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Enterprise Facilitation Project in the DRC¹

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Imagine

“Right now, in our community, at this very moment, there is someone who is dreaming about doing something to improve his/her lot. If we could learn how to help that person to transform the dream into meaningful work, we would be halfway to changing the economic fortunes of the entire community” (Sirolli, Ripples from the Zambezi, 1999).

Imagine having no infrastructure. Minimal access to electricity. No access to running water. No paved roads. Ineffective government structures. No banks. Poor access to mobile telephone service. A majority of the population living at or below the poverty line, under some of the worst living conditions on the planet. Now imagine in the space of two years – without changing any of the above - creating 106 new businesses, expanding 87 existing businesses and generating 775 new jobs. Imagine creating hope by building on existing and latent human potential. How is that possible? Isn't it necessary to fix the infrastructure first? Don't you need micro-lending? What about western NGOs? How about the World Bank?

This case shows how it is possible to empower people in some of the world's most devastated communities to build enterprises that they can sustain – on their own – now and into the future.

¹ CSRSM Research Analyst Carol Bond prepared this case in consultation with CSRSM Senior Research Fellow Lynda Lawson and Dr Ernesto Sirolli based on material developed by and presented in: A. Kimanzi (2012), “Report of Project Evaluation for Enterprise Facilitation Project in the Democratic Republic of Congo”, Peak Line Consulting, Ltd. (Fairport: NY). CSRSM acknowledges the Sirolli Institute for their pioneering work in developing the Enterprise Facilitation model. Deep appreciation is due to both Ernesto Sirolli, Rio Tinto and the Waterloo Foundation for their permission to re-present portions of the report in this case study.

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Lifting the Curtain

The Democratic Republic of Congo (DRC) has proven to be a very difficult environment in which to do business as it has been mired in conflict since 1998. Issues driving the perpetual outbreak of warfare relate to natural resources, both minerals and water, and competing political agendas. It is considered to be the [deadliest conflict since WWII](#), with fatalities exceeding 5.5 million (47% of which are children), many of which deaths have been caused by malaria, diarrhoea, pneumonia and malnutrition rather than physical violence.ⁱ [The United Nations Security Council has sanctioned the DRC](#) by prohibiting: the unauthorized supply, sale or transfer of arms and related material to the DRC; the unauthorized provision of financial assistance or military advice towards the furtherance of the conflict; the use or dealing of mineral assets (e.g. diamonds, gold and rare earth metals) from anywhere along the supply chain that risks providing direct or indirect support for conflict in the eastern part of the DRC.ⁱⁱ Furthermore, in an effort to stem the humanitarian crisis caused by sexual and physical violence against women, the Dodd-Frank Act (Securities and Exchange Commission 2010) requires that “persons disclose annually whether any conflict minerals ... originate in the Democratic Republic of Congo or an adjoining country and, if so, to provide a report describing ... the measures taken to exercise due diligence on the source and chain of custody of the minerals which must include an independent private sector audit that is certified by the person filing the report” (Section 13(p) parts 229 and 249, 2010). These international sanctions have begun to have an effect and the climate is now right for the DRC to begin efforts to rebuild their society and aspire towards a time of hope and prosperity.

In the wake of the swirl of atrocities that have occurred and in some instances continue to break out in the eastern provinces, the Democratic Republic of Congo currently has huge potential for economic development, endowed with some of the most valuable and diverse natural resources in the world. But war and decades of misrule and mismanagement have devastated the economy leaving the physical and social infrastructure shattered. DRC ranks 187, the lowest of all countries on the 2012 [UN Human Development Index](#).ⁱⁱⁱ Most Congolese are extremely poor, living in extreme poverty on less than \$1 a day. [According to the UNHCHR](#), Human Rights abuses occur on a massive scale with poor capacity to address or arrest this behaviour through judicial means.^{iv} The UN peacekeeping forces, [MONUSCO](#), estimate that there are over 2 million internally displaced people in DRC requiring

humanitarian assistance.^v However, with an end to civil war in 2003 and with successful democratic elections in 2006, the DRC may have an opportunity to escape a cycle of conflict and suffering and begin to realise its potential.

There are a number of individuals and groups who are embarking on the project of improving the economic profile of the DRC. Citizens within the western provinces of the DRC, church groups and international NGOs such as the [Enough Project](#),^{vi} [Global Witness](#),^{vii} and [Amnesty International](#)^{viii} aim to build on and surpass efforts to stop the genocide and crimes against humanity. Together, they are making endeavours to rebuild and strengthen civil society to counterbalance the horrific legacy of conflict and provide the DRC viable alternatives for the future.

