs)**

*Moderator: ILO*

➤ **Interactive Training Workshop: BDS for Entrepreneurship Development (WED/YED) (Part II)**

*Working group session: country teams make an outline of a demand-oriented BDS package for their country*

**Lunch Break (12.00-13.00 hrs)**

**Session VII (13.00-15.30 hrs)**

➤ **Panel on Mainstreaming Micro Credit Facilitation in Business Support Services for WED/YED**

- *PowerPoint presentation by Bank of Industry, Nigeria*
- *PowerPoint presentation by Equity Bank, Kenya*

➤ **Discussions on Implications for BDS Provision and Issues Brought Up by Participants**

**Site visits: Organised by FLO and DEMAT      Departure - Lilongwe (15.30 hrs)**

**Return to the Hotel approximately at 20.00 hrs**

**Wednesday, 22/10/2008**

**Session VIII (10.30-12.00 hrs)**

*Moderator: Zimbabwe*

➤ **Networks for Private Sector Development**

- Establishing horizontal and vertical networks to strengthen business support organisations and groups for private sector development
- Network building: how to establish networks on the national level for improved private sector assistance to entrepreneurs in agri-businesses
- Technology exchanges for productivity, growth, and competitive agri-businesses
- The use of regional expertise and resources

*PowerPoint/multimedia presentation by UNIDO, Inez Wijngaarde, PM, Robert van Lavieren, Consultant*

➤ **Discussions on Collaboration with Partners, i.e. FLO, ILO, Banks and Micro Credit Agencies**

**Session IX (12.00-13.30 hrs)**

➤ **Work Schedule for Follow Up on Work Plans and Activities (Part I)**

- The country teams are requested to present their national BDS network strategies, including:
  - a. A short description of the strategy for national network building to set up a sustainable and market-driven BDS system that supports WED/YED in agribusinesses
  - b. A draft country work plan for the period January 2009 – July 2009

*PowerPoint presentations, to be prepared by each country team (approx. 10 minutes duration; 5 slides)*

**Lunch Break (13.30 – 14.30 hrs)**

**Session X (14.30-16.00 hrs)**

*Moderator: Tanzania*

➤ **Work Schedule for Follow Up on Work Plans and Activities (Part II)**

- Discussion and agreement on country work plans
- Review of the network website
- Trade fair participation possibilities
- Agenda to be proposed for the next regional seminar

**Tea Break (16.00-16.15 hrs)**

**Session XI (16.15-18.00 hrs)**

*Moderator: UNIDO*

➤ **Closing Session**

- Final report of the Seminar and The Way Forward

## **Annex III – Opening Statement Ministry of Industry and Trade, 20 October, 2008, Lilongwe, Malawi**

THE IMPORTANCE OF BUSINESS DEVELOPMENT SERVICES FOR ENTREPRENEURSHIP DEVELOPMENT.

A SPEECH BY Mr Nebert Nyirenda, Principal Secretary in the Ministry of Industry and Trade on the Official Opening of a second Regional seminar for the Regional Project in Eastern and Southern Africa (YA/RAF/08/015): *‘Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship (WED/YED)’* at Madidi Lodge in Lilongwe on 20<sup>th</sup> October 2008.

The UNIDO Officials

The Representatives of various UN Agencies,

Distinguished participants

Ladies and gentlemen

It gives me great pleasure in welcome all of you to the warm heart of Africa. Please feel at home and enjoy our Malawian hospitality.

Malawi’s leadership has set national goals of turning our beautiful country from being a net consumer to being a net exporter. One of the most important partners in realising this dream is the Small and Medium Enterprises sector. However, SMEs cannot meaningfully contribute to increasing exports without Business Development Services (BDS) offered by various players in the country.

Research has shown that Small and medium-sized companies are the growth generators for economies worldwide, the frequent incubators of ideas and inventions and the basis of the economy. Ninety percent of the new jobs in the world are generated through small – and medium-sized (SME) enterprises. Most businesses in Malawi also fall into this category. Therefore, the government of the Republic of Malawi is interested in helping to make SMEs successful. Therefore, it is natural to ask whether the existing services and businesses could help SMEs do an adequate job and how they might do it better with a view to enabling SMEs to take a leading role in turning Malawi into a net exporter.

Some of the major services required by the SME sector in order to improve their productivity include the following:

- Training
- Extension, consultancy, and training

- Technology development and transfer
- Business linkages
- Information
- Development of commercial entities to act as brokers

Ladies and Gentlemen, the government of the Republic of Malawi, just like several other governments in the world, recognizes the important contribution of SMEs in economic and social development. SMEs help in poverty reduction and economic growth by providing the following:

- SMEs are the Engine of Growth
- SMEs are Essential for a Competitive and Efficient Market
- SMEs are Critical for Poverty Reduction

In Malawi, just like in many other countries, the SME sector is at the hub of spurring growth. In acting as one of the major catalyst for growth, SMEs provide two major important growth functions:

- SME sector is the largest provider of employment in most countries, especially of new jobs
- SMEs are a major source of technological innovation and new products

Ladies and gentlemen, having mentioned the importance of SMEs in our economy, I would be failing in my duties if I do not recognize the major contributions of Business Development Services (BDS) to Entrepreneurship and SMEs in general? Business Development Services (BDS) are an important ingredient of entrepreneurship development as they provide the following amongst others:

- Skills improvement in business management which in turn help in the growth of entrepreneurship.
- Enables SMEs to access new markets as well as expand their market share of existing markets due to improved customer service.
- Improve the quality and quantity of production. This in turn leads to increased profits and improved sustainable livelihoods.
- Increased employment.
- Improved financial and human resource management. This in turn leads to growth of the productive sector.

Lastly, but not least, I would like to thank the organisers and participants for choosing to have your second regional network meeting in Malawi. Please enjoy your deliberations. With these few remarks, it is my pleasure to declare this seminar officially open.

## **Annex IV – Progress on Network Building at National Level**

### **KENYA**

- On the 25th of September 2008, in the presence of the Kenyan Minister for Gender, the Kenya Association of Women Business Owners (KAWBO) launched their Strategic Plan. Mr. Kamau (VACID Africa) made a presentation on the BDS programme to more than 80 women. The BDS secretariat is due to be set up by the end of 2008.
- KAWBO, in collaboration with the Vital Voices 500, has planned a 'Fortune Walk' for November 29th, whereby successful businesswomen will mentor younger women. Kenya is one of 15 countries where this event is taking place. A preparatory mentors' workshop will be held on 15 November 2008.
- KAWBO has partnered with the Association of Women in Agriculture Network (AWAN), which has strong a representation at grassroots level, and with Be.Unlimited, a youth organisation.
- KAWBO has begun training the Gatsby Trust and the Aloe Working Group in BDS.
- In March 2009, KAWBO plans to hold its first international business conference in Nairobi for 400 women business owners. The theme is 'women mean business'. The objectives of this conference include facilitating new business linkages, creating new understanding and business leverage for women in business.

### **MALAWI**

- The Malawi team held coordination meetings, wrote invitation letters to possible stakeholders, and held meetings with them to discuss their involvement in the network. Six targeted institutions expressed an interest in the network, and all have sufficient human and financial resources to take part.
- Progress was delayed by a lack of initial response from potential partners and a lack of funding. It was noted that while there is a favourable environment for BDS in Malawi, there are weak BDS structures in the country.
- Potential partners in the BDS network:
  - Active Youth Initiative for social enhancement (AYISE) – private NGO (Blantyre)
  - Youth Network and Counselling (YONECO) – NGO (Zomba)
  - Business Growth Scheme (BUGS) – Government institution, Ministry of Industry and Trade (Launched in October 2008, Blantyre HQ)
  - Business Consult Africa (BCA), private company (Blantyre)
  - New Building Society Bank (NBS), banking, training in business management, Lilongwe (SME section in Blantyre)
  - Hunger Project, NGO agribusiness for women, microfinance, telecentres, literacy training, Blantyre

### **ERITREA**

- After the meeting in Dar es Salaam, the seminar report of the meeting was shared with the Eritrean National Chamber of Commerce (ENCC), the UNIDO office in Eritrea, and the Ministry of Trade and Industry (MTI).
- Both ENCC and MTI assigned focal persons, and discussions were undertaken on the formation of a network. It was decided to invite National Union of Eritrean Youth and Students (NUEYS) and the Ministry of Agriculture (MAG) Rural Women Development Unit.
- The MTI agreed with UNIDO and ENCC that it would call for a meeting involving all the network leaders in order to define the parameters and objectives of the network. However, to date no such meeting has taken place.

## **TANZANIA**

- In July 2008, the Tanzania Women Chamber of Commerce (TWCC) and the Umoja wa Wajasiriamali Zanzibar (UWAZI) and TGT identified other stakeholders to network with such as Graduate synergy, and Prosperity Africa (Youth BDS organisations).
- A concept paper was submitted to UNIDO and subsequently refined for obtaining seed funds to start off BDS network activities.
- A needs analysis in BDS for women and youth was undertaken.
- PUM conducted a seminar on availability of senior experts for assisting various areas.
- A Tanzania Private Sector Foundation (TPSF) meeting took place on matching grants and applications to the implementation of activities.
- Prosperity Africa organised a workshop to sensitise youth for income generation in agriculture.
- Discussions have been conducted on the possible formation of an Eastern Africa Women Entrepreneurs Association.
- The network submitted a proposal to the Danish International Development Agency (DANIDA) for funding of a programme targeting agri-businesses. TWCC is planning to meet the Queen of Denmark on her November 2008 visit to Tanzania.
- A fact-finding mission to Madagascar is planned, following the visit of the President of Madagascar to Tanzania.

## **ZIMBABWE**

- There has been momentum created in the BDS sector: 6 planning meetings were held with various stakeholders. Both the Netherlands organisations SNV and HIVOS have strengthened the UNIDO seed funding with additional financial support.
- Over 75 potential BDS members have been linked to the network after advertisements had been placed in the national newspapers.
- Two workshops are now planned: one for Bulawayo set for 04 November 2008, and for Harare for 06 November 2008. Zimbabwe National Chamber of Commerce (ZNCC) and the Zimbabwe Opportunity and Industrialization Centre (ZOIC) are planning logistics for the workshops.

## **Annex V – Country Strategies for BDS Network Building at National Level**

### **KENYA**

#### **The Current Position**

- Many players are currently doing different BDS interventions under different structures and approaches
- The Government has formulated a Vision 2030
- 60% Kenyans live below poverty line
- Enormous BDS potential that will require concerted efforts

#### **Objectives**

- Understand the current BDS situation (mapping of BDS services and providers)
- Harmonise BDS provision for achievement of vision 2030
- Formation of a network that will bring together all BDS providers and facilitators
- Up scaling micro enterprises to SME level
- Maintain a databank of BDS actors

#### **Strategies**

- Promotion of BDS best practices
- Promotion of team playing amongst BDS actors
- Provide capacity building to facilitators and providers
- Promote a code of conduct for BDS providers and facilitators

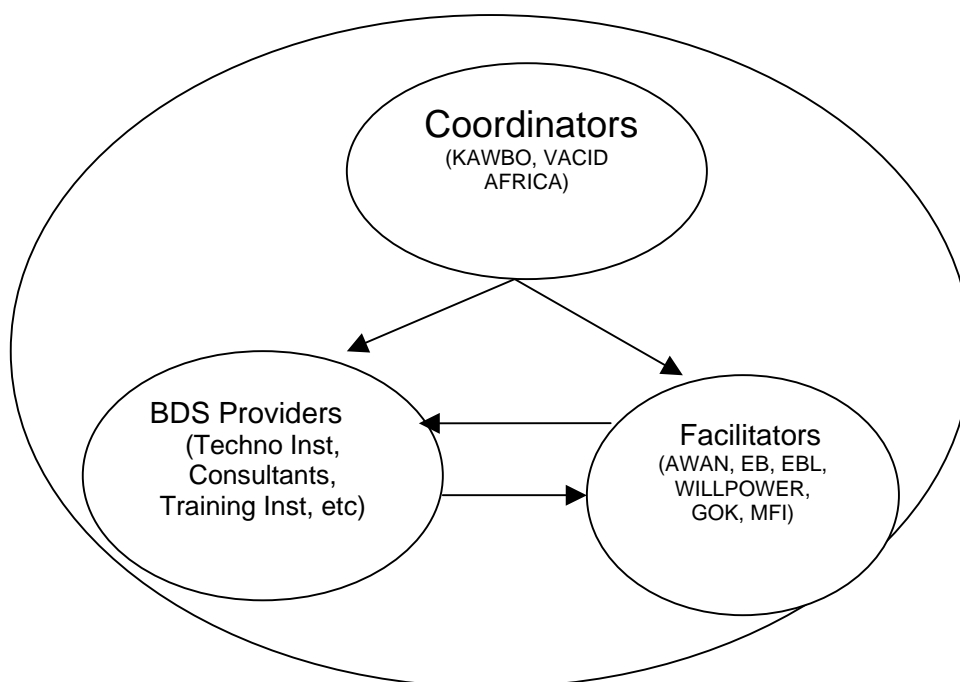
#### **Kenya Business Development Services Network Roles**

- Promotion of BDS best practices
- A platform for sharing amongst providers and facilitators
- Champion BDS services in the country
  - Advocacy for BDS intervention
  - Market development
  - Infrastructure construction
  - Input supply
  - Training for BDS facilitators and providers
  - Technology up scaling
  - Credit and Financial literacy
- Maintain a service provider databank
- Maintain a facilitator databank
- Maintain a financial service provider databank
- Champion product development interventions
  - Create a communication feedback loop from the community level

#### **Possible Stakeholders**

- KAWBO
- VACID
- EQUITY BANK / BANKS
- MICRO FINANCE ORGANISATIONS
- AWAN
- BE LIMITED
- FEWA
- DONOR ORGANISATIONS
- GOK
- FAIR TRADE

## Model



## Work Plan

Activities	Period	Responsibility
• Meetings of all stakeholders for buy in and structure construction	November 2008	VACID Africa/KAWBO/ EB
○ Create awareness – website creation	Immediately	VACID Africa/WillPower
○ Advertise to stakeholders	Last Week Oct 2008	VACID Africa/KAWBO/ EB
• Launching of KBDS network	December 2008	VACID Africa/KAWBO/ EB
• TOT trainings to providers and facilitators	Jan-Feb 2009	Facilitators
○ BDS market development approach	Jan-Feb 2009	Facilitators
○ Harmonisation of BDS with vision 2030	Immediately	VACID Africa/KAWBO/ EB
• Creation of online data bases	Immediately	VACID Africa and Facilitators
• Development of BDS code of practice	March-April 2009	Facilitators



## **MALAWI**

### **Strategy**

- Network to comprise members who have the requisite human resource capacity and a stable financial resource base. This will enhance sustainability of the network activities even in the case of a lack of donor funding
- To provide incentives that will encourage BDS start ups
- Develop joint network proposals to be submitted to donors for funding
- Develop joint work programmes (either annual or bi-annual) so as to have ownership of the programmes and the network with a view to promoting sustainability of the network
- Conduct a market survey on BDS requirements within the country. The survey will enable network members to focus BDS provision on the most critical issues and gaps
- Officially launch the BDS network. This will create additional awareness on the existence of the network

### **Work Plan**

<b>Activities</b>	<b>Period</b>	<b>Responsibility</b>
<ul style="list-style-type: none"> <li>• Monthly Network Meeting</li> <li>• Network publicity through media</li> <li>• Identify potential additional network members from the central and northern regions</li> <li>• Develop proposal for funding on BDS market survey</li> </ul>	November 2008	DEMAT, NABW
<ul style="list-style-type: none"> <li>• Monthly network meeting</li> <li>• Finalise BDS market survey proposal and submit to donors</li> </ul>	December 2008	DEMAT, NABW
<ul style="list-style-type: none"> <li>• Monthly network meeting</li> <li>• Conduct market survey on the BDS (BDS supply and demand)</li> </ul>	January 2009	DEMAT, NABW
<ul style="list-style-type: none"> <li>• Finalise market survey and survey report</li> <li>• Discuss amongst network members the market survey results</li> <li>• Develop work on BDS provision based on the survey findings</li> </ul>	February 2009	DEMAT, NABW
<ul style="list-style-type: none"> <li>• Network meeting</li> <li>• Develop proposals for funding to address BDS provision with emphasis on the top three BDS demands identified from submit proposal to donors</li> <li>• Identify possible BDS providers and facilitators from within the network to address the top three BDS demands/gaps identified by the survey the survey</li> <li>• BDS Workshop to move forward on</li> </ul>	March 2009	DEMAT, NABW

the basis of survey results (i.e. who does what) – in conjunction with UNIDO and ILO -WEDGE		
<ul style="list-style-type: none"> <li>• Network meeting</li> <li>• Start addressing the BDS gaps identified from the market survey</li> </ul>	April 2009	DEMAT, NABW

## **ERITREA**

### **Strategy**

- Go back and finalise the identification of network partners who can assist in setting up the network to develop WED/YED, e.g. ENCC, SMCP, Women in Agribusiness Association
- Identification of the BDS providers through assessment of the BDS market to map out the BDS market in Eritrea
- Identify the support services needed by entrepreneurs, their demographics and sectoral needs
- The BDS facilitators and providers will agree on the BDS provision modalities for the different group of entrepreneurs

### **Work Plan**

<b>Activities</b>	<b>Period</b>	<b>Responsibility</b>
<ul style="list-style-type: none"> <li>• Finalise identification of network members</li> </ul>	Nov-Dec 2008	ENCC, SMCP, Women in Agribusiness
<ul style="list-style-type: none"> <li>• Identification of BDS providers</li> </ul>	November 2008	ENCC, SMCP, Women in Agribusiness
<ul style="list-style-type: none"> <li>• Identify support services needed by entrepreneurs</li> </ul>	Nov-Dec 2008	ENCC, SMCP, Women in Agribusiness
<ul style="list-style-type: none"> <li>• BDS providers and facilitators will agree on the BDS provision modalities for the different groups</li> </ul>	January 2009	ENCC, SMCP, Women in Agribusiness
<ul style="list-style-type: none"> <li>• Training on BDS will be conducted</li> </ul>	March 2009	ENCC, SMCP, Women in Agribusiness

## **TANZANIA**

### **BDS Providers in Tanzania and Other Meeting Participants**

- Tanzania Private Sector Foundation
- Tanzania Chamber of Commerce
- Tanzania Investment Centre
- Banks
- Small Industries Development Organisation (SIDO)
- Technology Dev. Cos.-TEMDO, CARMATEC
- CARBO/CAWEE
- Embassies of Denmark, the Netherlands, Ireland, and South Africa
- Ministries of Industry, Youth, and Gender
- Uni. DSM - Enterprise Development Centre

- ILO WEDGE

### Work plan

Activities	Period	Responsibility
• Identify the BDS provider network which can address the needs analysis already done (financial and non financial providers)	29 October 2008	TWCC/WED/TGT/Prosperity Africa/UWAZI-ZAFOPA/Graduate Synergy
• Prepare and send a formal letter of introduction to BDS and donors	29 October 2008	TWCC/WED
• Develop monitoring toolkits to collect results	11 November 2008	TWCC/WED/TGT/Prosperity Africa/UWAZI-ZAFOPA/Graduate Synergy
• Hold a BDS meeting/seminar invite banks, MSMEs Reps/Orgs, donors, ministries, WEDGE Coordinator, Equity bank etc	18 November 2008	UNIDO to facilitate the meeting
• BDS Providers Training	9-10 December 2008	TWCC/WED/TGT/Prosperity Africa/UWAZI-ZAFOPA/Graduate Synergy/Kiringai Kamau
• Visit one-stop shop in Kenya	After 15 February 2009	TWCC/WED/VACID Africa (and possibly ILO-WEDGE)
• Group leaders hold meetings with their members to educate them on services available from BDS providers	24 November to 15 December 2008	Group leaders - TWCC/WED/TGT/Prosperity Africa/UNWAZI-ZAFOPA/Graduate Synergy
• Creation of a website	March 2008	Kiringai Kamau/WED/TWCC
• Creation of a one-stop shop for BDS	June 2009	ILO-WEDGE, TWCC and WED, with assistance from UNIDO
• Monitoring/follow up/evaluation	Jan –Dec 2009	TWCC/WED

## **ZIMBABWE**

### **Role of the Network**

The two organisations spearheading the network development in Zimbabwe, ZNCC and ZOIC, already play a facilitating role and will endeavour to effectively coordinate the provision of BDS services in the Country. Whilst the network formation process is ongoing, which includes the setting up of a steering committee, the two organisations will strive to support the process. The focus will be on providing technical assistance to BDS providers, hence playing role as BDS market facilitator.

As BDS facilitator the Zimbabwe workshop will seek to provide incentives that encourage BDS start-ups, innovative behaviour, and entry into new and underserved markets. Other activities will include:

- Assessing supply and market demands
- Developing and testing new services
- Training of BDS providers
- Conducting market research
- Liaison role between providers and donors by negotiating and managing donor funds
- Measuring programme impact

Currently, BDS service providers are found in all sectors of the economy, which include management consultants, engineers and ICT services. BDS providers will develop the capacity to deliver a stable supply of services and have a commercial focus and business culture (to offer paid services). The following criteria for BDS will apply:

- Understanding of SME corporate culture and needs
- Communicate and provide immediate benefits to SME clients
- Low cost structure
- Geographical proximity to clients
- Organisational independence

Consideration will be paid to other stakeholders, which include relevant Government Ministries, donor agencies and SMEs that will need to be introduced to the network.

### **BDS Service Delivery Strategy**

The Zimbabwe network will work as a BDS facilitating agency with the following key strategies:

- Leveraging funding for BDS services through negotiation and linking the members with donors, social investors and financing agencies.
- Capacity building services through introduction to new network systems, women chambers, sustainability centres, creating international and national linkages through exhibitions, trade fairs and generation network exchanges.
- Provision of technology through encouragement of technology transfers, setting up technology parks etc.
- Conducting market research to improve on services, finding new markets and generating best practices for members.

