



PRIVATE SECTOR DEVELOPMENT

NEWSLETTER N°1
APRIL
2019

EDITORIAL

We are pleased to share with you this first issue of «ACP Private Sector Development», the bi-monthly newsletter that aims to take stock of the implementation of intra-ACP EDF resources dedicated to private sector development in African, Caribbean and Pacific (ACP) countries.

These resources are allocated to programs that are in alignment with the four operational pillars of the Joint ACP-EU Private Sector Development Platform (PSD):

- Supporting national and regional policies that are business-friendly and inclusive and strengthen productive capacity and value chains
- Strengthening financial inclusion
- Improving access to finance for businesses, especially SMEs
- Promoting ACP-EU knowledge management in private sector development

Despite progress, ACP countries still face major challenges: increased integration of Africa reinforces the need for better cross-border coordination, the vulnerability of small open economies of the Caribbean has become more pronounced and the Pacific island countries continue to face development challenges related to their remoteness and adaptation to climate change.

If ACP countries want to achieve the structural socio-economic transformation to which they aspire for their economies, they should partner private sector, the principal engine for growth and job creation, with public policy, this will serve as a powerful development tool.



Viwanou GNASSOUNOU,

Assistant Secretary General, Sustainable Economic Development and Trade

Update on Business ACP Activities

Operational since February 2018, Business ACP is the technical assistance facility whose activities are mainly to:

- Provide technical and administrative support to the ACP-EU Private Sector Development Platform
- Promote management and sharing of knowledge related to Private Sector Development
- Support the ACP Secretariat in the programming and evaluation of projects.

Support to the Implementation of the joint Private Sector Development Framework

In recent months, Business ACP has provided technical and administrative support during the **programming** process of the 11th EDF intra-ACP envelope dedicated to ACP private sector development.

> **Support business-friendly and inclusive national and regional policies and strengthen productive capacities and value chains:**

- **"Fit for Market", implemented by COLEACP** which aims to enable smallholder farmers, producer groups, farmer's organisations and micro, small and medium-sized enterprises (MSMEs) to access international and domestic horticultural markets, by complying with the sanitary and phytosanitary (SPS) standards and market requirements, in a sustainable framework.
- **Support to business-friendly and inclusive national and regional policies, and strengthening productive capabilities and value chains** - Joint program of the World Bank Group, the International Trade Centre (ITC) and the United Nations Industrial Development Organization (UNIDO). There are two results to be attained: 1) Business-friendly, inclusive and responsible national policies and legal frameworks are implemented; 2) higher productivity and competitiveness through strengthened marketing capacities and value chains.
- **Farmers' Organisations for ACP countries**, implemented by the International Fund for Agricultural Development (IFAD), is a capacity building programme aiming to increase income and



to improve livelihood, food and nutrition security and safety of the ACP family farming in the target areas of the project, through greater integration of family farms in key agricultural value chains.

> **Increased Access to Finance for Enterprises/SMEs & Catalysing Private Investment through blending:**

- **Boost Africa for Youth Employment**, implemented by the African Development Bank (ADB) and the European Investment Bank (EIB) to Increase access to finance for enterprises through blending, in particular supporting entrepreneurially driven, early stage and start-up SMEs
- **EURIZ**, implemented by Agence Française de Développement (AFD) and the Swedish International Development Agency (SIDA). This guarantee facility aims to target financially poorly served MSMEs in ACP countries with the following main objectives: to improve access to financial services through blending and to promote job creation.



Alisi Tuqa, CEO, Pacific Islands Private Sector Organisation (PIPSO)

One is looking to the private sector to deliver on a lot of issues, particularly when you are talking about national development and sustainable development implementation. For us in the Pacific, there is a heavy reliance on the private sector to deliver, not only in terms of job creations, but also of social and economic benefits that we bring.



Escipion Oliveira, Deputy Director, Caribbean Export Development Agency (CEDA), ACP Regional Focal Point (Caribbean)

ACP countries often tend to turn North to find solutions. But South-South cooperation is essential because sharing experiences and exchanging best practices that might be better adapted to our contexts could contribute to making our industries and our private sector more efficient.



Yentyl Williams, ACP Young Professionals Network

As the ACP Young Professionals network, we are pushing to make sure that young people who run businesses and young entrepreneurs have their voice heard. At the end of the day, we are the ones that will be implementing what was decided by governments, we are the ones that will be dealing with the issues that are problematic and try to find solutions.

