



International
Labour
Organization



EESE business,
create jobs

► **Progress report:
Enabling Environment for Sustainable
Enterprises and promotion of business
linkages between MNEs and local
enterprises in Sierra Leone**



**Progress report:
Enabling Environment for Sustainable
Enterprises and promotion of business
linkages between MNEs and local
enterprises in Sierra Leone**

Copyright © International Labour Office 2020
First published 2020

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publications (Rights and Licensing), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: rights@ilo.org. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered with reproduction rights organizations may make copies in accordance with the licences issued to them for this purpose. Visit www.ifrro.org to find the reproduction rights organization in your country.

ISBN : 978-92-2-034282-4 (print)

978-92-2-034283-1 (web PDF)

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

Information on ILO publications and digital products can be found at: www.ilo.org/publns.

Photo © Dominic Chavez/World Bank

Printed in Switzerland

Contents

Executive Summary	v
Abbreviations and acronymsvii
1. Introduction	1
1.1. Structure of the report	1
1.2. Methodology for the review	1
2. ILO’s technical assistance to Sierra Leone	2
2.1. Summary of EESE findings in Sierra Leone	3
2.2. Regular Budget Supplementary Account (RBSA) project “Increased employment creation and opportunities in Sierra Leone through entrepreneurship training, business development services and labour-intensive infrastructure development”	5
2.3. Promotion of the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)	5
3. Main achievements following ILO’s technical assistance	7
3.1. EESE assessment and follow-up activities to improve the business environment for sustainable enterprises development	7
3.2. Appointment of National Focal Points for the promotion of the MNE Declaration and follow-up activities	8
4. Contributing factors to the follow-up of the EESE programme and lessons learned 10	
4.1. Starting ground	10
4.2. Partnership building and social dialogue.	11
4.3. Multi-level and multi-issue interventions	12
5. Potential and limitations for replication	13
5.1. Political stability and institutional capacity.	13
5.2. Sensitisation workshops.	13
5.3. Ownership of the EESE assessment	14
5.4. Sustainability of ILO interventions	14
6. Enhanced collaboration for a comprehensive approach.	16
6.1. Possible points of entry for strengthening collaboration during the EESE assessment	16

6.2. Integrated approach for a comprehensive follow-up 17

7. Conclusion19

7.1. Communication: 19

7.2. Enhanced collaboration during the EESE assessment: 20

7.3. An integrated approach for effective follow-up: 20

8. Bibliography21

Annex I. List of stakeholders interviewed22

Annex II. EESE Task Team members23

► Executive Summary

This report examines the ILO's technical assistance provided to Sierra Leone to assess the enabling environment for sustainable enterprises development and the follow-up capacity building activities, which aimed to support the promotion of business linkages between multinational enterprises (MNEs) and the local economy.

Strengthening small and medium enterprises and creating supply linkages with foreign investors operating in the country are some of the key priorities of the government of Sierra Leone. The focus of this review is to highlight how simultaneous efforts of different units of the ILO Enterprises Department contributed to implement a number of activities following an enabling environment for sustainable enterprises (EASE) assessment, which identified the need to increase linkages between MNEs and the local economy.

The report aims to identify key factors and actors that came into play to ensure the effective implementation of ILO activities on the ground as well as main lessons learned from the ILO experience in Sierra Leone. The study has identified the following contributing factors: political will and institutional commitment; sensitisation workshops as a valuable tool to provide stakeholders with a comprehensive overview of ILO instruments, tools and services offer; tripartite plus collaboration and social dialogue; and simultaneous efforts from different ILO units.

Although the EASE programme as well as other ILO initiatives carried out in Sierra Leone made valuable contributions, a number of elements have been pointed out for consideration in case of future replication of similar approaches in other countries. Political changes as well as limited institutional capacity can slow down the process and hinder the implementation of some activities. In addition, sensitisation initiatives are important in order to make sure that national constituents are aware of the full spectrum of ILO instruments, tools and services available. Despite the importance of presenting ILO tools to stakeholders, it is crucial to stress how the ownership of the EASE assessment process can play a pivotal role. Finally, another factor to take into account is assessing the potential and the capacity of national constituents

to ensure a follow-up to the work undertaken by the ILO.

What emerges from this study is the potential of complementary services and tools provided by the units of the ILO Enterprises Department to address various issues of relevance to the business environment, including business linkages between MNEs and the local economy. To this aim, a number of possible recommendations have been put forward to better understand how these synergies could be enhanced more systematically with the final goal to provide a comprehensive approach to improve the enabling environment for sustainable business development.

First, communication between the different units and between ILO's headquarters is a key factor to ensure the identification of opportunities for collaboration. Looking at ways and means to strengthen communication to facilitate collaboration is important. Secondly, possible points of entry could be identified to promote the participation of relevant ILO units in different stages of the ILO assessment to rely on a wide range of technical expertise. Lastly, EASE findings provide solid evidence that could be used to mobilise financial resources and develop additional initiatives to follow-up on the assessment and improve the business environment in collaboration with relevant ILO units. In this context, having a fully demand-driven approach to the EASE assessment as well as a local structure to coordinate the work on the ground such as the EASE Task Team are pivotal elements that would ensure an integrated approach for effective follow-up.

► Abbreviations and acronyms

<u>BoSL</u>	<u>Bank of Sierra Leone</u>
<u>CSR</u>	<u>Corporate Social Responsibility</u>
<u>CTA</u>	<u>Chief Technical Adviser</u>
<u>ESEE</u>	<u>Enabling Environment for Sustainable Enterprises</u>
<u>ENT/MULTI</u>	<u>Multinational Enterprises and Enterprise Engagement Unit</u>
<u>GDP</u>	<u>Gross Domestic Product</u>
<u>GoSL</u>	<u>Government of Sierra Leone</u>
<u>ILO</u>	<u>International Labour Organization</u>
<u>ITC-ILO</u>	<u>International Training Center of the International Labour Organization</u>
<u>KII</u>	<u>Key Informant Interview</u>
<u>LCA</u>	<u>Local Content Agency</u>
<u>MoF</u>	<u>Ministry of Finance</u>
<u>MTI</u>	<u>Ministry of Trade and Industry</u>
<u>MNEs</u>	<u>Multinational Enterprises</u>
<u>MNE Declaration</u>	<u>ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy</u>
<u>MoU</u>	<u>Memorandum of Understanding</u>
<u>MSMEs</u>	<u>Micro, Small & Medium Enterprises</u>
<u>RBSA</u>	<u>Regular Budget Supplementary Account</u>
<u>SLLCA</u>	<u>Sierra Leone Local Content Agency</u>
<u>SMEDA</u>	<u>Small and Medium Enterprises Development Agency</u>
<u>SMEs</u>	<u>Small and medium-sized enterprises</u>
<u>SOCPRO</u>	<u>Social Protection Department</u>
<u>SIYB</u>	<u>Start and Improve Your Business</u>
<u>WED</u>	<u>Women's Entrepreneurship Development</u>

► 1. Introduction

This report reviews ILO support to improve the enabling environment for sustainable enterprises development through the promotion of business linkages between multinational enterprises (MNEs) and local enterprises in Sierra Leone.

To this aim, the analysis focuses on three main activities carried out by the ILO in Sierra Leone from 2017 to 2019, namely the realization of an Enabling Environment for Sustainable Enterprises (ESEE) assessment in 2017, the implementation of the Regular Budget Supplementary Account (RBSA) project “Increased employment creation and opportunities in Sierra Leone through entrepreneurship training, business development services and labour-intensive infrastructure development” and the support provided for the promotion of the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) since 2019.

The present review discusses concrete steps taken following an assessment of the business environment in Sierra Leone as well as synergies and complementarities between the service offer of different units and programmes within the Enterprises Department. It will also provide recommendations on key factors to be considered when providing support to the ILO constituents on improving the business environment, and engaging with multinational enterprises on the promotion of responsible business practices to foster development of national enterprises and strengthen business linkages between multinational and national enterprises.

