



together the various stakeholders in the training-employment relationship, including employers, in order to coordinate the development of qualifications based on competences could be envisaged. In this context, support for employment intermediaries, who are often able to identify the recruitment difficulties of private stakeholders, should also be improved.

### **Support for the private sector needs to be strengthened**

Analyses of the evaluation highlight a difference between the ambitions stated by Enabel in terms of support for the development of the productive sector and the reality on the ground. In the absence of mechanisms to directly finance this sector, the agency's ability to achieve its objectives and to bring about virtuous models seems limited. This is particularly visible in interventions aimed at developing self-employment and entrepreneurship, where the peripheral barriers necessary for project incubation, such as financing, are not fully addressed. Thus, many candidates for the creation of productive structures find themselves unable to finance their project and turn to solutions that can endanger individual businesses (prohibitive loan rates, for example). In this field, Enabel must innovate, formulating sustainable financing mechanisms that are appropriate to the needs of local stakeholders. In view of these challenges, more emphasis could be placed on strengthening the capacity of governments to implement ambitious recovery policies.

In general, the balance between support to the private sector and institutional capacity building in the area of training and employment is a real challenge for Enabel in terms of the Theory of Change. On the one hand, the hypothesis of job creation through a supply-side policy, i.e., support for the productive sector, can be widely contested in light of experiences in the North and South. On the other hand, without regulation, supervision of companies, employment and its conditions, the

development of the private sector can lead to negative externalities in terms of predation of natural resources and respect of social rights. The development of charters or labels appears to be one of the options favoured by most development agencies for the moment. However, in some cases, such as in Rwanda, Enabel has been able to support the State in developing virtuous value chains in the field of construction and structuring of a training system appropriate to these issues. These initiatives deserve to be scaled up.

In the productive sector as well as in the field of training, Enabel could contribute to the development of particularly innovative structures in order to increase the emergence of sustainable and durable models. At the crossroads between private, public and associative sectors, support for innovative experiences in governance (cooperative, for example) and participatory democracy (involvement in decision-making) should be sought. These initiatives could be highlighted through the promotion of training and female entrepreneurship or through the promotion of global competences or in the form of labels as Enabel has the experience of setting up.

Within the educational sector, in technical and vocational training curricula, the development of creativity and innovation could be encouraged through innovative educational curricula that promote the introduction of societal issues. Finally, in order to mix the integration, training and employment sectors, Enabel could promote the development of hybrid market structures where the management and financing of jobs could be mutualised by the different actors (State, agency, training system and employer)<sup>2</sup>. These structures for target audiences would foster the emergence of innovative and collaborative models.

<sup>2</sup> In France, the Structures d'Insertion par l'Activité Professionnelle are particularly innovative models that make it possible to combine the associative sector and the commercial sector with the aim of integrating target groups who are far from employment into the labor market.

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## **How Can We Better Engage and Support the Private Sector?**

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The private sector is a central stakeholder in policies aimed at creating favourable ecosystems for societal, economic, and technical development. In the context of interventions in the technical and vocational training sector, supporting the private sector consists of promoting the supply of employment as the main driver of the creation of professional opportunities in the labour market. By creating jobs for all, the private sector would thus meet most of the sustainable development objectives: development of growth and innovation, fight against poverty and hunger, gender equality, inclusion, etc.

Enabel, like most development agencies, has recently intensified its interventions in support of the private sector in different ways. Going by the Theory of Change, from 2018, this strategic choice has imposed itself as the standard for formulating Enabel's interventions, thus integrating even more into the *mainstream* of development policies. In this context, it is necessary to ask how Enabel could stand out within these orientations that aim to support the private sector as an engine of development.

### ***Private support and development: what are the issues?***

In fragile contexts such as those of the countries considered in the evaluation, supporting and developing activities in the productive and commercial sphere are real challenges. This sector appears to be much less structured and organised than others, such as the public sector. Thus, in most cases, the private sector is characterised by small productive units rather than large-scale "industrial" infrastructures. Poorly equipped, these small units lack technical and human resources. In this context, Enabel's interventions in the field of technical and vocational training consist in training



a workforce capable of meeting the needs of private employers at the local level. In some cases, such as in the Democratic Republic of Congo, large-scale natural resource companies exist, as well as a recruitment pool with of young and unemployed workforce yet they struggle to recruit.

In many of the countries where Enabel operates, the challenge of private sector development is mainly focused on the emergence of small productive structures. Thus, access to self-employment, the development of entrepreneurship or the support of productive units from the informal sector to the formal sector are central axes of the interventions considered in the evaluation. Generally speaking, the development of an entrepreneurial culture conducive to the development of a context favourable to the "business climate" is the common denominator of the training programmes supported or developed by the agency. In this area, Enabel is focusing on the development of niche entrepreneurship, especially for women, to ensure greater empowerment and inclusion in the labour market. Another is to foster the emergence of small units, coaching towards entrepreneurship, including incubation; these are components used in Enabel's interventions. Subsequently, the evaluation carried out shows that all of these actions are relatively relevant and effective with regard to these objectives.

