

A man with glasses on his head, wearing a light-colored shirt and a dark apron, is working on a wooden project in a workshop. The background is filled with various tools and equipment, creating a busy, industrial atmosphere. The entire image has a yellow tint.

BALKH CHAMBER OF COMMERCE AND INDUSTRIES: THE VOICE OF AFGHANISTAN'S PRIVATE SECTOR IN BALKH PROVINCE

BUILDING THE INSTITUTIONAL CAPACITY OF EMPLOYERS'
ORGANISATIONS TO FOSTER A ROBUST PRIVATE SECTOR FOR
PEACE AND RESILIENCE

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Building the institutional capacity of
Employers' Organisations to foster a robust
private sector for peace and resilience

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SUMMARY OF PROJECT FOCUS

The Project '*Promoting rural youth employment in Afghanistan through Entrepreneurship education and Vocational training*' is a capacity development initiative facilitated by the ITCILO and financed by the Government of Norway under the Norway-ILO Programme Cooperation Agreement 2018-2019. Reflecting global practices in countries affected by fragility, the Project aimed to strengthen the institutional capacity of ILO constituents, social partners and other stakeholders in Afghanistan to tackle youth employment challenges through appropriate policies and programmes.

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THE CHALLENGE AND THE ITCILO APPROACH

Afghanistan has been affected by political instability, violent conflict and socio-economic crisis for decades. The conflict has had a negative impact on the economy and the livelihoods of Afghan women and men. It has contributed to poverty, unemployment and institutional capacity constraints in supporting economic and social development. With 610,000 refugees returning home to Afghanistan in 2017 alone and 400,000 people entering the labour market annually, the country's ability to meet the increasing demand for employment is limited (IOM & UNHCR, 2017). Particularly, youth unemployment is on the rise in Afghanistan, where, in 2017 over 42 percent of youth were not in education, employment, or training (ILO, 2019).

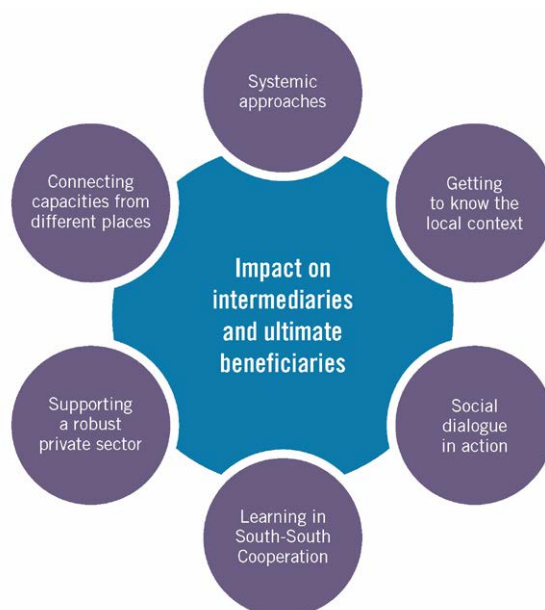
The ITCILO 'Promoting Rural Youth Employment in Afghanistan through entrepreneurship education and vocational training' Project focused on working with ILO constituents and stakeholders in Afghanistan to:

- Build institutional capacity to develop and implement policies that create an enabling environment for private sector development.
- Offer training, coaching and support for entrepreneurs in order to support a remerging private sector.

A combination, or roadmap, of capacity building elements specifically developed by ITCILO to strengthen capacity and collaboration between ILO constituents and stakeholders, took on a different emphasis and importance for each organisation involved in the project.

This case study looks at one of the ITCILO stakeholders, the Balkh Chamber of Commerce and Industries (BCCI), and its achievements. Figure 1 on the following page indicates the elements of the ITCILO roadmap that have been the most relevant for the BCCI and for promoting an enabling environment for private sector development.

Figure 1: The case of BCCI – ITCILO capacity building elements with most impact



ABOUT THE BALKH CHAMBER OF COMMERCE AND INDUSTRY AND THE ITCILO PROJECT

The BCCI is a Provincial branch of the Afghanistan Chamber of Commerce and Industries (ACCI). ACCI serves the private sector in Afghanistan and promotes investment, economic development and trade. The BCCI is based in the provincial capital of Balkh, Mazar-i-Sharif. During 2017 and 2018 the BCCI undertook the following activities supported by the ITCILO:

- A 1-year 8 module training programme covering employment policies, tailored for Afghanistan where 3 BCCI members attended.
- A coaching programme to be able to support youth entrepreneurship where 2 members attended and became accredited.
- The training of trainers for Start and Improve Your Business (SIYB) and subsequent roll out to their members, resulting in 3 certified BCCI SIYB trainers.
- Participating in global and regional knowledge sharing events including South-South cooperation supported by V.V. Giri National Labour Institute of India where 3 BCCI members attended.
- Analysed its business model and developing concrete strategies and projects with a focus on youth and women.