1.1. Structure of the report

The following report analyses the ILO technical support to Sierra Leone, by providing qualitative and quantitative analysis, to present a complete overview of how and what has so far been achieved, what conclusions can be drawn and what could be replicated in the future. The report provides a background of the ILO's fieldwork in Sierra Leone to promote an enabling environment for sustainable business development followed by an overview of actors and factors in play during the implementation of ILO activities as well as

main lessons learned. Finally, the study assesses possible recommendations for enhanced collaboration between different ILO units with the aim of developing a comprehensive approach when providing similar support to other countries.

1.2. Methodology for the review

The overarching goal of this review is to highlight concrete steps taken following the ESEE assessment in Sierra Leone to improve the business environment, in particular to support business linkages between MNEs and local SMEs, as well as synergies and complementarities between the service offer of different units and programmes within the ILO Enterprises Department. The methodology used for this review includes both quantitative and qualitative assessments. Concerning the collection of quantitative data, a series of interviews were conducted with relevant ILO staff and local ILO constituents and other relevant stakeholders. The interview questions focused on the relevance, effectiveness and concrete results associated to the ILO support to Sierra Leone. Interviews were the main source of information to analyse and understand which factors came to play to ensure some follow up to the ESEE recommendations and action plans, and to assess the potential for replication in other countries. The qualitative information was collected through interviews and a complementary review of ILO related documentation, such as the ESEE assessment report. Other reports, materials and secondary data were used to complement that information.

► 2. ILO's technical assistance to Sierra Leone

The Sierra Leone Civil War, which lasted almost a decade (1991-2002), had a devastating effect on the country's economic and political context. In 2015, following the two economic shocks suffered by Sierra Leone in 2014, namely the plummeting of commodity prices (affecting the mining sector) and the outbreak of Ebola, the country saw its GDP contract by 21-22%.

In order to counter the downturn, local government and relevant actors, such as the Bank of Sierra Leone (BoSL), the Ministry of Finance (MoF), and the Ministry of Trade and Industry (MTI), informed by prior ILO work carried out in the country, requested technical assistance for the development of SMEs. Both local actors and the ILO agreed on a cooperation framework to foster growth and decent job creation, agreeing that SMEs were potential drivers for these goals.

In May 2016, the ILO undertook a scoping mission in Sierra Leone in response to a request from the Bank of Sierra Leone, the Ministry of Finance and the Ministry of Trade and Industry, to assist the Government of Sierra Leone (GoSL) in the operationalization of the Small and Medium Enterprise (SME) Policy of 2014 and the SME Development Agency (SMEDA) Act. The outcome of the mission was a Memorandum of Understanding (MoU) between the ILO and the GoSL which cemented cooperation between the two, putting forth financial inclusion and enterprise development.

As part of a slippage-funded project, launched in the context of the request of the government to receive technical support from the ILO, a series of technical missions to Sierra Leone took place in 2016 and 2017 to implement a number of inception activities. These included a mapping of financial and non-financial services for MSMEs in selected districts, the launch of the EESE assessment, a capacity-building workshop organized in collaboration with the ITC-ILO, and a consultancy mission on the operationalization of the SME Development Agency (SMEDA).

In July 2017, the ILO launched an EESE assessment in Sierra Leone, in close cooperation with the MTI, which chaired the EESE National Tripartite Task Team.

The Task Team included representatives from the ILO, the private sector (Sierra Leone Employers Federation and Chamber of Commerce), workers representatives (Sierra Leone Labour Congress); government (Ministry of Trade, Ministry of Labour, Ministry of Finance), the Central Bank, the SME Development Agency and the Chamber of Agri-Business Development. During the EESE Assessment process, the Task Team identified priority conditions for an enabling environment for sustainable enterprises to be addressed in the survey based on the information gathered through a secondary literature review conducted by the ILO. The Task Team reviewed the survey tools and decided to extend its scope to include not only owners of formal businesses but also informal

► Box 1: The Enabling Environment for Sustainable Enterprises

Through its programme on the Enabling Environment for Sustainable Enterprises (EESE), the ILO conducts research and provides advisory services to constituents to create a more enabling environment that facilitates enterprise development and formalization, through appropriate and well-coordinated legislation, policies and compliance mechanisms.

EESE assessments are based on the 17 conditions for an enabling environment for sustainable enterprises endorsed by ILO Member states, employers' and workers' organisations during the International Labour Conference of 2007.

EESE combines a variety of data collection and diagnostic techniques, including a literature review, enterprises survey, focus groups, statistical analysis of primary and secondary data, and consultations with experts.

Source: ILO, "Enabling Environment for Sustainable Enterprises"

enterprises and their employees. Building on this initial work, the ILO then launched in 2018 the Regular Budget Supplementary Account (RBSA) project “Increased employment creation and opportunities in Sierra Leone through entrepreneurship training, business development services and labour-intensive infrastructure development”. The RBSA project included components on the enabling business environment, access to finance, access to business development services and employment-intensive investments.

2.1. Summary of EESE findings in Sierra Leone

As a result of a process that lasted two years, the assessment led to the publication in 2019 of the report “The enabling environment for sustainable

enterprises in Sierra Leone” which has highly benefited from the inputs of tripartite constituents provided during national workshops and from technical ILO units such as SOCPRO. The report analysed the political, economic, social, and environmental situation of the business environment in the four priority sectors: Agri-business & Fishing, Mining, Manufacturing, Wholesale and retail trade.

While there has been progress in all four categories, many challenges lie ahead in terms of reform to yield a sustainable business environment in Sierra Leone.

► Box 2: The EESE National Tripartite Task Team

The task team is responsible for providing strategic direction to, and ownership of the EESE assessment process. In this capacity, it takes important decisions on behalf of the wider group of tripartite stakeholders. This includes the following:

1. Fostering agreement on the scope of the EESE assessment methodology;
2. Contribute to the validation of secondary research findings at a stakeholders workshop;
3. Providing support to the primary research company to launch the perception survey and focus group discussions/key informant interviews;
4. Contribute to the validation of primary research findings at a stakeholders workshop;
5. Contribute to the validation of the overall EESE assessment report (which incorporates primary and secondary research findings);
6. Contribute to the drafting, finalisation and launch of the action plan for advocacy and reform, which is compiled at a national stakeholder’s workshop.

► Box 3: Survey methodology of the EESE assessment in Sierra Leone

“Data for the Sierra Leone EESE survey was collected primarily through face-to-face interviews with SME owners and SME employees using structured questionnaires and key informant interview (KII) guides. A total of 497 perception questionnaires were administered to business owners/managers, and distributed proportional to the size of the district, whereas 100 questionnaires were administered to employees in the Western Area.

Data was collected in the Western Area, Bo, Bombali, Kenema, and Kono districts. These districts were chosen due to the heavy concentration of commercial activities, and in consultation with the EESE Task Team in Sierra Leone. Overall, respondents by economic sector to the employers survey were distributed as follows: 59 from agri-business and fishing, 29 from mining, 53 from manufacturing, 339 from wholesale and retail trade, and 17 from other sectors.”

Source: ILO, *The enabling environment for sustainable enterprises in Sierra Leone, 2019*

► **Table 1: EESE Assessment findings**

CATEGORY	MAIN FINDINGS
POLITICAL CONDITIONS	Survey respondents noted that they were happy to be employed but unhappy with the conditions of employment. Although Sierra Leone has ratified all of the ILO's fundamental conventions, there is a deficit of labour-related legislation. A review of the labour law is on-going.
ECONOMIC CONDITIONS	<p>In 2016, GDP growth recovered after the economic shocks suffered by the country. However, respondents believe that Sierra Leone is still too reliant of mining activities and that agriculture has favourable conditions to be developed but most of arable land is uncultivated.</p> <p>Measures towards the creation of a productive business environment were highlighted, such as the creation of the SMEDA, among others. Respondents expressed that taxes remain to be simplified for SMEs and for the general ease of doing business in the country. They believe that the implementation of reforms and justice's due diligence is hindered by lack of institutional coordination, yet to be streamlined and operationalized.</p> <p>Finally, for them access to finance is still a major challenge, as credit is not widely extended to small businesses.</p>
SOCIAL CONDITIONS	Youth under- or unemployment was identified as being a challenge. Respondents called for a greater entrepreneurial culture and cited excessive barriers to business development. Respondents believe that greater coordination is needed to ensure that education and training is in line with the needs and demands of the private sector.
ENVIRONMENTAL CONDITIONS	Natural resource management should be revised so that resources could be better disposed of. Climate change is expected to affect the country due to its coastal location. Furthermore, Sierra Leone is a large producer of palm oil, which is not an environmentally friendly agricultural activity; as such diversification of land use is also needed. Nevertheless, the country is endowed with renewable and non-renewable resources that give it opportunity for development. Agricultural land has expanded by 46% since 1990 despite widespread war destruction. Overall, environmental sustainability is a domain requiring more attention.

