

Getting through the pandemic together:

Preserving jobs and securing investment

Many African countries have been enjoying continuous political stabilisation and high economic growth for several years. However, the Covid-19 pandemic and its economic impacts have put the brakes on this positive trend: millions of jobs are at risk, companies face declining revenues and the threat of insolvency.

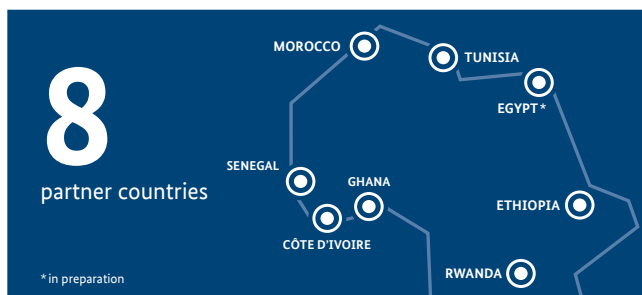
The core objective of the **Special Initiative on Training and Job Creation** of the German Federal Ministry for Economic Cooperation and Development (BMZ) is to create jobs and apprenticeships in Africa. To achieve this, the Special Initiative, which also operates under the brand **Invest for Jobs**, promotes sustainable local private investment. During the pandemic, we as Special Initiative have been able to **respond particularly rapidly and flexibly to the new challenges** and help to **preserve jobs and investment** in Africa. In close

collaboration with our partners, we have adapted our ongoing projects and devised new projects, concentrating particularly on the following areas:

- supporting small and medium-sized enterprises (SMEs) with urgently needed liquidity
- switching production to manufacture additional goods that are needed to tackle the pandemic
- ensuring continuity of business operations

Cooperation with African SMEs has become an even greater focus of our work as we seek to stabilise local economic structures and supply chains during the crisis. In this way, Invest for Jobs is also helping to strengthen companies' resilience in the face of future challenges. The case studies on the following pages illustrate just some of our diverse measures to preserve jobs.

Support in our partner countries





1. Financial support: Liquidity for small and medium-sized companies

The impact of the pandemic is placing major financial strain on companies, also in the Special Initiative's partner countries. Revenues are plummeting, but companies still have to meet their ongoing expenditures, such as staffing costs and rents. This is where the **wide-impact Covid-19 support programme run by Invest for Jobs' investment facility Investing for Employment (IFE)** comes into play. Channelled through partner financial institutions, the facility provides **urgently needed liquidity**, predominantly to local small and medium-sized enterprises (SMEs). This mainly takes the form of interest rate relief and cash injections. The cooperation arrangement with the financial institution *GroFin*, which invests in small and expanding companies, particularly in Africa, is one example. In the course of the pandemic, *GroFin* has been able to provide funding of over EUR 5.2 million from Invest for Jobs, supporting **26 companies employing a total of 4,700 people** not only financially but also with advice.

Hebamungu Wenceslas, founder of recycling business *Eco-Plastic* says that *GroFin* has not only provided him with moral support during these difficult times, but has also helped him to continue production. The Rwandan company had to close for two weeks during the pandemic, its revenues fell, and access to raw materials became difficult and costly. *GroFin* helped the company to cover its fixed costs and to optimise production to reflect the new conditions. **'Instead of losing confidence, we will resume and grow the company,'** says Wenceslas, adding 'I am very thankful to *GroFin* for that.'

Liquidity support during difficult times

Lahbib Niang, CEO of *Amsata Plastique Sandales*, has also struggled during the pandemic. This small shoe production company in Senegal suddenly lost over 80 per cent of its



Shoe production at Amsata before Corona

customers, while the fixed costs remained the same. Niang consulted with *GroFin* and initially decided to suspend production to reduce his costs. When the situation eased and he was able to resume operations, he was short of both raw materials and cash to buy new stock. **Looking back, Niang says that without the funding he received from the Special Initiative he would have been forced to close the business for good.**

The Special Initiative has also set up a similar programme in Ghana. The facility Investing for Employment has thus granted EUR 6 million to *Stanbic Bank*, and the bank provides additional credit relief measures. **The aim is to provide support for 40 companies employing 4,400 people.** One of the companies that have already benefited is *Jekora Ventures*, a waste management and recycling business in the Ghanaian capital, Accra. It employs more than 200 people, and its operations cover a number of municipalities with more than 24,000 households. When Covid-19 cases rose in Ghana, the country went into lockdown. Waste disposal companies like *Jekora Ventures* faced a particularly difficult situation: almost 70 per cent of its business customers locked down and its revenues collapsed. Financing from *Stanbic Bank* enabled the company to pay outstanding wages and bills, to keep its operations going and, not least, to collect waste that might otherwise cause additional health risks.