• **AgriBusiness Capital (ABC) Fund**, implemented by the International Fund for Agricultural Development (IFAD). This investment fund is intended to stimulate inclusive finance for smallholder farmers and rural enterprises

Collaboration, dialogue, learning, sharing good practice



The involvement of ACP private sector stakeholders during the identification and / or implementation of intra-ACP PSD programs / projects should be promoted, as suggested by the conclusions of the 1st ACP PSD Forum: *"the need to focus activities for greater impact on the field" and "the need to support regional institutions so that they can fully assume their role, launch and implement activities in the field and identify the best partners for their development"*.

As a key element of the Private Sector Development (PSD) Framework, Regional Focal Points (RFPs) have been designated to facilitate implementation, coordination, information sharing and joint planning at the regional level in partnership with private sector regional organisations.

It is within this context that since its launch, Business ACP has maintained regular contacts with the RFP's that are located within the ACP Regional Economic Communities (RECs):

- **West Africa:** ECOWAS
- **Central Africa:** Economic Community of Central African States (ECCAS)
- **East Africa:** Common Market for Eastern and Southern Africa (COMESA)
- **Southern Africa:** Southern African Development Community (SADC)
- **Caribbean:** Caribbean Export Development Agency (CEDA)
- **Pacific:** Pacific Island Forum Secretariat (PIFS)

The consultation also involves ACP private sector organizations, and includes: regional associations of industry and trade, investment promotion agencies, intermediaries which provide business development services, and investment financing institutions, etc.

Thus, in November 2018 in Barbados, the ACP Secretariat organized, with the technical support of Business ACP, an ACP Private Sector Consultation on the Post-Cotonou Negotiations.

This consultation brought together more than 60 ACP delegates including entrepreneurs, representatives of intermediary organizations such as chambers of commerce and industry associations, trade and investment promotion agencies, financial and non-financial service providers, and regulatory and standardization bodies.

On this occasion, we collected testimonials from some participants, these can be found at the following address: <https://www.youtube.com/watch?v=UeEncnJPGAA&t=22s>



Developing and consolidating the intra-ACP EU CSP Knowledge Management System

One of the key mandates of Business ACP is to identify, safeguard, format and disseminate Private Sector Development-related knowledge to ACP-EU private sector stakeholders.

The objectives of the knowledge system as set up within the framework of the Platform aim to:

- Provide methodologies / models, concepts, references, case studies, etc.
- Encourage and facilitate experience and knowledge sharing
- Transfer pertinent technologies, know-how, knowledge and relevant methodologies
- Share Statistics and Data Bases of Private Sector Development Practitioners

The sharing of information, knowledge, good practices and peer learning will therefore be carried out both in regional forums bringing together ACP and EU private sector actors around specific themes, and year round, through the Virtual ACP Private Sector Development IT Platform to be developed in 2019.



EVENTS

Joint ACP-EU Private Sector Development Framework: Information, Knowledge Sharing and Networking Events



The ACP Secretariat, with technical support from Business ACP, the ACP Private Sector Development Platform, is preparing a series of regional meetings with the main purpose of ACP PSD Knowledge Sharing and Networking. As an integral activity of the Joint ACP-EU Private Sector Development Framework, these events will be organised in close concertation with the European Commission.

This is particularly useful at this point in time, as several new intra-ACP projects and substantial private sector financing facilities are being launched or expanded. Hence, these meetings shall provide a suitable framework to bring together, on the one hand, relevant project implementation agen-

cies, EU Private Sector Development facilities and private sector organisations and, on the other hand, the pertinent stakeholders, intermediary organisations and targeted private sector beneficiaries in the ACP regions.

Main objectives of the Private Sector Development Information, Knowledge Sharing and Networking Events will be:

- to provide comprehensive information on relevant intra-ACP, External Investment Plan (EIP), EIB-managed and other EC-related PSD facilities and programs targeting the ACP regions, with presence of their representatives and implementing partners;
- to provide a platform for peer-to-peer learning and experience sharing in the area of private sector development.
- to ensure a high degree of interaction among ACP private sector participants, and with project implementation agencies as well as EU stakeholders, in the form of networking and/or B2B in the areas of finance, trade, know-how and technology transfer.