### **Monitoring and Evaluation of BDS**

- Measuring impact on changes within MSMEs to enable members to grow from the experiences.
- The network will emphasise the period measurement of impact and changes in the status of the MSME.
- The network will place emphasis on profiling successful MSMEs, to encourage new start-up, as well as stimulate interaction and growth within existing BDS providers.

### **Work plan**

<b>Activities</b>	<b>Period</b>	<b>Responsibility</b>
• BDS awareness meetings – Bulawayo	04 November 2008	ZNCC, ZOIC
• BDS awareness meetings – Harare	06 November 2008	ZNCC, ZOIC
• BDS awareness meetings – Mutare	25 November 2008	ZNCC, ZOIC
• BDS awareness meetings – Gweru	27 November 2008	ZNCC, ZOIC
• BDS Training <ul style="list-style-type: none"> <li>○ A few potential members for 3 days</li> <li>○ More workshops will be done for members</li> <li>○ Concrete recommendations – one-stop-shop</li> </ul>	25 January 2009	ZNCC, ZOIC

• Scan on BDS in Zimbabwe (draft)	February 2009	ZNCC, ZOIC
• Launch of the network (press conference)	March 2009	ZNCC, ZOIC
• 3 <sup>rd</sup> TOT – VIENNA	April 2009	ZNCC, ZOIC

**Potential Members**

- BANKS
- ZNCC
- CZI
- EMCOZ
- MFIs network
- SNV / HIVOS
- Fair trade
- Government

## Annex VI – Photo Gallery and Seminar Presentations



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**National Network Building for Mainstreaming of WED/YED and Micro Credit Facilitation in BDS for the Agribusiness Sector in Eastern and Southern Africa**

 PRIVATE SECTOR DEVELOPMENT BRANCH 

**2<sup>nd</sup> Regional Seminar, Lilongwe, 20-22 October 2008**

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**A Holistic Approach to Entrepreneurship Development**

**INTERACTIVE SESSION**  
**Lilongwe, Malawi, October 2008**

Inez Wijngaarde, UNIDO Project Manager PSD  
Robert van Lavieren, UNIDO Consultant PSD

Poverty Reduction through Productive Activities • Trade Capacity Building • Energy and Environment

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**ISSUE I: How is entrepreneurship linked to economic development?** ↔

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**MSMEs as an Engine of Growth.....**

- New business ventures: *create jobs, intensify market competition, and may increase productivity* through technological change.
- MSMEs typically account for:
  - ✓ More than 90% of business establishments
  - ✓ About 50% of output and export shares
  - ✓ Up to 70% of the labour force
  - .....in both developed and developing countries.

Source: From a statement by Peter Pang, Deputy Chief Executive of the Hong Kong Monetary Authority, Hong Kong, China, at the 41st Asian Development Bank Annual Meeting, Madrid, 5-6 May 2008

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**.....and critical for Poverty Reduction**

- MSMEs tend to employ poorer segments of society in developing countries.
- MSMEs are occasionally the only source of employment in less developed regions and rural areas.
- Self-employment the only source of income for many poor.

Source: World Bank (2003)

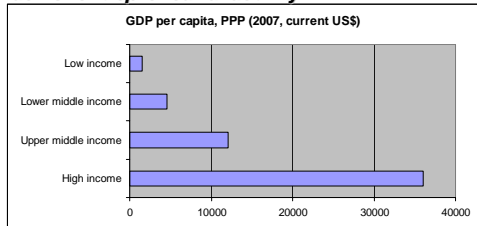
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**INTERESTING FACT:**  
**Developing countries typically have HIGHER levels of entrepreneurship than developed/high-income countries!**

**If there is no lack of entrepreneurial activity**

**Then why such big disparities in GDP per capita?**

GDP per capita, PPP (2007, current US\$)



Income Category	GDP per capita, PPP (2007, current US\$)
Low income	~1000
Lower middle income	~5000
Upper middle income	~12000
High income	~35000

Source: WDI, World Bank (2007)



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### The Type of Entrepreneurship Matters

- **Necessity entrepreneurship:**
  - ✓ Being pushed into entrepreneurship.
  - ✓ Self-employment the best or only option for income generation.
- **Opportunity entrepreneurship:**
  - ✓ Derives from opportunity seeking behaviour.
  - ✓ Capitalising on a perceived business opportunity.

**Necessity entrepreneurship: Low effect on economic development**

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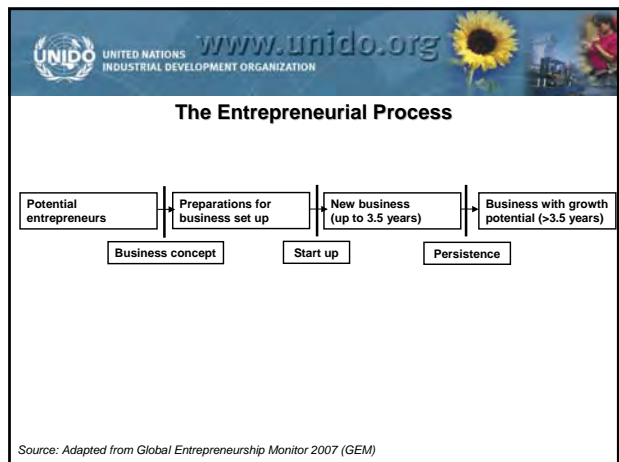
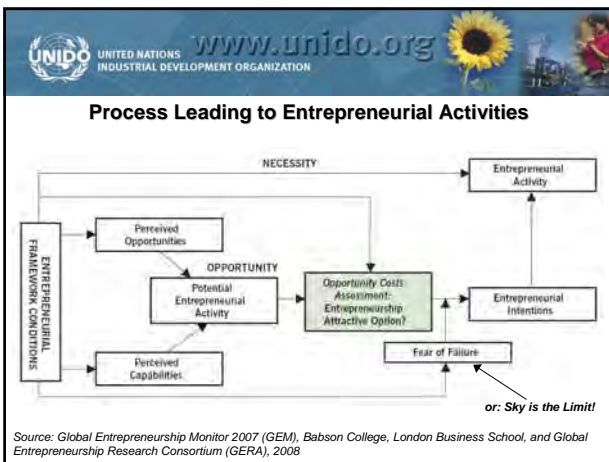
### Opportunity-Necessity Ratio and GDP per capita

- Countries where more entrepreneurship is motivated by an economic opportunity than by necessity, have higher income levels.
- GEM (2008) findings: entrepreneurship more likely to be opportunity driven in high-income countries than in low and middle-income countries.

*This means: levels of necessity entrepreneurship in developing countries are relatively high.*

**Exceptions: India and China have high levels of opportunity entrepreneurship (in some parts of these countries)**

Source: Acs, Zoltan, "How Is Entrepreneurship Good for Economic Growth?" Innovations Journal, Winter 2006



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### ISSUE II:

**How to promote opportunity-driven entrepreneurship and turn necessity entrepreneurs into opportunity seekers?**

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### Implications for Action

- Prevent that those with less education end up in necessity entrepreneurship.
- Support improvements in MSME productivity and competitiveness.
- Strengthen BDS support for trainees, to enable them to walk effectively through the stages of the *entrepreneurial process* and become successful entrepreneurs with growth potential.
- Develop capabilities through technical vocational skills training and education with emphasis on innovative thinking.
- Stimulate opportunity-driven behaviour by developing entrepreneurial skills and an entrepreneurial mindset, using a holistic approach.

**Holistic approach to EDP: Development of the Enterprising Person as well as New Venture Creation**





### **Taking a Holistic Approach to Entrepreneurship!**

Motivating and unlocking every person's potential to:

- Create clear visions for changes needed.
  - Identify and exploit new opportunities for social and economic development.
  - Plan how to turn these visions and changes into reality.
  - Work with/through others to access resources needed to achieve success.
- 
- It is a "new basic skill" which drives social and economic change.
  - It develops a "can do" attitude and mindset.
  - It can be applied to any situation in life to help achieving change in society and creating new businesses.

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## National Network Building for Mainstreaming of WED/YED and Micro Credit Facilitation in BDS for the Agribusiness Sector in Eastern and Southern Africa

**PRIVATE SECTOR DEVELOPMENT BRANCH**

2<sup>nd</sup> Regional Seminar, Lilongwe, 20-22 October 2008

Poverty Reduction through Productive Activities • Trade Capacity Building • Energy and Environment

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## BDS for Entrepreneurship Development (WED/YED)

### INTERACTIVE SESSION

Lilongwe, Malawi, October 2008

Inez Wijngaarde, UNIDO Project Manager PSD  
Robert van Lavieren, UNIDO Consultant PSD

Poverty Reduction through Productive Activities • Trade Capacity Building • Energy and Environment

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### What is BDS?

Business Development Services refer to a wide range of services used by entrepreneurs, especially MSMEs, to help them operate efficiently and grow their businesses with the broader purpose of contributing to economic growth, employment generation, and poverty alleviation (International Training Centre Turin, ILO, 2003)

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### Questions Related to BDS Provision

What do we know about the effectiveness of BDS on private sector development?

- What is the existing supply of BDS from private sector, donor-supported programmes and gov't institutions?
- Which services do MSMEs really need and what is the size of (potential) demand?
- How can BDS be provided on a sustainable basis?
- Which services are entrepreneurs willing and able to pay for?
- How can we reach large numbers of entrepreneurs?
- What role for a BDS network? And who should be part of it?
- How should the BDS network be organised?
- Which roles for facilitators and providers in the network?

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### Types of BDS Services

- Market Access
- Infrastructure
- Policy/Advocacy
- Input Supply
- Training and Technical Assistance
- Technology and Product Development
- Credit and Financing Mechanisms

What services are essential for necessity entrepreneurs to become opportunity entrepreneurs?

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### The Relationship Between BDS and Impact for MSMEs