THE BCCI: NEW ANALYTICAL SKILLS AND DIALOGUE TO DEVELOP A ROBUST PRIVATE SECTOR

Instability and conflict have contributed to institutional barriers to enterprise development in Afghanistan. For example, a lack of trust in private sector institutions, fragmentation of business development service provision, questionable quality and limited quantity of enterprise training and, systemic gender discrimination that limits many women's access to economic opportunities (OECD, 2019).

In terms of outreach and sustainability, BCCI projects and programmes often yielded limited results in enterprise development. Without the technical capacity to design systemic programmes, BCCI could not fully address the underlying barriers to enterprise development. This situation has changed since the BCCI completed a 1-year, 8-module, training programme offered by ITCILO. Post training, the BCCI has developed the skills to effectively design and implement projects that support private sector development in a more systemic way. The approach has generated benefits for the young entrepreneurs that BCCI supports, the Chamber members and, in turn, the wider enterprise development community. The BCCI Chief Executive Officer, Mr. Qasimi, reflects, that after the programme they could understand the root causes of the challenges that enterprises were facing and design much more effective strategies, programmes and projects. He suggests: “we would never have been able to do so otherwise”.

“The Chamber is now far better equipped to collect the right data, analyse their problems, develop solutions for their problems and then get the right people around the table to discuss it and solve the problem”. (BCCI CEO)

Mr. Barat, the Deputy Chairperson of BCCI, reflects on how his understanding has grown to appreciate the value in tailoring enterprise development approaches. The training has taught him to analyse the enabling environment for private sector development and better understand the context of entrepreneurs' problems before offering advice and developing related services. As a result of this new skill, BCCI services have become much more ‘home-grown’ and relevant to the province. Mr. Barat says the results are noticeable, not only with new, more impactful projects being established by BCCI but also in its service offering and outreach. New linkages with constituents and other stakeholders have extended BCCI's geographic scope to enterprises in neighbouring provinces. For example, the partnership with the SIYB Afghanistan Company to carry out enterprise training and coaching for young women and men.

The SIYB Afghanistan Company was promoted and created with support of the ITCILO capacity building project in close coordination with the BCCI.

In applying their new knowledge in good practices in private sector diagnostics, programme planning, and management, BCCI has shown donors that the Chamber has improved outreach and impact. Since the ITCILO capacity building, USAID and GIZ have become increasingly important development partners in BCCI's small enterprise programmes. For example, in establishing projects that involve improving access to finance for small and micro enterprises, women's entrepreneurship development and facilitating market linkages. In BCCI directing and hosting diverse programmes, enterprise development support in the province is becoming more cohesive, long-term, and coordinated.

CONNECTING EXPERIENCES AND CAPACITIES FOR PRIVATE SECTOR DEVELOPMENT

As part of the project the ITCILO implemented a 1-year, 8-module, capacity building programme for constituents. In this programme the BCCI and ACCI benefited from international study visits to promote learning and exchange with other organisations. The exposure has not only increased BCCI's knowledge and competencies but also the confidence to speak to development partners using the right terminology and 'language'. In turn, the skills and experience BCCI obtained through policy development training and South-South learning has enabled BCCI and ACCI to better influence other stakeholders and national private sector policies. For example, ensuring that the Afghan National Export Strategy not only includes recommendations from small businesses but also has positive outcomes for women and youth.

The BCCI notes the benefits from meeting other chambers of commerce in India: "it has been excellent in terms of exposure [...] we could share their experiences of overcoming enterprise development barriers and implement them in Afghanistan (in BCCI)". Linking with other chambers of commerce has opened opportunities for ongoing exchange. One practical outcome of the new linkages has been that BCCI recently had meetings with the Consulate General of India to discuss opportunities and collaboration regarding the creation of a trade corridor between Balkh and New Delhi to export dry and fresh fruit from Northern Afghanistan to India.

BCCI'S INCREASED SUPPORT FOR WOMEN'S ECONOMIC EMPOWERMENT

The BCCI recognises the challenges that women in Afghanistan face in starting and growing businesses, however, how to approach women's enterprise development in a

fragile setting has been challenging. Through the ITCILO training and exposure to the experiences of the Indian Self-Employed Women Association (SEWA), BCCI and ACCI have strengthened their strategies to support the establishment and growth of women owned businesses. For example:

- ACCI has adapted its membership strategy where women can join the organisation with a marginal fee. As a result, women entrepreneurs have access to all the Chamber's services at no additional cost.
- BCCI provides targeted enterprise training, counselling and advocacy support to women owned businesses and as a result has seen an increase in women's membership from 50 to 120 women entrepreneurs over the past 18 months.
- In order to increase the voice of women in business in Balkh, BCCI has established a Women's Committee within the Chamber, for members and non-members, chaired and run by women. This platform allows women entrepreneurs to voice their business concerns directly to the Chamber, who then acts upon them; it has also provided women with a trustworthy business platform for them to network and share information amongst themselves.

