

## FINAL PROGRESS REPORT

Integrated Productivity Growth Framework to Enhance the Transition of Informal to the Formal Economy in Malawi and Zimbabwe

March 2022



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## 1. EXECUTIVE SUMMARY

Title of Implementation Agreement	Integrated Productivity growth framework to enhance the transition of informal to the formal economy in Malawi and Zimbabwe
Name of the Implementing Agent	Pan African Productivity Association (PAPA)
Agreement Number (EPA, OFC, PO or Commitment Number)	40348880/0
Implementation Agreement Start date	02.09.2021
Implementation Agreement End date	15.12.21 revised to 28/02/2022
Total value (Currency and Amount)	\$74 310.00

This report outlines the results of the project that is part of implementing the AUC-ILO Joint Programme on **Decent Work for the Transformation of the Informal Economy in Africa (2020-2024)** focussing on *Output 3.2: Integrated productivity growth framework to enhance the transition of informal to the formal economy*. The project aims to support PAPA member countries in its efforts to facilitate the transition of the informal to the formal economy through an integrated approach of promoting productive and decent employment creation for MSMEs and improved living standards for all.

This was achieved within a period of 6 months (Sept 2021 – February 2022) under the technical leadership of the ILO Country Regional Office for Zimbabwe and Namibia. PAPA was identified as the partner in this initiative as it is an apex continental body that addresses productivity holistically at all levels through its special programmes designed to create an enabling environment for sustainable MSMEs.

The ILO Centenary Declaration for the Future of Work, 2019; adopted by the International Labour Conference in 2019 highlights productivity as a cornerstone of achieving a human centred approach to the future of work. Increasing productivity is also one of the strategic priorities of the 2030 Agenda, also part of Sustainable Development Goal 8, which focuses on economic growth and promoting productive employment. It is clear that productivity and competitiveness are key issues for private sector development in any country.

Eight out of ten workers in Africa are in informal employment, the highest share among all regions (ILO, 2018). It is the MSMEs in the informal economy that require most of our support for an array of innovative tools to address informality for integration into the main economy, including where appropriate for their transition to the formal economy. The Enterprise Productivity Development Programmes offered by National Productivity Organisations in PAPA member countries provide customised and hands on approaches to increase productivity in both the formal and informal sectors of the economy. These interventions or programmes are structured to contribute to sustainable and inclusive growth and development as well as growth with rising decent employment creation; wealth and income growth; job preservation or minimising the retrenchment of workers; and promote workplace collaborative relations and dialogue on productivity and competitiveness issues.

## 2. INTRODUCTION

The Pan African Productivity Association (PAPA) collaborated with the ILO in the monitoring and evaluation of implementation of *Output 3.2: Integrated productivity growth framework to enhance the transition of informal to the formal economy* of the AUC-ILO Joint Programme on **Decent Work for the Transformation of the Informal Economy in Africa (2020-2024)**. The activities under this output, focus on both internal or within-enterprise factors that relate to the decisions made to manage and allocate available resources for production aimed at improving technical efficiency (also known as productive efficiency) and on factors external to enterprises relating to a conducive business environment.

Productivity is a crucial determinant and driver of long-term competitiveness and economic growth, and a vehicle towards prosperity and higher standards of living. PAPA's determination to promote a culture of productivity and accountability in MSMEs is crucial, therefore we will collaborate with social partners like ILO to join on this journey. With this collaboration we will address the productivity and capability gaps of MSMEs in the informal economy in PAPA member countries as well as capacitating the pool of competent productivity practitioners required to lead the productivity movement throughout the African continent.

Two countries were selected for the implementation of the project: Malawi and Zimbabwe.

Malawi's situational analysis: Production of garments in Malawi is mostly done by Individual Small and Medium Enterprises, on small scale and targeting the local market. Many Malawian youth have been trained in Tailoring and Fashion Design (TFD) but face a lot of challenges in the garment industry despite the trainings that take place in both formal and informal sector. The ILO supported project through PAPA was timely and has significantly set the foundation for improvement in the garment industry in Malawi. Garment industry in Malawi is infested with a lot of gaps and challenges to which the project is trying to address. Individualistic mode of producing garment and the quality of produced garments is substandard. Garments produced under the mode does not meet required international standard. Some of the known challenges range from Human error, inefficiency in supply chain, slow production, outdated manufacturing process and lack of the teamwork spirit.

Malawi has very limited access to internet and high costs of broadband that inhibits MSMEs from having a dynamic commerce and trade with customers and also from gaining access to international markets globally. As a result, most of the MSMEs in Malawi are not able to take advantage of the opportunities presented by the digital economy to grow their businesses due to ICT infrastructure challenges and low levels of education. Harnessing ICT will enable the MSMEs to get organised in terms of keeping their records, improve their productivity, performance, reduce costs and thus be able to easily transition their enterprises from informal to formal. It is also anticipated that use of ICT will help MSMEs to be more information and data centric in managing their businesses in this digital age. This is because the proportion of informal employment amounts to 83% of total employment (including agriculture). As of 2018, applying this proportion to total employment results in an estimated number of 6.5 million informal workers in Malawi (Southern Africa Trust, 2021).

Zimbabwe's situational analysis: The Confederation of Zimbabwe Industries estimated that between 80 to 90 percent of Zimbabweans are engaged in informal economic activities, and that the sector, which is also linked into supply chains and the formal economy, accounts for 40 percent of Zimbabwe's GDP (CZI, 2021). The department of Labour Administration & Employment Services noted a gap within its division in terms of appreciation of productivity and labour market information. The pursuit of higher productivity requires a cadre of productivity practitioners fully equipped with the skills and knowledge to identify productivity problems and develop and implement productivity improvement

plans in enterprises. The need for developing the labour and employment officers as champions of productivity was suggested by the Ministry and therefore proposed a program aimed at providing multidisciplinary skills for them to become facilitators and champions for productivity and equipped with skills in data collection tools. The workshop was aimed at developing the competencies in the promotion and application of basic productivity techniques in MSMEs and organizations.