One internationally active NGO, although smaller than the NGOs just mentioned, is US-based Kamina Friends. This case focuses on Kamina Friends' efforts to be a catalyst for economic growth and community development in the DRC. Their strategy is to use the Sirolli Institute's method to deliver training and provide ongoing support to establish a cooperative community structure and mindset amongst small business entrepreneurs. The hope is by focusing on the goal of improved incomes and livelihoods tangible flow-on benefits can be generated such as: jobs, better family health, stronger commitment to education, and a dynamic community capable of growth from within rather than relying on external resources.

Context:

Country Statistics

According to the [CIA World Fact Book](#) (2012)^{ix} the Democratic Republic of Congo (DRC) has a population size of 73.5 million with an area of 2.34 million square kilometres (1.45 million square miles). The major languages in the country are French, Lingala, Swahili, Kingwana, Kikongo and Tshiluba. The major religions are Roman Catholic (50%), Protestant (20%), Kimbanguist (10%) and Muslim (10%). The main export commodities are diamonds, gold, copper, cobalt, wood products, crude oil and coffee. The major trading partners for exports are: China (48%), Zambia (21%) and Belgium (6%). The main imports are foodstuffs, mining and other machinery, transportation equipment and fuels. These come from trading partners: South Africa (22%), China (16%), Belgium (9%), Zambia (7%), Zimbabwe (6%), Kenya (5%) and France (5%).

According to the [World Bank](#)^x, the Gross National Income (GNI) per capita is US\$190. The Gross Domestic Product (GDP) is US\$15.64 billion and GDP growth is 7%. The country's currency is Congolese Franc (Franc Congolais) and [exchange rate](#) to US dollar is 909^{xi}. Life expectancy at birth is 48 years, and over 71% of the population lives in poverty.



The DRC conflict:

A vast country with immense economic resources, the Democratic Republic of Congo (DRC) has been at the centre of what could be termed Africa's world war. The history of the DRC has been one of civil war and corruption. After independence in 1960, the country immediately faced a military mutiny and an attempt at secession by its mineral-rich province of Katanga. A year later, its prime minister, Patrice Lumumba, was seized and killed by troops loyal to army chief, Joseph Mobutu. In 1965 Mobutu seized power, later renaming the country Zaire and himself Mobutu Sese Seko. He turned Zaire into a springboard for operations against Soviet-backed Angola and thereby ensured US backing. But he also made Zaire synonymous with corruption. After the Cold War, Zaire ceased to be of interest to the US. Thus, when in 1997 neighbouring Rwanda invaded it to flush out extremist Hutu militias, it gave a boost to the anti-Mobutu rebels, who quickly captured the capital, Kinshasa, installed Laurent Kabila as president and renamed the country Democratic Republic of Congo. Nonetheless, DR Congo's troubles continued. A rift between President Laurent Kabila and his former allies sparked a new rebellion, backed by Rwanda and Uganda. Angola, Namibia and Zimbabwe took Kabila's side, turning the country into a vast battleground.

This war left the country in the grip of a humanitarian crisis. The five-year conflict (1998 – 2003) pitted government forces, supported by Angola, Namibia and Zimbabwe, against rebels backed by Uganda and Rwanda. Despite a peace deal and the formation of a transitional government in 2003, people in the eastern provinces remain in terror of marauding militia and the Lord's Resistance Army (LRA). The war

claimed an estimated three million lives, either as a direct result of fighting or because of disease, hunger and malnutrition. This war has been termed possibly the worst emergency to unfold in Africa in recent decades with economic as well as political motivations. Economically, fighting was fuelled by the country's vast mineral wealth, with all sides taking advantage of the anarchy to plunder natural resources.

DRC 2012 national statistics

Economic outlook

The macro economy is in recovery but remains fragile. The DRC was hit hard by the global economic crisis in 2008/09 as commodity prices collapsed. Sensible economic management with support from IMF has helped restore stability. Aided by renewed copper and other minerals prices the economy is now recovering with growth in 2010 estimated to have been just above 7%. With improved economic management and other key reforms underway, the IMF and World Bank approved debt relief for DRC worth \$12.3bn at the end of June 2010.

The economy remains fragile and highly vulnerable to external factors; it is highly dependent on commodities (extractive industries accounted for 25% of growth in 2008). The DRC needs to consider how to diversify and drive growth via other sectors. [Inflation grew to 15.5%](#) in 2011^{xii}, to a large extent driven by global food and fuel prices.