► **Box 4: Priorities identified by the EESE assessment**

"It was agreed that efforts to improve the business environment should be concentrated on the areas that are key for the ILO constituents, and are not the focus of actions already being undertaken by national stakeholders and international donors.

Therefore, the following priorities have been identified:

- **Enabling legal and regulatory environment:** Enhance the relevance of policies, laws and frameworks on SME development while also improving coordination.
- **Education, training and life-long learning:** Enhance the relevance of the education system by aligning it more with market needs.
- **Access to finance:** Strengthen the legal and regulatory framework to enhance access to affordable and relevant finance for small enterprises.

The EESE assessment then informed the development of a tripartite action plan on the three priority areas identified."

Source: ILO, *The enabling environment for sustainable enterprises in Sierra Leone, 2019*

2.2. Regular Budget Supplementary Account (RBSA) project “Increased employment creation and opportunities in Sierra Leone through entrepreneurship training, business development services and labour-intensive infrastructure development”

The Regular Budget Supplementary Account (RBSA) project – implemented between 2018 and 2019 – was the result of a specific request by the national government to have technical and financial support in a number of areas related to MSMEs development. Although the EESE programme was launched before the RBSA project was implemented, the latter provided substantial financial resources for carrying out the programme's mission.

The RBSA project had four components on (1) the enabling environment for sustainable enterprises (EESE); (2) improved access to high-quality business development services; (3) improved access to relevant and affordable financial services; and (4) promotion of employment-intensive approach for infrastructure development and job creation.

The first component included a tripartite plus workshop to validate findings of the EESE assessment, a presentation of the report on the Enabling Environment for Sustainable Enterprises in Sierra Leone to tripartite partners and technical assistance to the SME Development Agency for the development of a strategy and roadmap for its operationalization.

The second component focused on business development services where the ILO facilitated training of trainers for business development service providers, as part of the ILO SIYB training package.

The third one addressed issues related to access to finance with two subcomponents focusing

respectively on supply and demand. On the supply side, the ILO worked with financial institutions and provided training for trainers on financial education and technical assistance to deliver microfinance to beneficiaries. Trainings were delivered to financial institutions, individual consultants and the Bank of Sierra Leone. The ILO also supported the Bank of Sierra Leone to operationalize its financial inclusion plan. On the demand side, the ILO trained microfinance institutions improving their policy processes and service.

Finally, the last component of the project involved activities to increase employment opportunities for local enterprises and youth through the promotion of the employment intensive approach for infrastructure development.

2.3. Promotion of the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)

The Multinational Enterprises and Business Engagement Unit (MULTI) was not initially involved as a key partner of the RBSA project. However, following interdepartmental exchanges and discussions with the Chief Technical Advisor of the project, it became clear that MULTI could bring added value and valuable insights to promote the creation of more and better jobs through SME development by means of integration of local SMEs into global value chains.

In March 2019, MULTI worked with the project and the International Training Center of the ILO (ITC-ILO) to plan and organize sensitization workshops for the national constituents to introduce the MNE Declaration and its principles. The three one-day workshops (one for each group of constituents: government officials, the workers' organisations and the employers' organisations)

► Box 5: The Multinational Enterprises and Enterprises Engagement Unit

The Multinational Enterprises and Enterprises Engagement Unit (ENT / MULTI) is responsible for the promotion and follow-up of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), which is the ILO's key tool on corporate social responsibility for promoting sustainable business practices, and the only ILO instrument directly addressed to enterprises. The Unit contributes to an increased awareness of the MNE Declaration among companies, governments, and organizations of employers and workers; and its effective use by facilitating a shared understanding of its principles.

were co-hosted by the Sierra Leone Local Content Agency (SLLCA).

The ILO MNE Declaration was introduced as an inclusive tripartite framework bringing together government, employers and workers organizations and MNEs, to further stimulate dialogue and cooperation between different actors, and within different governmental institutions to provide additional guidance on the implementation of the Sierra Leone Local Content Act.

The workshop proved a success and sparked interest in the MNE Declaration at the country level. Building on this first sensitization activities, MULTI and ITC-ILO continue their collaboration to deepen the knowledge of the MNE Declaration in Sierra Leone and awarded four scholarships

to representatives of the Ministry of Labour and Social Security, the Sierra Leone Local Content Agency, the Sierra Leone Employers Federation and the Sierra Leone Labour Congress to participate in the five-day annual course “Multinational enterprises, development and decent work: the approach of the MNE Declaration” held at the International Training Center of the ILO, in Turin, Italy in May 2019. Following their participation to the training, the four participants developed a roadmap for the promotion of the MNE Declaration in the country and initiated the discussions with their respective structures and the national authorities for the designation of national focal points for the promotion of the MNE Declaration in Sierra Leone. In July 2019, Sierra Leone officially designated national focal points for the promotion of the MNE Declaration.¹

► Box 6: The Local Content Agency

The Sierra Leone Local Content Agency (LCA) is a specialized semi-autonomous agency of the government of Sierra Leone charged with the responsibility to implement the Local Content Agency Act 2016. The agency and government’s key priority and strategic focus is skills development and strengthening the capacity of local enterprise and its citizens for the enhancement of livelihood, as formulated by the government of Sierra Leone’s medium term National development Plan of 2019 – 2023. One of the LCA’s main activities is to facilitate the development of Sierra Leonean service providers by promoting linkages with more advanced and experienced foreign companies.

Source: Sierra Leone Local Content Agency, “Who we are”.

► Box 7: What the ILO MNE Declaration says about local economic development and the promotion of business linkages between MNEs and the local economy

Paragraph 18. *Multinational enterprises should give priority to the employment, occupational development, promotion and advancement of nationals of the host country at all levels in cooperation, as appropriate, with representatives of the workers employed by them or of the organizations of these workers and governmental authorities.*

Paragraph 19. *Multinational enterprises, when investing in developing countries, should have regard to the importance of using technologies which generate employment, both directly and indirectly. To the extent permitted by the nature of the process and the conditions prevailing in the economic sector concerned, they should adapt technologies to the needs and characteristics of the host countries. They should also, where possible, take part in the development of appropriate technology in host countries.*

Paragraph 20. *To promote employment in developing countries, in the context of an expanding world economy, multinational enterprises, wherever practicable, should give consideration to the conclusion of contracts with national enterprises for the manufacture of parts and equipment, to the use of local raw materials and to the progressive promotion of the local processing of raw materials. Such arrangements should not be used by multinational enterprises to avoid the responsibilities embodied in the principles of this Declaration.*

Paragraph 21. *Governments should develop and implement an integrated policy framework to facilitate the transition to the formal economy, recognizing that decent work deficits are most pronounced in the informal economy. Multinational and other enterprises should also contribute to this aim.*

Source: ILO, *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, 2017*

¹ ILO, “The Sierra Leone Local Content Agency joins hands with the Ministry of labour, employers and workers as national focal points to promote the ILO MNE Declaration in Sierra Leone”.

▶ 3. Main achievements following ILO's technical assistance

3.1. EESE assessment and follow-up activities to improve the business environment for sustainable enterprises development

The EESE assessment was one of the main deliverables of the ILO RBSA project implemented in Sierra Leone. Its aim was to highlight constraints related to the business environment and identify key opportunities in this field to stimulate debate and advocate for policy reforms to promote sustainable enterprises.

