EBOLA RECOVERY IN SIERRA LEONE
HELPING SMALL ENTERPRISES GET BACK TO BUSINESS

Over 18 months, the project will help thousands of micro and small enterprises recover from the impact of the Ebola crisis by capacity building, training and policy advice.

Expected results:

Micro and small enterprises supported to recover from the Ebola crisis.

- Market analyses will be undertaken in up to 5 target districts and regional centres to identify demand, supply chains and available skills, to match them with viable business opportunities.
- Up to 50 public infrastructure facilities will be constructed through local contractors, generating 60,000 workdays and providing skills development opportunities for 1,000 young people.
- 3,000 young people will receive entrepreneurship training. Business development skills will also be shared.
- 1,000 young people, especially women, will get access to microfinance.
- Build the capacity of 2,500 micro and small enterprises in health and safety.

Establish and support business development service centres.

- Support existing Business Development Service (BDS\textsuperscript{1}) centres in Freetown, Bo, Newton, Kenema and Makeni, and establish three additional centres in Kailahun, Moyamba and Bombali.

Policy support and advocacy to ensure an environment that helps foster the recovery of small and micro enterprises.

Enhance public-private partnerships that promote investments to help resume service delivery.

- Help create up to 4 public service delivery partnerships with micro or small enterprises at the district council level in the areas of water, sanitation, infrastructure maintenance and others.

Why it matters:

From the estimated 80,000 small, medium and large enterprises in Sierra Leone, the vast majority are micro and small establishments, with a turnover of less than USD 5,000 per year. National Revenue Authority records show that close to 80% of all registered companies are small and micro enterprises that are mostly owned by sole proprietors. They constitute the backbone of the livelihoods and economic activities in Sierra Leone and have the greatest potential to restore market linkages broken by Ebola.

During the UNDP Survey on the Impact on Ebola on Businesses (January 2015) it became clear that an estimated 32% of all private sector workers were either laid off or sent on compulsory leave, and 61% were on reduced work hours. Many businesses were forced to close, and their owners returned to the subsistence living.

\textsuperscript{1} See: www.businessdevelopments.org
United Nations Development Programme (UNDP)

Typically, Sierra Leonean companies have very limited experience - about 28% of companies reported more than 10 years of business experience, while another 46% reported 5-10 years’ experience. Many businesses would find it difficult to survive the impact of the crisis.

Almost 4 out of 5 small businesses 79% believe the country’s economy will worsen in the next 3 to 6 months. Interviews with the key informants showed that many small businesses are already heavily indebted to banks with the overdrafts that are accruing interests. Many are unable to service their debts.

In 2014, 90% of farms plots could not be cultivated in 2014, 40% of farmers migrated to safer location in fear of Ebola. Market closures offered no outlets for the remaining farms products.

60% of the country’s young people (between 15 and 35) are unemployed, and over 80% of the country’s young people live below the poverty line. This marks a major social and economic problem, with implications for peace and stability. Micro and small enterprises could provide huge employment opportunities for these vulnerable groups and restore a path to the sustainable growth.

If private sector-led growth and employment are not tackled quickly, damage done by the Ebola crisis may not be reversed. Addressing these issues through the private sector is critical for Sierra Leone’s long-term development, and could impact on peace and stability.

Project activities:

The project will run from May 2015 to December 2016.

Micro and small enterprises supported to recover from the Ebola crisis.

- Market surveys in up to 5 regions target districts and regional centres to identify demand, supply chains and available skills, to match them with viable business opportunities, whilst focusing on bolstering existing supply and value chains.
- Invite local contractors, through affirmative procurement, to bid for up to 50 public contracts worth up to USD150,000. This will generate 60,000 workdays and provide construction skills development opportunities for 1,000 young people. It will also help improve infrastructure.
- 150 local contractors will receive training on procurement, quality service provision and standards.
- 3,000 young people will receive business development services and entrepreneurship training.
- 1,000 young people in 5 regions will receive micro finance.
- 2,500 micro and small enterprises in health, safety and environmental standards will receive capacity development support for the adoption of infection, preventive and control measures.

Establish and support business development service centres.

- UNDP will support existing Business Development Service (BDS) centres in collaboration with the National Youth Commission (NAYCOM) and other partners in Freetown, Bo, Newton, Kenema and Makeni to provide training and business technical advisory services. UNDP will also establish three additional centres in Kailahun, Moyamba and Bombali.

Policy support and advocacy to ensure an environment that helps foster the recovery of small and micro enterprises

- Support will be provided to relevant government institutions.

See: www.businessdevelopments.org
United Nations Development Programme (UNDP)

Enhance public-private partnerships that promote investments to help resume service delivery.

- Identify simple and realistic opportunities for the public service delivery partnerships where private small enterprises would deliver better value for money comparing to the public sector.
- Facilitate 3-4 public private sector partnerships for resumption of service delivery, which will transition to fully financed socio-economic recovery and inclusive development in the areas of water, sanitation, waste management, infrastructure management or others.

**Budget:**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Budget (US$)</th>
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<tbody>
<tr>
<td>1. Micro and Small Enterprises Supported for EVD Recovery</td>
<td>4,322,000</td>
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<td>2. Establish and support Business Development Service (BDS) centres</td>
<td>780,000</td>
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<tr>
<td>3. Policy Support and Advocacy for Enabling Measures for MSE Business</td>
<td>325,000</td>
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<tr>
<td>Recover</td>
<td></td>
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<tr>
<td>4. Enhance public-private partnerships that promote investments for service delivery resumption</td>
<td>325,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>5,752,000</strong></td>
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**Why UNDP?**

UNDP has successfully managed livelihoods, youth employment and empowerment programmes in the context of post-conflict and sustainable development in 14 of Sierra Leone’s districts since 2002.

UNDP has worked on private sector development initiatives in Sierra Leone since 2008, providing capacity development support on private sector engagement and trade facilitation to the Ministry of Trade and Industry, the Ministry of Finance and Economic development and the Office of the President. Through its local economic development programme, UNDP has also implemented small business support initiatives at the council level.

In collaboration with other partners, UNDP is leading a public private partnership initiative in Sierra Leone at the national and local levels. With a permanent advisory staff in country since 2011 UNDP continuously supports capacity building and public private partnership building initiatives across the country.

Over the years, UNDP has built trust and solid partnerships with the government, national institutions and civil society organizations working with micro and small enterprise development.