Example

```

    graph TD
      A[Impact Goals] --> B[MSME Development Strategy]
      B --> C[Business Development Services]
      D[Strengthen product design and market linkages to (inter)national markets] --> E[Help agri-businesses increase sales to (inter)national markets]
      E --> F[Growth, increased income & employment for MSME agri-businesses]
  
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Poverty Reduction through Productive Activities • Trade Capacity Building • Energy and Environment

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### Services: The Level of Benefits and Time until Impact

Direct impact/ Minor benefits	Delayed impact/ Minor benefits
Direct impact/ Major benefits	Delayed impact/ Major benefits

**How to attract clients to buy BDS services that provide *major benefits* but take a *long time* until positive impact is experienced? What consequences for marketing and pricing strategies?**

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### TRADITIONAL APPROACH: Substitute for the Market

Donor funding → Government agency, donor programme, NGOs → Enterprise, Enterprise, Enterprise, Enterprise

Private sector providers? → Enterprise, Enterprise, Enterprise, Enterprise

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### NEW APPROACH: Facilitate Market Development

Donor / UNIDO / Government → Facilitator(s) → Provider → Enterprise, Enterprise, Enterprise, Enterprise, Enterprise, Enterprise

Public and donor funding → Development agenda → Market facilitation (commercial)

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### What Does BDS Market Development Mean?

- This approach differs fundamentally from traditional development programmes

IN ITS:

Vision + Objective + Starting point + Point of intervention + Duration of involvement + Approach to subsidies

**Facilitating the expansion of markets rather than only providing services**

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### Promoting Changes in the Market

**Market development promotes a movement toward a competitive and evolving BDS market with:**

- Increased number of differentiated private sector BDS providers
- Suppliers that do not rely on subsidies; commercial orientation with competitively priced products
- A large variety of available service products
- Improved service quality, fuelled by increased competition
- Increased number of transactions

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### What Are The General Principles of BDS Market Development Programmes? (Part I)

- Essentially driven by market principles, except where there are market failures or services are clearly public goods (e.g. favourable regulatory business environment)
- Facilitate market development rather than providing services directly
- Start with a market assessment
- Donor-funded programmes need to operate lightly in markets to avoid market distortion and subsidy dependency
- Work toward clear picture of a sustainable market and have an exit strategy
- Separate the roles of facilitator and provider

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### What Are The General Principles of BDS Market Development Programmes? (Part II)

- Avoid market distortion and crowding out by working with many providers, including existing providers, which promotes competition and efficiency in the market
- Facilitators develop a transactional relationship with BDS providers, this increases ownership on the supplier side and enables facilitators to become sustainable and permanent market actors
- Let the market determine the best providers instead of 'picking winners'
- Interventions should address specific market inefficiencies/gaps, and programmes should be flexible and responsive to the market
- Focus on business development rather than 'social development to help the poor'

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### Utilise the 'Hidden' Potential

Traditionally public supported BDS providers ← Private sector providers

National and local gov. progr.	Firms providing services to partner MSMEs through business transactions (embedded BDS)
Parastatals	Value chain leaders (embedded BDS)
NGOs	
Business associations	Advanced MSMEs operating in the same sector as target MSMEs
Technical training centres and universities	
Consulting firms on donor/gov. contracts	Informal part-time or full-time privately-owned BDS providers
Micro Finance Institutions (MFIs)	

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### Different Roles for the Facilitator and the Provider

- Provider: concentrates on direct BDS service delivery to MSMEs (standard services)
- Facilitator: developing a competitive BDS market through support to the BDS network
  - ✓ Focus on technical assistance to BDS providers
  - ✓ Provide incentives that encourage BDS start-ups, innovative behaviour, and entry into new and underserved markets
  - ✓ Activities: assessing supply and market demand, developing and testing new services, training of BDS providers, conducting market research, liaison role between providers and donors by negotiating and managing donor funds, measuring programme impact

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### Summary of Criteria for Appropriate BDS Providers

Being an entrepreneur, a BDS provider should have:

- Capacity to deliver a stable supply of services
- Commercial focus and business culture (paid services)
- Understanding of MSME corporate culture and needs
- Communicate and provide immediate benefits to MSME clients
- Low cost structure
- Geographical proximity to clients
- Organisational independence, especially from donor funds

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### Financial Sustainability Strategies

- Fee-for-Services: delivering financial viable services for profitable prices
- Facilitating embedded services by companies: materials, quality control, packaging, market information and promotion
- Cross-subsidising from high-end customers or other activities to support micro/small enterprises (price differentiation)
- Third party payment: large firms pay for BDS for MSMEs in exchange for value-added services from the MSME (e.g. advertising)
- Piggy-backing on MFI facilities: linking BDS to microfinance services

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### How Can Services Be Affordable and Sustainable?

- Clear task division between BDS facilitators and providers to minimise costs of BDS service provision
- Package your services in small pieces: offer short modules
- Gradual payment mechanisms and loans
- Introductory services for a small fee
- Collect payments 'on commission' if the services help the business to make a profit
- Group purchase possibility with discounts


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### Which Interventions to Develop Markets?

- Voucher programmes and matching grants
- Awareness raising on available services and the immediate benefits of BDS
- Collective action: purchase of services in groups
- Promotion of business relationships for embedded BDS
- Capacity building of BDS providers
- Technical assistance in product development/diversification and marketing to encourage targeting new market segments (inclusive)
- Social enterprise initiatives: providers help new BDS providers with market entry

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### 7 Don'ts in Voucher Programmes

- 'Guestimate' the market
- Assume the programme will sell itself
- Let suppliers distribute vouchers
- Drop the co-pay
- Internalise the audit function
- Try to control provider participation
- Worry later about the exit strategy

Source: Lara Goldmark (2001).

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### How Is BDS Programme Performance Being Measured?

**Indicators in terms of:**

- Impact on changes within MSMEs
- Degree of outreach in market development
- BDS provider sustainability and cost effectiveness of programmes

**Performance measurement is related to Results-based programme management**

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### ICTs as New Types of BDS

- Opportunities for MSMEs from ICT applications: up-to-date market information and communication medium for easy connecting to markets
- Q: Should assistance programmes focus on unleashing demand for ICTs and training user groups, rather than building supply capacity?
- User groups with different ICT needs involve different service priorities:
  - ✓ Non-ICT/IT users: provide access to ICT and computer literacy
  - ✓ Non-networked ICT users: build information capabilities
  - ✓ Networked ICT users: strategic approach to tie ICT to business goals

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## ILO's Women's Entrepreneurship Development and Gender Equality (WEDGE) Programme

## Rationale

ILO's WEDGE aims to:

- Promote gender equality and empower women (MDG 3)
- Create decent, sustainable employment for women and men (ILO's core mandate)
- Reduce Poverty (MDG 1)

## Strategy

Governing Body of the ILO in March, 2008 endorsed a strategy in WED:

- Creating an enabling environment for WED
- Institutional capacity building in WED
- Development of tools and support services for women entrepreneurs  
(With a Strong Emphasis of Research)

## Supports for Women Entrepreneurs

- The Gender and Enterprise Together (GET) Ahead guide trains poor women entrepreneurs in business skills, and on how to obtain support through groups, networks and institutions.
- Improve Your Exhibiting Skills (IYES) prepares facilitators to conduct trade fair training workshops for women entrepreneurs.
- The Expand Your Business Training for women entrepreneurs is used by service providers for more growth oriented women entrepreneurs.

## Tools in Institutional Capacity Building

- The Female and Male Operated Small Enterprises (FAMOS) is a self assessment 'gender audit' for SME support organizations.
- The Building Women Entrepreneurs' Associations (WEA) guide is a training package to help build the capacities of member-based organizations.
- The Women's Entrepreneurship Development (WED) capacity building guide is a training package aimed at gender sensitising the staff of SME support organizations.

## Tools in the Enabling Environment

- The Assessment Framework for Growth Oriented Women Entrepreneurs (GOWE) is a research methodology that examines the way the social, cultural and business environment affects women in business.
- The Gender Sensitive Value Chain Analysis (GSVCA) guide investigates how gender relations and biases impact on different parts of a value chain.
- The Guide to the 'Month of the Woman Entrepreneur' can assist organizations systematically plan and implement events to promote WED.

## Main Achievements

- **2007:** 23,000 WEs and 100 people from support organizations trained with various WEDGE tools
- Action plans developed by 13 Employer Organizations to promote WED
- Research on WED in all programme countries
- WEAs capacity built in Ethiopia, Kenya, UR Tanzania, Zambia
- Many months of the Woman Entrepreneur

## Geographical Coverage

- **2002 - 2011:** Ethiopia, **UR Tanzania**, Zambia, Lao PDR
- **2005 - 2011:** **Kenya**, Uganda, Cambodia
- **2009 - 2011:** Lesotho, **Malawi**, Mozambique, South Africa, Viet Nam
- **2009 – 2010:** Francophone West Africa (Approximately \$170,000 per year per country)

## Growth Oriented Women Entrepreneurs

In Kenya ILO partners with the AfDB and IFC in a project to support Growth Oriented Women Entrepreneurs (GOWEs) that:

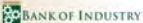
- Provides a line of credit to financial institutions.
- Works to build associations of GOWEs.
- Works to enhance BDS for GOWEs.

## ILO Staff

- WED (and YED) coordinator at HQ in Geneva
- Chief Technical Advisor (CTA) in Addis Ababa (Eth, Ke, URT, Ug, Za)
- CTA in Pretoria (Les, Mal, Moz, SA)
- CTA in Bangkok (Cam, Lao, Viet)
- National Programme Coordinators in every country

## Next Steps

- How can your network link in with what we are doing?
- How can we ensure (in practical terms) that UNIDO and ILO remain engaged with each other on WED?
  - Malawi
  - Kenya
  - UR Tanzania
  - Regionally

 BANK OF INDUSTRY


PRESENTATION BY  
**MOHAMMED G ALKALI**  
 GENERAL MANAGER (SME)

**BANK OF INDUSTRY (BOI) LIMITED, NIGERIA**

AT THE  
**UNIDO REGIONAL EXCHANGE SEMINAR**  
**LILONGWE, MALAWI**

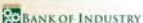
20<sup>TH</sup> TO 22<sup>ND</sup> OCTOBER, 2008



 BANK OF INDUSTRY

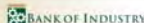
**NIGERIA:- FACTS AND FIGURES.**

- ❖ A coastal country populated by almost 150million people.
- ❖ Democratic federation with 36 states with capital in Abuja. Lagos now regarded as the commercial centre.
- ❖ A gateway to the economy of the ECOWAS sub region with population of about 250million people.
- ❖ Part of the SANE countries (South Africa, Algeria, Nigeria and Egypt)- those with GDP of over USD100.00 billion.
- ❖ Part of the NEKS countries (Nigeria, Egypt, Kenya and South Africa)- those with huge untapped markets.
- ❖ Return on investment at 20% P A is among the highest in the world.
- ❖ MSMEs constitutes over 95% of enterprises and accounts for over 50% of formal employment.
- ❖ Though agrarian but more dependent on oil and gas.

 BANK OF INDUSTRY

**THE STRUCTURE OF GDP 2007.**

❖ Agriculture	41.73 %
❖ Oil & Gas	21.85 %
❖ Distributive Trade	14.95 %
❖ Telecom & Postal	11.76%
❖ Manufacturing	3.91%
❖ Finance & Insurance	3.90%
❖ Building & Const.	1.62%
❖ Solid Minerals	0.28%

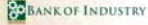
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**GOVT REFORMS/TRANSFORMATIONS.**

- ❖ Deliberate institutional strengthening of the economy through rationalization and reorganizations.
- ❖ Concerted efforts in actualising the objectives of the Millennium Development Goals (MDGs).
- ❖ Total overhauling of the financial system. Nigeria now have twenty-five world class banks after the consolidation. A micro finance policy also established.
- ❖ The Insurance sub sector had been streamlined as well as the Pension Funds.
- ❖ The capital market is one of the most vibrant in Africa.
- ❖ As per FSS2020 vision, Nigeria will be the financial hub of the ECOWAS sub-region.
- ❖ Unprecedented commitment to the development of Human capital and improvement in infrastructure.



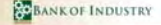
## GOVT REFORMS/TRAN CONTD.



- ❖ Strong political commitment to fight corruption at all levels towards institutionalizing accountability, transparency and good governance.
- ❖ The oil & gas and the ICT Industries had witnessed tremendous transformation.
- ❖ The Extractive Industries Transparency Policy has been established to encourage transparency in the sector.
- ❖ Power sector reforms, including the unbundling of Power Holding Company of Nigeria (PHCN) and liberalization of the sector to allow for private sector participation especially in building Independent Power Projects (IPPs).

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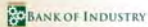
## VISION 20-2020/7-POINTS AGENDA.



- ❖ Nigeria is working through a new development strategy called **Vision 20-2020**, i.e to be amongst the twenty developed nations/economies of the world by the year **2020**.
- ❖ Consequently, the present democratic government had adopted a composite matrix of developmental variables called the **The 7-Points Agenda** (*Infrastructure development, Human capital development, Security/Rules of law, Power/Energy, Anti corruption crusade, Poverty reduction and Niger Delta*)..

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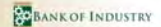
## VISION 20-2020/7-POINT AGENDA CONTD



- ❖ The Agenda's main objective is to provide the necessary platform for the nation to attain the key supporting elements of industrialization, viz by having a :-
  - Well talented, skilled, empowered and entrepreneurially inclined citizens.
  - Well structured world class infrastructure in all its ramifications.
  - Well developed and functionally linked Information, Communication and Technology (ICT) structures.
  - Well secured and transparent politico-socio-economic environment.
  - A robust and effectively integrated financial system (FSS2020)

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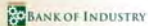
## OPPORTUNITIES FOR INVESTMENT.



- ❖ Infrastructure
  - Roads, Rail, Ports/Airports, Real Estates
- ❖ Manufacturing
  - Textiles & Furniture, Pharmaceuticals, food & agricultural processing, livestock.
- ❖ Services
  - Engineering & ICT Services
  - Transportation (Air, Marine and Rail),
  - Specialized (skill) education, Tourism & Hospitality
  - Financial sector intermediation.
- ❖ Mining & Quarrying of Solid Minerals
  - Limestone, Coal, Granite, etc
- ❖ Power Supply
  - Generation, Transmission & Distribution
  - Renewable energy
- ❖ Petroleum (Oil & Gas)
  - LNG Production (Gas gathering prospects);
  - Petroleum Downstream: Petrochemicals, Refining; and oil/gas services

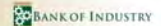
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## THE BANK OF INDUSTRY (BOI) LIMITED.



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## BACKGROUND.



- ❖ BOI was established in October, 2001 following the reconstruction of the Nigerian Industrial Development Bank (NIDB) by subsuming the mandates of NBCI and NERFUND. NIDB had been in existence since 1964 as one of the oldest DFIs in Nigeria.

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## THE OWNERSHIP STRUCTURE.

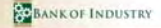


- ❖ 44 Shareholders
- 99.9% of Equity held by the Federal Government through:
  - Ministry of Finance Incorporated (MOFI) 59.54%
  - Central Bank of Nigeria (CBN) 40.36%
  - Equity held by 42 private Shareholders 0.10%

-----  
100.00%  
=====

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## BOI'S CORE MANDATE



- ❖ Providing financial assistance for the establishment of large, medium and small projects; as well as expansion, diversification and modernization of existing enterprises; and rehabilitation of ailing industries. Recently taken up the challenges of empowering the micro enterprises.

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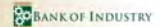
## BOI's VISION



- ❖ To be a leading self-sustaining Development Finance Institution, operating under sound management and banking principles, that would promote the emergence and development of a virile competitive industrial sector in Nigeria.

15

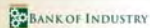
## BOI's MISSION



- ❖ To transform Nigeria's industrial sector and integrate it into the global economy by providing financial and business support services to existing and new industries to attain modern capabilities to produce goods that are competitive in both domestic and external markets.

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## CORE ACTIVITIES.



- ❖ Project Identification and Selection
- ❖ Resource Mobilization
- ❖ Financing (Long Term, Short Term and Equity)
- ❖ Industrial Policy Formulation
- ❖ Business Development Support
- ❖ Research and Development

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## PRODUCTS AND SERVICES



- ❖ Short, Medium and Long-Term Financing
- ❖ Equity Financing
- ❖ Co-Financing/Syndication
- ❖ Infrastructure Development/Industrial Parks
- ❖ Structured Lending
- ❖ International Operations/Trade Services
- ❖ Management of specialised Funds
- ❖ Other complimentary services rendered by BOI's Subsidiaries: Leasing, Trustees, Insurance, Consultancy, Micro finance Bank, Bureau De Change, etc.

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### BO'S FINANCING STRATEGY.

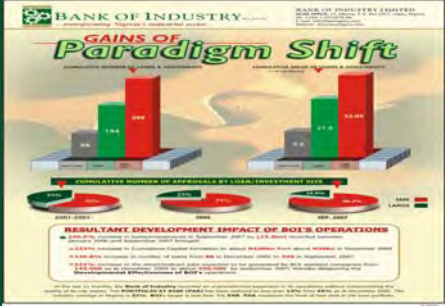
- ❖ Committing 85% of its resources to MSMEs emphasizing on:
  - Expansion/diversification
  - Pro-employment
  - Local Raw Material Utilization
  - Export potentials
  - Integration into on-going initiatives e.g. Cassava etc.

The above is:-

- ❖ Aimed at the structured industrialization of the economy through the conversion of geo-locational comparative advantages into competitive ones.
- ❖ Anchored on the stimulation of local entrepreneurship and revamping of indigenous economic activities
- ❖ Targeted at the generation of employment and the economic empowerment of the citizens in the society especially women and the youth, thus, recreating the missing middle class.
- ❖ Harboured on the need to actualising the MDGs and developmental initiatives both local and international.

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### HIGHLIGHTS OF BO'S ACHIEVEMENT



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### CHALLENGES IN FINANCING MSMEs

- ❖ Definitional/Status Problem.
- ❖ Lack of entrepreneurial/human capital
- ❖ The conflict/confusion between financing SMEs or Entrepreneurs.
- ❖ The dearth of the medium-sized enterprises
- ❖ The syndrome of negativised mindset
- ❖ The lack of collectivised inspiration
- ❖ Infrastructural inadequacies/high cost of doing business
- ❖ Lack of synergetic collaboration, e.g. through clusters, etc.
- ❖ Lack of access to structured funding/ working capital
- ❖ Weak institutional framework (many organizations/agencies with conflicting roles and functions)

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### OVERCOMING THE CHALLENGES.

- ❖ A national policy on MSMEs already in place.
- ❖ Spearheading the establishment of Industrial Parks/Cluster facilities across the country.
- ❖ Partnering with the Commercial Banks to nurture the course of MSMEs especially in the provision of working capital.
- ❖ Established of a Micro-Finance Bank to cater for the needs of the micro enterprises. Commenced lending through cooperatives.
- ❖ The insertion of the Nigerian SMEs on the global value-chain through linkages with the large corporates notably the Multinational Corporations.
- ❖ The encouragement of entrepreneurial capitalism through the enhancement of the capacity and capability of the local entrepreneurs. To develop transformational rather than transactional entrepreneurs.

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### OVERCOMING THE CHALLENGES CONTD.

- ❖ Synchronize its funding programmes with the developmental objectives of the states/local governments in the federation by the establishment of managed funds as a way of entrenching development effectiveness at the grass-root level.
- ❖ Empowerment of entrepreneurs through exposure to international best practices and the establishment of global partnership in support of MSMEs in Nigeria.
- ❖ Management of specialized funds e.g. National Automotive Development Fund (NADF) and Business and Development Funds For Women (in collaboration with the federal ministry of women affairs), etc
- ❖ leveraging of international funds and resources for the development of the MSMEs.
- ❖ As part of incentivising the SMEs, the bank is engaging in continuous advocacy with the states and federal governments/other stakeholders towards improving the operational environment of the MSMEs

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### A CASE FOR THE GENDER/WOMEN

- ❖ BOI has established a Gender Desk to cater for the special needs of Women Entrepreneurs.
- ❖ But, the starting point for empowering women and making them enjoy the benefits of their dignified labour as mothers/entrepreneurs is to unequivocally accept them as developmental growth partners rather than a social burden that needs to be addressed. Hence, the concern to:-
  - Acknowledge the biological fact of maternity, i.e. the fundamental difference between men and women.
  - Create positive synergy between **work** and **family** life for women wherein both should reinforce each other.
  - Cancel the erroneous impression that women should be at home rearing children and accept that parenthood is part of the work engagement or for doing business.
  - Imbibe the fact that the so called **Gender Glass Ceiling** is not a physical barrier erected intentionally to castigate women rather it is an attitudinal hurdle consisting of largely unconscious stereotypes and preconceptions.
  - Accept that gender bias will be eliminated by a persistent and systematic campaign of incremental changes that would discover and destroy the deeply embedded roots of discrimination.
  - Mainstream Men into Gender mainstreaming.

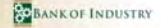
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## THE FRAMEWORK FOR SUCCESS



- ❖ The availability of adequate and appropriate Infrastructure like power, roads, water, etc
- ❖ The provision of necessary and workable Incentives that will create the enabling environment for business to thrive
- ❖ The creation of appropriate Institutions that would professionally manage and monitor all the development strategies for the benefit of all the stakeholders.
- ❖ The development of modern entrepreneurial skills through human capacity building and empowerment.
- ❖ Hence, the equation: - 3Is + Entrepreneurship = Development.
- ❖ With the above variables effectively in place and working harmoniously encourage PPP/PPPP.
- ❖ Avoid prescriptive solutions. Secure the buy-in and commitments of all stakeholders. Encourage the principle of total ownership.
- ❖ Place emphasis on demographic variables and identify the accelerants.

## CONCLUSION



- ❖ Africa is currently witnessing an exciting socio-econo-political rejuvenation.
- ❖ Africa is no longer a charity case but the last of the emerging markets.
- ❖ Entrepreneurship is waging very strong across the continent, hence, the need to tap the opportunities that exist between the African reality and the erroneous external perception.
- ❖ In the past, were the Asian Tigers. Now the African Lions are on the way.

THANKS FOR LISTENING.

CONTACT;- Mohammed G Alkali

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[234 1 2715086](tel:23412715086) & [234 8034032127](tel:2348034032127)



# EQUITY BANK PRESENTATION

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**TOPIC**

## MAINSTREAMING MICRO CREDIT FACILITATION IN BUSINESS SUPPORT SERVICES

1



# EQUITY BANK

**Our purpose**

To change the lives and livelihoods of our people by availing them the freedom of modern banking so as to exploit possibilities that have the power to transform their lives socially and economically.

**Our Vision**

“...to be the preferred Micro Finance services provider contributing to the economic prosperity of Africa...”

**Our mission**

We mobilize resources and offer credit to maximize value and economically empower the micro-finance clients and other stakeholders by offering customer-focused quality financial services.


2



## Our target market

- Small and micro enterprises
- Salary and wage earners
- Agribusiness enterprises
- Youth enterprises
- Women enterprises

3



## Characteristics of micro enterprises

- Predominantly low income segments of society mainly women and youth
- Poorly banked, or totally unbanked
- Low income households of farmers, transporters, traders & informal Jua Kali agro processors (Micro-enterprises)
- Often in the informal sector, low productivity, mostly family based.
- Minimal assets and therefore no collateral
- Invariably cash based market
- Dispersed over large geographical areas
- Informal structures, hand-shake contracts/agreements not recorded, not legally enforceable


4



## Financial needs of micro enterprise

- Security for the hard earned savings
- Convenient locations of financial outlets
- Convenient operating hours
- Flexible products specific to the needs
- Helpful, patient and friendly staff
- Confidentiality
- A decent return on their savings
- Competitive pricing of financial products

5



## Financial Access in Kenya-sour FSD National Survey 2006

<b>Formal</b> (banks, Post bank, insurance)	18.90%
<b>Formal Others</b> (MFI's, SACCOs)	7.50%
<b>Informal</b> (ROSCA's, ASCAs, SHG's)	35.20%
<b>Excluded</b>	38.40%


6



## OUR BUSINESS APPROACH

- Being market led and customer focused