Based on the action planning developed, further support was requested to the ILO in a number of areas. As far the enabling legal and regulatory environment is concerned, one of the key areas of intervention was the operationalization of the Small and Medium Enterprises Development Agency (SMEDA). During the biennium 2017-2018, SMEDA obtained technical support from the ILO on the review of its mandate as laid out in the SMEDA act and benefited from further resources to develop and implement its strategy and a roadmap for its operationalization.

Between 2017 and 2019, an ILO consultant conducted two advisory missions to Sierra Leone to support the operationalization of the newly established Small and Medium Enterprise Development Agency (SMEDA). After providing an overview of the key issues affecting the

implementation of SMEDA and possible opportunities for collaboration with the ILO, the international consultant worked with SMEDA to identify ways to strengthen the operationalization of the agency and to develop a strategic plan. The SMEDA Strategic Plan 2020-2023 "Adding value to Sierra Leone's economy through enterprise development" was developed and handed in January 2020. The document focuses on five strategic themes that SMEDA will pursue to achieve its mandate in the period 2020-2023. Among them, the theme "building the capacity of MSMEs to start up, expand and become more sustainable and competitive in national and global markets" directly relates to the promotion of business linkages between MNEs and the local economy.

Some of the actions planned within the framework of this strategic theme include trainings of business trainers. To this end, SMEDA had access to a variety of training products, including the ILO Start and Improve Your Business (SIYB), which is one of the largest global business management training programmes. In addition, as part of the RBSA project implemented in Sierra Leone, the ILO supported SMEDA as well as the Local Content Agency in the organisation of a training workshop entitled "Improve Your Exhibition Skills" aimed at supporting local entrepreneurs to organise and participate successfully in trade fairs and exhibitions. At the end of the same year, in November and December 2019, SMEDA and the Local Content Agency collaborated with the ILO to conduct a trade expo to provide MSMEs with the opportunity

▶ Box 8: The Sierra Leone Small and Medium Enterprises Development Agency (SMEDA)

SMEDA is a government agency responsible for coordinating SMEs activities in Sierra Leone, established by an act of Parliament in 2016. The object for which the Agency was established is to promote a conducive business environment including an efficient and effective service delivery network in order to empower and develop small and medium enterprises for growth, productivity and competitiveness. Some of the SMEDA's functions include the design and implementation of development support programmes and schemes for small and medium enterprises. The agency also facilitates, assists and provides market access and business linkage opportunities to small and medium enterprises in order to enable them compete successfully in national and international markets.

Source: "The Sierra Leone Small and Medium Enterprises Development Agency Act 2016 (No. 2 of 2016)", *The Sierra Leone Gazette*, Vol. CXLVII, No. 11, 3 March, 2016

to link to each other and to promote linkages between MSMEs and larger enterprises.

Based on the model provided by the ILO, SMEDA and the Local Content Agency demonstrated their commitment, despite the constraints related to COVID-19, by facilitating additional trainings of business trainers around the country during the year of 2020. Although it was not possible to replicate the experience of the trade expo due to the COVID-19 pandemic, agencies will extend their efforts to organise annual trade expo in the future in order to support SMEs to access markets. These initiatives, which are key deliverables of the LCA's Supplier Development Programme and the SMEDA's strategy, are concrete examples of ongoing efforts to promote supply linkage opportunities between SMEs and large firms, including multinational enterprises.

Activities implemented by the ILO in Sierra Leone also involved improving access to finance for MSMEs. The ILO supported the government of Sierra Leone to develop a financial inclusion strategy and to provide capacity building opportunities for business development service providers and for micro-financial associations. In response to the policy deficits highlighted by the EESE assessment in the area of access to finance, the ILO supported the Bank of Sierra Leone to develop a National Financial Literacy Framework 2020 – 2024 and the action plan for 2020 to 2022. The National Financial Literacy Framework, which is part of the National Financial Inclusion strategy of the country, set out initiatives to ensure the transfer of financial knowledge to the population, and in particular to users of financial services.

Despite notable achievements to strengthen MSMEs and promote supply linkages with multinational enterprises, some follow-up activities of the EESE assessment could not be fully implemented due to insufficient time. It is important to note, however, that the results achieved during the RBSA project facilitated greater resource

mobilisation to upscale ILO efforts to improve the enabling environment for sustainable enterprises within the framework of a new project that will be carried out in 2021. Some of the activities that the ILO started to implement on the request of the government and that will be resumed and finalised in the near future include the revision of the SME policy and the SMEDA act as well as the development of a database on business development services for MSMEs in Sierra Leone.

3.2. Appointment of National Focal Points for the promotion of the MNE Declaration and follow-up activities

In July 2019, Sierra Leone officially appointed four focal points for the promotion of the Tripartite Declaration of Principles on Multinational Enterprises and Social Policy (MNE Declaration).

- ▶ Mr. Chiblee F. Kamara from the Ministry of Labour and Social Security;
- ▶ Mr. Fodeba Dabo, Director General of the Sierra Leone Local Content Agency;
- ▶ Mr. Alphonso O. Pratt of the Sierra Leone Employers Federation;
- ▶ Mr. Emmanuel Kamara of the Sierra Leone Labour Congress.

Among the contributing factors that led to this appointment, the role of the sensitisation workshops on the MNE Declaration organised at the country level by the ILO with the support of the International Training Center (ITC-ILO) was crucial. In addition, the annual course "Multinational enterprises, development and decent work: the approach of the MNE Declaration" held at the ITC-ILO in Turin in May 2019 provided the participants invited from Sierra Leone with an opportunity to engage with each other through a fruitful dialogue

▶ Box 9: The national focal points for the MNE declaration

"These nominations were the result of tripartite consultations and reflected the interest of the Ministry of Labour and the social partners to collaborate and ensure strong synergies with the work of the Sierra Leone Local Content Agency, a specialized semi-autonomous agency of the government of Sierra Leone charged with the responsibility to implement the Local Content Agency Act 2016".

Source: ILO, "The Sierra Leone Local Content Agency joins hands with the Ministry of labour, employers and workers as national focal points to promote the ILO MNE Declaration in Sierra Leone".

and exchange experiences with constituents of other countries.

The appointment of national focal points, being one of the elements of the action plan developed by Sierra Leone during the training in Turin, institutionalised the decision to further promote the MNE Declaration in the country and support national constituents to operationalize its principles and maximise the positive contribution of multinational enterprises to socioeconomic development.

The national focal points ensured that additional policy changes would be implemented in order to promote the principles of the MNE Declaration. To provide a concrete example, the national focal points highlighted the creation of an MNE Unit within the Ministry of Labour and Social Security with the purpose of coordinating activities related to the promotion of the MNE Declaration in the country and enhancing social dialogue between tripartite constituents to promote decent work and local economic development.

An additional proof of on-going efforts made by the national focal points of Sierra Leone to further promote the MNE Declaration at the country level is the organisation of local workshops. Although the outbreak of the COVID-19 pandemic highly affected the implementation of these activities in the first half of 2020, the national focal points are investing in capacity building efforts to ensure that constituents can develop a deeper understanding of the principles of the MNE Declaration in order to effectively operationalize them.

As part of their mandate, the national focal points of Sierra Leone – in collaboration with the ILO – are launching a study of multinational companies operating in the country in four key sectors (mining, banking, telecommunications and agribusiness) in order to identify practices that contribute to job creation at the national level and to assess opportunities and challenges for decent job creation. The study will build on a previous analysis undertaken by the ILO in 2009 [“Promoting job creation for young people in multinational enterprises and their supply chains: Sierra Leone”](#) to provide an updated picture of the employment impact of multinational enterprises (MNEs). It will analyse the role of multinational enterprises, government and social partners and will provide recommendations based on the principles of the MNE Declaration to increase the positive contribution of multinational enterprises to the country's economic and social development.

Finally, based on the short-term commitments highlighted in their action plan developed in Turin at the occasion of the annual training course on the MNE Declaration, the focal points started working to identify the institutions that will be part of the Working Group to roll-out the recommendations of the MNE Declaration on the ground.

“A number of selected institutions – already 22, including the Ministry of Trade and Industry, the Sierra Leone Chamber of Commerce and the Local Content Agency – will be invited to nominate a representative to be part of the Working Group.”