### 3. OVERVIEW

The project addresses Output 3.2: Integrated productivity growth framework to enhance the transition of informal to the formal economy and has identified specific operational activities for the 2021 calendar year in selected PAPA member countries.

The Implementation Agreement for the project was signed on the 2<sup>nd</sup> of September 2021 and became effective upon signing with expected tenure of 6 months. Two countries from PAPA membership were selected for this cooperation are Malawi and Zimbabwe.

The proposed initiatives are geared towards providing the selected member countries with the capacity to drive productivity improvement in their countries through the following strategies:

- Conducting workplace productivity interventions in the MSMEs and Public Sectors.
- Building the capacity of staff responsible for productivity promotion by imparting training skills in productivity, quality tools and techniques to be able to conduct workplace productivity interventions both in the MSMEs and Public Sectors.
- Facilitate the development of the Model Companies Project; and ways and means to increase productivity at company level as well as applying tools to increase productivity, including 5S and KAIZEN.
- Training on productivity and labour market information systems.
- Extending technological infrastructure to support MSMEs.

### 4. OBJECTIVES OF THE PROJECT

The project seeks to address the achievement of the following objectives of PAPA:

- Promoting labour management relations within the enterprises/organizations;
- Promoting productivity in key sectors of the economy, in particular the informal economy, MSMEs, public/parastatal sector, industry and communities;
- Promoting the use of productivity approaches, techniques, tools, and processes by all stakeholders;
- Encouraging and supporting the setting up of NPOs and strengthening of existing ones in member states.

The above-mentioned PAPA objectives were aligned to the following activities of Output 3.2: Integrated productivity growth framework to enhance the transition of informal to the formal economy:

- **Activity 3.2.2** *Implement productivity improvement programmes for MSMEs, including the formation of 1500 Kaizen Experts in Member States.*
- **Activity 3.2.3** *Support technology (including digital devices) development and use in MSME's.*



The project was divided into three sub-projects or outcomes implemented in different countries.

**4.1 Outcome/sub-project 1: Malawi - The Technical, Entrepreneurial and Vocational Education and Training (TEVET) Authority - Implement productivity improvement programmes for MSMEs**

Immediate objective: To improve productivity for sustained inclusive growth and competitiveness of MSMEs in the Tailoring, Fashion and Design (TFD) sector, also promoting the culture of productivity within the sector.

**4.2 Outcome/sub-project 2: Zimbabwe's Department of Labour Administration & Employment Services under the Ministry of Public Service, Labour and Social Welfare - Capacity Building Workshop on Productivity and Labour Market Information Systems (LMIS) for Labour and Employment Officers**

Immediate objective: To facilitate Capacity building workshop on Productivity and Labour Market Information Systems (LMIS) for Labour Officers and Employment Officers so that they are capacitated to be able to conduct workplace training on productivity enhancement tools to management and workers as well as being equipped with skills in data collection tools.

**4.3 Outcome/sub-project 3: Development of MSME ICT Framework for Malawi**

Immediate objective: To create a digitalization framework for MSMEs of Malawi, that will facilitate communication, enhance interaction and improve commerce among all role players from government to buyers and sellers of goods and services in the MSME sector. To create a one-stop-shop digital platform for MSMEs in Malawi and other member countries in terms of access to information, markets, collaboration, transactions, capacity building, etc. Overall, how ICTs can be leveraged to improve productive efficiencies in MSMEs and as such achieve sustainable economic growth in Africa and particularly in Malawi.

## **5. PROGRESS ON ACTIVITIES/OUTPUTS**

The first tranche of the funding was received from the ILO on the 16<sup>th</sup> September to kick start the project. Both the implementing countries had to ensure that they open separate bank accounts to ring-fence the funds for this project. This process took more time than anticipated, approximately about 3 weeks from the receipt of the funds for Malawi and for Zimbabwe it was finalized beginning of October. The South African international funds transfer regime also compounded the issues with their prolonged processes of clearing the funds with the South African Reserve Bank. Nevertheless, some preliminary activities were still carried out during the period while waiting for the funds to clear.

Both TEVETA and Ministry of Public Service, Labour and Social Welfare co-funded the projects and both projects operated under very prohibitive COVID-19 lockdown restrictions.

- **Sub-project 1** completed all the activities as per action plan. The major activity that is outstanding and ongoing is providing financial support to MSMEs for them to increase their production capacity and continuous mentoring.
- **Sub-project 2** activities are complete as per action plan.
- **Sub-project 3's** draft ICT Framework for MSMEs is complete and has been reviewed by relevant stakeholders in Malawi and close-out report submitted. All activities are complete as per the action plan.