- Product development led by research and development
- Business model of high volumes-small margins
- Guiding pillars are Accessibility, Affordability and flexibility


7



## Focus on Women enterprises

- About 54% of the bank clients are women
- In Kenya, over 80% of the informal businesses are owned by women whereas less than 50% of the formal business is owned by women
- Growth from informal to formal businesses is a major constraint to women owned and managed businesses


8



## Case for youth enterprises

- As per GOK statistics, there are about 11 million youths aged between 18-35 (making 33%)
- Available evidence indicates that the share of youth among MFI clients is normally less than 10%.
- Youth between 18-35 contributes 63%-70% of unemployed in Kenya

9




## Why Equity focuses on the Youth

The future of the country is in the hands of the Youth

- Youth are affected by and can easily become involved in conflicts. In Kenya when we cite the emergence of militia groups (50% of crime; 60% HIV infections 16-25)
- Unemployed youth become a burden to families. This energy can be directed to production
- Youth less than 30 years of age form over 70 per cent of Kenya's population.
- The youth are dynamic, innovative, and creative

10




## Equity Bank intervention

### Objectives

- To provide business training and advisory services that respond to the women & youth growing business need
- To promote economic empowerment by redistribution of wealth through access to financial opportunities and resources
- Enabling micro enterprise to contribute to the economy and be part of the financial system
- A Social responsibility to avail financial services to the lower segment majority of our community

11



## FINANCIAL MODEL THAT ENCOURAGES SAVINGS AND SUPPORTS BORROWING

- **Affordable**
  - Minimum Operating balance - Nil
  - No ledger fee/No maintenance fee
- **Accessible**
  - Account opening balance-Nil
  - No restrictions on amounts and frequency of withdrawals
  - No appointment on seeing the managers
  - 111 licensed branches, Village Mobile Branches, 350 ATMs & 2500 POS

12



## VALUE PROPOSITION OF LOAN PRODUCTS



### Flexibility

- Available to all account holders
- Tailored to the individual needs
- As low as Kshs.500-1,000/- (\$7-12)
- Appraisal ability to pay based vis-a-vis collateral based
- Flexible Securities/collateral
- Prompt disbursement

13

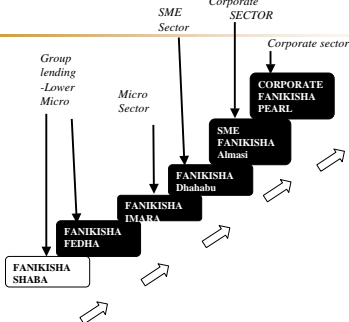
## How we do it



- Equity has set aside Ksh5 billion for women enterprises dubbed as *FANIKISHA-(it can be done)*
- Specifically designed to support the growth and development of women businesses
- Six different growth oriented products that women can identify with

14

## Product Evolution



15

## Youth interventions



- Equity is working closely with the Ministry of Youth Affairs to target and design products for the youth-savings and credit
- Equity has established a youth desk in all branches
- Capacity building in Business Development Services for staff handling youth entrepreneurs
- Designed training programs on start up and growth

16

- Social intermediation-group dynamics training
- Business training
- Media business awareness
- Creation of incubators for young businesses
- Mentorship programme
- Exposure programmes –net working
- Entrepreneurship advocacy

17

## Vijana Business Loan PRODUCT MIX



- Provision of Business Support Services (BDS)
- Deposit Products
- Loans
- Insurance
- Others



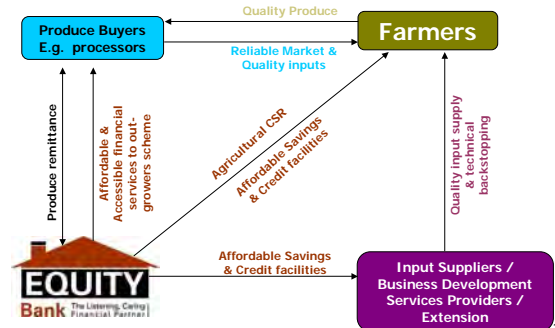
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## INVOLVEMENT IN AGRIBUSINESS

- The mainstay of Kenyan economy is agriculture
- It contributes 25% of National GDP directly and a further 27% indirectly through linkages with manufacturing, distribution and other related sectors. It provides about 75% of industrial raw materials and is a main source of livelihood for over 70% of Kenya's population that include women and youth
- Equity Bank has been serving farmers, agro dealers, transporters, agro processors, importers and exporters through value chain financing since inception
- The service delivery has been enhanced by the bank's robust IT Platform with a capacity to handle 35million accounts at 300,000 transaction speed per minute

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## Financing value chain model



20



## Free mass public financial literacy education and training



22

## EXAMPLES OF OUR AGRIBUSINESS VALUE CHAINS

- Kilimo Biashara** - \$ 50million Partnership between Equity Bank, AGRA and IFAD through Ministry of Agriculture with a 10% credit guarantee underwritten by partners - targets grain farmers and agro dealers
- Objective:** To increase food security and household income for small scale farmers

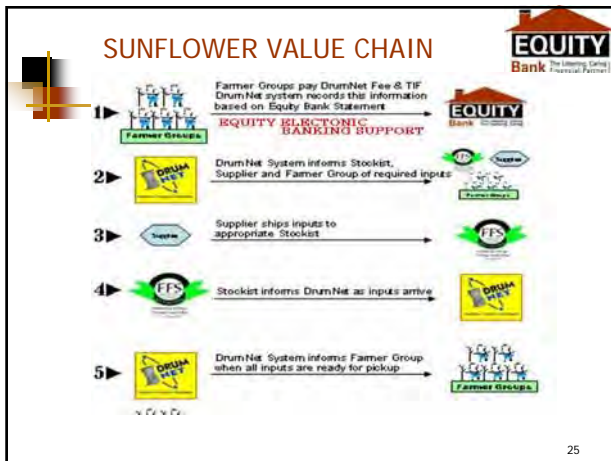
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## WAREHOUSE RECEIPT FINANCING- EXPERIENCE

- Partners: Equity Bank, EAGC, Lesiolo Grain Handlers and Farmers
- Maize prices are low during harvest and planting time
- Developed to avoid farmers exploitation by brokers
- Price Ksh. 1000 / 90kg bag at harvesting period.
- Price after 3 months Ksh. 2100 / 90kg bag
- Farmers borrowed 80% of the value of maize
- Discounting at an affordable rate to the total receipt value
  - 1% per month
- Farmers benefited from higher price and able to buy input for ensuing season

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### ENERGY SAVING INITIATIVE

- Energy Saving Stove Project- partnership of GTZ-PSDA and Equity Bank- to support small scale farmers and traders to enhance commercialization of energy saving initiatives
- Equity lends against a credit guarantee by PSDA
- Some customers have borrowed and repaid up to 3 times in one year

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### Impact of Value Chain Financing

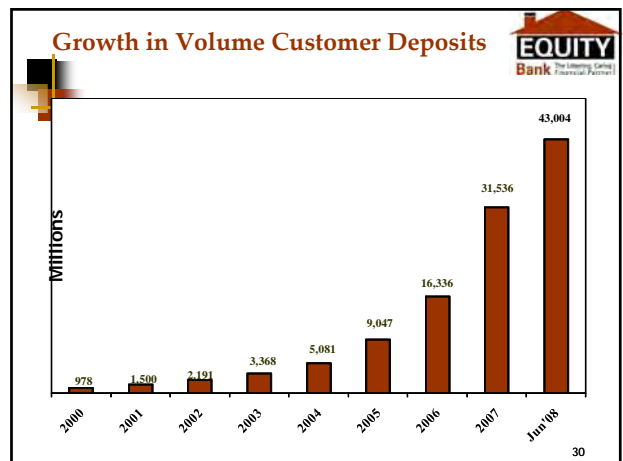
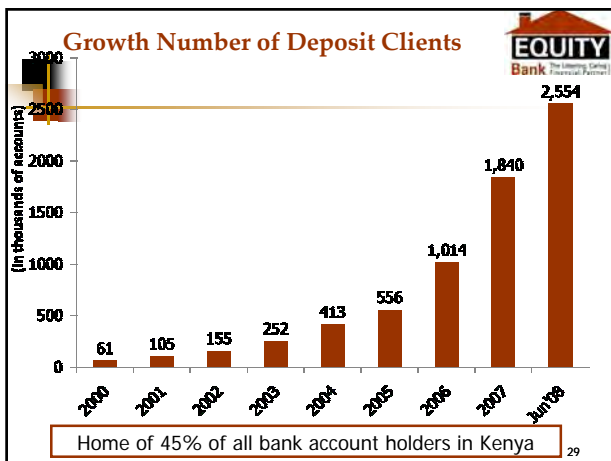
- Bringing the "unbankable" to the inclusive financial system
- Increased productivity and incomes to rural community including women and youth
- Reduces operation costs for small scale producers
- Increased access to agricultural credit and commercialization of farming
- Spreading risks among the parties
- Ensure cash flow for the producers and processors/buyers
- Generate business opportunities for other BDS players e.g. sprayers of chemicals, AI service providers

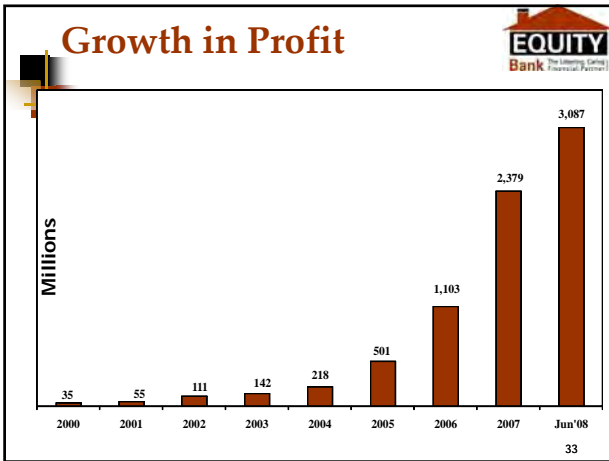
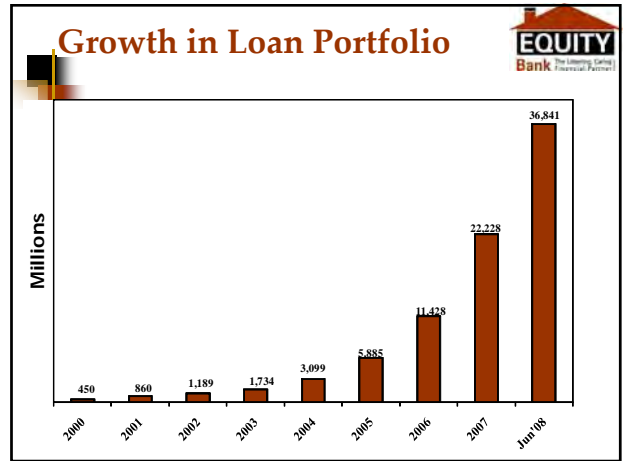
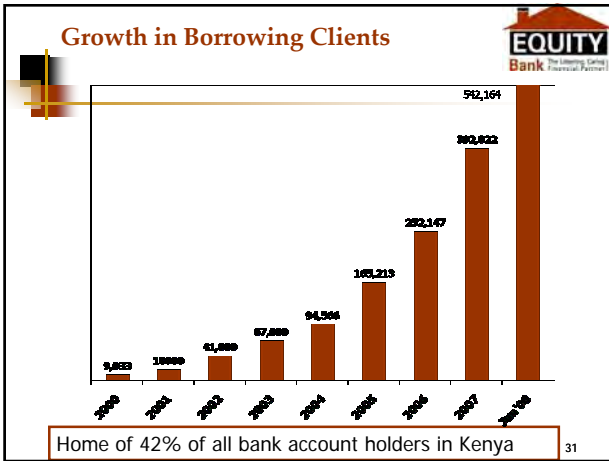
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### Bank performance -as at JUNE 2008

- TOTAL DEPOSIT-KSH 43 BILLION-
- TOTAL LOANS -KSH 36 BILLION
- TOTAL ASSETS -KSH 72 BILLION
- TOTOAL CAPITAL-KSH 18 BILLION
- DEPOSITORS 2,554,709
- LOANEEES 542,164
- STAFF 3,679
- BRANCHES 111

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# THANK YOU

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*Regional Project in Eastern and Southern Africa (YA/RAF/08/015): 'Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship (WED/YED)'*



## **Capacity Building of BSOs for Mainstreaming of WED/YED in Agribusiness**



***Draft Report of the Third Regional Seminar  
01 – 03 April 2009, UNIDO HQ, Vienna, Austria***

## I. Introduction

From 01-03 April 2009, UNIDO hosted the Third Regional Seminar in the technical networking seminar series of the UNIDO regional project for strengthening Women and Youth Entrepreneurship Development (WED/YED) capacities of public and private sector agencies in Eastern and Southern Africa. The seminar was organised in collaboration with the Small Industries Development Organisation (SIDO).

### ***Objectives of the Third Regional Seminar within the Scope of the Regional Network***

Participants of following project partner countries attended the seminar: Malawi, Tanzania, Zimbabwe, Eritrea and Kenya (see [Annex I](#)).

The specific objectives of this meeting were as follows:

- To review with project partners their country level Business Development Services (BDS) network activities since October 2008.
- To discuss and reflect on the national BDS network strategies for the period until August 2009, and to adjust country level work plans accordingly.

During the three seminar days, the following topics were discussed in interactive presentation and discussion sessions with technical experts and UNIDO professionals to support the capacities of Business Support Organisations (BSOs) and their strategies for WED/YED in agribusiness sectors:

- Fair Trade policies for the region to support WED/YED in agribusiness.
- The Results-Based Management approach.
- Communication for effective networking.
- Agribusiness sectors and value chain approaches.
- Regional network website management and information sharing.
- UNIDO entrepreneurship development tools.
- Strengthening of BSOs/BMOs for Enterprise Development.

In preparation of the seminar, the participants received in advance an invitation letter and an Aide Memoire with the provisional meeting agenda ([Annex II](#) refers). SIDO was responsible for overall coordination and made the necessary organisational arrangements for travel.

The seminar covered 11 sessions during three meeting days. The network partners presented the progress made on national level BDS activities and their proposed national network building strategies for setting up a sustainable and market-driven BDS system that supports entrepreneurs in agribusiness.

## II. Opening of the Regional Seminar

The Chair person of the Group of 77 Vienna Chapter, H.E. Ambassador Eugenio María Curia, Permanent Representative of Argentina, opened the Third Regional Seminar on behalf of the Group of 77 (G77).

The Ambassador expressed appreciation for the UNIDO ongoing technical assistance to G77 countries, and highlighted the importance of South-South Cooperation and Economic Development among Developing Countries (ECDC), as well as Technical Cooperation among Developing Countries (TCDC). He shared examples of collaboration between the G77 and UNIDO, especially through joint financial support for UNIDO projects through the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries (PGTF).

He conveyed that the G77 fully supports projects in the nature of this UNIDO regional project in Southern and Eastern African Countries, in order to share experiences and help those countries overcome poverty and strengthen capacity building. It is important to create synergies through building networks between developing countries, civil society, NGOs, and women and youth for the exchange of know-how and technology between developing countries.

Mr. Seiichiro Hisakawa, Chief of UNIDO's Rural and Women Entrepreneurship and Human Security Unit welcomed the seminar participants to UNIDO Headquarters. He then set the stage for stimulating seminar discussions by putting forward a number of remarks related to entrepreneurs and the environment in which they are operating. He stressed that business associations can play an important role in influencing sustainable public policies, and that the managers of BDS providers should show entrepreneurial behaviour and thinking in order to stay relevant for long-term growth of the private sector. He wished the meeting good insights for contributing to the development of effective and efficient network and business development services.

Copies of the opening statements are attached in Annex III.

### **III. Programme of Activities**

#### **Meeting Day I, 01 April 2009 Proceedings and Results**

##### ***Session I 'Review of Project Achievements'***

The meeting reviewed project achievements to assess the impact of the activities at regional level on the work of project beneficiaries at national level.

It is to be positively noted that BDS network formation for ongoing WED/YED programmes has taken up in Kenya, Tanzania, and Zimbabwe in recent months. It is expected that Malawi will follow in the coming period until the final regional network seminar in August 2009. Eritrea is rethinking strategies for stepping up BDS network activities. The project and the network partners agree to give close attention and provide the necessary support through South-South Cooperation to assist network formation in Eritrea. Good relations and collaboration with the local authorities will be essential to enhance BDS network building.

It should be noted, that this regional initiative promotes a networking and information sharing culture in the countries. However, the ownership of network building activities in the countries is essentially with the project partners involved in WED/YED programmes.

Other positive impacts deriving from the regional networking project are:

- The network partners are going through a paradigm change as regards entrepreneurship development approaches, following exchanges and cooperation among partners.
- Agreement on the BDS Market Development Approach, which should lead to *sustainable, market-driven, and demand-oriented* BDS networks of support in the countries. The BDS networks would aim to provide payable support services with both immediate and longer-term benefits to the clients, which help them to develop their ventures into stable opportunity-driven businesses with growth potential. The BDS programmes would support *opportunity-driven behaviour* and enable enterprises to *diversify, innovate and increase the value-added of production*. There would be differentiated roles for BDS facilitators and BDS providers in the market.
- Dynamic information exchanges and visits on BDS opportunities have taken place between network partners.
- Awareness has been raised on the need for improved cooperation/coordination among private sector and public-private sector partnerships.

- Through the project, UNIDO has obtained a clear picture on the enabling environment for BDS and WED/YED in the countries.

### Network Exchanges for BDS Opportunities

- Email exchanges on BDS between all partners since June 2008.
- July 2008: DEMAT visited SIDO for exchange of ideas and South-South cooperation experiences.
- Nov-Dec 2008: SIDO conducted a one-month training of trainers (TOT) for one DEMAT professional on food processing and entrepreneurship development skills. DEMAT is using this collaboration to set up a one-year food processing training programme (including banana wine and garlic) within DEMAT's One-Village One-Product programme. SIDO is also providing basic technology and materials for product packaging.
- Dec 2008: one WED-SIDO food processing professional visited Willpower to learn about experiences from the *One-Stop Shop* project in Meru, Kenya. The professional also identified suppliers of quality control tools/equipment and packaging and labelling materials for agro-food SMEs. Subsequently, WED-TWCC have developed a project proposal for establishing a One-Stop BDS centre in Dar es Salaam that is to support the Tanzanian SME agro-industry sector.
- ZOIC interested in SIDO TOT on food processing and entrepreneurship development skills, arrangements yet to be finalised.
- TWCC is discussing with ZOIC on technology exchanges for business development opportunities. For example, the supply of processing machines from ZOIC would benefit Tanzanian women groups that want to start up business activities in peanut processing. In exchange, SIDO would share with the women groups and ZOIC its expertise and techniques for product packaging.

To illustrate the significance of entrepreneurship development in the present time of financial crisis, UNIDO highlighted that recently there has been increased media attention for entrepreneurship; with the British Magazine 'The Economist' (2009) announcing '*The revolution for the current generation is an entrepreneurial one*'. Several important insights can be found in this media coverage:

- **Networks are essential:** entrepreneurship is a social activity. Entrepreneurs need business partners and social networks to succeed.
- **Emphasis on innovation:** an entrepreneur is described as somebody who offers an *innovative solution* to a (frequently unrecognised) problem and is believed to generate many more jobs.
- **Support start-ups when these are innovative:** because by no means are all start-ups innovative. The Economist: 'Most new corner shops do much the same as old corner shops'. Paul Romer, Stanford University: 'economic growth...springs from better recipes, not just more cooking'.
- **Focus on production and distribution process innovations rather than innovating products:** 'The most successful entrepreneurs concentrate on processes rather than products'.

The question was raised whether the country networks should promote the idea of devoting a part of the proposed stimulus packages, which are now being prepared by several Governments to fend off the financial crisis, for BDS support to enterprise development. It is well-recognized that MSME entrepreneurs form the back-bone of many economies. Therefore, supporting MSME entrepreneurs with making their enterprises more competitive and innovative through BDS would be among the measures to bring economies on the path to recovery.

In the special case of Zimbabwe, there are many examples of innovative start-ups that have forcibly turned into survival mode, as the market size continuously decreased, but which still try to be creative. Through using alternative payment methods (fuel coupons) and recycling of materials these MSEs have weathered the economic storm up to now, but their problem solving capacities need strengthening. Therefore, the country team from Zimbabwe called for a youth entrepreneurship programme to support this.

In Malawi, the credit crunch has stimulated people to become innovative. For instance, people have started converting the leaves and fruits of the Baobab tree into powder among other forms and freeze packaging these for consumption. Another recent example is Malawian women's groups who are making a diverse range of products out of cassava, such as flower, chips, wine and jam. To get larger community support for these productive women's activities, a change into an inclusive approach was introduced whereby community men are involved in the trainings and set up of business activities.

Tanzania mentioned that in this time of economic challenges, falling consumer demand, and failing businesses, entrepreneurs need BDS support to support innovative and creative thinking, and design extended product packages that help them stay afloat. The meeting agreed that with consumers' intent on buying less and changing consumer preferences, entrepreneurs would need support to become more proactive in stimulating buying behaviour and offering products that add value.

BDS could put extra attention on product groups for which continuous consumer demand exists. Dina Bina from TWCC shared the example about how her private flower business had responded to the change in demand. In order to keep her product packages in line with what the customers can afford and respond to lifestyles, she included fruits in gift baskets in addition to the more costly flowers.

Kenya raised the issue that entrepreneurship development should be brought to people at a young age, underlying the importance of Youth Entrepreneurship Development programmes that UNIDO is promoting in a number of countries. KAWBO has initiated a mentorship programme, whereby youth is brought into contact with business role models for informal networking and knowledge transfer. The recommendation was made to the national-level networks in the countries to bring technical colleges and universities into the networks and partner with telecommunication companies to create a national internet platform for transfer of entrepreneurial knowledge and business advice.

### ***Session II 'The Status of BDS Networks in the Countries'***

The country teams presented outcomes and impact of recent activities undertaken at national level and the strategies pursued ([Annex IV](#) refers). To encourage a clear structure of the national-level BDS networks, each of the agencies was asked to describe its position as network partner, taking either primarily the role of BDS market facilitator or of BDS provider.

Network formation in Tanzania and Zimbabwe is reported to be progressing with numerous new initiatives foreseen at national level.

In Kenya, the BDS network has been launched in January 2009, with plans to further elaborate possibilities for incorporating youth groups and investment clubs, and the formation with local partners of a unified ICT-supported Business Network. However, before and after the launch of the network, there were different views with the Ministry of Industrialization about the position and functions of this local network. The network partners are actively seeking to resolve this issue with the Ministry in order to have a harmonised network that adequately addresses the needs of stakeholders. It should be noted that the BDS network is intended to be a local network, which neither encompasses a national BDS programme nor is it seeking to duplicate

programmes initiated by the Government of Kenya, but rather to build synergies with ongoing initiatives from the Ministry of Industrialization.

In Malawi, network meetings have been taking place monthly, while an increase in membership organisations is being sought. The official launch of the network is planned for June 2009. The network shall be registered with the Ministry of Industry and Trade. A challenge for the Malawi BDS network is that some of the member organisations have so far shown only low commitment to the network. Ongoing efforts are required from the network partners combined with an effective network promotion strategy from DEMAT and NABW to encourage national stakeholders to take active part in the network.

In Eritrea, a number of possible stakeholders for the BDS network have been identified, but there are only a very limited number of BDS providers in the country. There are however other organisations, including consultancy firms and organisations involved in women and youth development, which could be transformed into BDS providers through proper training and assistance from stakeholders in the country. Awareness on what a BDS network can do for WED/YED needs to be raised, because the understanding of this is still rather limited.

### ***Session III 'Panel Discussion: Fair Trade Policies for the Region to Support WED/YED in Agribusiness'***

The project partners entered a discussion with two representatives from the Fair Trade community. Mr. Robin Roth, the Director of GEPA, the largest commercial Fair Trade organisation, and Mr. Hartwig Kirner from Fairtrade Austria (FLO) discussed objectives and practices of fair-trade organisations in agribusiness.

Two UNIDO colleagues from the Clusters and Business Linkages Unit, Ms. Olimpia Panfil (Fair Trade) and Ms. Manuela Boesenhofer (Corporate Social Responsibility, CSR) participated in the discussions as panellists.

Mr. Roth explained that Fair Trade started as a social movement of concerned consumers who wanted to offer fair conditions to agricultural producers in developing countries to build a trading environment based on equality. While the objectives of Fair Trade are still to support sustainable development and improve international trade conditions for producers, its primary focus has shifted from local empowerment and 'skipping the middlemen' to labelling and standards certification (helping producers understand standards requirements and achieve these as to having better access to international markets).

The position of the producer forms the centre of attention; the consumer's perspective is less focused on. However, from the consumer's perspective, the real question is whether Fair Trade products have become merely 'convenience goods' or that it is still all about justice in trade. Mr. Roth pointed out that the credibility of the Fair Trade system for the foreseeable future would lie in achieving real sustainable development for producers. The Fair Trade label gives producers a way to connect to the target consumer markets, but the goal should be to enable them to connect directly without having a Fair Trade organisation in between.

Mr. Kirner gave a brief overview of the Global Fair Trade System (FLO presentation included in [Annex VII](#)). He explained that Fairtrade standards encourage cooperation, and support social and environmental improvements. Key benefits for Fairtrade certified producers are a guaranteed minimum price that covers cost of sustainable production, a 'Fairtrade Premium' for social, environmental or capacity building projects, and access to markets, capital and technical assistance. In practice, this means hundreds of millions of Euros in additional income for producer groups.



FLO works primarily with agricultural products from small farmer cooperatives, according to a detailed set of production and trade standards that covers social (labour), environmental, and economic criteria. The FLO engages also in activities such as: strategy and standards development, participation in policy and standards setting, developing partnerships, awareness raising in local communities, producer support, producer certification and labelling (licensing, marketing and communication, trade audit and certification).

Recently, some very large producers of coffee, chocolate and fruit drinks have adjusted their product assortment to include fair-trade products.

Because there are many different production and trade standards available, FLO is planning to have one trading standard which would combine organic and fair-trade.

During the ensuing discussions the issue of 'exclusiveness' was raised, pointing at the considerable entry requirements for participation in the Fairtrade system. Is fair trade really meant for strengthening the small producer, as the adaptation costs of fair trade participation tend to be rather high? The main issue is whether the way fair trade is organised at present contributes optimally to achieving justice and fairness in trade. Part of the answer to that is that small producers certainly would welcome guaranteed prices and premiums, but to participate in the fair trade system the threshold for becoming a certified producer would need to be lowered.

KAWBO (Kenya) gave the example of the flower business, where most fair trade producers are larger producers. Standards certification is still remote from the daily concerns of small local producers and women's groups in flower businesses. They see the Fairtrade network as competition rather than as a system that improves trade conditions in the market. The cooperative function in the Fairtrade system forms an additional obstacle for smaller flower growers, because they are too much occupied with competing in the market to start up a cooperative (as is required for participation in the fair trade system).

FLO acknowledges that the set standards can be too high for small producers. They have started a strategic review of the Fairtrade system, whereby there might be in the future a distinction made between 'basic standards' and more advanced 'enhancement standards'. An improvement would be if local producers would closely work with unions to improve benefits for all (producers and labourers).

GEPA is also buying from groups that produce 'non-certified' products, but are moving ever closer to reaching these standards (maximally a few years off), and as such is seeing certification as a gradual and longer term development.

Fair trade seen from the development perspective implies that a bottom-up development process would likely be most effective, starting with the strengthening small producers. This would be an overwhelming task, but it is important that fair trade programmes support the right beneficiaries, i.e. small producers.

A matter of consideration is that for some products larger yields are required with quality assurance and stable supply in order to supply a premium product, which can only be produced by larger producers and cooperatives.