Mr. Chiblee F. Kamara from the Ministry of Labour and Social Security

One last noteworthy element is the recent nomination of the national focal point of the government as member of the board of directors of SMEDA. As stated by Mr. Chiblee F. Kamara, the Ministry of Labour and Social Security has been closely collaborating with the Ministry of Trade and Industry to support SMEDA and his nomination and appointment as Board Member is a tangible example of the government's commitment to strengthen linkages between multinational enterprises and small and medium enterprises. Once he takes up his duty, the national focal point will further promote SMEDA's on-going efforts to provide capacity-building opportunities to small entrepreneurs as a mean to strengthen SMEs and promote business linkages in the country.

► 4. Contributing factors to the follow-up of the EESE programme and lessons learned

This section of the study presents main lessons learned through the implementation of ILO activities in the country to promote business linkages between multinational enterprises and the local economy. A selection of factors contributing to the follow-up of the EESE programme identified by stakeholders (both ILO officials and constituents of Sierra Leone) will be analysed and grouped into three main themes: starting ground, partnership building and social dialogue, multi-level and multi-issue interventions.

4.1. Starting ground

4.1.1. Political will and institutional commitment

The majority of stakeholders involved in ILO activities in Sierra Leone identified the institutional commitment of the constituents as one of the pre-conditions that ensured the implementation of some follow-up activities. Political will was essential to align the national strategy along ILO principles.



“The key starting point was the level of commitment. The Memorandum of Understanding (MoU) signed in 2017 by the ILO and the Government of Sierra Leone provided the basis of this commitment, which in turn led to the implementation of the RBSA project. The project was the result of a specific request by the national government to have technical and financial support in a number of areas related to MSMEs’ development.”

Mr. Paul Mayanga, Chief Technical Adviser of the RBSA project implemented in Sierra Leone

In the framework of the project implemented by the ILO in Sierra Leone, the level of commitment from SMEDA, the Local Content Agency and the

Ministry of Trade and Industry was crucial to fully engage and to ensure that activities were implemented. The support provided by SMEDA and the Local Content Agency for the realisation of regional trade fairs promoted by the ILO is a concrete example of national stakeholders’ engagement. In addition, on the basis of the ILO trainings undertaken in Sierra Leone, both agencies demonstrated once more their level of commitment by organising training for entrepreneurs as a follow-up activity to the work undertaken by the ILO in this field.

Concerning the impact of ILO activities to promote the MNE Declaration and the key milestones achieved, political will and commitment demonstrated by national constituents was also crucial. The Local Content Agency of Sierra Leone was a key partner in the organisation of sensitisation workshops on the MNE Declaration. In addition, national focal points have been at the forefront to understand how to operationalize the principles of the MNE Declaration and what they have learned from the ILO to ensure business linkages between MNEs and local enterprises. Although it was not the only key factor that came into play, the engagement of the national focal points to further promote the MNE Declaration is a clear example of how institutional commitment can contribute to ensure a certain level of coordination, sustainability and continuity to the initial support provided by the ILO.

Overall, the engagement of constituents associated with the presence of national agencies like SMEDA and the Local Content Agency provided a good starting point. The opportunity to have agencies that were willing to give support on the ground, but also to make linkages between the different actors of the private sector, was a key component of the ILO support to the country.

4.1.2. Sensitisation activities to promote the ILO MNE Declaration

Sensitisation workshops paved the way to the appointment of the national focal points for the promotion of the ILO MNE Declaration. Both ILO officials interviewed and the focal points agreed

on the importance of sensitisation workshops and training activities to set the initial stage and provide constituents with a comprehensive overview of services made available by the ILO. As stated by the national focal points, the workshops in Freetown and the course at the ITC in Turin provided a very useful framework to vulgarise the MNE Declaration in the country and to start discussions on how to put its principles into practice.

Sensitisation workshops played and are still playing a crucial role to further promote business linkages between MNEs and the local economy since, in line with these workshops, the national focal points are organising capacity building activities on the MNE Declaration for their constituents. In addition, the course held at the ITC-ILO in Turin resulted in an action plan with specific objectives and milestones related to the promotion of the MNE Declaration in the country. Having these milestones helped to set a clear strategy on how to start promoting and implementing the principles of the Declaration at the national level.

“The way in which the national focal points will operationalize this instrument and its recommendations could go further. It will depend on their level of appropriation and ownership of the MNE Declaration. Next months and years will be crucial to understand how they will play this role and how sustainability will be ensured in the long term.”

Josée Laporte, CSR Specialist, ILO

One of the main lessons learned through the activities implemented in Sierra Leone to promote the MNE Declaration is the importance of providing constituents with the opportunity to learn about the principles of the MNE Declaration and the different services provided by the ILO in order to allow them to identify what is most relevant to their national context. Without sensitisation at the country level, it would be very difficult to bring the right tools into the discussion. As the example of Sierra Leone shows, national focal points were not aware of the MNE Declaration before the organisation of sensitisation workshops at the country level. Both in the case of the EESE assessment and the promotion of the MNE Declaration, stakeholders highly appreciated this kind of events since they allowed them to further understand ILO's tools, instruments and approaches. Training and

sensitisation activities were also useful to identify key actors and to learn more about the challenges that they were facing.

The activities held in Sierra Leone demonstrate that before assessing the level of political will to engage in the discussion, it is important to ensure that constituents are aware of the range of instruments provided by the ILO. This is the reason why sensitisation may be a key element to take into account, unless the country already knows about the offer provided by the ILO.

4.2. Partnership building and social dialogue

The willingness of tripartite constituents to work together was a key factor to enable the successful implementation of ILO activities in Sierra Leone. As stated by a number of different stakeholders interviewed, employers' federations and trade unions worked as partners to achieve common objectives. The collaboration between social partners was therefore one of the driving forces behind the entire process.

The EESE task team set up by the government of Sierra Leone was a good exercise to develop extensive linkages with partners and stakeholders with complementary points of view. Although the initial challenge faced by the EESE team of the ILO to gather the members of this group together for the first meetings, the task team then demonstrated its level of commitment and engaged in constructive dialogues to identify the main challenges regarding the business environment and develop an action plan based on the EESE findings.

The same level of cooperation between different stakeholders was observed in the framework of the promotion of the MNE Declaration. Those who were then appointed national focal points participated in the activities implemented by the ILO with the same willingness to closely collaborate with the aim of moving the process forward. Although the ILO was leading the process, good communication and fruitful dialogue between national focal points played a significant role to concretise ILO efforts. National focal points pointed out the importance of having ratified C144 on Tripartite Consultation well ahead of the implementation of ILO activities to promote the MNE Declaration.

“We usually operate through tripartite discussions. The experience gained in this field helped us to better work together and coordinate for the promotion of the MNE Declaration.”

Mr. Chiblee F. Kamara from the Ministry of Labour and Social Security

The way in which constituents of Sierra Leone already operated was well aligned with the MNE Declaration, which refers to C144. In this context, the promotion of the Declaration provided national focal points with the opportunity to go even further and to engage in tripartite plus dialogue with the Local Content Agency of Sierra Leone. The Local Content Agency also appreciated the principle of continuous improvement in dialogue, recognising its importance to ensure the application of the local content legislation and the contribution of MNEs operating in the country to the employment of nationals (both directly and indirectly).

Finally, considering that constituents are also working on cross-cutting issues related to decent job promotion, the national focal point for the workers from the Labour Congress stressed his interest to continue working using the approach of the MNE Declaration based on social dialogue to address additional challenges such as social security and informality.

4.3. Multi-level and multi-issue interventions

Simultaneous efforts played an instrumental role in the implementation of ILO activities in Sierra Leone to engage with relevant partners and provide a comprehensive approach. The ILO demonstrated to be highly committed to provide the right support and expertise, without which it would have been hard to achieve the results set forth above. The implication of different teams of the ENTERPRISES department, namely EESE, WED, SIYB, Social Finance and MULTI, provided a solid ground to start working on improving the enabling environment for sustainable enterprises development. This framework helped EESE to benefit from the right kind of expertise to provide target recommendations and capacity building opportunities, which in turn increased the credibility of services provided to stakeholders in Sierra Leone. Working with the same constituents, the

collaboration between different ILO units and the field was also important to ensure coherence and to maximise synergies in the implementation of the activities.

