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Private Sector Development and Engagement

in governmental cooperation

Sustainable development is only possible when actions taken by the public sector, the private sector and civil society are mutually reinforcing. Enabel, the Belgian development agency, supports the development of the private sector in partner countries of the Belgian governmental cooperation.

The private sector and development

Dynamic markets and private businesses are the most efficient means to create wealth, jobs and prosperity for all in the long run. On average, business provides 60% of GDP, 80% of capital flows and 90% of jobs in developing countries.

The 2030 Agenda and the Sustainable Development Goals (SDGs), around which almost all the world's countries are mobilised, include not only poverty reduction but also inclusive economic growth, decent job and income creation, education, health, transport, food security, access to energy, water, etc. Support to Private Sector Development is not an objective in itself but rather a means to achieve the SDGs and acknowledgement that the private sector plays a crucial role in achieving the SDGs.

Intervention in fragile contexts: A specialty of Enabel

Enabel is particular in that it intervenes mainly in fragile contexts. Extreme economic fragility is characterised by the absence of long-term drivers of economic growth, absence of individual economic opportunity, and high levels of resource and aid dependence.

In such a situation, the business environment is very degraded: infrastructure is missing or deteriorated; information on business opportunities is poor; companies are small and struggle to grow as there is a lack of human capital; the informal economy is flourishing and the population is developing subsistence activities; access to finance is made very complicated; lack of transparency and corruption are more widespread, the capacity and even legitimacy of public actors are weakened... Fragile contexts and fragile actors require both specific approaches, particularly for women and youths, and adapted interventions. That is why Enabel attaches particular attention to improving the business climate in such contexts.

Global Challenges

The world is facing huge challenges in realising the Sustainable Development Goals by 2030. Enabel wants to contribute with its experience and expertise in specific domains: Peace and Security, Climate Change and the Environment, Social and Economic Inequality, Urbanisation, Human Mobility, and Global Citizenship. In our search for adapted solutions we take into account the inevitable ongoing population explosion and we strongly believe in empowering women and youths.

Private Sector Development and Engagement is one of the solutions developed by Enabel to address these Global Challenges. Enabel outlines its action in this matter along three areas:

Improved business climate



By focusing on the building blocks of the business climate such as improved governance, the provision of necessary infrastructure, occupational training, a transparent regulatory framework, public sector capacity development to promote private sector engagement, Enabel intends to leverage an environment conducive to the development of the economic initiative, which is particularly critical in fragile contexts.

Strengthening value chains and economic sectors



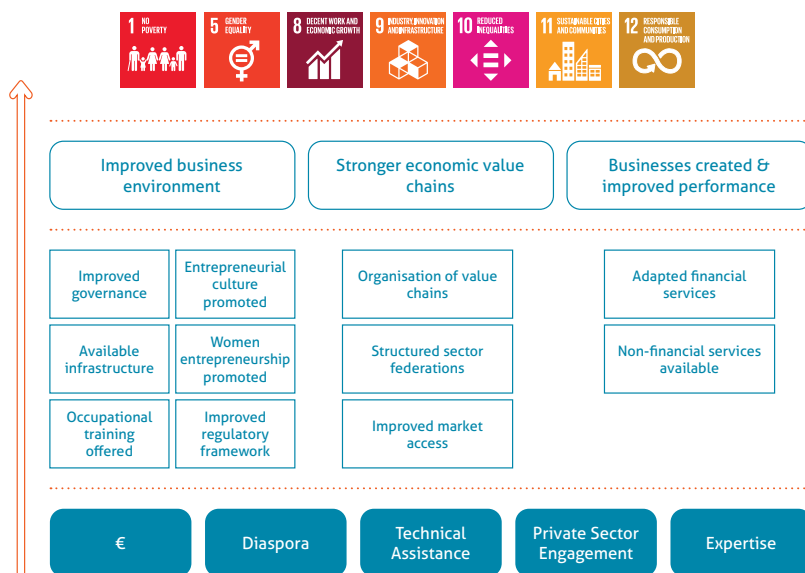
By working at structuring value chains, in particular better access to markets, and at formalising and professionalising actors, especially professional federations, promising value chains and economic sectors are strengthened and offer more opportunities for growth and job creation.