Most pertinent in this context will be, among others, the following categories of participants from the ACP countries and regions:

- Regional Development Finance Institutions and selected national MSME-friendly Banks

A total of four Information, Knowledge Sharing and Networking events are envisaged in the course of 2019 and will be held during 2 to 3 days as follows:

- **East and Southern Africa regions:** Mauritius from 14 to 16 May 2019.
- **Dominican Republic:** 26-27 June 2019
- **West & Central Africa:** October 2019 (tentative date)
- **Pacific:** November 2019 (tentative date)

and Development Finance Institutions

- Regional and national Apex Business Membership Organizations (BMOs)
- Private Sector Development organizations (Investment Promotion Agencies, SME Promotion Agencies, Investment Climate Reform Bodies, MSME Finance Bodies)
- Regional Economic Communities (RECs) of the regions involved.



BENIN

Ms Bertille MARCOS, Founder and CEO of Fruits Tillou

“Via FFM, COLEACP trains staff in risk analysis and HACCP. They accompany the team on the drafting of the quality manual and procedures, on «how to manage, support and maintain» the HACCP system.”



MALI

Moctar FOFANA General Manager | Agrumes et Oléagineux du Mali

“I am a mango exporter from Mali. I work with more than 1000 producers and 200 producers are certified. I moved from 300 tons in 2005 to 2000 tons now. The new FFM project is a logical follow-up. I am grateful to all the decision makers at local and other levels that have made it possible. I take this opportunity to also hail the work of the COLEACP team which is really not like the others.”

Fit For Market: Sustainability enhances the competitiveness of companies in the ACP horticultural value chain

Competitiveness by embracing sustainability

Through its Fit For Market programme, COLEACP supports companies producing and commercialising fresh and processed fruit and vegetables from African, Caribbean and Pacific (ACP) countries. Companies receive support to develop and improve their access to markets, train and sustain their human resources, implement an environmental management policy, improve their competitiveness and facilitate their access to finance.

As the main actors in the horticultural value chain, companies involved in the FFM programme contribute directly to the Sustainable Development Goals, including fighting against poverty and achieving food security. This commitment is reflected in their signing of COLEACP’s Sustainability Charter, one of the three pillars of the FFM programme (the other two pillars being COLEACP’s training and self-assessment systems). The COLEACP charter covers the following seven areas:

- laws and regulations
- corporate practices
- business practices
- labour conditions
- environment
- product quality
- good agricultural practices.

Fit For Market was launched in 2016 at the request of the ACP Group of States. It is managed by COLEACP and is part of the

intra-ACP indicative programme (2014–2020) for cooperation between the European Union and the ACP Group of States. The programme is co-financed by the 11th European Development Fund (€20 million) and the French Development Agency (€5 million). The FFM programme is designed on the basis of the experiences and results of COLEACP’s PIP and EDES programmes, and in response to the changing needs of local, regional and international fruit and vegetable markets.

Mid-term Fit For Market: More than 600 requests for assistance in 45 ACP countries

To date, 350 memoranda of understanding have been drawn up on the basis of these requests and implementation of the related action plans is in progress. These plans aim to reach more than 1,700,000 small-scale farmers and 100,000 employees.

The budget execution rate of the FFM programme at the end of January 2019 was 43.4%, after 54.3% of the implementation time had elapsed. Another key trend indicator for FFM is that more than 50% of the fruit and vegetable volumes marketed by companies benefiting from FFM are destined for local and regional markets. The rest of the production is sold for export to European Union and other countries.



FFM and FFM SPS: Synergy towards a shared global objective

In response to the many sanitary and phytosanitary (SPS) challenges identified in ACP countries, and in a context of changing European regulations, in December 2018 COLEACP was mobilised by the ACP Secretariat to implement a new, complementary FFM intervention programme – Fit for Market SPS. The existing COLEACP infrastructure and ACP network, as well as the synergy with FFM, have enabled a rapid launch and deployment of FFM SPS activities from the start of 2019.

The overall objectives of both programmes are to reduce poverty, improve food security and safety, and ensure sustainable and inclusive growth by strengthening agri-food value chains in ACP countries. The complementary results of FFM and FFM SPS will be integrated into an implementation framework aimed at building and strengthening capacity at national and regional levels to ensure effective and efficient national SPS systems are in place.