The approach used in Sierra Leone highly contributed to a greater outreach of the action. The RBSA project was indeed crucial to bring all these units and field of expertise together as well as to ensure that activities, including those related to the EESE assessment, took place. The framework provided by the project allowed financing a large part of the EESE process and, at the same time, ensuring the implementation of the activities, which were tied to specific performance deliverables and deadlines. In addition, having an ILO staff managing the project in the country helped to coordinate the work of the different units to provide assistance to Sierra Leone.

Concerning the involvement of MULTI in the project, the component on the MNE Declaration to promote business linkages between MNEs and local enterprises was not designed as a direct follow-up activity of the EESE programme. The EESE action plan that was adopted by the national stakeholders focussed on the lack of buy-in from SMEs and international partners on the SME Act and the Local Content Act. Priority was given to support a dialogue process with relevant stakeholders on how to revise the existing policies and Acts. The work done by MULTI was integrated, in a later stage, to the business development component of the project. After training entrepreneurs to better manage their business, the MNE Declaration was identified as a key instrument to sensitise multinational enterprises on the importance to create business linkages and therefore to provide MSMEs with the opportunity to access markets. Although the promotion of the MNE Declaration was not an intended follow-up of the EESE programme, it contributed to support the EESE action plan by promoting business linkages and complemented the work undertaken by EESE with MSMEs. National stakeholders saw a value in engaging in promoting a voluntary instrument such as the MNE Declaration, which promotes dialogue and complements national legislation. In this context, flexibility was crucial to ensure that a unit that was not originally included in the project proposal could provide technical assistance.

► 5. Potential and limitations for replication

The challenges faced by Sierra Leone are common to many other countries where business linkages between multinational enterprises and the local economy have to be strengthened. Nevertheless, each country has different features characterising its political and economic context. This section will analyse the potential as well as the limitations to replicate the approach used by the ILO in Sierra Leone to improve the enabling environment for sustainable enterprises development through the promotion of business linkages between MNEs and local enterprises.

5.1. Political stability and institutional capacity

Political stability and institutional capacity are key factors to take into account when considering the replication of activities similar to the ones implemented in Sierra Leone. Lack of technical, financial and logistic resources from both private and public sectors can considerably hinder ILO interventions to promote business environment reforms. These aspects partially limited the activities of the ILO in Sierra Leone as more concrete work could have been carried out with the help of greater institutional capacity. The experience gained in this country also shows that changes in the government can affect institutional memory and delay the performance of activities, as demonstrated by the difficulties faced for the revision of the SME policy and the development of a MSMEs database.

The EESE task team provides a practical example of challenges related to changes in government. Although the task team engaged in meaningful dialogue and cooperation to develop an action planning based on the EESE findings, frequent changes in the political environment and among some of the members (e.g. the head of the SME Development Agency) affected the effectiveness of the team's work.

The scenario was quite different for the promotion of the MNE Declaration for which activities started in 2019, after the general elections of 2018. In this context, political changes were not identified as a source of limitation, also because of the shorter timeframe during which the activities were

implemented. The only limiting aspect highlighted by national focal points concerned the funding since activities with the ILO on the MNE Declaration started when the national budget plan for 2020 was already been submitted to the Ministry of Finance. Although national focal points were not able to secure some funds for the promotion of the MNE Declaration for the year of 2020, the budget proposal for 2021 will include targeted funds to support some of the activities related to the MNE Declaration.

Many countries across the African continent face the problem of frequent changes in the government. Considering that interventions similar to the one of Sierra Leone may be driven by the individual will of a specific minister, political changes can indeed be a limitation caused by a lack of continuity. Without this element of stability it can be difficult to provide efficient support to the country taken into account since an unpredictable national business environment, caused by frequent policy changes, can represent a limitation for ILO interventions.

5.2. Sensitisation workshops

The experience of Sierra Leone demonstrated the importance of sensitisation activities as a tool to provide constituents, who might not be aware of all ILO instruments, tools and services, the opportunity to have a clear overview of how the ILO could provide technical support. In the case of Sierra Leone, if sensitisation workshops on the MNE Declaration had not taken place it would have been more difficult to complement the work of the EESE team to promote business linkages between MNEs and the local economy.

Stakeholders need to identify not only their challenges but also what the ILO can do to support them, what is the spectrum of services that the ILO can offer and which can be more relevant to achieve their objectives. Having a clear idea about their priorities is therefore crucial for stakeholders to easily identify the most appropriate tools and services. This was the case for promotion of the MNE Declaration in Sierra Leone where the successful implementation of the activities has been

facilitated by clear priorities set up by the national focal points informed by a solid consensus.

5.3. Ownership of the EESE assessment

The ownership of the EESE assessment is an element of significant importance to ensure follow-up to the EESE programme. This ownership is usually linked to the request for the assessment coming from employers. In Sierra Leone, however, the approach was quite different as the ILO suggested conducting an EESE assessment to understand what were the main constraints in the country to the development of MSMEs as a result of an official request of the government to receive technical support from the ILO on MSMEs development.

Being an ILO-driven process, the ownership of the EESE assessment in Sierra Leone was not as strong as in other countries where employers started the process. Even though employers actively participated in the meetings and did collaborate to provide support, the issue of ownership limited the effectiveness of some activities related to the assessment.

However, although the EESE process was initially ILO driven, national constituents showed their growing interest and engagement while the assessment was conducted. In this context, the broad composition of the EESE task team helped to balance the initial push from the ILO.

5.4. Sustainability of ILO interventions

Assessing the potential to provide sustainable support to ILO constituents is an essential element to consider before conducting an EESE assessment. One of the main concerns usually raised at the beginning of this type of interventions is indeed related to the capacity of constituents to ensure a follow-up to the work undertaken by the ILO.

As previously mentioned, the technical and financial support provided by the RBSA project played a key-role role to ensure the implementation of

a number of follow-up activities of the EESE assessment in Sierra Leone. By acknowledging the important push provided by the ILO to address issues of mutual concern, national constituents highlighted their responsibility to ensure a sustainable follow-up to ILO recommendations.

Stakeholders proved their commitment through the implementation of a number of activities to advance the process started by the ILO. SMEDA and the Local Content Agency provide a practical example of how ILO recommendations and activities laid the foundations for concrete efforts to promote an enabling environment for sustainable enterprises development. Once the ILO conducted the training of trainers or small entrepreneurs, the agencies started investing in capacity building activities across the country as part of their mandate to facilitate, assist and provide market access and business linkage opportunities to SMEs.

The same engagement to follow-up on the work of the ILO was observed for the promotion of the MNE Declaration. The leadership offered by the national focal points turned out to be crucial to further engage national stakeholders in fruitful discussions on how to promote business linkages between MNEs and local enterprises. The national focal points are now open to collaborate with other stakeholders interested in the Declaration to promote decent work.

The national focal points admitted, however, that implementing the principles of the MNE Declaration to promote business linkages in the country would be a capital-intensive process and that Sierra Leone does not have the technical and financial resources to embark on this journey alone. The study requested by national focal points to the ILO in order to assess the potential of MNEs to create decent jobs in Sierra Leone illustrates that the support provided by the ILO is still crucial to further promote and operationalize the MNE Declaration in the country.²

Nonetheless, the need of the country to benefit from financial support coming from the ILO should not just be seen as a source of limitation. The national focal points highlighted how technical and financial backstopping from the ILO to undertake this study provided the right impetus to keep the

² This study should be carried out in 2021 with the technical and financial support of the ILO (MULTI RBTC) in the context of the CPO SLE 107.

momentum in promoting the MNE Declaration. This partnership motivated the national focal points to move the process forward and to fundraise to further promote the Declaration at the country level and operationalize its principles.

National constituents are already discussing sustainable solutions to promote business linkages between MNEs and the local economy and to support MNEs to train Sierra Leonean nationals. Being aware of the expensive nature of capacity building activities, national focal points are planning to include institutions like the National Revenue Authorities (responsible for tax collection) and the Ministry of Finance in the working group responsible for the promotion of the MNE Declaration in the country. This framework will allow them to discuss with relevant institutions to provide financial incentives, such as tax reductions, as a way to incentivise multinational enterprises to contribute to skills development of national workers through the organisation of specific training activities.