The creation of businesses and the improvement of performance



Finally, the third area of action concerns the strengthening of the match between the supply and demand of financial and non-financial services (Business Development services) which companies need for their development. This contributes to the creation of companies and to the improvement of their performance while allowing them to create economic and social added value.

Sustainable and inclusive economic growth



Specific instruments and niches for Enabel

In order to stand out in the support to the private sector, Enabel opts for investing in three niches in particular:

Women entrepreneurship



Women's participation in economic growth is a cornerstone of the United Nations 2030 Agenda. The significance of women's entrepreneurship for economic development is widely recognised. With the highest rate of women entrepreneurs in the world, entrepreneurship becomes a real factor of emancipation for the African continent, even while female entrepreneurship is seriously flawed by a lack of training (and basic education), gender inequality, high costs among others for guarantees, lack of technology, etc. This is why Enabel's interventions provide for activities (and means) to strengthen the community of women entrepreneurs in the domain of new technologies, make it

visible, and ensure that support structures and other intermediaries (financial, for instance) are properly trained and sensitised to women entrepreneurship so that they can provide them with appropriate services and that the digital/technological tool is (also) at the service of women's empowerment. Furthermore, Enabel's interventions in this matter focus on women entrepreneurship for growth, not subsistence.

Digital entrepreneurship



Digital entrepreneurship is a powerful driver of local innovation and structural economic development. It allows our partner countries to move away from traditional development approaches. Digital technologies act as catalysts for positive change in education systems, social attitudes, institutional governance structures and, above all, business practices.

To strengthen digital entrepreneurship, the following are Enabel's actions of choice: raising awareness and informing women and young people (and their parents) about the opportunities offered by digital technologies for entrepreneurship; strengthening women's and young people's digital skills so they can take advantage of new digital services as entrepreneurs; stimulating the creation and growth of digital start-ups by ensuring a supportive environment; encouraging digital start-ups to share their experience by making them more visible.

Fair entrepreneurship



In view of promoting sustainable development in partner countries and in Belgium, the Belgian state tasked Enabel with implementing the Trade for Development Centre (TDC) programme. It aims to contribute to inclusive and sustainable economic growth by promoting fair trade and by improving market access for micro, small and medium enterprises (MSMEs) and producers' organisations from the South.

Therefore, the TDC has developed a coaching itinerary, with a view of capacity development in MSMEs in (financial, organisational, governance) management and in marketing (positioning, access to markets, communication, sales). It also provides financial support to the MSMEs allowing them to address the priorities defined during the coaching itinerary. Its aim is to offer small producers the opportunity to achieve their own development, i.e. to find solutions, develop strategies, undertake and innovate.

Two of the instruments that Enabel disposes of for implementing its strategy are relatively new for the organisation and they deserve to be focused on:



Easier access to financing

In the fragile countries where Enabel operates, the groups targeted by our interventions are confronted with many difficulties to access financing. Enabel does not directly address the financing offer but assures that the conditions for financing offer to match demand are fulfilled by providing guidance to dynamics and putting actors in relation with one another and by strengthening their capacities with a view of facilitating financing. Under certain circumstances specific actions can be taken under the framework of the interventions so as to reduce the risk taken by the investors.



Private Sector Engagement

Via innovation, expertise, business or financial partnerships, Belgian and international private businesses can contribute to the development of partner countries. For each partnership with the private sector, the ‘triple win’ principle will be checked. The final beneficiaries, the private business and Enabel must benefit from the collaboration. In creating partnerships with the private sector, the diaspora, often a driver of business creation or expansion and job growth, can play an important role.