Consequently, the business environment is one of the worst in the world. The DRC is ranked 181 out of 183 for ease of doing business and 149th for starting a business amongst countries in the World Bank's 2012 [Doing Business Survey](#)^{xiii}. Improving the business environment is a key part of IMF programme and will be critical for longer term growth and stability.

[Foreign direct investment peaked](#) at \$1.7bn in 2008 and fell to \$630 million in 2009 and recovered to \$936 million in 2010.^{xiv} However, this growth trend is threatened by Government behaviour with regards to a few big investors (e.g. cancelling mining contracts) which is providing a significant disincentive to investment in DRC.

Additionally, red tape, corruption, inconsistent application of tax codes and weak rule of law all tend to encourage informal trade and discourage investment. This is not helped by the poor state of transport infrastructure (e.g. road, rail, water, air) poses a significant challenge to enhancing the role of trade and regional integration in DRCs development.

The DRC is a member of many regional economic and political groups but has not yet implemented their free trade protocols. For political reasons the DRC is negotiating the economic partnership agreement with the EC as part of a central African group that offers little in terms of strategic economic opportunities (e.g. through complementary exports). East and Southern African countries would make more natural partners, allowing the DRC to better exploit current trade routes with Rwanda, Uganda, Tanzania, Zambia and others.

Human Development

The state budget is small and so has little impact on poverty reduction. The DRC budget for 2012 is tiny yet still probably over-estimated at just below \$9 billion of which only \$4 billion is expected to be financed domestically. The remainder is set to be financed via foreign aid. Poor public financial management and extreme levels of corruption mean that even the limited resources available are not used to maximum effect to fight poverty in DRC. Public spending on key poverty sectors in DRC is extremely low; for example public spending on education in 2009 was only \$225 million (2.1% of GDP) and for health was \$63 million (0.6% of GDP). Official Development Assistance (ODA) as % of Gross National Income is relatively high in DRC, at 15% compared to 11% in Uganda or 9% in Ghana. External financing covers a large portion of the budget (estimated at approximately 40% in 2011 – including significant investment), but these figures reflect low income and low budgets rather than high levels of ODA. The DRC is under aided in per capita terms at \$25 per head compared to a \$96 in Rwanda and a Sub Saharan African Average of \$49.

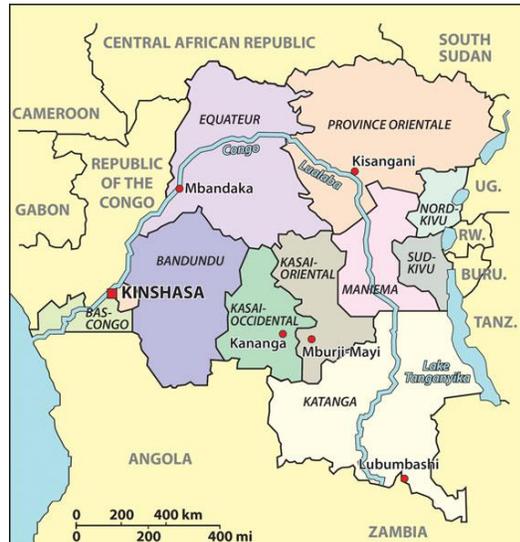
Communities of Interest

Despite the fact that new hostilities have been noted in the eastern side of the country bordering Rwanda, and the business environment poor, it is encouraging that peace has returned to most parts of DRC, particularly the Katanga province. The Kamina Friends have determined that this is therefore a period ripe for economic reconstruction and improvement of living standards for three communities in the Katanga province.

The Katanga Province of DRC

Katanga province in the Democratic Republic of Congo, has rich deposits of copper and cobalt. These minerals are important in world trade and industry. Historically, Belgium invested more in the south of Katanga which is now more peaceful, whereas

the north is still experiencing more conflict.



Towards the end of 2008, most major foreign-owned mining companies in the country suspended their activities due to the global economic crisis. Today the mining sector appears to be recovering and mining activities have resumed in Katanga. Thousands of mining employees laid off during the downturn have begun to return to work. This bodes well for the development of

businesses who aspire to be in the procurement chain for mining companies or who provide goods and services for mine workers and their dependents.

The Kamina District and the town of Kamina

The Kamina district is part of Katanga province in which the town of Kamina has a population of nearly 180,000 people. The economic base for Kamina is agriculture and commerce. There is also a fledgling mining company in the district. Currently there are no medium size enterprises in Kamina to generate employment opportunities. Formal jobs in Kamina are only offered by state corporations like the railway and power companies, but these jobs are few as these corporations are inefficiently managed. Many people engage in petty trade in order to generate income. This is not usually sufficient. Consequently, poverty and joblessness is rampant.