Although assessing the potential of a sustainable follow-up is a critical issue to take into account before implementing similar activities in other countries, the example of Sierra Leone demonstrates that sustainability can be gradually developed despite initial constraints related to institutional capacity. It is still too early to foresee possible long-term results associated with the ILO intervention in Sierra Leone, but it is clear that the commitment of national constituents is a fundamental instrument that can further lead to continuity and sustainability in the promotion of business linkages in the country.

▶ 6. Enhanced collaboration for a comprehensive approach

The RBSA project has contributed, both directly and indirectly, to promote business linkages between MNEs and the local economy in Sierra Leone. As previously noted, simultaneous efforts of different units of the ILO Enterprises Department have highly contributed to the successful implementation of a number of activities. However, it is important to remember that some of the steps that took place were not framed as an intended follow-up of the EESE assessment but rather as technical assistance driven by the country's priorities.

Having the possibility to adapt the RBSA project to the reality on the ground proved to be pivotal to provide a comprehensive approach. Without this element of flexibility, it would have not been possible to include the MNE Declaration component in a later stage. The flexible approach applied in Sierra Leone can be identified as one lesson learned that could be replicated in the future to seize unpredicted opportunities for collaboration between different ILO teams.

Systematic collaboration should however be promoted to apply the technical expertise of different ILO teams and maximise synergies between services and tools that could contribute to develop a more comprehensive approach to ensure follow-up to the EESE recommendations. The EESE assessment addresses various aspects of the business environment, such as access to finance, infrastructure development and social dialogue. The 17 conditions of the EESE approach indeed provide a very broad framework. It is therefore crucial to profit from the expertise of different units of the Enterprises Department and beyond to provide follow-up support on the business environment.

6.1. Possible points of entry for strengthening collaboration during the EESE assessment

The EESE assessment is based on 17 criteria, unanimously endorsed by employers, workers, and governments from ILO member States at the 2007 International Labour Conference³, with the aim of providing a comprehensive picture of the issues affecting the performance and sustainability of enterprises. Each of the 17 pillars is based on six key enterprise-level principles for sustainable enterprises, namely social dialogue and good industrial relations, human resource development, conditions of work, productivity, wages and shared benefits, corporate social responsibility (CSR), corporate governance and business practices.⁴

Improving the enabling environment for sustainable enterprises development is a shared responsibility. "Social partners have a vital role to play in supporting governments in the development and implementation of policies to promote sustainable enterprises."⁵ In addition, national and multinational enterprises, with their undeniable potential for economic growth, job creation and skills development, could also play a crucial role to enable a sustainable environment for business.

Based on key areas for improvement identified by the EESE findings, the involvement of relevant technical expertise of other ILO teams may be fundamental to develop tailor-made recommendations and provide capacity building opportunities for constituents to follow-up on the EESE assessment. Depending on the approach used by the EESE programme and the sectors analysed, it may also be suitable to explore possible synergies

3 ILO, [Conclusions concerning the promotion of sustainable enterprises](#), International Labour Conference, 96th session, 2007.

4 EESE, "[Conditions for enabling a sustainable environment for enterprises](#)".

5 ILO, [Conclusions concerning the promotion of sustainable enterprises](#), International Labour Conference, 96th session, 2007.

with other ILO units and teams during the assessment itself.

In Sierra Leone, the MNE Declaration proved to be a relevant tool to complement the work of EESE to promote business linkages between MNEs and the local economy. In cases where large and multinational enterprises are interested in collaborating with the government and social partners to improve the enabling environment for sustainable enterprises, the Declaration offers comprehensive guidelines to work on different issues addressed by the EESE assessment, such as formalisation, training and social dialogue, among others, through corporate social responsibility.

The EESE assessment conducted in Sierra Leone combined secondary data with enterprises surveys. These surveys, characterising the EESE traditional approach, have often been identified as a strong point of the ILO EESE assessment since they provide exhaustive information on business' perceptions. The ILO started, however, to implement a new methodology where secondary data is complemented by focus group discussions in countries with high levels of fragility and frequent policy changes and in contexts where conducting a survey can be a challenge. Being a long process, conducting surveys that can take more than a year may not be relevant if the political and economic context undergo significant changes while the assessment is conducted. When the possibility to have econometric sound results can be compromised, conducting focus group discussions is a valid alternative to keep collecting information and perceptions from the private sector through a faster process.

Depending on the EESE approach used, different methods can be suggested to enhance joint efforts between different ILO units. Taking the collaboration between MULTI and EESE as an example, two main possibilities have been advanced by stakeholders. When conducting a traditional EESE assessment with enterprise surveys, the involvement of MULTI could take place during the commenting phase of the report and more in depth during the development of the action planning. In cases where focus group discussions complement secondary data, MULTI could be involved from an earlier stage. The EESE team could rely on standardised questions previously developed in collaboration with MULTI for those focus groups that target national and multinational enterprises.

The possibilities identified can serve as a starting point to further analyse how to promote concentrated efforts between EESE and other ILO units. Synergies have already been analysed and promoted between EESE and Social Finance – one of the six units of the ILO Enterprises Department – when addressing issues related to access to financial services for SMEs. The EESE assessment can serve as a starting point for a systematic discussion and planning with the different units in the Enterprises Department and be used to mobilize resources to support constituents for the way forward.

6.2. Integrated approach for a comprehensive follow-up

The framework of the project used in Sierra Leone is a key strategic approach to ensure a certain amount of follow-up to the EESE recommendations and to secure financial support. Involving other ILO units in the EESE process would imply additional financial and technical resources to analyse the EESE report as well as the national context and to then exchange with stakeholders to provide tailor made recommendations. Fundraising would therefore be a promising approach to ensure more intensified support at the country level together with additional technical expertise of other ILO units.

The experience of Sierra Leone proved to be an interesting model to operationalize the ILO comprehensive package of services and tools to achieve common objectives. Drawing inspiration from other countries in Africa where the ILO is developing cooperation projects on the base of supply chains' analysis, the EESE assessment and its findings could lay the foundation for designing country projects aiming at improving the enabling environment for sustainable enterprises.

The EESE assessment is indeed a powerful tool to point out areas of major concern and start potential interventions at the country level to support the development of sustainable enterprises. Building on new evidence brought forward by the assessment, relevant ILO units could engage in joint resource mobilisation to implement follow-up activities. By involving different ILO teams in the follow-up of the assessment, EESE would benefit from the right tools and relevant expertise to ensure a successful implementation of the activities at the country level.

When, however, the option of developing a development cooperation project is not feasible, communicating is still a key element to keep in mind. Intra and interdepartmental communication as well as good communication between the headquarters and the field are a fundamental exercise to seize untapped opportunities for collaboration. Understanding how to foster this communication through a systematic approach would be the first step to maximise the potential of the ILO to provide comprehensive technical support and to ensure that no opportunity for collaboration and greater outreach is wasted.

► 7. Conclusion

The preceding sections of the study have presented evidence of the extensive experience gained from the implementation of the EESE programme and its follow-up in Sierra Leone with a specific focus on the promotion of business linkages between multinational enterprises and the local economy.

Contributing factors to the follow-up of the EESE assessment have been identified and grouped into three main areas: starting ground, partnership building and social dialogue, and multi-level and multi-issue interventions.

Political will and institutional commitment demonstrated by tripartite constituents together with the strong partnership observed between employers' and workers' organisations were some of the key factors underlying the successful implementation of the activities analysed in this study. Simultaneous efforts of different ILO units were identified as an additional element of significant importance to promote business linkages in the country. The work of MULTI to sensitize constituents on the contribution of multinational enterprises and the efforts of EESE and other teams of the SME unit to support small entrepreneurs were complementary and self-reinforcing to promote business linkages between MNEs and the local economy.