‘In Guinea, entrepreneurs, like me, are facing many challenges. In my business, pressing, this principally regards access to energy, the lack of water as well as the lack of qualified workers. Enabel put us into contact with several private sector actors and experts. The coach guides us in our day-to-day work and together we have put in place an action plan that we are trying to implement in the next few months.’

Rama Diallo
Founder of Blue Cleaners, Guinea

Our experience



Stimulate the 'Made in Rwanda' building materials sector

The Belgium-Rwanda Urban Economic Development Initiative (UEDi 2019-2024) supports the construction of economic infrastructure (such as craft centres, markets and connecting roads) in three Rwandan cities (Musanze, Rubavu and Rwamagana). One of the objectives of the initiative is to support the 'Made in Rwanda' building materials sector and help facilitate its growth and innovation capacity to meet the country's public infrastructure development needs. Enabel uses infrastructure projects to stimulate local and sustainable building materials, namely clay, stone, bamboo and agricultural by-products. Moreover, companies in these sectors benefit from better access to technological innovation, business development services and improved access to financing, including through a fund offering financial products tailored to the needs of these companies.



Support to the reduction of rural emigration and to reintegration in Senegal

The challenge of the Project for the Reduction of Rural Emigration and Reintegration in Senegal (PARERBA) is to provide decent employment opportunities to unemployed youths in the arachidier basin and to encourage the return of migrants to the countryside. The solutions offered are diverse: Integration of young people in agricultural production by giving them access to irrigated land and technical support on reasoned farming practices and on access to profitable markets; coaching young people to set up and/or develop their micro-enterprises in the agri-food sectors or develop digital solutions (against the background of the Covid-19 crisis); supporting the digital transformation of companies, notably through the use of e-commerce platforms for better market access, working with SMEs in these sectors in Senegal so they invest in the arachidier basin and undertake to hire young people. The project also offers all these economic operators the opportunity to access services of various financial institutions that support agri-food MSMEs.



Digital entrepreneurship in Benin

Like the neighbouring Nigerian giant but also Senegal, Kenya and Rwanda, Benin has decided to make the digital an important driver of development. Enabel intervenes in supporting the ecosystem of the Benin digital economy in order to increase the performance of entrepreneurs in this sector. This initiative is motivated by the strong presence of young people who offer digital services or products and of players that accompany business incubation or acceleration. The DigiBoost project places particular emphasis on stimulating and promoting the Women Digital Entrepreneurs Community.



Urban entrepreneurship in Guinea

The Urban entrepreneurship initiative aims to develop inclusive entrepreneurship on the Conakry-Kindia-Mamou axis in Guinea. The challenge is to support the growth of inclusive businesses operating within sector clusters that are promising for economic and social development. Particularly the following clusters are targeted: Hospitality and Tourism, Sustainable City - including waste management and recovery activities - & Habitat, and the Digital. A range of acceleration services enable entrepreneurs to activate their growth levers in three key areas: sector structure, market access and support to finding financing.

In addition, the project contributes to strengthening the entrepreneurial ecosystem by supporting the establishment of an incubator umbrella organisation. This umbrella organisation aims to accompany the professionalisation of Guinea's incubators and their ability to offer quality services to entrepreneurs. The project also supports key public entities promoting Guinea's private sector and developing and implementing competitiveness policies.



Women entrepreneurship in Guinea

The Women entrepreneurship initiative aims to develop inclusive and sustainable entrepreneurship, particularly of aspiring and operational Micro, Small and Medium Enterprises run by women in the Urban Entrepreneurship clusters and targeted (pineapple, potato, mango and wild fruit) value chains of the Agricultural Entrepreneurship cluster on the Conakry-Kindia-Mamou axis. The project focuses on the specific needs of these women's MSMEs in terms of capacity development, access to financing and market access.

The intervention also supports the socio-economic and occupational insertion of vulnerable young women and women (divorced women, widows, orphans and unschooled women) who are helped in women empowerment centres and so-called second-chance schools. The intervention also contributes to developing an environment that fosters women's economic empowerment by raising awareness and advocacy.



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