The participants requested Fair Trade organisations to promote the idea of empowerment through clustering in production networks, and endorsing technical assistance from larger certified organisations to smaller producers.

The UNIDO panellists explained that UNIDO has an essential role to play in supporting small producers with attaining standards. UNIDO's actions are both at Government level by providing policy support, and at meso-level through cluster

development of MSMEs, export consortia groups for access to markets, and capacity building and networking of BSOs for BDS market development.

The participants requested UNIDO's assistance to provide policy support to the Ministries in their respective countries to promote policies that are more conducive for small holder farmers and producers. Gathering and sharing of production data and market information on fair trade practices would also be an important element that could advise growers, buyers, and policy makers (what is a fair price level; what are the gaps for local producers). It was suggested that UNIDO could support efforts to get Fair Trade on the policy agenda, as part of national CSR policies.

ENCC from Eritrea and GEPA elaborated on opportunities for linkages, as there are ample possibilities with honey, bananas, coffee, flowers and vegetables. There is currently no fair-trade initiative, and Eritrea as a post-conflict economy could take advantage of the assistance that GEPA can provide. Local producers are currently still producing at subsistence levels, but with technical support there would be potential for exports in certain sectors such as honey. The ENCC mentioned that if GEPA would decide to start up an initiative then the Eritrea Ministry of Agriculture would need to be involved.

### **Meeting Day II, 02 April 2009 Proceedings and Results**

*Quote from Peter F. Drucker: 'Management is doing things right; leadership is doing the right things'.*

#### **Session IV 'Interactive Session: Results-Based Management (RBM) and Monitoring and Evaluation of Effectiveness and Results'**

This session emphasised the role of effective project management. UNIDO's Evaluation Officer, Ms. Thuy Thu Le introduced the Results-Based Management (RBM) Method, which is the standard widely being used by UN Organisations for project implementation (presentation in [Annex VII](#)).

Ms. Thu Le explained the key steps in managing for results, whereby the main focus in management and project planning should be the desired end results, rather than the inputs to be delivered and activities to be performed. Effective managers focus on outcomes and impact instead of merely on the immediate outputs of their actions. The challenge for the manager is that outputs are usually under the direct control of the manager, whereas outcomes and impact (short to long term results) are more difficult influence. Adding to this is the complexity that donors want to see impact, but they are not inclined to wait too long for the results, as development projects are often of a relatively short duration.

As a management style it would be recommended to manage 'for results' rather than 'by results'. Management by results is less effective because it encourages staff to stop once they have reached their target. Managing for results means to aim at continuous improvement of the efficacy of staff in positively influencing outcomes to achieve greater results. This involves action planning for achieving clearly defined results and making decisions based on performance. A key task of the manager is to get in place a system for continuous monitoring of performance and results information. Performance indicators need to be identified which can be monitored to track effectiveness. Numbers and figures should however not be the only indicators, as quality of results is equally important. Additionally, organisational and project self-evaluation (relevance, efficiency, effectiveness, sustainability) as well as reporting based on results information should be encouraged.

In the planning phase of a project, it is important that the manager consults with the staff and project partners on realistic target setting and agreeing on rewards for

achievement of results. This will motivate the staff to being result-oriented and give them the possibility to think-out-of-the-box.

The targets need to take into account the specific circumstances of the project, as well as be flexible to change. DEMAT remarked that a public sector environment requires distinct ways to motivate people, and that there might be different targets needed for different regions due to dissimilarities. RBM can be applied as a tool to promote positive changes in the civil servant mentality. This will likely be a long process in which the staff gets empowered and the benefits of change become clear to them. To achieve this, the organisation would need to provide the right incentives scheme for displaying desired behaviour, allowing for change in small steps, and the goals should be understandable to the staff.

#### ***Session V 'Communication for Effective Networking'***

The Communications Specialist, Ms. Petra Chiba (Austria) took the network participants on a journey through theory and practice, with a number of communication and motivation tools (presentation included in [Annex VII](#)). She underlined that to communicate effectively as professionals one needs to be conscious of both his/her own verbal communication patterns and body language, and respond deliberately to what the other person is trying to indicate. Communication needs tools to connect to others. Speaking does not automatically mean listening and getting the 'right' message through at the receiving end. This includes considerations for the professional environment, where there is a need to communicate differently with a diverse group of people at different levels, which involves dissimilar personal characteristics, social functions and contexts.

Ms. Chiba demonstrated a number of cross-cultural techniques aiming at effective communication with network partners, local authorities and other stakeholders, either in spoken or written form, which can help with achieving successful results in building BDS networks at the national level.

#### ***Session VI 'Strengthening Agribusiness Value Chains'***

Mr. Ali Badarneh, UNIDO Officer on Productivity, Quality and Enterprise Upgrading (PTC/TCB) discussed with the meeting the issues surrounding quality standards for compliance with international market requirements. UNIDO's trade capacity building activities were outlined and project examples given on overcoming technical barriers to trade in agribusiness. A dynamic discussion followed on market requirements and standards (presentation in [Annex VII](#)).

Quality standards are generally driven by private companies. Governments are not compelling companies to comply with these private standards. Therefore, it can be considered largely as a market driven system. Especially large businesses often apply their own standards, which they impose on their suppliers. Complying with these standards is usually difficult for small producers from developing countries, as adaptation for certification involves high costs which could decrease competitiveness in the local market.

The Global Food Safety Initiative (GFSI), which is driven by a number of multinationals in the food sector under the Comité International d'Entreprises à Succursales (CIES, International Committee of Food Retail Chains), seeks the harmonisation of standards.

The participating companies and standardisation bodies recognise all accepted standards included in GFSI, which can be used interchangeably. This means that supplier companies are only required to be certified in one of the accepted standards systems. UNIDO is part of the GFSI Technical Committee to promote the harmonisation of standards and discuss concerns from developing countries as to the issue of creating another new scheme, which would further increase the requirements from supplier enterprises and mean an additional technical barrier to

trade for developing countries. The Technical Committee includes retailers, manufacturers, standard owners, certification bodies, accreditation bodies, industry associations and other technical experts.

### **Global Food Safety Initiative (GFSI)**

- **The GFSI Mission is:** Continuous improvement in food safety management systems to ensure confidence in the delivery of safe food to consumers
- **The GFSI Objectives are:**
  - Convergence between food safety standards through maintaining a benchmarking process for food safety management schemes.
  - Improve cost efficiency throughout the food supply chain through the common acceptance of GFSI recognised standards by retailers around the world.
  - Provide a unique international stakeholder platform for networking, knowledge exchange and sharing of best food safety practices and information.

The seminar participants recommended UNIDO to promote national standards setting within WED/YED programmes, and build capacities of national standards institutes in order to synchronize national standards with international standards. This would greatly enhance market access, and ensure that national standards would be accepted by business partners around the world.

Mr. Badarneh explained that UNIDO is already engaged in providing technical infrastructure support, and is building national standards accreditation capacities. The main obstacle is that many countries have so far had a mixed reputation with multinationals as regards their certification and accreditation systems, meaning that the quality of national certificates often does not offer enough credibility. The best solution is then the harmonisation of standards systems.

To achieve this objective, UNIDO is getting more into direct relations with private chambers in order for them to advocate with their Governments the acceptance of international standards, which would greatly benefit exporters.

In terms of food safety, a new development is that traceability systems have become a requirement for tracking movements of products in the supply chain. Whenever food safety problems would occur, it would then be possible to track down the infected food items.

UNIDO Strategic Research and Regional Analyses Officer, Ms. Olga Memedovic, presented her insights on the global value chain (GVC) in agrifood sectors and how value is distributed along the GVC. GVC analysis is a tool for understanding agricultural growth outcomes and the extent to which agricultural growth leads to poverty reduction. For SME development it is essential to identify where value added is created and where it is captured.

The agrifood sectors are increasingly becoming globalised, with integration of geographically dispersed and fragmented activities into international or even global business formations with interactive processes. These business formations or GVC relationships show a high concentration and market power by leading companies. The leading firms are mostly transnational corporations (TNCs), mainly input

manufacturers, food processors, food manufacturers, food retailers and food service chains, which are organising, coordinating and controlling GVCs.

### **Summary of Key Characteristics and Trends in the Global Agrifood Value Chain**

- Food markets are becoming globalised, more complex, demanding and differentiated
- Lead firms (TNCs) vertically coordinate and control Global Value Chains (GVCs)
- TNCs outsource many functions in the GVC to supplier companies, while engaging with them in enduring relationships through complex contractual arrangements
- Large retailers (supermarket chains) have obtained growing influence in food industries. They are sourcing worldwide to obtain best quality for the most competitive prices, and use their strong position in the chain to specify how products should be grown, harvested, packaged, transported and stored
- Just-in-time and year-round delivery is the standard
- Quality, technology, and speed matter more than price
- The assignment of legal responsibility to retailers in the EU have led retailers to work with fewer and larger suppliers with established competences
- Lead firms drive a shift from quality control (inspection and testing) towards process control and assurance. This has led to an increasing importance of standards such as hazard analysis critical control point (HACCP) and other standards dealing with food safety, as well as environmental and social considerations
- Market access for agrifood products is very limited, due to high tariffs, quota restrictions, and agricultural support in developed countries
- Products increasingly appear in bundled form, with a set of value added services. Aside from value addition through physical transformation (producing the good), value can also be added through fast, flexible, and reliable services of delivery, through process innovations and customisation
- Opportunities for value addition seem to exist more in non-traditional agriproducts (fish, horticulture) and temperate products (dairy, processed meat, flour and cereals, animal and vegetable oils) rather than in traditional tropical products (coffee extracts, cocoa, sugar)

The integration of the value chain has led to an increase in standards and certification requirements. Many SMEs in developing countries are facing barriers to participation in agrifood GVCs because they lack information on the increasing number of standards and requirements set by leading firms, and lack the financial means to comply with these set standards.

From the perspective of the leading firms, the increasing standards requirements necessitate new competences from their suppliers, which TNCs continuously need to monitor and control in order to minimise operational risk. The monitoring of many small farmers would significantly increase cost. Therefore, TNCs may prefer to work in partnership with a smaller numbers of selected suppliers that can meet the challenge on a daily basis. Such preferences would however lead to the exclusion of many small farmers and SMEs from agribusiness value chains.

The challenge for national governments and international organisations is how to provide local SMEs with the right support to enhance their competences for linking to international markets. This can be either through promoting participation in agrifood GVCs, or through providing support to build on comparative advantages of SMEs through specialisation. Agrifood SMEs could for instance position themselves in niche markets for products and services (e.g. organic produce), while utilising their comparative advantages in achieving flexibility, innovativeness, personalised contacts and quality of products. Post-harvest care and management (storage) could be attractive possibilities for value added activities.

The presentation was concluded with outlining UNIDO's technical assistance areas that support agrifood SMEs with achieving these targets. The ensuing discussion

focused on the role of BDS providers. BDS providers could map out relevant agrifood value chains, provide information on standards and market requirements at different levels, and help identify the right markets for each individual SME. The services to the SME client would depend on their level of development (capacity) and the markets that they want to serve, either local, regional or international. Distribution and logistics for consistency in supply, and access to finance are indeed primary concerns for every SME.

BDS providers should facilitate expansion of SME activities into international markets. If there is room for growth in the local market, e.g. by targeting niche markets, then SMEs could be successful in focusing on local markets, as long as there is no indication of oversupply. Nonetheless, no matter which market level is targeted, SMEs would need to aim for continuous improvement in their processes.

Due to globalisation, SMEs face fierce competition in their home markets from TNCs with high-quality products. Local customers in developing countries are therefore increasingly accustomed to buying products produced according to global standards. If individual SMEs in developing countries face difficulties with reaching these quality levels, then a recommended approach would be to promote networks and clusters of SMEs in order to jointly overcome these barriers to competitiveness.

### ***Session VII 'Regional Network Website Management, Uploading and Information Sharing'***

Representatives of UNIDO's Information and Communications Management Operations Unit, Mr. Hassan Mehdi (Web Publisher) and Ms. Thelma Gotz (Senior Clerk), held an interactive session with the participants on regional network website management and project-related information sharing. It was agreed that UNIDO would further host the network website. Kind appreciation was given to VACID Africa, who hosted the network website thus far on its web portal.

Agreements were made on the required quality and substance of the web content. The network partners should send the required materials as soon as possible to the UNIDO Web Publisher for screening and uploading on the UNIDO website.

### **Meeting Day III, 03 April 2009 *Proceedings and Results***

#### ***Session VIII 'Strengthening of BMOs and BSOs for Enterprise Development'***

The interactive session discussed the role of Business Membership Organisations (BMOs) in business development, major organisation models, and membership strategies for attracting and retaining members. The session also touched upon ways to build network cohesion and promote the network through network image building and brand management.

Three major chamber models were reviewed: the public model (state chamber), the mixed model (continental Western Europe, Balkans, and East Asia), and the private model (Anglo-American and Eurasian).

The mixed model received a favourable review from the meeting, because of its strong membership characteristics combined with strong legal embeddedness of its protected functions within public law. The features of automatic membership, legal strength, and close cooperation with the Government bring the chambers into a key strategic position. Combined with an effective Government SME policy, this would give the chamber room for playing a non-political role in supporting private sector development.

The current systems used in the countries:

- **Tanzania:** the Chamber of Commerce, Industry and Agriculture (TCCIA) and the Tanzania Private Sector Foundation (TPSF) are independent private sector organisations.
- **Eritrea:** the ENCC is an independent chamber since 1998 with private-public sector partnership.
- **Kenya:** independent chamber with links to the Ministry of Industry. Although the chamber is not involved in implementing economic policies, it does hand out export certificates.
- **Malawi:** chamber is closely related to the Government.
- **Zimbabwe:** ZNCC is independent but has a strong policy link. Healthy public private sector partnerships are needed in Zimbabwe.

Which model is most appropriate would depend on each country's context. For instance, it was mentioned that in some political cultures imposing automatic membership would likely fail. Nonetheless, a healthy relationship between the chamber and the Government is essential for any model to be effective. The role of BMOs in mainstreaming WED/YED programmes was felt to be crucial.

### ***Session IX 'UNIDO Entrepreneurship Development Tools'***

Ms. Gabriele Ott, Industrial Development Officer of the Rural and Women Entrepreneurship and Human Security Unit presented UNIDO's rural, women and youth entrepreneurship programme. The programme is based on three main components:

- Entrepreneurial and industrial skills development for youth and women, both in rural and urban areas (Youth and Women Entrepreneurship Programmes)
- Promoting gender equality in entrepreneurial activities for the economic empowerment of women, including strengthening women business associations and networking them
- Promoting the improvement of the regulatory environment for entrepreneurial initiatives, focusing especially on the reduction of formal obstacles at a national scale and informal obstacles at grassroots level to attain gender mainstreaming with 'equal opportunities for equal capabilities and interests'. The focus in these activities is on inclusiveness of both women and men.

The main features of UNIDO's Entrepreneurship Curriculum Programme (ECP) were clarified. This programme is currently being implemented in the secondary school systems of several countries, such as Uganda, Mozambique, Namibia, Timor-Leste, Rwanda, and Angola. Additionally, there are several technical assistance projects in Sudan for Youth Entrepreneurship Development in technical Vocational Training Centres (VTCs) and IDP communities.

UNIDO is building the capacities of educational and technical vocational institutions for market-oriented educational services, and assisting with curriculum development, technical and entrepreneurship teacher training, and integration of entrepreneurship development in course programmes. For example, in Sudan the VTCs are also technically assisted with VTC physical infrastructure renovation, training equipment and tools for the installation of workshops, and integrating a competency-based approach in the school curriculum.

The entrepreneurship education programmes are targeted at teaching the youth functional business management skills, giving them practical tools, building their abilities to identify market opportunities, and instilling entrepreneurial thinking and an entrepreneurial culture.

UNIDO is developing a viable system to measure long-term impact of the programmes on the youth and women through tracer studies.

### **Session X 'Work Schedule for Follow Up on Work Plans and Activities'**

The project partners presented their BDS network strategies for activities at national level running until the next regional seminar in August 2009. [Annex V](#) provides an overview of the planned activities per country.

### **Sessions XI 'Closing Session'**

Mr. Massata Cisse, the Chief of UNIDO's Africa Programme addressed the meeting with a closing statement. Mr. Cisse thanked all the project partners for participating in the regional seminar and commended them for their active participation. He underlined the importance of this regional networking for enterprise development (WED/YED) initiative within the larger framework of South-South Cooperation. He reiterated UNIDO's readiness for providing the necessary technical assistance to the participating countries for the development of their private sector.

The project partners recommended an extension of the Regional Project beyond the current duration of 18 months, as more time would be needed to consolidate the implementation at the local level. The progress made so far in enabling true impact of this BDS network initiative for the entrepreneurs in the countries was highlighted. It was also proposed to include additional countries in the regional network, i.e. Botswana and Uganda. An assessment by the project partners of their experiences with BDS network building in the countries can be found in [Annex VI](#).

The meeting discussed the preliminary draft meeting report, and finished with setting the agenda and priorities for the final regional seminar, to be hosted by the network partners from Kenya, 10-12 August 2009.

#### **Agenda Items for the 4<sup>th</sup> Regional Seminar Kenya, 10-12 August 2009**

- Kenya experience on standardisation
- Framework for collaboration on value chain approaches
- OVOP programme: Malawi and Kenya experiences
- Group dynamics for management development
- Cluster development
- New industrial sectors to promote businesses for job creation through entrepreneurship development (WED/YED) in VTCs
- Credit facilitation by the Austrian Development Bank
- Progress on the regional network website
- Field visit
- Project proposal on the way forward, including the various proposals for TCDC (South-South Cooperation between Kenya, Tanzania, Malawi, Zimbabwe, and Eritrea)



## Annex I – List of Participants: Third Regional Seminar

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**Wednesday, 01/04/2009**

**Welcoming and Official Opening Session (09.00-10.00 hrs)**

**Moderator: Inez Wijngaarde, Project Manager, UNIDO**

- **Welcoming of the Participants**
- **Opening Statement by the UNIDO Industrial Policy and Private Sector Development Branch (PSD)**  
*Mr. Mohamed Lamine Dhaoui, Officer in Charge, PTC/PSD*
- **Statement by the Group of 77 (G-77)**  
*Representative on behalf of the G-77 Vienna Chapter*

**Coffee Break (10.00-10.30 hrs)**

**Session I (10.30-12.00 hrs)**

- **Introduction: Project Achievements**
    - Comments on the report of the Second Regional Seminar, Lilongwe, Malawi (October 2008)
    - Brief overview of progress made from October 2008 and issues to be addressed
    - The objectives of the Third Regional Seminar and topical areas to be covered
    - BDS-related issues: effects of the financial crisis on business development and the costing and pricing of BDS
- Interactive session by UNIDO, Ms. Inez Wijngaarde, Project Manager, and Mr. Robert van Lavieren, Consultant, Rural and Women Entrepreneurship and Human Security Unit, PTC/PSD/RWE*
- **Discussions on Issues Brought Up by Participants**

**Lunch Break (12.00-13.15 hrs)**

**Session II (13.15-14.45 hrs)**

**Moderator: Tanzania**

- **The Status of BDS Networks in the Countries**
    - The country teams are requested to present:
      - a. The status of the BDS network in their countries
      - b. Outcomes and impact of recent national level network activities undertaken and the strategies pursued
      - c. The positioning of their agency and national network partners as either BDS market facilitators or providers
- PowerPoint presentations, to be prepared by each country team (approx. 10 minutes duration; 5 slides)*
- **Discussions on Issues Brought Up & Agreement on the Strategy for Organising National Network Meetings**

**Tea Break (14.45-15.00 hrs)**

**Session III (15.00-18.00 hrs)**

***Moderator: Zimbabwe***

➤ **GEPA, The Fair Trade Company: Our Contributions Towards Fairer Trade**

*PowerPoint presentation and interactive session with Fair Trade representative, Mr. Robin Roth, Director GEPA (approx. 60 minutes)*

➤ **Fairtrade Labelling Organizations Int. (FLO): Facilitating and Developing Fair Trade in Agribusiness**

*PowerPoint presentation and interactive session with Fair Trade representative, Mr. Hartwig Kirner, Fairtrade Austria (approx. 60 minutes)*

➤ **Panel Discussion: Fair Trade Policies for the Region to Support WED/YED in Agribusiness**

*With UNIDO Panellists: Ms. Olimpia Panfil, Consultant (Fair Trade), and Ms. Manuela Boesenhofer, Consultant (Corporate Social Responsibility), Clusters and Business Linkages Unit, PTC/PSD/CBL*

***Tea Break (approx. 16.30-16.45 hrs)***

**Thursday, 02/04/2009**

**Session IV (09.00-10.00 hrs)**

***Moderator: Malawi***

➤ **Results-Based Management (RBM) and Monitoring and Evaluation of Effectiveness and Results**

*Interactive session by UNIDO, Ms. Thuy Thu Le, Evaluation Officer, Evaluation Group, OSL/EVA*

➤ **Discussions on Issues Brought Up by Participants**

**Coffee Break (10.00-10.15 hrs)**

**Session V (10.15-11.45 hrs)**

➤ **Communication for Effective Networking**

*Interactive session by Ms. Petra Chiba, Communications Specialist*

➤ **Discussions on Issues Brought Up by Participants**

**Lunch Break (11.45-13.00 hrs)**

**Session VI (13.00-16.00 hrs)**

***Moderator: Kenya***

➤ **The Agribusiness Sectors: Products, Technologies, Raw Materials**

*PowerPoint presentation and interactive session by UNIDO, Mr. Juergen Hierold, Industrial Development Officer, Agro-Industry Support Unit, PTC/AGR/AIS (approx. 60 minutes)*

➤ **Value Chain Approaches for Growth in Agrifood Sectors**