### **5.1. Sub-project 1: Malawi**

The Technical, Entrepreneurial and Vocational Education and Training (TEVET) Authority - Implementing Productivity Improvement Programmes for MSMES in the Tailoring, Fashion and Design (TFD) Sector



### 5.1.1. Outcome/sub-project 1: TEVETA Malawi Intervention

Immediate Objective 1:	To improve productivity for sustained inclusive growth and competitiveness of MSMEs in the Tailoring, Fashion and Design (TFD) sector, also promoting the culture of productivity within the sector						
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place where activity takes place	Person Responsible	
Output 1.1: Support for enterprise clusters within priority sectors and within planned geographical areas							
A total of 45 MSMEs from all the three administrative regions of Malawi took part in the implementation of project. After the initiative, MSMEs in the clusters are able to currently use the modern sewing machines. Clusters helped all the group members to learn from each other on the technics of producing quality garments using the modern sewing machines (straight line and overlocking machines) MSMEs have continued interacting and sharing information.							
Main Activity - Implement productivity improvement programmes for MSMEs							
Sub-activity 1.1.1: Allocate 45 TEVET Graduates owned enterprise into 7 clusters across the Country.	11.10.2021	24.11.2021 and 13.01.2022	1.0	\$402.44	Northern, Central and Southern Regions	PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)	
Clustering of MSMEs improved coordination and provided opportunity for them to share knowledge and grow. Blantyre cluster has 7 MSMEs, Liwonde has 6 MSMEs, Mangochi has 6 MSMEs, Lilongwe has 7 MSMEs, Nkhota- Kota has 6 SMEs, Mzuzu has 7 MSMEs while Karonga has 6 MSMEs.							
Sub-activity 1.1.2: Allocate TEVET Graduates owned enterprise into clusters (Facilitated selection of the cluster leadership)	25.10.2021	18.01.2022	1.0	1.0	Northern, Central and Southern Regions	PEP Specialists (S. Nyirenda, F. Chalamanda and A. Potani)	
Sub-activity 1.1.3: Oriented clusters on the purpose and objective of PAPA project	11.10.2021 15.10.2021	14.01.2022 15.01.2022	1.0	\$457.93	Northern, Central and Southern	PEP Specialists (S. Nyirenda, F. Chalamanda and A. Potani)	
All the 7 clusters democratically elect their leaders, for improved teamwork and coordinated implementation of project activities. Leadership was to be the conduit for passing on the project objectives and anticipated goals. Leadership helped in ensuring that all MSMEs are taking part in the project.							



Immediate Objective 1:	To improve productivity for sustained inclusive growth and competitiveness of MSMEs in the Tailoring, Fashion and Design (TFD) sector, also promoting the culture of productivity within the sector					
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place where activity takes place	Person Responsible
Output 1.2: Constructive dialogue/ workplace collaboration between management and workers						
<i>Based on monitoring data, it is recorded of 22 MSMEs engaging between the management and workers. Since the MSMEs have few employees, it transpired that it was easy to engage due to the small number of workers. Engagement at the workplace helped to improve transparency and effective management of the business.</i>						
Main Activity - Implement productivity improvement programmes for SMMES						
Sub-activity 1.2.1: Conducted Gemba walk with all the 45 identified and selected MSMEs within their premises	17.10.2021	29.11.2021 01.12.2021	1.0	1.0	Northern, Central and Southern Region	PEP Specialists (S. Nyirenda, F. Chalamanda and A. Potani)
<i>Gemba walk helped to identify bottlenecks for the businesses and other factors that hinder productivity of the MSMEs clustered.</i>						
Sub-activity 1.2.2: Presented Gemba walk report to 7 clusters of 45 MSMEs. (owners and their staff)	01.12.2021	09.12.2021	\$3,850.00	\$1,927.93	Northern, Central and Southern Region	RSCM-S (Conceptor Bamusi) PEP Specialists (S. Nyirenda, F. Chalamanda and A. Potani)
<i>Presentation of Gemba walk report involved the MSMEs owners and their workers, it also provides the groups with feedback on issues that are negatively impacting on their ability to grow.</i>						
Sub-activity 1.2.3: Engaged 45 MSMEs owners and their staff/workers during cluster meetings.	07.11.2021	09.12.2021 13.01.2022 20.01.2022	1.0	1.0	Northern, Central and Southern	PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)
<i>Cluster meeting were face to face interventions for information sharing and feedback provision among the club members.</i>						
Sub activity 1.2.4: Created 4 WhatsApp social media platforms for three regional MSME groups and 1 national group for all the regions including project personnel.		13.01.2022	1.0	1.0	Central region	Project Specialist
<i>The group choose WhatsApp as the platform for the 45 MSMEs to interact. Each region had a unique WhatsApp group and 1 national WhatsApp group. In total 4 social media groups were created. Through these platform MSMEs have mobilized themselves to get registered. They are also showcasing the products made in respective workshops. Groups have pushed into acquiring business certificates.</i>						

Immediate Objective 1:	To improve productivity for sustained inclusive growth and competitiveness of MSMEs in the Tailoring, Fashion and Design (TFD) sector, also promoting the culture of productivity within the sector						
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place where activity takes place	Person Responsible	
Output 1.3: Improved productivity of enterprises							
All 45 MSMEs recruited under the project have undergone through all the productivity interventions. All 45 MSMEs have been capacitated in the use of modern equipment. A total of 22 cluster representatives (tailors) went through induction into production line training. Such tailors have also improved in the speed of producing garments over the period these tailors were under training. Overall, it been reported that some MSMEs are utilizing skills learnt under PAPA project.							
Main Activity - Implement productivity improvement programmes for MSMES							
Sub-activity 1.3.1: Trained the 45 MSMEs in principles of 5S and Kaizen	18.10.2021	10.12.2021	\$4,190.4	\$111.59	Northern, Central and Southern Regions	PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)	
Sub-activity 1.3.2: Trained the 45 MSMEs in procurement, stores and record keeping.	09.11.2021	19.12.2021 06.02.2022	\$12, 978.9	\$5, 121.83	Northern, Central and Southern Regions	Procurement Specialists (P. Kasambara)	
Sub- activity 1.3.3: Supported/encouraged all 45 MSMEs to learn from each other during cluster meetings	22.11.2021	09.12.2021 13.01.2022 20.01.2022	1.0	1.0	Northern, Central and Southern Regions	PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)	