Agriculture has huge potential for investment and generation of livelihood due to large tracts of land and heavy reliable rainfall. However, agriculture is largely unexploited owing to insufficient capital for investment in the sector by the local population. There is a mine, but it is still in the licensing and development stage; not generating the jobs and income that could provide a significant economic boost to the region.

In regard to transport and communication, there is a railway line running from Lubumbashi to the Kamina and beyond. However, train engines are old and locomotives are in a state of disrepair. This means that a train trip may take 5 days or more to go from Kamina to Lubumbashi. This is significant because the main food and non-food items are transported from Lubumbashi to Kamina using the train. Trucks are also used during dry weather. However, the main road from Lubumbashi to Kamina is un-tarmacked and generally in bad condition, almost impassable during the rainy season. These restrictions contribute to a high transportation cost which affects the price of commodities in Kamina. The cost of imported goods and the cost of living high are exorbitantly high in relation to regional per capita income; and the capacity to export goods and products is similarly hampered.

The town of Bukama

The town of Bukama is located within the Bukama territory of the Kamina district. Bukama (town) is located about 200km south-east of the town of Kamina. Bukama (town) lies on the banks of river Congo and has a population of about 70,000 people. The main commercial activity is fishing along the river and nearby Lake Kapemba. The town inhabitants engage in commerce, petty trade and fishing as well as subsistence farming. The town is built in a hilly area, sloping toward the river and with big stones lining the streets. The weather in town is quite hot during summer and temperatures are generally high throughout the year. It is only during the rainy season that temperatures reduce slightly.

Bukama (town) lies along the main road from Lubumbashi to Kamina (town) and is also served by the railway line that also serves Kamina and nearby towns. Communication with Lubumbashi and Kamina is hampered by the poor state of the road and inefficient railway service. Consequently fishmongers are not able to easily transport fish to sell in lucrative markets like Lubumbashi and the capital city, Kinshasa. A few fishmongers though use light trucks to transport the fish to Lubumbashi which is 500km away on a road with sections that are not maintained. However, during the rainy season the road is impassable. There are no large or medium enterprises in Bukama town and the only source of formal employment is in government facilities like schools and the main hospital. Engaging in commerce and fishing are the main source of informal employment in Bukama community.

The town of Kalemie

The town of Kalemie is part of Tanganyika district of the Katanga province. Kalemie, which is located along Lake Tanganyika, has a population of about 210,000. Kalemie has developed into a busy commercial centre due to the lake. Traders in Kalemie import merchandise from other countries served by the lake transport including Tanzania, Zambia and Burundi. The lake-based transportation allows easy movement of people, commercial goods and merchandise, between the various towns in the DRC as well as to other countries such as Zaire which has a comparatively functional railway line.

The main sources of formal employment include jobs with government, international aid organizations and the United Nations Mission in Congo (MONUSCO). There is little farming activity in Kalemie, so agricultural jobs are in short supply. Fishing, commerce and lake transportation provide the majority of informal employment.

Kalemie town is approximately 1200km from Lubumbashi. There is no public road transport between Kalemie and Lubumbashi. Although the railway line from Lubumbashi extends up to Kalemie, the passenger train service is almost non-existent. The main means of transport is by air on a one hour and half flight. The only way to reach Kalemie from Kamina is by air via Lubumbashi. One return journey (Kamina-Kalemie via Lubumbashi) costs nearly \$1,000.

The Enterprise Facilitation Project

The Enterprise Facilitation project was implemented by Kamina Friends, Inc. (USA), in the Democratic Republic of Congo (DRC) with support from The Sirolli Institute and the Waterloo Foundation. The overall objective of the Enterprise Facilitation project is to promote entrepreneurship and support small enterprise development for self-employment, income generation and enhancing living standards in the communities of influence. The Enterprise Facilitation project started in January 2009 and was implemented over a period of two years in Kamina, Bukama and Kalemie towns.

The Enterprise Facilitation project used The Sirolli Institute's Enterprise Facilitation ® model. The Enterprise Facilitation model is a social technology recognized as a viable complement to conventional top down economic development strategies. The model champions the development of community pride through the passionate mentoring of local talent and promotes quality local enterprises to achieve the following:

- i. Diversifies the economic base
- ii. Creates jobs
- iii. Respects the natural environment
- iv. Infuses the local community with vigor and content

Enterprise Facilitation is based on passion, entrepreneurship, innovation, creativity and the fundamental needs for love, respect, quality and beauty found in every community. The model maintains that every object we use, the clothes on our backs, our houses, our food, our music, our beliefs and our pathways are the result of passionate people transforming their talents and vision into employment.