SUPPORTING A ROBUST PRIVATE SECTOR BY KNOWING THE LOCAL CONTEXT AND ESTABLISHING RELATIONSHIPS



In 2018 alone, BCCI membership increased by 100 percent, with 90 percent of new income from these new memberships. By developing its organisational knowledge and skills through the ITCILO project, the BCCI now offers more services to its members: specifically, enterprise training, business counselling, facilitating market access, networking, advocacy, business strategy and planning, business counselling, project design, implementation and management. The BCCI attributes its growth and sustainability in service provision to the ITCILO capacity building activities its members have received. These improvements have not only contributed to BCCI's capacity directly, but they also support sound private sector governance where businesses can start and grow in a more enterprise friendly environment.

*"The revenue of the Chamber in increasing, the membership is increasing, more business is coming to BCCI. Most of these successes we attribute to this (ITCILO) 1-year programme."
(CEO BCCI)*



The BCCI now directly runs enterprise training programmes (previously, this function was subcontracted). This direct provision has resulted in a sustainable revenue stream and better quality control in BCCI's enterprise training. BCCI management, and young women and men from within the Chamber attended a training of trainers (ToT) for the ILO's SIYB package. The training has had a substantive impact; the Chamber now regularly rolls out SIYB trainings directly in provinces other than Balkh, for example, Badakhshan, Baghlan, Jawzjan, Kunduz and Samangan. In 2018, BCCI directly trained 700 people in SIYB, and through other partners this increased to over 1000 people (70 percent women and 60 percent youth). "We are seeing the results, many participants after finishing the SIYB programme are starting their small businesses," says Mr. Barat, Deputy Chairperson of BCCI.

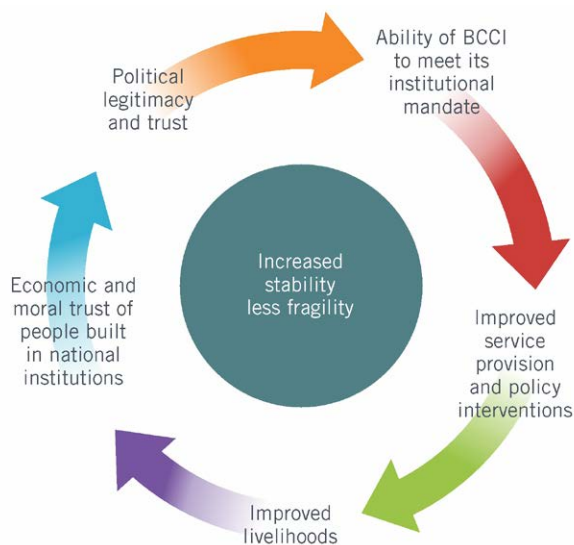
As a result of training by the ITCILO project the Chamber now provides a business coaching service for all members, with youth start-ups as a priority. Business coaching is offered free of charge to young women and men to support their business growth, assist them with market access, networking opportunities and access to finance. The long-term aspiration by BCCI is that when these supported businesses are successful, they will become long term members of the Chamber. In 2019, the BCCI will be establishing a small business incubator for 20 young men and women (free of charge for 6 months) within the Chamber. The aim of the incubator is to support the growth of youth business start-ups and reduce some of the barriers that these young women and men face to access office space. Through the SIYB training, coaching and business incubation, the BCCI can better support emerging businesses, and track and monitor the progress of the trainees, their growth and their needs.

In summary, the ITCILO capacity building programme has stimulated a virtuous circle of development, building towards reduced fragility in Afghanistan. Summarised in Figure 2, the knowledge, skills and tools learned with the ITCILO that have been applied by BCCI and resulted in a more robust and resourceful organisation which can better meet its institutional mandate. Increasingly robust policy development and service provision has contributed to socio-economic development, better livelihoods and social stability. In turn, moral and economic trust in functional institutions contributes to a reduction in fragility.

BCCI: WHERE TO FROM HERE

The BCCI is growing because it is now offering services that are better aligned to the needs of women and men in the local business community. The Chamber suggests that what is important from an institutional perspective in going forward is to increase membership, improve its image, and gain the trust of the business community and policy makers. Learning new skills and continuing to develop relevant business strategies will be important over the coming years to ensure that BCCI becomes a truly sustainable branch of the ACCI and contributes to an enabling environment for private sector development in Afghanistan.

Figure 2: BCCI and a virtuous circle – reducing fragility



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ILO. (2019). *Country Profile*. Retrieved from ILO STAT: <https://www.ilo.org/ilostat>

List of interviewees:

- Mr. Ahmad Nawid BARAT: BCCI
- Mr. Mohammad Nabi HAKIMI: ACCI
- Mr. Nasir Qasimi CEO BCCI
- Mr. Masoud Saqib: SIYB Company: Mazar i Serif

FIND OUT MORE...

The ITCILO provides training and related services that develop human resources and institutional capabilities contributing to achieving the ILO's goal of decent work for women and men.

Visit our website if you want to find out more on how the ITCILO works to contribute to peace building, national reconciliation and social cohesion through employment generation and decent work opportunities for women and men in conflict-affected and disaster prone countries.

INFO

FOR FURTHER INFORMATION
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