Immediate Objective 1:	To improve productivity for sustained inclusive growth and competitiveness of MSMEs in the Tailoring, Fashion and Design (TFD) sector, also promoting the culture of productivity within the sector						
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place activity takes place	where takes	Person Responsible
<b>Output 1.4: TEVET graduates owned enterprises have advanced production and productivity skills</b>							
<i>45 MSMEs have shown the improvement in their productivity, this change has come about due to the trainings, induction and orientation that has been happening within the project.</i>							
<b>Main Activity: Improve technical and production skills of 45 Tailoring, Fashion and Design (TFD) for MSMEs</b>							
Sub-activity 1.4.1: Conducted skills gap skills on 45 MSMEs tailoring capacity during Gemba walk	26.10.2021	29.11.2021 01.12.2021	1.0	1.0	Northern, Central and Southern Regions		RSCMs and PEP Specialists
<i>Skills gap analysis provided an insight for the MSMEs on their challenges and help to focus when designing and implementing n their solutions.</i>							
Sub-activity 1.4.2: Facilitated a technical training to 32 MSMEs on the use of industrial sewing machines	05.01.2022	12.01.2022	1.0	\$2,873.17	Northern, Central and Southern Regions		PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)
<i>Technical training helped to improve the skills in tailors and be able to work faster compared to when using traditional machines.</i>							
Sub – activity 1.4.3: Procured TFD materials to be used for uniform production	17.01.2022	21.01.2022	\$2,436.3	\$1,951.22	Central Region		Procurement Units
<i>Procurement was to facilitate production of the garment and timely production to achieve the target.</i>							
Sub-activity 1.4.4: Conducted a production line training to 23 tailors selected from the 7 clusters of the 45 MSMEs	26.01.2022	14.02.2022 21.02.2022	\$18, 210.05	\$4, 967.59	Nyambi in Machinga		PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)
<i>End result is that MSMEs with 4-6 workers have explored the use of the production line and amount of work produced per day has slightly improved. The approach is expected to be used in garment production to improve the quality of the products.</i>							

Immediate Objective 1:	To improve productivity for sustained inclusive growth and competitiveness of MSMEs in the Tailoring, Fashion and Design (TFD) sector, also promoting the culture of productivity within the sector						
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place activity place	where takes	Person Responsible
Output 1.5: TEVET graduates owned enterprises producing high quality products for the formal and export market							
<i>All the 45 MSMEs have improved the quality of the products being produced in their workshops. But it will still need a follow to establish the impact of the interventions related to improved and quality products.</i>							
Main Activity: Improve technical and production skills of 45 Tailoring, Fashion and Design (TFD) for SMMEs							
Sub-activity 1.5.1: Trained 14 MSMEs representative in cutting fabric using a machine	26.01.2022	14.02.2022	1.0	Done (See Sub activity 1.7.3)	Nyambi Machinga	in	Garment Production Consultant
Sub-activity 1.5.2: Trained cluster (23 tailors) as MSMEs representative on producing garments in the production line	26.01.2022	14.02.2022 21.02.2022	1.0	Done (1.7.3)	Nyambi Machinga	and	Garment Production Consultant
Sub-activity 1.5.3 Trained the 23 tailors (MSMEs representative) during uniform production on quality control.	26.01.2022	12.01.2022 18.02.2022 19.02.2022	1.0	Done (1.7.3)	Ntchisi and Machinga		Garment Production consultant.
Sub activity 1.5.4 Trained 8 tailors (MSMEs representative) on pressing, folding and packaging of the manufactured garments	26.01.2022	18.02.2022	1.0	Done (1.7.3)	Machinga		Garment Production Consultant
<i>Activities 1.5.1, 1.5.2, 1.5.3 and 1.5.4 were implemented with the aim of improving production of garments. Skills learnt from the activities implemented will reduce wastage, increase production rate and improve quality of garment products produced.</i>							

Immediate Objective 1:	To improve productivity for sustained inclusive growth and competitiveness of MSMEs in the Tailoring, Fashion and Design (TFD) sector, also promoting the culture of productivity within the sector						
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place where activity takes place	Person Responsible	
Output 1.6: TEVET graduates owned enterprises gain access to formal garments/apparels market							
Due to limited orders for the MSMEs, all the 45 MSMEs were brought together to produce uniforms for 17 secondary schools. Currently, MSMEs are yet to get adequate access to formal garment markets. But there is high potential to meet the objective.							
Sub-activity 1.6.1: Created linkages with strategic partners including Malawi Investment and Trade Centre (MITC)	12.10.2021	21.10.2022	1.0	1.0	Central Region	PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)	
Sub-activity 1.6.2: Mobilized all 45 clusters to respond to National tenders to produce garments for selected service providers.	08.11.2021	18.02.2022	1.0	1.0	Northern, Central and Southern Region	PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)	
Activity 1.6.3: Engaged the 45 MSMEs in the production of uniforms for Press Trust.	26.01.2022	14.02.2022 20.02.2022	1.0	Done as in 1.7.3	Machinga	PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)	
Activities 1.6.2 and 1.6.3 were implemented to give the MSMEs confidence that they are capable of making it to international market and achieving the required standards on international market. The other achievement made was to make SMEs regard working in groups as a very effective approach to garment production.							



