

The Better Tomorrow Plan Case study

Local Communities

OUR COMMITMENT: We will support local community development in all the countries where we operate by 2015.



4,061 people in
Kewanja village

55% illiterate

10 shareholders in the
Kemambo group sub
contractor



TANZANIA

Setting up local businesses in North Mara

To encourage the setting up of small businesses, Sodexo put in place a local development programme. Some of the **services offered by Sodexo to its client Barrick in North Mara are subcontracted to whole-owned local companies**, thus offering jobs and revenues to families from the surrounding local communities.

Creating value for our client

Sodexo fosters relationship with the community and enters in a balanced business relationship with motivated local partners. This creates good conditions to sustain its implantation in the region.

General context

In Tanzania

- **35%** of the population lived below the national poverty line in 2001.
- Even if most education indicators have been recently improved, the adult literacy was still at **72.6% in 2008**, with deep disparities between urban and rural zones. Such a rate combined with the **difficulty to access education** in remote areas is responsible for the strong employment instability. The unemployment rate reached **4.3% in 2006**.
- The **lack of authorities' infrastructures** and supports to create businesses linked with the economic and juridical uncertainty require the settlement of **long term partnerships** to help local communities develop their own business.

In Kewanja

- Kewanja village is in Tarime district about 15km south of Kenyan border and 60km east of lake Victoria in Tanzania.
- A population of **4,061 people** out of which 1,869 are women.
- The main subsistence activities are **agriculture** and **animal husbandry**.
- There are **three primary schools** in Kewanja village two of these are owned by the government and another one run by a Catholic church.
- Despite the fact that Kewanja village has one public Secondary school, **55%** of the people living in this village **cannot read or write**.

45 local employees in
Kemambo company

30 families benefit
from the revenues

A total cost of
7,503.49 USD



Implementation process

Selection

Groups from seven villages were sensitized of behavioural change towards the way they live. Further to the call, people formed groups with the objective of developing sustainable projects for the well-being of their community. "Kemambo" from Kewanja village was one of the groups that came forward. This group was chosen to implement the contractual obligation and service agreement between Barrick, North Mara Gold Mine and Sodexo.

Composition

The Kemambo group is composed of 10 people, most of them having primary school education. Their ages ranges between 28 to 55 years old.

Business organisation

Each member of the group donated equally as a **startup capital investment** and **profit will be shared equally**. The "Kemambo" company will employ people who will manage services contracted by any client. Sodexo has **subcontracted** Kemambo the **office cleaning** service in North Mara Gold Mine. Sodexo has thus relocated employees who were managing the office cleaning at another section.

Process

Sodexo and Kemambo worked in a **joint venture** for a period of three months. The objective was to prepare Kemambo to:

- Make the group understand the day to day operation.
- Develop the organization structure to support the operation.
- Allow Kemambo to own and run the business independently.

Results

Kemambo manages on a daily basis offices approx. 3120 sqm. The group offers a good quality of service and employs **45 local persons**. **The revenues are benefiting more than 30 families** including 10 families who are the majority shareholders.

Resources

Human: Sodexo sponsored the group's **three-day training** as well as administrative registration. The group is legally recognised, owns a business license and is VAT registered.

Financial: Sodexo financed the project costs, including:

- Staff salaries and Medical check-up costs;
- Cleaning materials;
- Uniforms, protection equipments & safety shoes;
- Cost for group registration;
- Training cost (consultant).

Moving forward

To support the seven villages around the mine, Sodexo has proceeded to another subcontracting exercise. Within North Mara site, the **laundry subcontracting** has been given to a local group, "Matongo Trading Group (MTG)" from Matongo village, near Sodexo's client site. Sodexo has formed and sponsored the group for training in order for it to qualify and follow Sodexo standards. The group has hired 7 local persons and accommodates 10,700Kg of linen per month. More than 10 families are benefiting from this business.

More information:

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