“The ‘economy’ to us at the Sirolli Institute is nothing less than millions of people doing beautifully what they love doing. The better they are at it, the better the economy! The difference between poverty and riches is the presence, or not, of civic society, i.e. the combination of social conditions and reciprocity which allow creativity and intelligence to blossom or to wither and die.” – Dr Ernesto Sirolli

Starting with the premise that creativity and intelligence are to be found in every community, Enterprise Facilitation promotes and nurtures economic development within it rather than seek external resources. Enterprise Facilitation engages entrepreneurs to discover what it is they truly love to do. Enterprise Facilitation is therefore a unique approach to local development based on facilitating the transformation of good local ideas into viable businesses. An Enterprise Facilitator (EF) works in the communities of interest in a responsive manner – being available to budding entrepreneurs to offer them **free** and **confidential** management coaching services. It requires discipline on the part of the EF never to initiate the relationship with the client and to never motivate them to do what s/he might wish. Instead, the motivation and the initiation must come from the budding entrepreneur.

“In the same way that you can’t lead a horse to water, you can’t force economic development on people who don’t want to be ‘developed’ according to someone else’s ideas” – Dr Ernesto Sirolli

Stakeholders to an Enterprise Facilitation Project

Project Team & Resources

Each Enterprise Facilitation Project is equipped with both human and capital resources. The human resources are the people who work for the project. They include: (1) the Master Trainer (MT), (2) an Enterprise Facilitator (EF), (3) members of a Board of Leaders (BoL) and (4) a Board of Helpers (BoH). The capital resources include assets such as a motor cycle, bicycles as well as donor funds used to meet the administration expenses of the project. The project, if successfully implemented, is offered the opportunity to become a licensed Sirolli Associates training centre, able to generate future revenues as an ongoing social enterprise.

Master Trainer

There is one MT co-ordinating the Enterprise Facilitation work at Kamina, Bukama and Kalemie towns. The Enterprise Facilitation MT originally started as an EF (see below), trained directly by the Sirolli Institute in the United States. Because of the success of his work, he was invited back to the USA to train again with the Sirolli institute to become a qualified MT. He continues to serve as the EF for Kamina but he has trained two further EFs, one each for Bukama and Kalemie towns. The MT is on a higher salary than EFs and has access to a motorcycle. The MT is accountable to and is an employee of the local Board of Leaders (BoL). If at any time the BoL determines that the MT is not fulfilling the terms of his position, or has behaved in a dishonourable fashion such as embezzlement or sexual harassment, they can fire the MT.

The performance of the MT is tracked using a spreadsheet report that shows clients in the pipeline, active clients, clients who started new business and those who improved business performance after training. The MT is also in charge of reporting to Sirolli Institute. S/he submits monthly reports in form of a statistical spreadsheet showing numbers of clients generated and jobs created. The facilitator is the key liaison for the project, hosting delegations of people visiting the project. S/he is the link between the project in DRC and the external partners – mainly Kamina Friends Inc. and the Sirolli Institute.

Enterprise Facilitators

There are three EFs, one at each of the 3 project sites (Kamina, Bukama and Kalemie). EFs are locally-hired, full-time persons trained by and reporting to the MT but are hired and fired by their local BoL. An EF is the technical manager, the administrator, for the Enterprise Facilitation project in his/her town and is responsible for doing the actual enterprise facilitation.

This means that EFs coach clients based on business ideas organized around the 'Trinity of Management' themes, described below. After gaining the client's trust, the Enterprise Facilitator encourages the client recognize his/her strengths. As soon as clients identify what they are good at, they are coached to identify the missing elements and look for the opportunity. In this part of the coaching process, it is possible to diagnose what might be missing from a client's business and suggest a remedy. The EF does not encourage the client to learn new skills but supports them in finding local individuals who can contribute a specific aspect or skill-set to the business. If the client cannot locate additional expertise on his/her own, then s/he is given the opportunity to ask the EF for help. If asked by the client to do so, the EF will assist clients in locating skilled people by leveraging the networking abilities of a group of local volunteers called a Board of Helpers (BoH).

As part of the coaching process, the EF identifies who does what in a company and helps them to build a team. Importantly, the Enterprise Facilitator diagnoses what is not working in terms of the client's business management, not with the business itself.