2. Switching production: Manufacturing additional goods to help tackle the pandemic

Many sectors and companies have seen demand for their goods and services decline because of Covid-19 restrictions. Textiles is one such sector. Sophie Nzinga Sy heads the *Women in Fashion* association. With support from the Special Initiative on Training and Job Creation, the association is currently setting up a creative centre in Senegal that will train around 300 young people and create 200 new jobs. 'When the pandemic hit Senegal in March, we had to stop working. And as the virus spread across the country, tailors received fewer and fewer assignments,' recalls Nzinga Sy, whose association suddenly faced an unprecedented challenge.



Manufacturing masks and sanitiser

While the Senegalese people were buying ever fewer clothes, the demand for face masks rocketed. Low-income households in particular urgently needed masks to protect themselves and others from the virus. To tackle the challenge, the Special Initiative in cooperation with *Women in Fashion* and Senegal's Agency for the Development and Support of Small and Medium Enterprises (ADEPME) supported 100 tailor shops in expanding their production to face masks. In a short space of time, 750 tailors were thus able to produce 120,000 masks for needy families. They also made 1,000 bedsheets for hospitals with supply problems. 'With the help of Invest for Jobs, we have been able to keep our tailors working and also helped to protect local people's health,' Nzinga Sy rejoices.



A similar initiative is currently carried out in Ethiopia, where the Special Initiative is supporting the *Ministry of Trade and Industry* with more than EUR 1.5 million to implement a project to **produce around 3.6 million masks**. To protect the textile factory employees while at work, the project also provides them with training in hygiene procedures. With the help of the country's *Ministry of Health*, the finished items are mainly being distributed in rural regions of Ethiopia, where access to suitable masks is rare. Overall, the project is contributing to **sustain the jobs of around 12,000 people**.

There are many ways to preserve jobs and protect the population against the spread of the virus, as a further project in Ghana demonstrates. The Special Initiative is supporting beverage manufacturer *Kasapreko* in adapting its production. The company usually produces alcoholic drinks from cassava but now also uses the ethanol to manufacture alcohol-based hand sanitisers. Deputy Managing Director of *Kasapreko*, Richard Adjei, reports 'The price of hand sanitisers on the market was on the high side and beyond the reach of many, particularly the imported brands, and this in time of a pandemic. **Kasapreko stepped in to bridge this gap and produce a sanitiser affordable to all segments including lower income earners**.' The project is also reducing dependence on imports, which is particularly important during a crisis to prevent shortages. This conversion in production has enabled *Kasapreko* to **continue to employ around 350 people**.



3. Ensuring continuity of operations: Better hygiene strategies and new ways of working

Where production cannot be switched, the Special Initiative on Training and Job Creation supports activities to adapt on-going work processes. *The Digital Skills Accelerator Africa e.V.* (DSAA) is an association supported by Invest for Jobs to train young IT experts. Companies involved in DSAA employ over 16,000 people across Africa.

With support from Invest for Jobs, member companies have designed **hygiene measures and a transport service** to reduce the risk of infection. With help from a digital learning platform, employees have been able to access training to adapt to the current coronavirus situation, including modules on self-management, stress management, communications and digital working methods. New employment models have also been devised to tackle the challenges posed by the pandemic.

Support for infection prevention in the workplace

Hygiene measures to protect against Covid-19 also form part of a project with the Tunisian automotive supply sector, which has been hit hard by the pandemic. To enable suppliers to **maintain their output even at this difficult time**, it was important to roll out hygiene measures rapidly in the factories. To support this process, Invest for Jobs cooperated with the

Educational Association of the Bavarian Economy (bbw Group) to conduct online training courses for production supervisors and human resources managers working for Tunisia's automotive suppliers. The training focused on areas such as the provision of washing facilities and sanitisers, floor markers to encourage social distancing and the introduction of one-way systems in factories to reduce contact. The online training ran between April and June 2020 and reached a total of **17 companies employing around 3,400 people**.

Protective measures like these create costs that can be a significant burden on companies, especially during the current crisis. A programme set up by the Special Initiative in co-operation with Tunisia's *Agency for the Promotion of Industry and Innovation* (APII), helps in this respect. It delivers targeted support to SMEs in the automotive and aerospace supply sector by providing **funding for protective measures**, such as the upgrading of hygiene facilities and the rollout of mobile working.

Please get
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