*PowerPoint presentation and interactive session by UNIDO, Ms. Olga Memedovic, Industrial Development Officer, Strategic Research and Regional Analyses Unit, PCF/RST/SRR (approx. 60 minutes)*

➤ **Strengthening Agribusiness Value Chains Through Innovative Solutions  
(Quality Standards for Compliance with International Market Requirements)**

*PowerPoint presentation by UNIDO, Mr. Ali Badarneh, Industrial Development Officer, Productivity, Quality and Enterprise Upgrading Unit, PTC/TCB/PQE (approx. 60 minutes)*

➤ **Discussions on Issues Brought Up by Participants**

***Tea Break (approx. 14.45-15.00 hrs)***

**Session VII (16.00-18.00 hrs)**

- **UNIDO IT Department on Regional Network Website Management, Uploading and Information Sharing (Room D1070)**

*Interactive session by UNIDO, Mr. Hassan Mehdi, Web Publisher, Information and Communications Management Operations Unit, PSM/ICM/OPG*

**Evening Programme: Return to the Hotel approximately at 22.00 hrs**

**Friday, 03/04/2009**

**Session VIII (09.30-11.00 hrs)**

**Moderator: Tanzania**

➤ **UNIDO Entrepreneurship Development Tools**

*PowerPoint presentation and interactive session by UNIDO, Mr. Seiichiro Hisakawa, Chief, and Ms. Gabriele Ott, Industrial Development Officer, Rural and Women Entrepreneurship and Human Security Unit, PTC/PSD/RWE*

➤ **Discussions on Issues Brought Up by Participants**

**Coffee Break (11.00-11.15 hrs)**

**Session IX (11.15-12.15 hrs)**

➤ **Strengthening of Business Support Organisations (BSOs/BMOs) for Enterprise Development**

*PowerPoint presentation by UNIDO, Ms. Inez Wijngaarde, Project Manager, PTC/PSD/RWE*

➤ **Discussions on Issues Brought Up by Participants**

**Lunch Break (12.15-13.30 hrs)**

**Session X (13.30-15.15 hrs)**

➤ **Work Schedule for Follow Up on Work Plans and Activities**

- The country teams are requested to present their national BDS network strategies for the next period of 4 months:
  - a. Network strategy and initiatives for developing a sustainable and market-driven BDS system at national level that supports WED/YED in agribusiness
  - b. Proposals to promote the provision of demand-oriented remunerated services
  - c. A draft country work plan for the period April 2009 – August 2009

*PowerPoint presentations, to be prepared by each country team (approx. 10 minutes duration; 5 slides)*

**Tea Break (15.15-15.30 hrs)**

**Session XI (15.30-18.00 hrs)**

**Moderator: UNIDO**

➤ **Closing Statement by the UNIDO Africa Programme**

*Mr. Massata Cisse, Chief Africa Programme, PCF/RFO/AFR*

➤ **Closing Session**

- Discussion and agreement on country work plans
- Agenda and priorities for the next regional seminar and the way forward
- Draft report of the Seminar

## Annex III – Opening Statements

### Opening Statement by H.E. Ambassador Eugenio María Curia, Permanent Representative of Argentina, Chair, Group of 77 Vienna Chapter.

Regional Project in Eastern and Southern Africa – “Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship”

- Support of the G77 to projects of this nature – in order to share experience and help those countries to overcome poverty and strengthen capacity-building.
- G77 gives not only political, but also financial support through the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries (PGTF) and UNIDO.
- Important synergies between developing countries, civil society, youth and NGOs – youth and women are the most “vulnerable” part in civil society – importance to build networks.
- Importance of South-South cooperation and Economic Development among Developing Countries (ECDC), as well as Technical Cooperation among Developing Countries (TCDC).
- In the past the G77 Vienna Chapter has given support to such projects - G77 - UNIDO Joint Development Initiative in Central America "Technical Skills Training and Entrepreneurship Development for School Leavers in Guatemala, Honduras and Nicaragua" (ECDC) – in 1998 the G77 raised funding of a part by the Government of Austria – project completed in 2003. The project provided relevant technical skills, training for the food processing sector combined with business skills and attitudes in order to increase the entrepreneurship capabilities and opportunities for school leavers in Guatemala, Honduras and Nicaragua. The entrepreneurship skills were passed on also to other employees to expand local economies and improve the socio- economic conditions in the countries, which are currently slowly recovering from severe losses and devastation due to recent catastrophic natural events.
- Another project supported by G77 and jointly financed by the PGTF and UNIDO on TCDC - “Technology Transfer: assessing needs promoting action”. This project aims to strengthen the capacity of institutions, in assessing technological capabilities and needs at national, sectoral and enterprise levels through UNIDO methods, tools and interactive processes. It also assists the target institutions to improve their national and sectoral technology upgrading programmes by facilitating technology cooperation for productivity growth and competitiveness. The main components of this project are: (a) Interregional group training workshop on technology needs assessment for selected technology institutions from African, Arab and Asian regions and networking them for exchange of experiences and technology transfer; (b) field level application of the learned techniques by trained staff at national, sectoral and enterprise levels in the home country; (c) technology strategy upgrading programme workshops at the national level; (d) technology match-making; (e) technology diffusion and ECDC/TCDC cooperation.
- G77 encourages to further promote South-South Cooperation related projects and activities. The Group of 77 and China encourages UNIDO to continue emphasizing and promoting South-South cooperation and more particularly



cooperation in technology transfer. In this regard, the Group emphasizes that South-South cooperation complements North-South cooperation and should involve triangular cooperation where the know-how and technology of developing countries are combined with financial support from developed countries to provide assistance and to transfer technology and know-how to other developing countries.

#### **Background:**

- Two seminars took already place: The first in Dar es Salaam, Tanzania in June 2008, the second in Lilongwe, Malawi in October 2008, were a regional network alliance of Business Support Organizations was initiated to support Women and Youth Entrepreneurship and focused on Business Development Services for agribusinesses.
- UNIDO's - Rural and Women Entrepreneurship Unit assists in improving the entrepreneurial and technical skills of rural and women entrepreneurs by strengthening relevant support institutions and service providers, and supports improvements in the administrative and regulatory environment to encourage the development of entrepreneurship among women and in rural communities. It promotes human security by supporting entrepreneurship to enable disadvantaged population groups to seize economic opportunities based on market mechanisms and entrepreneurial initiatives, with special emphasis placed on those effected by crisis situations.
- The Perez Guerrero Trust Fund (PGTF)<sup>1</sup> was established by the United Nations in accordance with General Assembly resolution 38/201 of 20 December 1983.
- The PGTF is a fund established for the purpose of supporting activities in economic and technical cooperation among developing countries (ECDC/TCDC) of critical importance to developing countries members of the Group of 77, in order to achieve national or collective self-reliance, according to the priorities set by them. It is named after the late Manuel Perez-Guerrero<sup>1</sup> and its funds are channelled through the UNDP, following the approval by the Group of 77.
- The objective of the PGTF is to provide seed money for (i) financing pre-investment/feasibility studies/reports prepared by professional consultancy organizations in developing countries members of the Group of 77; and (ii) facilitating the implementation of projects within the framework of the Caracas Programme of Action on ECDC.
- Any project, in order to be considered for PGTF assistance must necessarily have an ECDC or TCDC component, i.e. any activity which involves deliberate and voluntary sharing, pooling or exchange of economic or technical resources, knowledge, experience, skills and capabilities between three or more developing countries for their individual or mutual development.

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<sup>1</sup> Manuel Perez-Guerrero's (1911-1985) long and distinguished career spanned for some 50 years, both as an international civil servant and as a high-level government official in Venezuela. Perez-Guerrero started his international career in the mid-1930s with the League of Nations and held numerous high-level positions in the United Nations system since the mid-1940s. He served as Secretary-General of UNCTAD in the late sixties and early seventies. In Venezuela, Perez-Guerrero was one of those who laid the foundations for building a modern state. He held four different ministerial posts in a forty year span, namely Finance, Planning, Mines and Hydrocarbons, and International Economic Affairs. Perez-Guerrero played a decisive role in the establishment of the Organization of Petroleum Exporting Countries (OPEC) in 1960 and in the nationalization of the Venezuelan oil industry in 1975.

- Proposing organizations and institutions may submit no more than one (1) project proposal per annum for funding from the PGTF.

**Opening Statement by Mr. Seiichiro Hisakawa, Chief, Rural and Women Entrepreneurship and Human Security Unit, Industrial Policy and Private Sector Development Branch, UNIDO.**

Business development services for long-term growth of women and youth entrepreneurship

Welcome to the third workshop of network-building for mainstreaming of women and youth entrepreneurship development. We are privileged to host this important meeting at the headquarters of UNIDO in Vienna, Austria.

Let me focus on entrepreneurs.

- Entrepreneurs are individuals who aspire to improve their living standard by producing and selling services and products other companies, government and consumers want to buy.
- Entrepreneurs look at themselves to see what resources they can mobilize.
- Entrepreneurs compete against each other by innovating services, products, management and marketing strategies for survival and growth.
- Entrepreneurs make strategic alliances with other entrepreneurs to maximize their common interests.
- Entrepreneurs make business decisions by responding to signals coming from the markets.
- The markets in their immediate communities are affected by the bigger markets of the provinces, national, regional and global markets.
- If the incentives are distorted, entrepreneurs can make wrong decisions.
- National governments bear significant responsibilities to keep improving the functioning of the markets.
- Policies that affect narrow constituencies would benefit the selected sectors but it is difficult to know in advance how and to what extent that would eventually affect the incentives of other sectors.
- Group of individual entrepreneurs can form associations to raise their common interests in louder voices.
- Good governance of business associations can result in sustainable influences on public policies through the national governance system.
- In asking for larger public services, the private sector must be ready to pay for the services by higher taxes and fees, just like private business.
- The managers of business development service providers must be entrepreneurial in order to stay relevant to the long-term growth of the private sector.

- Short-sighted services would result in short-term impact.
- Immediate problems are easy to pronounce.
- Identifying the measures to address root causes is a challenge.
- Dialogue and debates among the wide range of constituencies can gather the insights of a large number of people to find solutions that can contribute to the long-term prosperity and harmony of the society.

I hope that this gathering will contribute to the development of an effective and efficient network for business development services.

## **Annex IV – Progress on Network Building at National Level**

### **KENYA**

#### **Achievements**

- KAWBO-WillPower Supported National Network involving: Ministries of Gender and Children, Youth, Agriculture, Livestock Development & Supportive Donors.
- Registration of a Network of Service Providers Now Available at: <http://www.vacidafrica.or.ke>
- Creation of a unified National ICT Supported Business Network with support from: Kenya Agricultural Productivity Programme, TSBF Institute of CIAT/AGRA, Kenya Agricultural Research Institute, Computers for Schools Kenya, Swedish Cooperative Centre, University of Nairobi, Kenya Forestry Research Institute.

#### **Key Activities**

- On the 30th of January 2009, launch of the Kenya Business Development Network: Attended by 70 guests, Guest speaker: Alexander Varghese, UNIDO UR, Government representation by Ministry of Youth, Ministry of Agriculture and EA Chair of AWAN, Ministry of Industrialization did not attend.
- On May 21st-22nd KAWBO will hold a 2-day inaugural International Women's Conference that seeks to expose Women Business Owners to International Business Opportunities and recognize resilience amongst Business Women.
- Through AWAN Kenya a concept paper was prepared to raise funds to: Increase outreach to members, Organize members into producer groups, Train members in GAP, Train members in Agribusiness Management, Linking producers to local buyers, Training producers in export readiness/processing, Update and upgrade AWAN Kenya Website.
- Federation of commercial and service enterprises: 5-year Women entrepreneur programme supported by NORAD; Overall objective is to establish a trade house and market oriented brands.
- Member of African Business Network Initiative of Vital Voices (Hilary Clinton's NGO): Network Launched in January in Egypt, KAWBO was the organization selected to represent Kenya in Vital Voices, Six countries were selected for the network.
- From May 2008 'Be.' has reached out to youth: Launch of 'Be.' At the University of Nairobi where hundreds of students attended, a number of events organized by the ICT Village around Kenya were attended which gave opportunity to interact with the youth under the Youth Enterprise Fund and create awareness of the programme.

#### **Challenges**

- Creating a harmonized Network with Stakeholders e.g.: ILO, Ministry of Industrialization, MESP Trust, Kenya Institute of Management.

### **MALAWI**

#### **Achievements**

- Network established and meetings held monthly.
- Membership is still growing. New members include One Village One Product (OVOP), Concern Universal Micro-finance Organisation (CUMO).
- Annual work plan developed.
- One lady, Mrs Chikaya of the tailoring shop, trained in financial management.
- Seed funds received in March 2009.
- TORs being drafted.

## **Challenges**

- Funds received later than expected, which affected delivery of planned activities.
- Low commitment levels to the network by some members.
- Information blackout on the Malawi Women Entrepreneurs project which was envisaged to fund the Malawi BDS market research.

## **Upcoming activities**

- Launch the network by June 2009.
- Market the network through electronic and print media.
- Invite additional members.
- Register the network with the Ministry of Industry and Trade.

## **ERITREA**

### **The current position of BDS Network**

- After the Malawi Network meeting, effort was made to identify the possible Network Members (stake holders).
- Assessment was also made to identify the possible BDS providers in the country.
- Some NGO's in the country were also contacted and explanation was given about BDS.

### **Possible identified stakeholders for BDS Network**

- Eritrean National Chamber of Commerce (ENCC).
- Women in Agribusiness Association.
- Saving and Micro Credit Program (SMCP).
- National Union of Eritrean Women (NUEW).
- National Union of Eritrean Youth (NUEY).
- Consulting firms (SMAP-Institute of Training, Education and Consultancy, Noble Academic Service, Bizcon, Minasei Training Center etc).

### **Existing situation of the identified Stake Holders in the country**

#### **Eritrean National Chamber of Commerce (ENCC)**

- ENCC is involved in BDS to different members of the business community both men and women.
- Until the other BDS providers get ready to provide the service, ENCC is playing the role of both BDS Provider and facilitator.
- With the experience it has, ENCC can play a leading role in the development of BDS Network in the country.

#### **Women in Agribusiness Association**

- This association is giving some BDS activities to its members in cooperation with ENCC.
- It has strong business women who can be mentors and role models for other women in agribusiness.

#### **Saving and Micro Credit Program (SMCP)**

- This is the largest Savings and Micro credit Programme which has been operational since 1996 in the country.
- The credit is targeted towards the poor rural communities irrespective of gender though women comprise a large percentage.
- SMCP is working in all regions of the country including the remote villages.
- It is also organizing Village Banks to serve those in remote villages.

- They provide BDS especially in the areas of business financing, and book keeping.

**Note:** on the BDS services they provide, they do not charge; however on the amount of loan they give, they charge interest

#### **National Union of Eritrean Women (NUEW)**

- This is a mass-based organization with more than 200,000 members which is engaged in improving the livelihood of Eritrean Women (by providing poultry, sheep, goats, milk cows etc. to develop self reliance and be self employed).
- It takes human resource development initiatives in terms of training, provision of social services and enhancement of women's participation in economic activities and self-employment of Eritrean Women at grass roots level.
- It also provides micro-credit programmes to women.

#### **National Union of Eritrean Youth and Students (NUEYS)**

- This organization has a membership of about 135,000 young people.
- It is targeting capacity-building and raising the awareness of young people to productive employment.
- There is a Gender Unit in this organization that addresses the needs of young females.
- It organized training programs including food processing to young women.
- They have Micro Credit programs to support young men and women.

#### **Transformation of the National Organizations to BDS Providers**

- The two National organizations, NUEW and NUEYS are not really engaged in BDS currently.
- By taking training on BDS they can upgrade their services to help the target groups with whom they are working to improve their livelihood and create their own micro and small businesses.
- Gradually they can be transformed to BDS providers by taking training and with the help of the other stakeholders in the country.
- The target women can also be transformed from the subsistence level to owning their own micro and small businesses.

#### **Activities performed by ENCC in the last five months**

- Side by side with the identification and contacting the other stake holders of the network, in the last five months ENCC performed the following activities in relation to the BDS activities.
- ENCC conducted training for women in agribusiness on Marketing Strategy based on their request (this training was conducted free of charge as a gesture to empower them).
- Besides providing its own expertise, ENCC invites resource persons in various fields to empower the women in agribusiness as the cases below explain:
  - Linkages were created by ENCC for the women in agribusiness with some donor organizations like the Dutch Interchurch Aid and the Netherlands Embassy.
  - With the funds received, three training programs which were requested by the women in agribusiness (e.g. project planning and management, basic principles of accounting, and management training) were conducted for the women in Agribusiness by two different consulting firms (SMAP-Institute of Training, Education and Consultancy and Noble Academic Service).

- A meeting was organized by ENCC by writing official invitation letters to entrepreneurs to explain the availability of support services by PUM (Experts from the Netherlands) in different fields.
- Three women entrepreneurs engaged in agribusiness (milk processing, vegetable and bee keeping) invited PUM experts and get the support services they require (each PUM expert gives three weeks support) giving technical and other support services.
- After the local support made by the PUM experts, three women entrepreneurs of two enterprises were invited to visit the Netherlands for further training and other support.

#### **Challenges /Constraints in creating the Network**

- There are a very limited number of BDS providers in the country and these are non-profit oriented (they don't charge for the service they provide).
- There are very few NGO's who are working on developmental interventions rather than humanitarian and recovery aspects.
- They are mostly providing drinking water supply, micro dams, direct assistance to schools, clinics etc.
- No business focus activities conducted by the NGOs.
- No BDS providers from the NGO group.
- Most enterprises in agribusiness managed by women are very small and mostly in the informal sector. They do not have the capability for purchasing business services.

#### **Opportunities in creating the Network**

- Availability of organizations who are already involved in developing women entrepreneurship (NUEW & NUEYS).
- Availability of a micro credit organizations that can assist the poor in creating micro and small businesses.
- Existence of a National Chamber with rich experience in BDS activities.
- Existence of an Agribusiness Association with strong members who can be role models for others.
- Availability of many consulting firms in all sectors of the economy some of which can readily be BDS providers that could respond to the future demands by SMEs.
- Existence of UN agencies engaged in development activities (there is possibility of participation in BDS projects).

## **TANZANIA**

### **Progress after Malawi meeting**

#### *Planned:*

- Identification of BDS providers network.
- Develop monitoring toolkit.

#### *Achievement:*

- 34 BDS and Donors identified.
- Developed and sample attached and 20 BDS providers filled in.

### **Tanzania Progress to date**

#### *Planned:*

- Hold BDS and group leaders meeting/seminar.

*Achievement:*

- In November 2009, after several meetings with partners, and with great assistance from UNIDO, organized a meeting with 66 representatives:
  - 29 BDS providers/media
  - 6 Donor and Government
  - 21 Association leaders/entrepreneurs
  - 10 partners /organizers
- Outcome:
  - Formation of BDS providers network
  - Database collected and available
  - BDS providers linked with chamber website.

*Planned:*

- Visit one stop shop in Kenya.

*Achievement:*

- One partner visited Kenya in December.
- Meetings with members conducted.

*Planned:*

- Hold group leaders meeting with members.

*Achievement:*

- TWCC assisted by BDS providers (AWAN, TAFOPA) met with 22 members and submitted Business plan competition to TPSF.

*Planned:*

- Create website and promotional materials.

*Achievement:*

- Leaflet done.
- Website developed [www.twcc.org.tz](http://www.twcc.org.tz)

*Planned:*

- Create one stop shop.

*Achievement:*

- Proposal for one stop centre prepared and submitted.

*Planned:*

- Extra work done.

*Achievement:*

- PPP meeting with MITM-minister, IFM, role models.

**Way Forward / Challenge**

- Follow up on one stop shop formation.
- Tanzania BDS providers network.



## **ZIMBABWE**

### **National Workshops**

Four national workshops conducted to:

- Sensitize members on the need and structure of the BDS network 'BIZNET' in Zimbabwe.
- Establish collaboration among various Small and Medium Scale, Enterprises (SMEs) promotional agencies, Chambers, Business Associations and other stakeholders in the promotion of the SME Sector, focusing on Women and Youth Entrepreneurs.
- Form BDS Network Committees to champion National BDS initiatives.
- Harvest ideas and opinions on the development of a sustainable and market driven BDS System.
- Foster team work and build trust among stakeholders toward common goals for BDS networking.
- To share ideas on issues affecting SMEs.

### **Workshop Details**

<b>Workshop</b>	<b>Venue</b>	<b>Date</b>	<b>Attendance</b>
Workshop 1	Harare	20 Nov. 2008	34
Workshop 2	Gweru	4 Dec. 2008	30
Workshop 3	Bulawayo	5 Dec. 2008	34
Workshop 4	Mutare	6 February 2009	30

#### **Quotable Quote from one of the Workshops**

*"A BDS Network should standardize to avoid being swayed from its path or short changed by poor service providers who have a bad reputation. As a BDS provider, your knowledge must be greater than that of the people you are serving. Zimbabweans are educated and we respect people we think know better than us. The BDS Network will enable BDS providers to continuously update their knowledge. The Network's priorities should be clear right from the start. We should not be like our national soccer team which has always had potential but no success. Potential without reality is like a stillborn child". Godfrey Chitambo - ZAMFI, Harare.*

### **Current Membership**

BIZNET currently has more than 141 members throughout the country, comprising:

- Relevant Government Institutions.
- Business Chambers.
- Business Associations.
- Private sector.
- Relevant NGOs at national and regional levels.

### **Biznet Virtual Home**

BIZNET has a Virtual Home where we share experiences and hone our ideas on how we can leverage benefits for our members.

The home is here: <http://groups.yahoo.com/group/businesszimbabwe>

### **At this home you can find**

- Reports of all the four workshops in the FILES Section.
- Business Manual posted by one of the Members in the FILES Section.
- List of members participating in various discussion threads.

- All discussion threads since the home was created.

### **Role of ZOIC and ZNCC**

- Managing the BIZNET network's assets (Vision and Strategy).
- Maintaining a members list (Profiles).
- Initiating distribution of information.
- Organizing face to face events (Knowledge sharing component).
- Representing the network in other fora such as Regional Meetings.
- Introducing new members and be a matchmaker between members.
- Ensuring feelings of inclusion – so members feel part of BIZNET.
- Networking with members to maintain energy.

### **WED and YED**

- BIZNET's work in promoting Women Entrepreneurship Development (WED) and Youth Entrepreneurship Development (YED) has already been cut out through another initiative supported by the UNDP.
- Under this effort, we are assisting the Ministry of Women's Affairs, Gender and Community Development in Zimbabwe to build a Federation of Women in Business in line with COMESA expectations that women should be well organized to exhibit at COMESA meetings.
- 121 Women Business Associations and 288 Income Generating projects have been identified and profiled in 8 provinces of the country.
- BIZNET will provide capacity building for these associations and IGPs.

### **Coordination in BIZNET**

In all the four workshops, we have set up Steering Committees responsible for:

- Defining the structure of BIZNET and are set to become the CORE National Governance Committee, from whom the Board of Directors of BIZNET will be identified/appointed/elected.
- Finding opportunities.
- Ferreting good collaboration practices and tools using diversity of ideas and approaches.
- Connecting people and ideas so new collaborations can flourish.