Board of Leaders (BoL)

Kamina, Bukama and Kalemie each have a 10 member BoL with authority and governance for the Enterprise Facilitation project. The BoL gives strategic direction, provides oversight and exercises control over the work of EF. The BoL is also in charge of fund raising and managing the various risks that may face the Enterprise Facilitation project. As stated above, the MT and EF are employees each responsible to their local BoL.

A unique feature of the Enterprise Facilitation project is that the EFs train the BoL and equip them to fulfill their role. In the case of this Enterprise Facilitation project in the DRC, it was very important not to send a white person into the area due to the legacy of white missionaries. Their habit was to hand out money and it inadvertently created

a situation of dependence amongst the local people. So the original EF for this project was a local man sent to the USA to be trained. He then came back and trained the first BoL and BoH.

Board of Helpers (BoH)

There is a volunteer Board of Helpers for Kamina, Bukama and Kalemie. The BoH represents various sectors of the community and brings useful diversity to the Enterprise Facilitation project. The local BoH includes 50 representatives of all key constituencies and experience / skill-sets in the community.

The BoH has two roles: (1) to introduce the EF in the community and (2) to attend monthly meetings to identify potential employees, partners, mentors and helpers for clients. Regarding the first role, the BoH is not tasked with finding clients for the EF, because it is impossible to know who wants to start a business. Instead, the BoH provides entirely random personal introductions for the EF throughout the community. The EF asks the 50 helpers to each introduce the EF to 10 friends or family each. S/he is looking at 500 introductions. Throughout these 500 random meetings, people identify themselves and say 'I want to start a business' or 'my son wants to start a business'. The second role is just as important. Members of the BoH attend monthly meetings where they problem solve and help to find the missing employees for the client. So, every month, the EF comes and has a confidential meeting with the 20 – 30 people who show up. For example, the EF will ask, "I need to find somebody to do the accounts for this struggling restaurant. Who do we have here? Who do you know with those skills and agree to be compensated as soon as the restaurant starts to make more money?" The BoH then becomes the network that can find the missing management team.

Small Business Clients

The small business clients, also known as beneficiaries, are the true owners of the EF project. The Kamina Friends EF project beneficiaries, a group of small business men and women from three communities, welcomed the project in their community over the course of two years. The beneficiaries received enterprise facilitation in form of training called the Trinity of Management. This means that they learn from the full-time EFs that successful businesses are run by people who have the personality and skills to take care of three areas:

1. Product and production
2. Marketing – sales and customer service
3. Financial management – finance and administration

Since no individual is likely to excel at all three critical skillsets, team-building and training are critical for success. This training provides beneficiaries the knowledge and skills they require to start or improve existing business by adopting division of labor and basic management principles.

Kamina Friends

Kamina Friends Inc. is a Fairport, New York-based not-for-profit, tax-exempt corporation. Kamina Friends is an approved and registered US Private Voluntary Organization with the United States Agency for International Development – appearing in the USAID Registry. Kamina Friends is also an approved Advance Ministry of the United Methodist Church. Kamina Friends is engaged in economic growth and community development for African small business entrepreneurs. Their mission is to “Transform dreams into reality through the cultivation of the untapped potential of the local business men and women in Kamina (DRC)”.

The Sirolli Institute

The Sirolli Institute is a global, not-for-profit education and training organization founded in 1996 by Ernesto Sirolli (PhD). Dr Sirolli applied lessons he learned as a young volunteer in Africa to create the Enterprise Facilitation® (EF®) approach to economic development. This method focuses on capturing and supporting the talent of local entrepreneurs and has proven effective in over 300 communities around the world. The Sirolli Institute’s EF model, holds that entrepreneurship is a social event and that economic development is enhanced by trust and cooperation. The EF model holds that even the most passionate entrepreneurs need a supporting culture to transform their ideas into reality.

The Waterloo Foundation

The Waterloo Foundation (TWF) aims to support organisations which help the economically disadvantaged build the basis of sustainable prosperity. TWF is committed to providing support to developing countries which will be used in a sustainable way with lasting impact, and which avoids promoting a culture of aid-dependency. Their Main Grants programme is principally intended to support large charities which have the capacity to deliver substantial development programmes.

The principle focus of their development program stream is to provide support for the most disadvantaged developing countries in the world. TWF therefore prioritises support towards these countries as determined by the UNDP's *Human Development Index* rankings. Two countries of particular focus are Lesotho and the DRC.