More generally, Enabel's approaches in the areas mentioned are helping to change attitudes towards the private sector. Obvious in many countries of the interventions, integration into the public sector is the grail for young people and their families, even though the public sector can only absorb a small proportion of those leaving the educational system. As a consequence, within the training systems, a proliferation of diplomas and a devaluation of professional courses are taking place. By supporting the private sector, Enabel also aims to enhance the value of vocational and technical training; an educational sector that is often neglected by the public authorities, and, in general, to increase the scope for professional integration. To this end, many programmes, such as those in Palestine, the Democratic Republic of Congo, Guinea and Morocco, are characterised by a strong presence of work experience or immersion in companies (work-study programmes, internships, work-based learning). Finally, Enabel is trying to strengthen value chains in order to

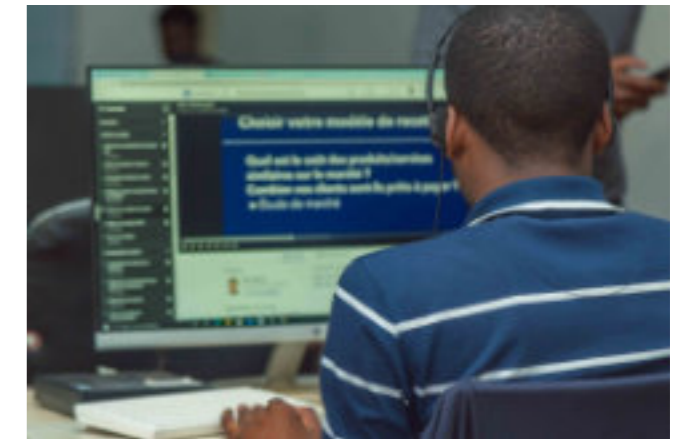
increase people's trust in the private sector. The aim is to develop a common understanding of the issues, the sharing of virtuous models or the learning of good practices within a sector of activity.

### ***Are the needs of the productive sector sufficiently identified?***

In terms of interventions in the area of technical and vocational training and employment, supporting the emergence of the private sector means improving the conditions for meeting the supply and demand for labour. The evaluation carried out highlights the effectiveness of Enabel in promoting access to employment for young people, at least in the first few active years<sup>1</sup>. Thus, Enabel is particularly successful in increasing the employability of target beneficiaries through individualised coaching and the development of work experience during the course of study. Some of these good results are due to Enabel's financing of short-term jobs within the framework of "High Labour Intensity" programmes. However, the mechanisms for matching supply and employment could be improved within the interventions.

Field observations conducted within the evaluation support the idea that Enabel struggles to identify the competences needed in local labour markets. Although analyses aimed at studying skill needs or labour shortages in a localised manner have been developed within the new formulations of interventions (e.g. Kinemploi), they do not seem to be very well developed yet. At this stage, methods such as the Gestion Prévisionnelle des Emplois et des Compétences Territoriales (GPCT in French) should be developed and systematised. Beyond these aspects, the employers met with in the field seem to have little experience with these issues: many of them have difficulty identifying and declaring the competences they need. Thus, Enabel could focus on increasing the capacity of the private sector in this area, particularly through capacity building of stakeholders in the productive sphere in terms of human resource management.

In the absence of these tools for assessing these dimensions, Enabel could deepen the diagnoses that make it possible to identify emerging occupations, those in tension or in demand in a localised manner. Although such analyses already



exist when interventions are formulated, they should be rethought and systematised. Consequently, without the development of these tools, it seems difficult to build training curricula based on the acquisition of skills needed to respond to changes in the labour market. In addition, the development of a more systematic studies would make it possible to understand the transformations that are taking place in the professions with regard to societal issues (climate change or digital transition) or issues related to sustainable development objectives. The interviews conducted as part of the evaluation showed that Enabel has a tendency to consider or contrast "emerging occupations" with "traditional occupations", without considering that the latter could be transformed by societal changes. The deployment of other approaches would have the merit of revitalising certain productive sectors and revaluing certain technical professions considered traditional and unattractive.

In this context, it appears that the convergence between the socio-economic stakeholders, the public stakeholders and those of training seems appropriate. The systematic establishment of partner committees within the interventions allows for the creation of spaces for the appropriation of the competences needs of companies and for their application within the technical or vocational training curricula. It also promotes a stronger business climate through better collaboration between the private and public sectors. However, this does not appear to be completely effective at the moment. To remedy this, for example, support for the development of certifications built in a collective and partnership manner would help improve knowledge in this area. Apart from that, the setting up of discussion forums bringing

<sup>1</sup> This is shown by the results of the various cohort follow-up surveys of the target beneficiaries concerned by the interventions.