Immediate Objective 1:	To improve productivity for sustained inclusive growth and competitiveness of MSMEs in the Tailoring, Fashion and Design (TFD) sector, also promoting the culture of productivity within the sector						
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place activity takes place	where takes	Person Responsible
<b>Output 1.7: TEVET graduates owned enterprises gain recognition and a share of formal garments/apparels market</b>							
<i>The 45 MSMEs have been marketed and published on the intervention that they have made especially on uniform making. Recognition will further be analysed later after more interventions and improved quality of produced garment.</i>							
<b>Main Activity: Promote the participation of TFD MSMEs in garments/apparels trade for domestic and international Markets</b>							
Activity 1.7.1: Provided support to 13 MSMEs to complete their production orders to maintain market linkages during cluster meetings	30.01.2022	09.12.2021 13.01.2022 20.01.2022	1.0	1.0	Northern, Central and Southern Regions	and	PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)
Activity 1.7.2: Engaged the 6 MSMEs based in Lilongwe in garment exhibition to market their products	16.12.2021	16.12.2021 18.12.2021	1.0	1.0	Central Region		Entrepreneurship Development Officer.
<b><i>Such platform was encouraged among the MSMEs for them to network and find markets for produced products.</i></b>							
Activity 1.7.3: Selected 23 tailors as SMEs representative to produce 260 (520) pieces of uniforms	25.01.2022	14.02.2022 21.02.2022	\$10, 964.50	\$10, 964.50	Northern, Central and Southern Regions	and	Garment Production garment
<b><i>During implementation of the activity, MSMEs were introduced to the approach of using production line during garment production which is more effective and improves quality of the produced garment.</i></b>							

Immediate Objective 1:	To improve productivity for sustained inclusive growth and competitiveness of MSMEs in the Tailoring, Fashion and Design (TFD) sector, also promoting the culture of productivity within the sector						
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place activity takes place	where takes	Person Responsible
Output 1.8: Enterprises owned by TEVET graduates exploit business opportunities locally and internationally							
<i>All 45 MSMEs in the project have been given the information and partnership with key stakeholders. But the objectives are yet to be registered through the clusters and groups.</i>							
Main Activity: Promote an aggressive entrepreneurship culture and mindset change for SMMEs							
Activity 1.8.1: Oriented 23 tailors as cluster representatives to migrate from individualistic approach to cooperate model of producing garments.	25.01.2022	16.02.2022	1.0	Done (1.7.3)	Northern, Central and Southern Regions		PEP Specialists (F. Nthulura, S. Nyirenda, F. Chalamanda and A. Potani)
Activity 1.8.2: Facilitated cluster meetings for the 32 MSMEs to share best ways of costing of their services	30.11.2021	09.12.2021 13.01.2022 20.01.2022	1.0	1.0	Northern, Central and Southern Regions		Head of Projects and Development
Activity 1.8.3: Challenged all 45 MSMEs to improve the quality in the products to be relevant on the market.	25.01.2022	19.02.2022	1.0	Done (1.7.3)	Machinga		DTP
<i>Interventions under this strategy were aiming of changing and improving their mindset on entrepreneurship and other business -elated actions required to be done by the MSMEs.</i>							

Immediate Objective 1:	To improve productivity for sustained inclusive growth and competitiveness of MSMEs in the Tailoring, Fashion and Design (TFD) sector, also promoting the culture of productivity within the sector					
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place activity takes place	Person Responsible
Output 1.9: Enterprises owned by TEVET graduates have business as well as entrepreneurship skills						
<i>All the 45 MSMEs have developed the confidence after the various capacity building trainings and sample production of uniforms to participate in large scale businesses. Immediate observations have been made on perception of SMEs to engage in productive business.</i>						
Main Activity: Promote an aggressive entrepreneurship culture and mindset change for MSMEs						
Activity 1.9.1: Oriented MSMEs owners on operating their workshops as businesses.	21.10.2021	09.12.2021 13.01.2022 20.01.2022	1.0	1.0	Northern, Central and Southern Region	RSCM – South, Head of Project and Development
Activity 1.9.2: Initiated the process of registering for 13 MSMEs as business.	07.12.2021	12.01.2022	1.0	1.0	Northern, Central and Southern Regions	PEP Specialists
<i>Registration will enable the MSMEs to participate in government businesses and orders, such order will challenge the MSMEs to improve the quality and rate of producing garments in their workshops. In cases were MSMEs have large orders, they are partnering to issue datelines for the products are achieved.</i>						

### 5.1.2. Summary of Implementation Agreement Strategy and Objectives

<b>Immediate Objective 1:</b>
<ul style="list-style-type: none"><li>• Changes made to the strategy during the reporting period are the timelines for implementing project activities and the mode of delivery for the planned activities.</li><li>• Further changes were made to the delivery arrangement, training in production has been changed from regions and will be done centrally. The change to produce garments centrally is meant to be easy and for effective learning and monitoring.</li></ul>
<b>Major actions required (summary of actions required listed under objectives and outputs in following pages, including suggestions for adjustment in work plan when appropriate)</b>
<p>Remedial actions required for the project would be to:</p> <ul style="list-style-type: none"><li>• Source more orders for garments to provide opportunities for clusters to practice and perfect their skills in production of garments.</li><li>• There is need of replicating the project on a large scale and give it more time for implementation, so that SMEs are able to have more practice on the skills and processes</li><li>• Specific capacity building initiatives to the SMEs in terms of equipment and materials need to be deliberately included in the intervention with well- defined signed agreement.</li></ul>

### 5.1.3. Results and Impact

Several lessons have been learnt during implementation of the pilot PAPA project, some of them are listed below:

1. There is high potential within the garment sector for the MSMEs to grow from informal to formal with such kind of support being provided to the groups.
2. Despite the general training that take place by the TEVETA provider in the section of TFD, more specialised training is required to significantly improve the quality of products made by the MSMEs.
3. Putting MSMEs in clusters helped in coordinating project activities and timely implementation of tasks assigned to the groups.
4. Further training on the use of industrial machines is required for the tailors in the identified MSMEs to improve their skills in quality garment production.
5. Use of the production line in making garment on large scale is supposed to be encouraged among the MSMEs as it has proceeded to be effective during the sample/pilot production of 250 school uniforms.
6. There is high interest among the MSMEs that participated in the pilot to continue implementing similar interventions to grow their business to the level of getting registered.