The Methodist Church

The United Methodist Church has a long and far-reaching presence in the Democratic Republic of Congo, especially in the Katanga Province. When fighting broke out in 1999, the local United Methodist Churches reached out to assist the internally displaced persons (IDPs), who had arrived as refugees from the wars in Rwanda and Burundi. The United Methodist Church of DRC has been recognized as a major contributor among the faith-based community in helping the peace process take hold. In response to the extensive needs in the country, UMCOR opened an office in DRC in October 2002. UMCOR DRC works primarily in the south eastern province of Katanga with programs that focus on health, nutrition and agriculture.

Description of Issue

In 2002 members of Kamina Friends board met Kamina community leaders including Bishop Ntambo Nkulu Ntanda, leader of the North Katanga Conference of the United Methodist Church in the Democratic Republic of Congo. The community leaders asked for help to develop sustainable small businesses in Kamina. Kamina Friends board felt driven and inspired to answer this call. In order to support sustainable growth of small enterprises in the Democratic Republic of Congo, Kamina Friends partnered with the Sirulli Institute.

It appeared to Kamina Friends and the Sirulli Institute that the will for political and economic development of the DRC existed both internationally and within the Katanga Province of the DRC. They saw a window of opportunity to engage the renewed entrepreneurial spirit in the region which bodes well for both stability and prosperity. In an effort to contribute towards these community-based aspirations, Kamina Friends Inc. started implementing the Enterprise Facilitation project in Kamina (town) in January 2009 with support from The Sirulli Institute. The Waterloo Foundation provided the grant funding for implementing the project. However, the local community was the real 'owner' of the project.

The main objectives of the EF project were as follows:

- i. To promote entrepreneurship through coaching, nurturing and embracing small business entrepreneurs.
- ii. Increase the success rate of small businesses in the DRC.
- iii. To create and deliver new jobs.
- iv. To create new and expand existing small businesses.
- v. To open up Enterprise Facilitation activity to both genders, any religious orientation and all constituencies.
- vi. To achieve indirect benefits such as improved standards of living for the community - families better able to attend to health and education of children.
- vii. To achieve a more dynamic and vibrant economy in Kamina and DRC generally.

After 2 years of successful operation in Kamina, the local communities in Bukama and Kalemie invited Kamina Friends to their areas. In March 2011, Kamina Friends responded by extending the project to these areas. A local board was set up and trained in each project site – Bukama and Kalemie communities. Two enterprise facilitators were also hired – one for Bukama and another for Kalemie. Today Bukama and Kalemie are fully fledged enterprise facilitation project sites. Many people have so far been facilitated to start new business while others expanded existing businesses.

Evaluation of the project

The Enterprise Facilitation project was evaluated in 2012 by a private consultant based in Kenya and familiar with the DRC. Mr. A. Kimanzi was jointly hired by Kamina Friends, the Waterloo Foundation and Rio Tinto International to conduct an independent report on the success and applicability of Enterprise Facilitation to greatly disadvantaged communities in the developing world. He had no contact with Dr. Sirolli in order that the results of the study would clearly reflect Mr. Kimanzi's observations on what was or was not working in the study area. The study was conducted *in situ* and all communities were visited. The Master Facilitator and the two Enterprise Facilitators were interviewed and so were members of the BoL and of the BoH in each community. The evaluation revealed that the Enterprise Facilitation method is applicable to very poor and geographically isolated communities where infrastructures are minimal. Below is a summary of strengths and areas for growth.

Strengths

The overall finding of the evaluation is that the enterprise facilitation project has been successful in the facilitation process for business start-up and expansion. The Sirolli Institute model provided a practical way to help people start and expand businesses. Approximately 193 people have benefited from the project by either opening new business for improving existing business while 775 new jobs were generated. Kamina as the oldest project site is leading in performance with 104 beneficiaries that include 56 who opened new business after training and 48 who improved or expanded business. In Bukama there were 56 beneficiaries that include 30 new businesses opened and 26 existing businesses expanded. Kalemie had 33 beneficiaries including 20 new businesses opened and 13 existing businesses improved. Many other people also benefitted from training, even though they did not open businesses.

Clients are generally satisfied with customer service and training offered by the project. What they like most is that facilitators are calm, patient, listening and effective as teachers of business management. The clients are also happy that the project services people from a diverse range of religions, socio-economic backgrounds and experience to open or expand businesses. The project is especially powerful in that it has trained entrepreneurs and business people to pursue economic development through training for business start-up and expansion rather than depend on outside sources for funding or materials to start or re-start a business.