This study also provided recommendations on key factors to be considered when providing support to the ILO constituents on improving the business environment, and engaging with multinational enterprises on the promotion of responsible business practices to foster development of national enterprises and strengthen business linkages between multinational and national enterprises.

Among the key elements to take into account, political stability and institutional capacity are crucial to facilitate a smooth implementation of the activities. Policy changes experienced in Sierra Leone while the assessment was conducted impaired the effectiveness of some of the activities implemented by the EESE team. The experience of Sierra Leone also demonstrated the importance of sensitisation workshops on the ground to present the range of different ILO services available to stakeholders. Finally, another important factor

to consider is the level of ownership of the EESE assessment on the national constituents' side. The process should be driven by the interest and the demand of national constituents to achieve a certain level of sustainability.

In addition, the case study highlighted concrete steps taken following the assessment of the business environment in Sierra Leone as well as synergies and complementarities between the service offer of different units and programmes within the Enterprises department.

Simultaneous efforts of different units have indeed showed the high complementarity of the services offered by the ILO Enterprises Department. Although not all the activities were framed as a follow-up of the EESE assessment, stakeholders in Sierra Leone agreed on saying that the interventions supported by different ILO units of the Enterprises Department contributed to achieve common objectives. They also stressed the importance of providing employers with the right kind of expertise during the follow-up phase of the assessment to better support them to advocate for governmental reforms to improve the business environment.

Working to achieve the same goals can often happen without an approach that ensures coordination between the different actors involved: the EESE team may not be aware of complementary work undertaken by another unit and other units may not know about an EESE assessment conducted in a specific country. The model applied in Sierra Leone is a good example of collaboration and coordination between different units that could go even further and reach different departments.

Some possible areas of discussion for improved collaboration to ensure a follow-up of the EESE recommendations and action plans are listed below.

7.1. Communication:

- Enhanced communication between different ILO units and departments as well as between ILO headquarters and the field is crucial to further analyse possible synergies

and complementarities. Some of the initiatives to foster this type of communication may involve developing a departmental database of country activities implemented by different units. Schedule specific meetings between units or between one unit and the field to discuss possible entry points for collaboration may be another option. Understanding what kind of initiatives could provide an ideal framework to foster communication within the ILO will be the first step for improved collaboration.

highlighted, however, the importance of a fully demand-driven approach to the EESE assessment and the possibility of having a local structure like the task team on the ground to ensure an effective follow-up.

7.2. Enhanced collaboration during the EESE assessment:

- ▶ Promote systematic collaboration between different units during the implementation of the EESE assessment is fundamental to ensure a greater outreach of the action. In Sierra Leone, the work of MULTI proved to be complementary to the one done by EESE to promote business linkages between MNEs and the local economy. When considered relevant, possible strategies to maximise the potential of this synergy while the EESE assessment is conducted may include the involvement of MULTI during the discussion of the EESE report and the development of the action planning. Collaboration opportunities could also be explored when developing specific questionnaires for focus group discussions targeting national and multinational enterprises. Tailor-made approaches may be developed for different areas of expertise to involve other ILO units.

7.3. An integrated approach for effective follow-up:

- ▶ The RBSA project implemented in Sierra Leone proved to be fundamental to ensure coordination of different units involved in the implementation of activities. This framework secured financial support needed to cooperate with other ILO units and ensured additional technical expertise. When considering the replication of this type of model, it should be noted the high potential of the EESE findings as a solid evidence to mobilise financial resources in order to develop additional initiatives to follow-up on the assessment and improve the business environment in cooperation with relevant ILO units. It should be

▶ 8. Bibliography

ESEE. n.d. "Conditions for enabling a sustainable environment for enterprises". <http://eese-toolkit.itcilo.org/index.php/en/about/eese-policy-framework/conditions-for-eese.html>

ILO. 2019. *The Enabling Environment for Sustainable Enterprises in Sierra Leone*.

– .2019. *Enabling Environment for Sustainable Enterprises in Sierra Leone: Main Findings*.

– .2017. *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*.

– .2007. Conclusions concerning the promotion of sustainable enterprises. International Labour Conference. 96th session.

– . n.d. "The Sierra Leone Local Content Agency joins hands with the Ministry of labour, employers and workers as national focal points to promote the ILO MNE Declaration in Sierra Leone". https://www.ilo.org/empent/units/multinational-enterprises/WCMS_716033/lang--en/index.htm

– . n.d. "Enabling Environment for Sustainable Enterprises". <https://www.ilo.org/empent/units/boosting-employment-through-small-enterprise-development/eese/lang--en/index.htm>

Sierra Leone Local Content Agency. n.d. "Who we are". <http://localcontent.gov.sl/who-we-are/>

The Sierra Leone Gazette. 2016. "The Sierra Leone Small and Medium Enterprises Development Agency Act 2016 (No. 2 of 2016)". 3 March 2016

► Annex I. List of stakeholders interviewed

National Focal Point for the promotion of the MNE Declaration (Ministry of Labour): Mr. Chiblee F. Kamara, Deputy Director of Occupational Safety And Health, Ministry Of Labour And Social Security of Sierra Leone

National Focal Point for the promotion of the MNE Declaration (Local Content Agency): Mr. Fodeba Dabo, Director General of the Sierra Leone Local Content Agency

National Focal Point for the promotion of the MNE Declaration (Employers): Mr. Alphonso O. Pratt, Sierra Leone Employers Federation

National Focal Point for the promotion of the MNE Declaration) Workers: Mr. Emmanuel Kamara, Sierra Leone Labour Congress

Mr. Leslie Thomas, Sierra Leone Employers Federation

Mr. Paul Mayanja, Chief Technical Adviser of the ILO RBSA project "Increased employment creation and opportunities in Sierra Leone through entrepreneurship training, business development services and labour-intensive infrastructure development"

Mr. Dennis Zulu, former Director of the ILO Country Office for Nigeria, Ghana, Liberia and Sierra Leone

Ms. Julie Kazagui, Employers' Specialist, ILO Bureau for Employers' Activities (ACT/EMP), Decent Work Team – ILO Country Office-Dakar

Mr. David Kwabla Dorkenoo, Workers' Specialist, ILO Bureau for Workers' Activities (ACTRAV), ILO Country Office-Abuja

Mr. Roberto Pes, Enterprise Specialist for West Africa, Decent Work Team – ILO Country Office-Dakar

Ms. Judith van Doorn, Enterprise Formalization Specialist, ILO Small and Medium Enterprises (SME) Unit (ILO Headquarters, Geneva, Switzerland)

Ms. Séverine Deboos, Specialist, Enabling Environment, ILO Small and Medium Enterprises (SME) Unit (ILO Headquarters, Geneva, Switzerland)

Ms. Josée Laporte, CSR Specialist, ILO Multinational Enterprises and Enterprise Engagement Unit (ILO Headquarters, Geneva, Switzerland)

► Annex II. EESE Task Team members

Aaron Broima	Sierra Leone Labour Congress
Abdul Kamara	Director Programme Management
Abdul R. M. Fofanah	PS MTI
Abu Bakar Sillah	Ministry of Labour and Social Services
Alimamy Bangura	Director Research BOSL
Charles Mereweather	Chief Director MTI
Christo Forster	President SL CCIA
Ehujuo Chinedu Harrison	SLLCAD
Eileen West	Secretary
Emmanuel Konjoh	Local Content Agency
Jennings Wright	Sierra Leone Labour Congress
Johannes Olschner	Frontier Research (EESE Consultant)
Leslie Thomas	Sierra Leone Employers Federation
Judith Van Doorn	ILO HQ
Lytteltion Braima	Frontier Research (EESE Consultant)
Paul Mayanja	PM SME dev. Project
Raymond Gbokie	CEO SMEDA

About the author

Benedetta Nobile is a Technical Officer at the Multinational Enterprises and Enterprise Engagement Unit (ENT/MULTI) of the International Labour Organization. She obtained a bachelor's degree from Université libre de Bruxelles and holds a master's degree in Emerging Economies and International Development from King's College London. Previously, she worked at the Economic Commission for Latin America and the Caribbean (ECLAC) in Mexico City and at the Embassy of Mexico in Brussels to Belgium & Luxembourg and Permanent Mission to the European Union.