MINISTRY OF  
**Public Service, Labour  
& Social Welfare**

## **5.2. Sub-Project 2: Zimbabwe**

Zimbabwe's Department of Labour Administration & Employment Services under the Ministry of Public Service, Labour and Social Welfare – Capacity Building Workshop on Productivity and Labour Market Information Systems (LMIS) for Labour and Employment Officers





### 5.2.1. Outcome/sub-project 3: Zimbabwe Intervention

Immediate Objective 2:	To facilitate Capacity building workshop on Productivity and Labour Market Information Systems (LMIS) for Labour Officers and Employment Officers so that they are capacitated to be able to conduct workplace training on productivity enhancement tools to management and workers, as well as being equipped with skills in data collection tools.					
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place where activity takes place	Person Responsible
<b>Output 2.1: Forty (40) labour officers and employment officers trained on productivity and labour market information systems</b>						
<i>A total of 35 officers were capacitated on productivity and Labour Market Information. The labour officers can now effectively collect usable labour market information appropriately and can train productivity to workplaces.</i>						
Activity 2.1.1: Conducted 3-day training programme for 35 employment officers to acquaint them on primary and secondary productivity enhancement tools i.e. 5s, Lean management, Kaizen, Productivity measurement and labour market information (group 1)	18-19/10/2021	13-15/12/2021	\$9617.00	\$9617.00	Nyazura, Manicaland Province, Zimbabwe	Mr. S. Hobwani, Mr. T. Mudakureva, Mr. A. Tore and Mr. M. Nemhara
<b>Output 2.2: Forty (40) labour officers and employment officers trained on productivity and labour market information systems</b>						
Activity 2.2.1: Conduct 3-day training programme for 35 labour officers to acquaint them on primary and secondary productivity enhancement tools i.e. 5s, Lean management, Kaizen, Productivity measurement and labour market information (group 2)	25-26/10/2021	28/02-02/03/2022	\$9617.00	\$5751.00	Mashonaland West Province, Zimbabwe	Mr. S. Hobwani, Mr. Mr. A. Tore
<b>Output 2.3: The trained officers will be engaged in intervening in the companies facing distress and offer alternative solutions to avoid retrenchments</b>						
<i>A total of 30 Employment officers were capacitated on productivity and Labour Market Information. The labour officers can now effectively collect usable labour market information appropriately can train productivity to workplaces.</i>						

<b>Immediate Objective 2:</b>	<b>To facilitate Capacity building workshop on Productivity and Labour Market Information Systems (LMIS) for Labour and Employment Officers so that they are capacitated to be able to conduct workplace training on productivity enhancement tools to management and workers.</b>					
	<b>Planned Dates</b>	<b>Actual Dates</b>	<b>Expected Cost (agreement currency)</b>	<b>Actual Cost (agreement currency)</b>	<b>Place where activity takes place</b>	<b>Person Responsible</b>
Activity 2.3.1: Practical In-plant diagnosis on the tools	29/10/2021	15/12/2021	Part of 2.2.1 and 2.2.2		Nyazura, Manicaland Province, Zimbabwe	Mr. S. Hobwani, Mr. A. Tore

### 5.2.2. Summary of Implementation Agreement Strategy and Objectives

<b>Immediate Objective 2:</b>
<b>Any changes in strategy from last reporting period</b>
The reduction from 40 to 35 officers: The initial plan was to hold two workshops, one in Manicaland province with participants drawn from neighbouring provinces. The participants would be combined i.e., 20 Labour officers and 20 Employment officers to make a group of 40. The second workshop was also pencilled to take place in the Midlands province and other neighbouring provinces drawing the same number of participants. It was then decided that the Labour officers train on their own, the same with Employment officers resulting in the figure cut to 35 for each group.
<b>Major actions required (summary of actions required listed under objectives and outputs in following pages, including suggestions for adjustment in work plan when appropriate)</b>
The training for second group of Employment Officers has been rescheduled to the week of 28/02 – 02/03/2022. This item doesn't require budgetary readjustments, only the timing changed. The trainees should be able to implement productivity improvement interventions aimed at improving the operational efficiency and productivity of enterprises so that they remain operational.

### 5.2.3. Results and Impact

- 1) The Officers were eager to learn on productivity and labour market information.
- 2) They asked for follow up training and do more practical sessions on productivity.
- 3) Other support Departments from the Ministry requested to be trained on productivity.