The project leadership structures of facilitator, Board of Leaders and Board of Helpers also played a key role in the success of the project. Each of these stakeholders understands their role in the project and are motivated to work free of charge to the greater community benefit. This has been possible because the vision for growth and expansion of the Enterprise Facilitation project is shared by all stakeholders to the project. Furthermore, the relationships between various stakeholders are strong and supportive of the kind of organic and exponential growth that is modestly paced for the greatest long-term success.

Areas for Growth

The Enterprise Facilitation project is poised to grow in Sub-Saharan Africa, with the Enterprise Facilitation project in the DRC as the training hub. The current structure is that the Sirolli Institute works with each EF for two years so they can demonstrate their capacity in this regard. If they prove effective, they are offered training to become a

master trainer. If an individual displays success as a good master trainer, the Sirolli Institute will invite them to expand their reach by adding another territory. It is at this stage, when a MT has more than one territory, that they have the opportunity to be licensed by the Sirolli Institute. Once licensed, then the MT has the potential to train new Enterprise Facilitators and teach the methodology as a Corporate Social Responsibility tactic to mining companies and research institutes. The money they earn teaching into these courses can pay the salary of the MTs and contribute to the long term viability of the Enterprise Facilitation projects in their communities. Ultimately, there is no limit to the number of MTs and EFs that can be trained and deployed worldwide and capable Master Enterprise Facilitators are in great demand.

Coda

There have been, over the years, many studies looking at the effectiveness of the Sirolli Institute' Enterprise Facilitation model. This particular independent study of the Kamina EF Project wanted to ascertain the effectiveness of the model in a very challenging environment e.g. the Eastern Congo. What this study strongly suggests is that the Enterprise Facilitation model is robust, transportable and certainly applicable to very difficult socio/economic environments. If it can work in the Eastern Congo – with no electricity, no running water, no banks and no access to credit – it can work, presumably, in most developing regions of the world.

In this specific project jobs were created for an average of US\$150.00 each. Enterprise Facilitators are paid local wages and they have no offices; this is to make sure that the projects have minimal infrastructure to fund. Generally speaking the cost of salaries and infrastructure to operate an Enterprise Facilitation project is low enough for communities to fund themselves.

At its heart, Enterprise Facilitation is about “barefoot economics” rather than the infrastructure-based welfare projects that Western governments and aid agencies are accustomed to sending to the African continent. No doubt, foreign aid will keep playing a role at the national level in the DRC, but this project demonstrates there is another way to foster local development. Teaching local people in developing countries how to autonomously create a viable, culturally embedded, economic system without relying on any external financial support is an example of effective, skills-based empowerment.

TEACHING NOTE

Learning objectives

This case study is most appropriate for students who are looking at various forms of community development opportunities sponsored by aid agencies or large multi-nationals operating in developing contexts – all over the world. Traditional advice coming out the development literature is that successful economic development requires using Western business models complete with: offices with air conditioning, computers, office furniture, lights, a manager trained at a Western-style university, an administrative assistant, an all-terrain vehicle, telephones, fax machines, internet, targeted grant or foreign aid funding, micro-lending and banking systems. These assets have proven helpful in some in-country contexts. However, it is remarkable that the Enterprise Facilitation model worked so well in the DRC without any of those accoutrements. Have the students explore why that might be so – and debate the relative merits of traditional development models vs. the Enterprise Facilitation model.

Suggested usage format for instruction

- 1) Role play #1. Have one student be an EF, others be the BoL and the BoH. Have some students be clients and others be village members with skills that they are not using. Develop a scenario whereby the different stakeholders can interact. For example, have a client who is brilliant at raising chickens but who does not have time to take the chickens to market. S/he will need to engage the EF who will diagnose the issue and then use the BoH to help find someone who has the capacity to fill that position. The BoL will then debrief with the EF and evaluate how well they helped the client.

- 2) Role play #2. Have one group of students be from a developing country and another, smaller set of students be a foreign aid agency or large multi-national firm. Two students should be MTs who are licensed by the Sirolli Institute. The MTs are trying to explain to the foreign aid agency or a large multi-national firm why it is a good idea to spend a small amount of money to set up an Enterprise Facilitation project instead of giving money directly to the community to alleviate immediate poverty-related stresses. The MTs will also need to speak to the developing country representatives who are accustomed to putting their hand out for foreign aid. The MT's will need to talk to the community about their willingness to welcome an EF and create both a BoL and a BoH. How does the community respond? What are the persuasive arguments for why they should try the Enterprise Facilitation process?

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