- Helping people to learn and adapt collaboration practices and tools.

### **Resource Mobilisation**

For BDS network building, we have been able to get funding from:

- SNV Netherlands (US\$ 2,500) – funded Harare BDS Sensitisation Workshop and Adverts.
- UNIDO (US\$ 4,500).
- UNDP (US\$ 53,000) for economic empowerment of women.
- HIVOS (4,000 Euro) - funded BDS Sensitisation Workshops for Masvingo; Gweru and Mutare.

### **Focusing into the future**

Envisage BIZNET to have some of the following features:

- Information technology HUBs for Women and Youth Entrepreneurs.
- Effective use of technology to store and retrieve information of interest which makes it immediately findable to everyone in the network.
- Linking and connecting Women in Business with mainstream business sectors (Women Chambers).
- Ability to see connections across diverse signals and bits of information.
- Connections between teams, communities and their larger networks as sources of new ideas and members (Women Business Centres).

## Annex V – Country Strategies for BDS Network Building at National Level

### KENYA

#### Strategy

Develop partnership with producer institutions, support them in creating producer clusters and strengthen the existing clusters. We shall support the network by formulating a framework of integrating SMEs to policy institutions, private sector BSOs and donor support institutions and systems.

#### Work Plan

Activities	Period 2009	Responsibility
Link up and Collaborate with The Fresh Produce Exporters Association of Kenya (FPEAK) and the Kenya Flower Council (KFC) and develop a capacity for linkage with Small Farmer Clusters to initiate the Code of Practice (Kenya-GAP) and Fair trade. These are the organisations that have introduced these standards in the Agribusiness sector.	April – June	VACID Africa/ KAWBO
Start up a value chain with two products as a pilot project. For Example: Banana and Avocado value chain in linking with the Global Value Chain. (Banana-crisps, wine, flour / Avocado – Oil (Cosmetic and edible), food powder, animal fodder etc.).	Immediately	VACID Africa/ KAWBO
Develop a regional framework to integrate business development services in policy institutions. Particularly for SME interaction with Government, private sector and donor support systems.	April – June	VACID Africa/ KAWBO
Develop content for upload into the regional network website, hosted by UNIDO.	April – June	VACID Africa/ KAWBO

### MALAWI

#### Strategy

- Review the Annual Workplan.
- Review BDS Strategy in Malawi.
- Review the Network Budget.
- Review Network Performance of Members.
- Reschedule Meetings and Activities.
- Plan for more effective BDS activities.
- Conduct Follow Up Meetings with Stakeholders (Network Members).

## Work Plan

Activities	Period 2009	Responsibility
Review Network Strategy	April 2009	NABW & DEMAT
Monthly meetings	Continuous	NABW & DEMAT
Submit information on Malawi on UNIDO-hosted regional network website	April 2009	NABW & DEMAT
Meet PS of Ministry of Industry & Trade	May 2009	NABW & DEMAT
Launch the Network	June 2009	NETWORK MEMBERS
Conduct training for BDS providers and facilitators	June 2009	NABW & DEMAT
Strategise on findings of the research	July 2009	NETWORK MEMBERS
Conduct BDS market research	July 2009	NETWORK MEMBERS

## ERITREA

### Strategy

- Conduct one-day workshop with the identified stakeholders with the purpose of sensitising BDS.
- Organize training for potential BDS providers through ENCC.
- Form the Local Network of stakeholders

### Work Plan

Activities	Period 2009	Responsibility
Conduct one-day workshop with the identified stakeholders with the purpose of sensitising BDS	April 2009	ENCC, SMCP, Women in Agribusiness, NUEW, NUEYS
Organize training for potential BDS providers through ENCC.	June 2009	ENCC, SMCP, Women in Agribusiness, NUEW, NUEYS
Form the Local Network of stakeholders	July 2009	ENCC, SMCP, Women in Agribusiness, NUEW, NUEYS

## **TANZANIA**

### **Main Strategy**

- Resource mobilisation from interested partners for co-financing the activities.
- Involve BDS providers/leaders of the associations and other stakeholders in all stages of implementation.
- Cost sharing with stakeholders.

### **Strategy for One Stop Shop**

#### **Objective:**

- National and regional network through South-South Cooperation support.
- Registration and certification of agrifood products facilitated.
- Involvement of Government, especially the Ministries for building public-private sector partnerships.

#### **Justification for WED/TWCC to be the nucleolus of the One Stop Shop**

- Regional experience in the region, e.g. Malawi, Sudan and Zimbabwe.
- Over 15 years experience in managing donor activities and promoting agrifood industry, e.g. providing training in food processing, entrepreneurship and international trade, sourcing and selling of inputs like packaging materials, consultancy services.

#### **Sustainability**

- Formulate payment structure for services provided.

#### **Work plan**

<b>Activities</b>	<b>Period 2009</b>	<b>Responsibility</b>
Improving website so as to link BDS providers database to the web	April – May 2009	TWCC/WED/TGT/Prosperity Africa/Graduate Synergy
6 Leaders of associations hold meetings with members to assess results of BDS providers impact/services using the monitoring kit	May – July 2009	TWCC/WED/TGT/Prosperity Africa/Graduate Synergy
Train 30 people from food industry on food quality and safety on behalf of UNIDO-Tanzania	April 2009	TWCC/WED/TGT/Prosperity Africa/Graduate Synergy
Follow up on technology exchange (peanut butter) with ZOIC and connect with Tanzania and Mzuzu women peanut growers	April – May 2009	TWCC/WED/TGT/Prosperity Africa/Graduate Synergy
Follow up on One Stop Shop with UNIDO	April – August 2009	TWCC/WED/TGT/Prosperity Africa/Graduate Synergy

## **ZIMBABWE**

### **Introduction**

The experience of BIZNET in Zimbabwe has been full of excitement. As many as 150 BDS organisations have shown willingness to participate in developing the BDS environment. Two Netherlands-based organisations have also supported UNIDO's initiatives for improving the BDS Environment in Zimbabwe and we feel that the enthusiasm shown already has long lasting potential.

### **THE STRATEGY FOR CAPACITY BUILDING FOR YED & WED IN ZIMBABWE**

#### **We envisage BIZNET to have some of the following features:**

- Capacity building of BIZNET in Zimbabwe to be able to facilitate the dialogue process.
  - Setting up the Network Secretariat to house the BIZNET idea.
  - Establishing a proposal for the organizational capacity building of BIZNET.
  - Establishing Information Technology HUBs for Women and Youth Entrepreneurs
  - Linking and connecting Women in Business with mainstream business sectors
  - Continue the e-discussions and weblogs, which have been started and assist network and community collaboration.
- Finalising the proposal for a larger NATIONAL PROGRAMME that looks at Vocational Skills Training and Youth Entrepreneurship Development focusing on
  - A diverse range of new skills for economic recovery of Zimbabwe.
  - Issues of ICT, micro credit, entrepreneurship development and environmental training.
  - Develop a networking culture – reliant on stimulation of various points or nodes rather than centralized leadership.
  - The basic strategy is 'Collect' and 'Connect'; connecting people to people with resources and collections, people with possibilities and discussions; and collecting relevant and up-to-date information on BIZNET in a shared space.

### **Work plan**

<b>Activities</b>	<b>Period 2009</b>	<b>Responsibility</b>
<b><u>BIZNET PLANS FOR 2009</u></b>		
Organise BIZNET Steering committee orientation meetings in Harare, Gweru/Masvingo, Bulawayo and Mutare.	April–Aug. 2009	ZNCC, ZOIC
Compile BIZNET Membership List, directory and BDS website set up.	May 2009	ZNCC, ZOIC
BDS Newsletter Publication	June 2009	ZNCC, ZOIC
Look & Learn Visit – Namibia in relation to the BDS Market Assessment Survey and the status of BDS in Zimbabwe Survey & BDS directory	July 2009	ZNCC, ZOIC
BDS Network launch and exhibition expo in July 2009	July 2009	ZNCC, ZOIC

Review & Reflection Workshop with Committee leaders.	July 2009	ZNCC, ZOIC
Lessons learnt publication from e-mail dialogue	July 2009	ZNCC, ZOIC
Setting up the BDS office & secretariat	August 2009	ZNCC, ZOIC
<b>NATIONAL PROGRAMME 2009.</b> Setting up meetings with the UNIDO Country Office & relevant Ministries (Finance, Education, Youth, SMEs, Gender, Labour)	May 2009	
Identification of Project Management Committee	May 2009	
Assessment of VCTs status and identification of pilot VCTs (new skills requirements, capital & technological requirements)	June 2009	
Proposal for the NATIONAL PROGRAMME	June 2009	
Mission to Zimbabwe	July 2009	

## **Annex VI – Assessment of Experiences from Each Country to Date**

### **TANZANIA**

Good experience with partners. We have involved UNIDO from the beginning. SIDO and TWCC has co-opted other partners with whom they have worked very well in achieving the outcomes of the BDS Network at country level. Achievements can be attributed directly from the participation of the UNIDO country office.

### **ERITREA**

Given the circumstances of operations in Eritrea, it is necessary to carry out the activities with the Ministry and the partners that the Chamber has identified. The project proposed that the project coordinator (SIDO) could visit the ENCC for holding meetings with partners and to meet the Ministry and other stakeholders in an effort to promote support for BDS development in the country.

### **KENYA**

The Kenyan programme was undertaken with plans to collaborate with Government Ministries. Meetings in December did not take place because of availability of the Government officials who requested the launch to take place in January. The Ministry of Industrialization did not participate in the launch of the local network. The Equity Bank Officer assigned to working with the local network has not been available for network activities. Nevertheless training of trainers sessions have been conducted, and a web-based database of service providers has been developed. We are now harmonizing activities of the BDS service providers whom we have trained and those that we are working with. Now that we know who our partners are, we have a clear goal forward.

### **MALAWI**

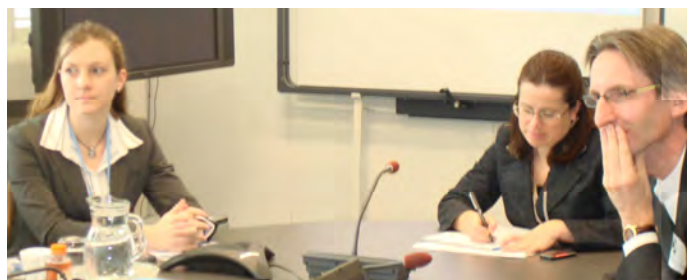
The BDS market is currently very low with few individuals running the support initiatives. Partners were initially working with the network but slowed down. There is need to review the activities initially planned given that most stakeholders have been slow in participating.

### **ZIMBABWE**

Network experience has registered 150 partners willing to promote BDS environment in Zimbabwe. Four meetings in four different cities with the financial support of Hivos, SNV, UNIDO and UNDP have given the support to the activities of BDS development. A secretariat is being formed to promote the creation of synergies in the BDS environment and to promote information sharing among stakeholders.



## Annex VI – Photo Gallery and Seminar Presentations







## **Regional Networking of BSOs for Mainstreaming of WED/YED in Agribusiness**

**Fourth Regional Technical Seminar  
28-29 October 2009, Nairobi, Kenya**

### **Final Report of the Project**

*Regional Project in Eastern and Southern Africa (YA/RAF/08/015):  
'Strengthening of capacities of private sector agencies and NGOs in selected  
African countries through regional networking and ECDC/TCDC supporting  
Women and Youth Entrepreneurship (WED/YED)'*

## **I. Introduction**

This is the final technical report on the UNIDO/PGTF regional project for strengthening Women and Youth Entrepreneurship Development (WED/YED) capacities of public and private sector agencies in Eastern and Southern Africa, which was implemented from April 2008 to October 2009.

UNIDO in association with the Small Industries Development Organisation (SIDO) and the Kenya Association of Women Business Owners (KAWBO) organised a Fourth Regional Technical Seminar, which was held on 28-29 October 2009 in Nairobi, Kenya.

### ***Objectives of the Fourth Regional Technical Seminar within the Scope of the Regional Network***

Business Support Organisations (BSOs) from the following project partner countries attended the seminar: Kenya, Zimbabwe, Malawi, Tanzania, and Eritrea ([Annex I refers](#)).

The specific objectives of this meeting were as follows:

- To review with project partners their country level Business Development Services (BDS) network activities undertaken since April 2009, and the impact that this has generated in the countries.
- To examine what the participating organisations have gained from this regional networking initiative.
- To review WED/YED programme development in Kenya and Zimbabwe for a competitive MSME sector.
- To discuss and obtain agreement among the project partners on the way forward for the regional network.

In preparation of the seminar, the participants received in advance a provisional seminar programme ([Annex II refers](#)). SIDO was responsible for overall coordination and made the necessary organisational arrangements for travel. KAWBO, being from the host country, made arrangements for accommodation and venue selection.

## **II. Opening of the Regional Seminar**

The UNIDO Representative for Kenya and Eritrea, Mr. Alexander Varghese, and the Ministry of Industrialization, represented by Mr. David Rono, Industrial Development Officer, jointly opened the Fourth Regional Technical Seminar.

The UNIDO Representative emphasised the significant contribution that the MSE sector has made for poverty reduction and economic growth in many countries around the world. The role of women in MSE development is especially imperative, as they are a major source that drives the MSE sector.

UNIDO supports women entrepreneurship development in order to advance the role of women in various sectors of the economy, and to assist partner countries with improving human resources utilisation.

In addition, Mr. Varghese noted that UNIDO has various tools available that have made the organisation well-placed as a catalyst for value addition in rural areas. UNIDO's technical assistance, to improve training and services for MSE entrepreneurs through Business Development and Competitiveness Services (BDCS), provides ample support to address the growth requirements of the sector.

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Advancing local production and creating value addition can have economic as well as environmental benefits for rural environments. UNIDO therefore brings energy issues into the development equation. UNIDO promotes energy efficiency in production processes and resources management. Energy saving technologies and the transformation of organic waste into renewable energy resources are applied as means for innovation and MSE growth, while lowering the ecological footprint.

For example, agro-waste can be pressed into briquettes for home-cooking, reducing the use of charcoal. Moreover, methane can be extracted from waste to be utilised as an energy source. In these processes, waste is turned into an utilisable resource for production.

A discussion followed on how the introduction of energy efficient technologies, local resource utilisation and the reduction of post-harvest losses could benefit local development. Case examples in Malawi and Zimbabwe were discussed.

Mr. Varghese urged the regional network partners to actively make use of the network website in order to share success stories and solutions with each other for replication of their activities in the other countries. The internet is also a proactive tool for the partners to publicise and promote their programmes with donors.

Mr. David Rono from the Ministry of Industrialization stressed the need for Kenya to network and share solutions with partners in the African region for developing the MSME sector. The Ministry of Industrialization fully supports the training of youth and women for MSME development. He underlined the need for linking up MSMEs with markets through providing market access, raising quality standards, and improving product design capabilities.

A copy of the opening statement by the UNIDO Representative is attached in Annex III.

### **III. Programme of Activities**

**Meeting Day I, 28 October 2009**

***Proceedings and Results***

***Session I 'Review of Project Achievements'***

The project partner agencies presented their BDS network activities undertaken since the last regional meeting in April 2009 (refer to presentation overviews in Annex IV).

During the ensuing discussions, participants from Malawi and Zimbabwe underlined that the regional project has benefited their organisations in various ways. The Malawi partners mentioned the easy accessible food processing technologies for value addition in rural areas, i.e. banana wine production, which they obtained from Tanzanian partner SIDO. The Zimbabwean partners highlighted that the project provided them with a vehicle to open doors with donors. They have used the activities initiated under the regional project as an opportunity to multiply funds. The project has served as a catalyst to move BDS development programmes in Zimbabwe further, based on various sources of funds.

It is apparent from the BDS networking activities and results of the regional network over the last two years that these have worked out in different ways for each of the participating countries.

The BDS networks in the countries are clearly at different stages of development. It seems that these differences are for a large part caused by dissimilar contextual circumstances as regards the extent of existing public-private sector partnerships and civil society/private sector relationships in the countries.

Other factors could be the levels of motivation and awareness among local BSO partners with regard to the need for networking. In such cases, adapted strategies might need to be devised. To increase the involvement of BSO partners, the network organisers would need to make network membership more beneficial to the BSOs. This could be done by adjusting the network functions to the needs of the associations. For instance, network meetings do not need to be formal and frequent to be effective; instead informal and ad-hoc information exchange between the BSOs could be encouraged.

### ***Session II 'Kenya experiences'***

Ms. Damaris Mukami, Organising Secretary of the Association of Women Casual Dhobi Entrepreneurs, described the various challenges that women entrepreneurs in the laundry cleaning sub-sector are facing in Kenya. The Association, which she launched in 2009, supports individual women entrepreneurs in this mostly informal sub-sector. The Association seeks to strengthen the economic position and working conditions for these entrepreneurs through public advocacy and through professionalising the sector.

The Association currently has approximately 50 members and is set to expand. The main needs of the Association are a secretariat and improving its legal structure. More information on this Association can be found in [Annex V](#).

Project partner Mr. Kiringai Kamau took the floor to share with the meeting his professional experiences with credit facilitation for investment in MSMEs. The critical question for entrepreneurs seeking investment funds is how to organise for funds mobilisation. A good starting point for an individual entrepreneur would be to mobilise capital from family and the individual's network. A next step that could facilitate attracting funds would be the formation of a common interest group. Other practical ways proposed are advancing funds through 'factoring', improving business plan writing for more success with applications to formal financial institutions, and learning how to tap on available MSME funds from international donor-driven programmes.

### ***Session III 'Site visit: best practices of YED integration in the Nyaga Youth Polytechnique vocational training centre'***

A study visit was made to a vocational training centre in Ruiru, which is in the rural periphery of Nairobi. The visit was hosted by the Ministry of Youth Affairs and Sports.

Around 200 students (120 male, 80 female) attend Nyaga VTC each year and the number is growing. The school is made up of 17 staff and 5 support staff, 3 of which are employed by the Ministry of Youth Affairs and Sports. A part of the school tuition fees is paid for by the Government.

The target group of the VTC include those who are not able to attend college or secondary school. The school offers an alternative route into higher education by providing support for high-performing students through extra courses that can help them to get into university.



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The training centre offers the following courses: electrical and electronics, motor vehicle mechanics and electrical, dressmaking and tailoring, metal work/welding, hairdressing, masonry, carpentry, painting and decorations, computer literacy, and car driving. These courses are combined with entrepreneurship and life skills programmes that guide students into becoming entrepreneurs.

The VTC has established linkages with the local workshops (Jua Kali) as well as with companies to forge attachments for its students. Some of these workshops are run by graduates who stay connected with the VTC. To strengthen these ties, the school has set up a tracking system that follows students after graduation.

A major question that the VTC faces is how to become financially self-sustaining. The VTC management has the idea to start a production centre that can take commercial orders from the local business community.

The Ministry is planning to provide start up tool kits to selected VTCs that would support starting entrepreneurs.

## **Meeting Day II, 29 October 2009**

### ***Proceedings and Results***

#### ***Session IV 'Kenya Dairy Board presentation on standardisation for quality and competitiveness of MSMEs in the dairy sub-sector'***

The Dairy Board was invited to provide an insight into the developments and needs of a Kenyan agri-business sector. Ms. Joyce M. Kiiro, Chief Dairy Development Officer, informed the meeting about the changes in the structure of the sector over the decades. The sector developed from a largely monopolised dairy processing sector through a liberalisation stage in the early 1990s into a largely informal sector with many small milk producers and traders. The liberalisation improved the overall conditions and income generation opportunities for smallholders. Nonetheless, the sector is in need of technical assistance for quality upgrading. The Dairy Board has started to assist small milk producers with reaching compliance to quality and hygienic standards. Some of the larger dairy producers have obtained international certification standards, such as HACCP. However, most smallholders are in need of strengthening to obtain certification and to increase their overall competitiveness.

#### ***Session V 'Field visit to food processing facility/cooperatives'***

A field visit was made to the Lari Dairies Alliance Ltd, which targets the lower price segments of the market with its Sundale dairy brand.

This medium-size company with 60 employees was formed 3 years ago by 5 cooperatives of smallholder farms. The semi-automated production facility produces various products, such as pasteurised milk, butter, cream, and yoghurt. The products are mainly sold in small shops and markets.

Although the production facility seemed to be well-organised, the seminar participants found that hygiene standards and environmental considerations would need to be further addressed. The following observations were made:

- Raw milk is brought into the processing facility by hand without the use of cold chain transport. This could increase the chance of product contamination.

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- Although the production of fresh milk is driven by a fully-automated process, other products such as yoghurt and butter involve mainly manual labour processes whereby the product quality could get affected.
- There is a test laboratory, but it is not a controlled sterile environment.
- The septic tank on the terrain might contaminate the ground water.
- Waste from the plant is being burnt in an open air oven.
- The packaging of yoghurt products is performed without hygiene supporting devices such as rubber gloves and mouth pieces.

### ***Sessions VI and VII 'Review of the planned programming mission for WED/YED in Zimbabwe' and 'Closing Session'***

The meeting discussed the way forward for the regional network after project completion.

To sustain network communication, a virtual platform was proposed. The partner agencies agreed to send monthly updates on their activities to UNIDO before the end of each month, to be included on the regional network website.

It is foreseen that the two UNIDO MSME development programmes foreseen in Zimbabwe and Kenya would forge close links for attaining synergies and knowledge exchange.

UNIDO would be looking into organising a programming mission to Malawi in 2010, in order to review possibilities for an MSME development programme. To activate this process, the Malawi network partners would need to send an official request for a MSME development programme to UNIDO.

The Tanzania partners emphasised to make use of the momentum in Tanzania for MSME development and improved BDS for women and young entrepreneurs. A proposal for one-stop shops would be further improved and submitted to UNIDO for funding consideration by potential donors.

It should be especially noted that the project partners from Kenya, Zimbabwe and Tanzania have contributed greatly and invested their time for the development of proposed WED/YED programmes for MSME development in Kenya and Zimbabwe.

The meeting concluded with an in-depth plenary review of the scope for WED/YED programmes in Kenya and Zimbabwe.

## **IV. Overview of Regional Project Achievements**

The primary objective of this regional project was to build cohesion between the participating African countries on WED/YED and BDS for agri-businesses through regional networking of BSOs. By linking WED/YED initiatives between these countries, UNIDO intended to facilitate effective use of resources and opportunities available within the region and at national level.

Four regional technical seminars were conducted in the course of project implementation, i.e. in Tanzania (June 2008), Malawi (October 2008), UNIDO HQ Austria (April 2009), and Kenya (October 2009). The regional seminars served as a platform for direct exchange of knowledge and information on a TCDC basis.



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The regional seminars were informal and interactive in nature to stimulate open discussion on the issues that 'really matter' to the BSOs. The BSO network partners were closely involved in selecting issues to be addressed.

The project participants have benefited from various seminar presentations and interactive discussions led by UNIDO, and with the participation of other agencies and resource persons.

The following overview highlights the seminar topics during the lifetime of the project and the site visits made during the seminars.

### **Seminar Topics**

- Characteristics and constraints of agribusiness sectors: requirements for competitiveness
- BDS network development
- Building up a sustainable and market-driven BDS system for WED/YED
- UNIDO's BDS approaches and entrepreneurship development tools
- Strengthening of BSOs for enterprise development in the agribusiness sector
- Gender mainstreaming in entrepreneurship development
- Mainstreaming micro credit facilitation in BDS
- Investment linkages and credit facilitation: examples from Kenya
- Fair Trade policies for the region to support WED/YED in agri-businesses