### 5.3. Sub-project 3: ICT Framework for MSME Sector in Malawi

Development of MSME ICT Framework for Malawi's MSME Sector



## Towards an ICT Framework for MSME Sector in Malawi – 2022

By Charles Maluleke

**AkaTiko**  
HOLDINGS (Pty) Ltd

### 5.3.1. Outcome/sub-project 3: Development of an ICT Framework for MSMEs in Malawi

Immediate Objective 3:	To Develop an ICT Framework for MSMEs in Malawi					
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place where activity takes place	Person Responsible
Output 3.1: Project Initiation						
Activity 3.1.1: Schedule appointments with relevant stakeholders in Malawi	18/10/2021 to 20/10/2021	18/10/2021 to 20/10/2021	\$3184.37	\$3184.37	RSA	Charles Maluleke
Activity 3.1.2: Book Flights and Hotel	14/10/2021	14/10/2021				
Activity 3.1.3: Desktop Country Research on Policy for MSMEs and ICT Landscape	03/10/2021 to 15/10/2021	03/10/2021 to 15/10/2021				
Output 3.2: Information Gathering and assessments						
Activity 3.2.1: Meetings with stakeholders	18/10/2021	20/10/2021			Malawi	ICT Specialist Doreen Kapoteza
Activity 3.2.2: Site visits	18/10/2021	20/10/2021				ICT Specialist Doreen Kapoteza
Activity 3.2.3: Collect Strategic Documents	18/10/2021	20/10/2021				ICT Specialist Doreen Kapoteza
Output 3.3: Analysis of Information and Data						
Activity 3.3.1: Review Strategy, policy and other related documentation	25/10/2021 to 29/10/2021	25/10/2021 to 29/10/2021	\$5,325.21	\$5,325.21	RSA	Charles Maluleke
Activity 3.3.2: Gap Analysis between strategy and Implementation	01/11/2021 to 05/11/2021	01/11/2021 to 05/11/2021				
Activity 3.3.3: High level survey of ICT utilisation by various sectoral MSMEs in Malawi	08/11/2021 to 12//11/2021	08/11/2021 to 12//11/2021				



Immediate Objective 3:	To Develop an ICT Framework for MSMEs in Malawi					
	Planned Dates	Actual Dates	Expected Cost (agreement currency)	Actual Cost (agreement currency)	Place where activity takes place	Person Responsible
Output 3.4: Concept Design						
Activity 3.4.1: Identify areas for ICT support for MSMEs	15/11/2021 to 19/11/2021	15/11/2021 to 19/11/2021			RSA	Charles Maluleke
Activity 3.4.2: Develop Strategic body of Knowledge and on the Environment	22/11/2021 to 26/11/2021	22/11/2021 to 26/11/2021				
Activity 3.4.3: Conceptualise the ICT Framework	29/11/2021 to 11/12/2021	29/11/2021 to 11/12/2021				
Output 3.5: Close-up Report						
Activity 3.5.1: Circulate draft Framework to the stakeholders for review	12/12/2021	18/01/2022	\$2,248.42	\$2,248.42	Malawi	Charles Maluleke Doreen Kapoteza
Activity 3.5.2: Finalise Framework document and submit to PAPA, ILO and Malawi	28/01/2022	11/02/2022			RSA	Charles Maluleke
Activity 3.5.3: Submit Close-up Report	15/02/2022				RSA	Charles Maluleke

### 5.3.2. Summary of Implementation Agreement Strategy and Objectives

<b>Immediate Objective 3:</b>
Any changes in strategy from last reporting period
<p>The draft Framework was submitted to TEVETA for review with stakeholders in January. There has been a delay in hosting the review workshop due to unavailability of some of the stakeholders. The workshop has been rescheduled to the 4<sup>th</sup> March 2022.</p> <p>The ICT specialist made contribution to the <i>Project for Mainstreaming Productivity, Occupation Safety and Health (OSH) and Social Security in Micro, Small and Medium Enterprises (MSMEs) through Digital Inclusion in Zambia</i>. He did a presentation on “How ICTs can be used to assist MSME” during in September Of 2021. This was followed up by assisting Zambia to choose a locally developed ICT platform for MSMEs as part of International Panel to review the Candidates for developing the digital solutions for MSMEs in the informal economy, on the 9<sup>th</sup> of December 2021.</p>
Major actions required (summary of actions required listed under objectives and outputs in following pages, including suggestions for adjustment in work plan when appropriate)
<p>There was no major deviation from the implementation plan except for the circulation of the draft framework document, which was circulated in January 2022. There was workshop organised by TEVETA for the stakeholders to review the draft framework prior to approval. Subsequently the inputs were incorporated and Framework approved.</p>

### 5.3.3. Results and Impact

The results of this exercise was essentially the production of a strategic document that outlines the roadmap towards an ICT Framework for the MSME sector in Malawi. In the course of developing this ICT Framework, stakeholders were consulted and as such they provided a lot of input relating information on the status quo of ICT in Malawi, where it became abundantly clear that an implementation of the recommendations albeit not all at the same time of that that very ICT framework, will fundamentally go a long way in changing and improving the commercial environment and operational management of MSMEs in Malawi. Such implementation will immediately give effect to the aspirations of transforming the economy of the country into the digital economy whilst increasing its GDP. The Malawi government should therefore be cajoled to adopt this framework for this impetus to achieve a far reaching and meaningful impact.

It is also believed that there are many MSME discussions and workshops that frequently make reference to use of ICT to support MSMEs and for these enterprises, to utilise ICT to improve their operations and management, yet, very little progress has been made so far, in walking these talks. The stakeholders believe that, such a framework, is a first of its kind and therefore hope that it would positively agitate the authorities to embrace it, and avail sufficient resources for its implementation. The belief is that , if such a framework is adopted, Malawi will a sound template and a plan of how to go about implementing a holistic approach towards leveraging and harnessing ICTs to support MSMEs not only in Malawi but in the whole continent.

## 6. WAY FORWARD AND RECOMMENDATIONS

In the wake of COVID-19 pandemic there is an urgent need for an inclusive response to a looming economic and employment crisis across the globe. As a continent we should accelerate efforts to promote and instil an equally missing urgency of appreciating the importance of productivity in every sector of the economy. We should focus more energy on promoting a productivity culture and mind-set as well as driving accountability for productivity performance across sectors (national, sector and enterprise level) and segments of society. These should be with the express understanding that long-term productivity and growth generates the resources for wider societal goals. We should be clear that, the productivity and competitiveness agenda, as part of the wider economic progress agenda, has intrinsic as well as instrumental value for human development and well-being.

Both projects have been implemented successfully even under the COVID-19 lockdown restrictions. The governments of both countries Malawi and Zimbabwe supported and co-funded some of the initiatives.