- Communication strategies for effective networking to support youth and women
- The Results-Based Management approach
- Monitoring and evaluation of results
- Human resources development and management
- Quality standards and trade capacity building
- Standardisation for quality and competitiveness of MSMEs in the dairy sub-sector
- Key characteristics and trends in global agrifood value chains
- Strengthening agribusiness value chains
- Regional network website management and information sharing

### **Site Visits**

- SIDO food-processing training facilities
- SME banana wine producer
- Women's training centre
- Micro tailoring enterprise
- Dairy processing facility
- Technical vocational training centre

The table below summarises the major achievements of the project.

Topic	Achievements
Regional network	<ul style="list-style-type: none"> <li>• A regional network of BSO partners has been established with a common goal and a shared vision for cooperation and exchanges on BDS. This has enabled increased South-South Cooperation between agencies from the participating countries.</li> <li>• Early on in the project, the partners agreed on a common plan of action, and a project work plan was prepared.</li> <li>• The partner agencies were highly involved in the project activities, which has stimulated the South-South Cooperation ties between them. All network participants were present at every regional meeting held.</li> </ul>
Country situation analysis	<ul style="list-style-type: none"> <li>• SWOT analyses were conducted of the partner organisations in each country and their service provision.</li> </ul>
Work plans	<ul style="list-style-type: none"> <li>• A work plan for BDS network formation in each country was prepared and periodically updated.</li> </ul>
Strengthening of BSO capacities and strategy formulation	<ul style="list-style-type: none"> <li>• Workshops were held on UNIDO's holistic approaches to WED/YED for promoting opportunity-driven entrepreneurship and BDS market development.</li> <li>• By jointly analysing the characteristics and constraints of agribusiness sectors in the region, the network partners obtained a clear view of the services needed to enhance the competitiveness of the sector.</li> <li>• Agreement among the partners that product concepts need to be developed for sustainable commercially-based BDS service packages. Providing both direct and longer-term benefits to entrepreneurs is to make the prospect of charging service fees more feasible.</li> <li>• Strategies for BDS network development at country-level were developed and periodically reviewed, especially pertaining to WED/YED in agribusiness sectors.</li> <li>• The network partners have gone through a paradigm change as regards entrepreneurship development approaches. This change could positively impact on entrepreneurial thinking and attitudes within their own organisations (BSOs) and in the way they operate with partners in their countries.</li> </ul>

Topic	Achievements
BDS network formation	<ul style="list-style-type: none"> <li>• Agreement among network partners to build up a coherent BDS system in their countries in cooperation with national partners, in order to increase the development impact of entrepreneurship development programmes on growth and job creation.</li> <li>• The project provided seed funds (approx. US\$ 4,500) to the network partners in each country, based on an agreed concept note for BDS network building at country level.</li> <li>• Some of the network partners have managed to obtain additional funds from other sources to enhance their network activities.</li> <li>• BDS network formation has advanced in Kenya, Tanzania and Zimbabwe. And initial steps have been taken in Malawi and Eritrea.</li> </ul>
BDS market development	<ul style="list-style-type: none"> <li>• Agreement among project partners about a common approach to market development for sustainable, market-driven, and demand-oriented BDS.</li> <li>• The network partners agreed that an effective BDS system would consist of both BDS facilitators and BDS providers as market actors. It was understood that these actors would play complementary roles within the BDS market. This led the partners to reassess their own role within the BDS market.</li> <li>• The participating agencies will undertake efforts to improve cooperation/coordination among the private sector and forge public-private sector partnerships, as these are prerequisites for a BDS system that enables entrepreneurs to diversify, innovate, and increase the value-added of their production.</li> </ul>
Collaboration opportunities	<ul style="list-style-type: none"> <li>• During the regional seminars, the network partners shared experiences on WED/YED support in Africa with ILO, Bank of Industry (Nigeria) and Equity Bank (Kenya).</li> <li>• Links established between Equity Bank and network partners for cooperation on micro credit facilitation.</li> </ul>
Communication and exchanges	<ul style="list-style-type: none"> <li>• Dynamic information exchanges and visits on BDS opportunities took place between network partners.</li> <li>• The participating BSOs are having regular web-based exchanges. A project website has been set up that serves as a forum for continued networking and information exchange.</li> <li>• Network partners from Kenya, Tanzania and Zimbabwe</li> </ul>

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<b>Topic</b>	<b>Achievements</b>
	<p>have undertaken joint programming missions with UNIDO to prepare MSME development projects in Kenya and Zimbabwe, and they are ready to provide further technical assistance to institutions in the network countries.</p>
<p>Follow-up programmes</p>	<ul style="list-style-type: none"> <li>• Through the project, UNIDO has obtained a clear picture on the enabling environment needed for effective BDS and WED/YED in the countries.</li> <li>• Project proposals for follow-up programmes in Kenya and Zimbabwe have been developed, as the result of a joint effort between UNIDO and the network partners from Kenya, Tanzania and Zimbabwe (South-South Cooperation). The proposed programmes focus on innovative business development for MSME sector growth and competitiveness.</li> </ul>

## Annex I – List of Participants: Fourth Regional Seminar

Participants	Contact Details
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<b>Participants/Resource Persons</b>	<b>Contact Details</b>
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<u>Mr. David Rono</u> , Industrial Development Officer	Ministry of Industrialization, Government of Kenya
<u>Ms. Damaris Mukami</u> , Organising Secretary	Association of Women Casual Dhobi Entrepreneurs, Nairobi, Kenya
<u>Ms. Joyce M. Kiiro</u> , Chief Dairy Development Officer	Kenya Dairy Board, Nairobi, Kenya
<u>Ms. Inez Wijngaarde</u> , Project Manager, Rural and Women Entrepreneurship and Human Security Unit, Industrial Policy and Private Sector Development Branch	United Nations Industrial Development Organization (UNIDO) Vienna, Austria Tel: +43 (1) 26026 3810 Email: I.wijngaarde@unido.org
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## Annex II Provisional Agenda: Fourth Regional Technical Seminar



28 – 29 October 2009, Nairobi, Kenya

Wednesday, 28/10/2009  
Project: YA/RAF/08/015

### Opening Session (09.30-10.00 hrs)

Moderator: Inez Wijngaarde, Project Manager, PSD Branch, UNIDO

- **Welcoming of the participants**  
*Mr. Alexander Varghese, UNIDO Representative for Kenya and Eritrea*
- **Opening statement:** The importance of networking BDS for entrepreneurship development  
*Representative of the Ministry of Industrialization*

Coffee Break (10.00-10.15 hrs)

### Session I (10.15-12.00 hrs)

- **Introduction to the seminar by the project manager**  
*Ms. Inez Wijngaarde, Project Manager, PTC/PSD/RWE*
- **Review of project achievements**
  - Comments on the practical use of the report of the Third Regional Seminar, Vienna, Austria (April 2009)
  - Brief overview of progress made from April-October 2009, and review of outstanding outputs until December 2009
  - Progress on and use of the regional project network website

*Interactive session by UNIDO, Ms. Inez Wijngaarde, Project Manager, and Mr. Robert van Lavieren, Consultant, Rural and Women Entrepreneurship and Human Security Unit, PTC/PSD/RWE*
- **The development of BDS networks in 2008-2009**
  - The country teams will be requested to present a multi-media presentation:
    - a. BDS network activities and technical workshops held
    - b. Impact of network activities undertaken in the countries
    - c. Tools derived from project implementation: what have your organisations gained from this regional networking initiative?
    - d. BDS models Kenya and OVOP programme Malawi experience

*PowerPoint presentations, to be prepared by project partners (approx. 10 minutes duration; 5 slides)*
- **Discussion on the impact of the regional networking programme on alleviating poverty**
- **Issues brought up by participants**

Lunch Break (12.00-13.00 hrs)

*Session II (13.00-14.30 hrs)*

*Moderator: Zimbabwe*

- **Kenya WED/YED programme development within the context of the Kenya Integrated Programme-II and Vision 2030: Building the ladder for MSMEs to transform enterprises into competitive businesses through BDS in Kenya**

*Presentation of initial findings/proposal by the Preparatory Assistance mission team (45 minutes)*

- **Kenya experiences on sectors to promote businesses development for job creation: case study of a women-owned laundry services business**

*Interactive session by Ms. Damaris Mukami, Association of Women Casual Shops Entrepreneurs (30 minutes)*

- **Investment linkages and credit facilitation: available micro credit programmes in Kenya**

*PowerPoint presentation by Kenya project partners (15 minutes)*

- **Issues brought up by participants**

*Session III (14.30-17.30 hrs)*

- **Site visit: best practices of YED integration in the Nyaga Youth Polytechnique vocational training centre**

*Hosted by Mr. Mbaka Gitonga Stanley, Ministry of Youth Affairs and Sports*



Thursday, 29/10/2009

Session IV (08.00-10.00 hrs)

- **Kenya Dairy Board presentation on standardisation for quality and competitiveness of MSMEs in the dairy sub-sector**

*Presentation proposed by Ms. Joyce Kiio, Kenya Dairy Board*

Coffee Break (10.00-10.15 hrs)

Session V (10.15-12.30 hrs)

- **Site visit: field visit to food processing facility/cooperatives**

Lunch Break (12.30-13.30 hrs)

Session VI (13.30-15.30 hrs)

*Moderator: Malawi*

- **Review of the planned programming mission for WED/YED in Zimbabwe**  
*Interactive session by the Zimbabwe project partners*
- **Discussion with regional project partners on the focus of the Zimbabwe programming exercise for WED/YED**

Tea Break (15.30-15.45 hrs)

Session VII (15.45-16.15 hrs)

*Moderator: UNIDO*

- **Closing Session**
  - Agreement on the way forward for the regional network, using knowledge-based resources and available tools
  - Draft report of the Fourth Regional Technical Seminar

## **Annex III – Opening Statement by Mr. Alexander Varghese, UNIDO Representative for Kenya and Eritrea**

**UR Talking Points for the PGTF Meeting  
Held on 28<sup>th</sup> October 2009 at 9am at HillPark Hotel**

### **Salutation of the Persons Present:**

#### **Introducing UNIDO,**

Ladies and Gentlemen as you may be aware, UNIDO is a specialized agency of the UN whose aim is to promote the industrial development of developing countries and countries with economies in transition through technical cooperation and advisory services.

The primary objective of the Organization is the promotion and acceleration of industrial development as well as promotion of industrial co-operation on global, regional and national, as well as on sectoral levels. We mobilize knowledge, skills, information and technology to promote productive employment, a competitive economy and a sound environment.

UNIDO implements its technical cooperation activities through Integrated Programmes (IPs). This provides for cooperation activities in various countries to be closely linked with one another in order to optimize the synergies between these activities and maximize their combined developmental impact.

Currently UNIDO is in the process of implementing the second phase of its integrated programme in Kenya known as the Kenya Integrated Programme Phase II. In the KIP II one of the major components is MSME Development which invariably links to Women and Youth Entrepreneurship Development (WED/YED)

### **Ladies and Gentlemen:**

Today in this fourth and final regional network seminar we have brought together Business Support Organizations from, Tanzania, Malawi, Zimbabwe, Eritrea and Kenya that support Women and Youth Entrepreneurship.

Our aim in these seminars has been to promote networking and exchanges on the WED/YED programmatic experiences from your countries. We believe that the sharing of experiences brings about best practices that can advice the formulation and implementation of programmes that advance WED/YED. It is our hope that by bringing you together in the four seminars that this has been accomplished.

In addition we have aimed at strengthening the capacities of Business Support Organizations (BSOs) in the various countries in setting up effective Business Support Services (BDS) and training programmes. It is also our hope therefore that in your respective countries you will be providing effective and market oriented BDS service to young entrepreneurs.

**Ladies and Gentlemen:**

UNIDO in Kenya will continue to support Women and Youth Entrepreneurship Programmes through its MSME component of the Kenya Integrated Programme Phase II. In addition UNIDO is working with other UN organization to formulate and implement joint programmes that involve the empowerment of Women and Youth.

In its approach UNIDO will consider a triangular approach to MSME development. We aim to work at the Policy, Institutional and Service Level in MSME Development. In this regard we will therefore address the following.

- Conducive Business Environment-This will look at the policy issues that promote improvement for Private Sector Development
- Entrepreneurship Development-Which will look in MSME access to markets, resources and demand Driven BDS
- Business Linkages- which will aim to promote business linkages between MSMEs, institutions and integration into global value chains.

Up and until yesterday, Inez has been on a programming mission here in Kenya where she has been meeting potential stakeholders and key players in MSME development. Her aim was to hold discussions and practically access where UNIDO can effectively assist in the development of the MSME sector in Kenya. It is our hope that from this assessment we can formulate and implement an effective programme.

**Ladies and Gentlemen:**

In addition we will formulate our MSME development Programme along the lines of South-South Cooperation. South-South cooperation promotes economic and technical cooperation among developing countries and is an important complement to North-South.

The rich diversity of the South provides an excellent opportunity for forging mutually beneficial partnerships to work towards the common goal of economic growth, industrial development and poverty reduction.

MSME development in Kenya would greatly benefit from the South-South Cooperation. UNIDO would therefore bring in the expertise, technical assistance and industrial cooperation that would further MSME development in Kenya.

**Ladies and Gentlemen:**

I do welcome you all this final forth and final regional seminar and wish you all fruitful deliberations and we look forward to continued partnerships.

## **Annex IV – Progress on BDS at National Level**

### **MALAWI**

#### **Activities**

- The formation of the network was officially notified to the Ministry of Industry and Trade through a letter
- Attendance to monthly network meetings improved
- TORs for the network were drawn and commented upon by members  
Ratification will take place at the next meeting
- Regional recruitment meetings in the central region of Malawi are being planned and some institutions offered to spearhead the meetings

#### **Challenges**

- Low attendance to network meetings. This is mainly due to lack of commitment
- Ministry of Industry and Trade has not yet responded on the letter written to the PS for the launch of the programme
- Members still not yet decided on what type of workshop/training to be undertaken

#### **Opportunities**

- ILO is implementing a programme called Women Entrepreneurship Development and Gender Equality (WEDGE) in Malawi, amounting to US\$500,000 whereby NABW & DEMAT will be in the Project Steering Committee as well as act as implementers
- More members seem more committed to continue with BDS in their respective organisations

### **TANZANIA**

#### **Planned Activity**

- Improving the TWCC website and link BDS provider database to the web

#### **Achievement**

- The website [www.twcc-tz.org](http://www.twcc-tz.org) has a beautiful design and is very informative. The site has a link to other websites servicing women in agri-business such as TPSF, SIDO, UDEC, MIT, BET

#### **Planned Activity**

- 6 leaders of associations hold meetings with members to assess results of BDS providers impact/services using the monitoring kit

#### **Achievement**

- After the Vienna meeting, TWCC has held meetings with members/leaders and called Banks such as CRDB, Women Bank and Bank M
- Leaders took a six day training on leadership and group dynamics where about 25 members attended

#### **Planned Activity**

- Train 30 people from food industry on food quality and safety on behalf of UNIDO-Tz

*Regional Project in Eastern and Southern Africa (YA/RAF/08/015): 'Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC supporting Women and Youth Entrepreneurship (WED/YED)*

**Achievement**

- 15 people trained in Mtwara in collaboration and sponsorship of UNIDO country office
- ILO and SIDO-WED are also implementing an 18 months programme for women and youth on honey processing

**Planned Activity**

- Follow up on technology exchange (peanut butter) with ZOIC and connect with Tanzania and Mzuzu women peanut growers

**Achievement**

- Followed up with ZOIC but the cost implication has made us look for alternatives within the country and a possible manufacturer of the machine has been identified

**Planned Activity**

- Follow up of One Stop Shop with UNIDO-HQ

**Achievement**

- A proposal revised and submitted to UNDP-local and to UNIDO, however no funding is foreseen to date

**One Stop Shop Progress**

- TWCC was involved in preparing MOWE with ILO, lessons learnt from this include: If one stop shop/business centre/industrial park was in place a lot of capacity building/services in all forms could easily be done in a shorter period and reach more people at the same time/less cost. Apart from exhibitions, issues covered during the month were: Health check/registration of businesses, Quality/standard knowledge/English language

**Impact/Results of Networking**

- Institutions under the Ministry, including the Minister, 2 PS, all Directors, attended a TWCC meeting on 06 October 2009 to assess the MOWE results and way forward. The Ministry has agreed to second one Director to become Executive Director of TWCC for a period of one year. A permanent office and displaying area for members products are foreseen
- TWCC has been appointed by H.E the President of Tz, as members of the National Business Council representing women entrepreneurs of Tanzania
- About 25 TWCC members participated in the Nation-wide business plan competition, and 12 went through the first stage receiving \$2,500 each, 6 through the second stage with \$8,000 and one member got \$15,000 as overall winner

## **ZIMBABWE**

### **Opportunities and Connections**

- Building the capacity of women in business through networks and collaboration.
- Formal and Informal meetings to promote BIZNET.
- Membership rising – NGOs, Trusts and Private Sector.
- Foundation for Women Chamber of Commerce to ground and sustain Women Entrepreneurship Development.

### **Discussion Threads**

#### **The quality of discussions has become more focused:**

- Barriers confronting Women in the Business Sector.
- Need to focus on rural entrepreneurship.
- WEDGE activities in Manicaland through Royal Trust Consult.
- Value Addition and the emergence of VACID Africa Zimbabwe.

### **Women Business Chamber of Commerce – Zimbabwe**

- Emergence of Professional Women's Organizations – FLAME, PROWEB etc.
- WCC-Z concept idea in place and being circulated for input from stakeholders.
- The voice of women in business being sought after.

### **BDS Scan and Other Initiatives**

- Two Women Economic Empowerment surveys conducted and information compiled – 1 to be published.
- HIVOS has provided funding for a BDS scan.
- BIZNET growing as a platform for advertising services and products.

## **ERITREA**

### **The current position of BDS network**

- To support a move forward after the Vienna meeting, the project proposed the regional coordinator to visit the country and meet with people from the ministry, the chamber and others. This was communicated to the UNIDO Representative in the country and the ministry
- Based on the proposal the department of industry was contacted by the UNIDO Representative, and the regional coordinator made email communications with the person in charge, as to explain that the visit would be to support the initiative and discuss with them about BDS. However the department answered that due to the minister being moved to another ministry, it is better to wait until a new minister is in place
- Therefore as a result, the activities did not move forward and was stuck

### **Challenges**

- All UN projects work with the line ministry, therefore for a project to proceed, the line ministry should endorse it secondly
- There is not yet a strong public-private partnership

### **Lessons Learnt**

- If private sector, NGOs, and local line agencies and other governing bodies work in collaboration, they can obtain more far-reaching and sustainable results
- If BDS providers are trained and developed, they can achieve a sustainable provision of BDS in their countries

## **KENYA**

### **Achievements**

- KAWBO had a successful maiden International conference on 20<sup>th</sup> – 22<sup>nd</sup> May 2009. The Minister for Trade, Hon. Amos Kimunya was the chief guest. 100 delegates from around the world attended the conference. The theme of the Conference was 'Business Beyond Borders'.

### **Justification for KAWBO Conference**

- Women's involvement is generally at micro levels of the economy and little effort and focus on up-scaling women's businesses beyond this: KAWBO seeks to redress this issue.
- KAWBO seeks to educate and direct women owned businesses to realize that they are strategically at an excellent position to provide leadership on both private and social issues in Kenya.
- KAWBO also seeks to *grow and excel* women, both in business and leadership.

### **Africa Businesswomen's network**

- The ABWN is a partnership between local businesswomen's organizations throughout Africa, Vital Voices Global Partnership and ExxonMobil Foundation.
- Members of the Network – Network Hubs – are businesswomen's organizations that are committed to:
  - contributing to economic growth and reform
  - supporting the needs of women-led businesses and professional women
  - having a significant social impact.
- The African Network Hubs are in Cameroon, Ghana, Kenya (KAWBO), Uganda, Nigeria, and South Africa.
- On June 10<sup>th</sup> 2009 in Cape Town, Vital Voices and ExxonMobil announced the launch of the Africa Businesswomen's Network (ABWN) during the World Economic Forum on Africa.

### **ABWN Focus Areas**

- Educate and build the capacity of women for entrepreneurship at the SME level and beyond.
- Provide Business-to-Business networking opportunities.
- Network Hub Capacity Building (organizational).
- To monitor and highlight the contributions of women to economic growth and employment creation in the region.

## **Annex V – Presentation Association of Women Casual Dhobi Entrepreneurs**

### **AWECODE**

#### **ASSOCIATION OF WOMEN CASUAL DHOBI ENTERPRENUERS**

##### **1. LOCATION: KAWANGWARE**

**2. CONTACT PERSON: DAMARIS MUKAMI, Cell: 0724 436 234,  
Email Address: dkami80@yahoo.com**

##### **3. VISION:**

Enabling women casual dhobi entrepreneurs become more appreciated respectable, reliable, accountable and free from unnecessary abuse and ridicule.

##### **4. MISSION:**

Improvement of working conditions and terms of engagement for women casual dhobi entrepreneurs by making them more aware of their rights, worth role and usefulness plus connecting members to more juices and greener pastures.

##### **5. OBJECTIVE**

- (a) Bringing together all women casual dhobi entrepreneurs to fight for their rights worth role and usefulness through educational sensitization and inductions
- (b) Highlighting the plight and worth women casual dhobi entrepreneurs through workshops, barazas and media sensitization
- (c) Collaboration with all various stakeholders with respect to improving the well being and welfare of women casual dhobi entrepreneurs
- (d) Enabling women casual dhobi to access various development kitties such as youth development fund, women development fund HIV/AIDS kitty drugs abuse basket, poverty eradication basket, PSDS basket donor support kitty etc
- (e) Connecting women casual dhobi entrepreneurs to the window of exporting their services to other parts of the world.
- (f) Offering opportunities for women casual dhobi entrepreneurs to venture into other entrepreneurial openings that could come their way after furthering their education and training skills.
- (g) Offering opportunities for further training and education for women casual dhobi entrepreneurs members



## **6. CO.VALUES**

- (a) Total dedication and commitment to the virtues of transparency accountability honesty industriousness and satisfaction.

## **7.HISTORICAL BACKGROUND**

AWECADE was first motivated after three women casual dhobi entrepreneurs got invited and attended the landmark national informal sector conference at multi-media university, Mbagathi on 13<sup>th</sup> to 15<sup>th</sup> July 2009.at the conference the trio managed to learn a few skills of how they could address and tackle their myriad problems with respect to occupational abuses and rights . the idea of formulating within a period of three weeks,B6 women casual dhobi entrepreneurs were located and recruited whereby the whole group met on..... where an interim committee of a members were elected due to various cumbersome misgiving the association further recruitment inspite of overriding pressure from interested folks. So for the association has submitted its registration to the registrars of societies which is awaiting collection.

Members meets after every two week at Glorious ministries church Kawangware.

## **8. OVERVIEW OF CHALLENGES WITH RESPECT TO THE ASSOCIATION**

So far the Association has encompassed the following challenges and problems:-

- (a) In ability to reach out to the myriad mothers and sisters who are eking their living through this casual dhobi entrepreneurship window.
- (b) Inability to maintain the morale and commitment of the few members that have already been located.
- (c) In ability to render appropriate services to the members due to absence of a working secretariat and staff in essence the association being run and administered by the same elected officials who have at the same time required to sustain their daily bread needs
- (d) Due to meager subscription contributions from the members the association is faced with dire needs in the areas of mobility outreaches, communication, orientations and inductions.
- (e) The Association is not able to popularize itself among the myriad women casual dhobi entrepreneurs country wide

## Annex VI – Photo Gallery