- a) Sub-project 1: Malawi - All the 45 MSMEs have developed the confidence after the various capacity building trainings and sample production of uniforms to participate in large scale businesses. Immediate observations have been made on perception of MSMEs to engage in productive business. TEVETA will continue with the after-care activities to ensure that all activities implemented during the project are sustained and further improvements are pursued. The coaching and reviewing of the implementation should also continue to ensure that the clustering interventions are sustainable. There is also an opportunity for further intervention with a focus on promoting a collaborative engagement between management and workers in the workplace. This will serve as a platform to identify areas that may require further support and intervention.
- b) Sub-project 2: Zimbabwe – There was consensus that an in-depth training for the productivity enhancement should be organised so that more practical sessions can be done at the enterprise level for the officers. An addition training for MSMEs on 5s process will be initiated since they are the backbone of the economy. At the end of the training participants managed to review the labour market information statistical returns form. The training on the LMIS will also strengthen their skills in data collection tools and the next steps will be to undertake initiatives that will link the informal economy to the National Labour Market Information System in their country. They can benchmark with the Ministry of Labour & Social Security - National Productivity Development Department in Zambia as they have successfully piloted the numerous activities in linking the informal economy to LMIS.
- c) Sub-project 3:
  - 1. A Programme of developing ICT roadmaps and frameworks should be adopted and thus sufficient resources be availed to assist in the digitalisation of the MSME sector for all PAPA member countries.
  - 2. During Covid-19 lockdowns MSMEs were not accessible physically for interventions, and most MSMEs had limited access to technology therefore this is an opportune time to leverage technology and innovation by digitizing the Enterprise Productivity Development Programmes.
  - 3. The development and implementation of these ICT roadmaps form part and parcel of MSME intervention strategies in all the member countries.
  - 4. Resources be availed for a follow-up project to kick-start the implementation of the recommendations of the “Towards an ICT Framework of MSMEs in Malawi” document.
  - 5. The terms of reference be developed for the implementation and that experts be appointed to start piloting the implementation of this ICT roadmap for MSMEs in Malawi.

In order to reposition the Productivity Agenda for Africa post COVID-19 and accelerate the recovery from the consequence of the COVID-19 crisis PAPA will focus on the following highlighted 4 pillars as well as the other areas listed below:

- d) **An Integrated Enterprise Development Ecosystem:** in order to improve the competitiveness & sustainability of MSMEs attention should be given to (a) creating an environment conducive for entrepreneurship and sustainable enterprises, (b) encouraging the application of decent and productive workplace practices, (c) addressing sector-specific challenges through value chain and cluster upgrading which is linked to training and skills development along the value chain, and (d) promoting technology & ways of doing business that are environmentally friendly.
- e) There is a need for a structured **Integrated Training & Skills Development Ecosystem** amongst PAPA member countries to be able to train the maximum number of staff in the fields related to productivity and quality tools for example the SCORE Programme. It is common cause that sustained productivity growth and long-term competitiveness will require a more skilled workforce. It is therefore critical for the continent and individual enterprises to anticipate and prepare continuously for the Future of Work.

Higher productivity requires a cadre of productivity practitioners that are fully equipped with the skills and knowledge to identify productivity problems and develop and implement productivity improvement initiatives. Given that PAPA plays a critical role in advocating on productivity, capacity building at enterprise level and promoting productivity drive across the continent, there is a strong need to develop a broad human resource base of productivity practitioners with various levels of productivity competencies to enhance the productivity movement in Africa. Those practitioners should have diagnosis skills, abilities to train company employees in implementing productivity improvement tools and techniques and facilitate companies to improve their productivity and competitiveness.

- f) **An Integrated Research & Innovation Ecosystem** will ensure the provision of productivity and competitiveness related value-added information and statistics that inform evidence-based planning as well as monitoring and evaluating the impact of our interventions across PAPA membership. We should be able to develop a Productivity and Competitiveness Index for Africa for RECs based on their interests and adopt the Methodology on Productivity and Competitiveness Index. Also, African countries are encouraged to measure and evaluate the competitiveness of their economies in partnership with the Institute of Management Development (IMD) World Competitiveness Yearbook (WCY), which is produced annually. And also develop mechanisms that link MSMEs in the informal economy to the Labour Market Information System.
- g) **A continental Productivity Movement** to strengthen the institutional capacity and upgrade PAPA as the continental productivity body in order to promote a stronger culture of productivity and accountability and building awareness of the importance of productivity mindset in Africa. This will further encourage the Capacity Building of National Productivity Organizations, existing ones and assist in the establishment of new ones.
- h) The issue of productivity culture should also be promoted, and countries are encouraged to develop a National Productivity/KAIZEN Recognition and Awards System for companies that are improving their productivity and competitiveness, or even encourage those that have transitioned from informality to formality.
- i) Most Productivity Centres in Africa have Enterprise Development and Support Programmes and programmes, including KAIZEN that is implemented in partnership with AUDA-NEPAD and Japan

International Cooperation Agency (JICA). National Productivity Organisations should leverage on this collaboration through the African Kaizen Initiatives.

- j) Furthermore, Productivity Centres should be adequately funded to deliver on the Enterprise Development and Support Programmes. A number of avenues should be explored including support to MSMEs in particular those in the informal economy in line with ILO Recommendation 204 and the ILO Centenary Declaration for the Future of Work, 2019.

## 7. CONTACT DETAILS

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**SMEs REPRESENTATIVES ON DEPARTURE DAY LEAVING THE VENUE OF GARMENT PRODUCTION**



**TAILORS WORKING LATE HOURS DURING PRODUCTION OF GARMENTS TO MEET DEADLINE**



**THE SMALL AND MEDIUM ENTERPRISES (SMEs) TAILORS AND OFFICIALS FROM TEVETA**