



Empowered lives.  
Resilient nations.

# African Facility for Inclusive Markets (AFIM)

*Business can turn Poverty into Prosperity*

## Introduction

The United Nations Development Programme’s (UNDP) African Facility for Inclusive Market’s (AFIM) core mandate is to engage the private sector to reduce poverty and accelerate progress towards sustainable development by supporting inclusive economic growth and Inclusive Market Development (IMD) across Sub-Saharan Africa (SSA).

AFIM’s strategy is to facilitate knowledge sharing, access to finance and the dissemination of best practices on private sector approaches to development. AFIM focuses on the promotion of Inclusive Market Development in Africa through development and expansion of regional value chains in job creating sectors such as agribusiness and mining. This allows low income communities to access tools and resources to grow themselves out of poverty through private sector initiatives.

As part of UNDP’s Regional Bureau for Africa (RBA), the facility builds on the work of regional and national private sector initiatives in over 30 countries.

*“Businesses are engines for growth and have the potential to help improve the lives of people through investment and activities”*

UNDP Administrator Helen Clark

## Inclusive Market Development

Inclusive Market Development (IMD) focuses on developing markets to make them more inclusive and beneficial to the low income groups as producers, consumers and employees. Specifically, IMD seeks to empower consumers, small enterprises, producers and distributors to participate in and benefit from the existing and potential markets in which they take part and do business.

UNDP’s Strategy for IMD combines private sector development (PSD) and private sector engagement (PSE). The objective is to stimulate sustainable inclusive economic growth that creates jobs and thereby reduces poverty – primarily by ensuring that small enterprise owners and their employees take part in expanding markets. The most used approach to IMD is developing value chains with growth, job creation and income generating potential.

UNDP developed an [IMD Handbook](#) and three related tools: [Assessing Markets](#), [Inclusive Business Models](#), and [Brokering Partnerships](#).



## Goals

AFIM aims to achieve four main goals:

- Boosts private sector related capacity of targeted regional institutions and governments.
- Assemble a broad-based alliance of partners for IMD in Africa (private sector, regional institutions, UN agencies, donors and other development partners).
- Strengthen regional and country level initiatives.
- Develop access to finance for Micro, Small and Medium enterprises (MSMEs).



38 UNDP Country Offices and partner governments (in green) in Sub-Saharan Africa implement private sector development initiatives.

*"We can address challenges by doing more to tap transformation power of the private sector."*

UN Secretary-General Ban Ki-moon

## Scope of Activities

Operating as a platform that facilitates strategic partnerships and promotes inclusive markets development in Africa, AFIM:

- Convenes relevant partners, coordinates and supports private sector initiatives at the regional and country levels.
- Builds private sector related capacity of AUC, NEPAD, Regional Economic Communities (RECs) and governments.
- Works with UNDP Country Offices to strengthen existing and to scale up new private sector initiatives.
- Develops Regional value chains targeting marginalized groups with low income with a key focus on women and youth.
- Catalyzes action for poverty reduction, environmental sustainability, post-conflict recovery and gender equality.
- Disseminates knowledge and best practices of inclusive business finance.



AFIM facilitates systemic and sustainable interventions at different levels:

**Micro level – inclusive business:** Building capacity of small producers and traders by providing support services in the focus sector/value chain.

**Meso level – inclusive markets:** Strengthening value chain linkages, market ecosystems and facilitating public-private dialogues and cooperation.

**Macro level – inclusive growth:** Supporting development of market infrastructure and advocating sector policies for inclusive economic growth.

## Service Offer

AFIM undertakes several activities to facilitate systemic market development in Africa:

**Strengthen Private Sector Initiatives:** Build upon existing private sector and IMD initiatives on national, regional and global levels (such as Business Call to Action and Growing Inclusive Markets).

**Build Capacity through Advocacy, Policy Dialogue:** Undertake capacity building, policy dialogue and advocacy for private sector engagement and development.

**Engage Companies and Investors:** Facilitate broad-based public-private partnerships for poverty reduction and achieving the MDGs.

**Foster Supply and Value Chains:** Support integrated supply and value chains which allow multiple entry points for low-income groups to benefit as suppliers, producers, etc.

**Link with UN Agencies, Donors and Implementers:** Coordinate and link with the various private sector related activities of other UN agencies, donors and implementers.

**Facilitate Knowledge Exchange & Community of Practice:** Provide a regional platform for knowledge and information exchange to effectively implement private sector development strategies and sharing of best practices.

**Improve Access to Inclusive and Innovative Business Finance:** Facilitate access to finance for inclusive businesses through knowledge dissemination of innovative financing such as value chain finance, venture capital, warehouse receipts, etc.

## Achievements

To date AFIM has made some significant contributions towards facilitating a more inclusive market environment in certain sectors on various levels:

### Country Level:

- **Assisted 38 UNDP country offices and governments** to improve their capacity to support value chain development in their countries and to strengthen the focus on regional cooperation and value chain development.
- **Growing adoption of UNDP approaches to inclusive market development and inclusive business** with a special focus on inclusive agribusiness linking off-takers with small holders and SMEs.

### Thought Leadership & Knowledge Management:

- A **study on the Roles and Opportunities of Private Sector in Africa's Agro-Food Industry**, focusing on successful inclusive market development models.
- A **comprehensive guide on inclusive business finance**, to look into solutions that overcome bottlenecks of access to finance for Micro, Small and Medium enterprises (MSMEs).
- The Flagship report **"Realizing Africa's Wealth-Building Inclusive Businesses for shared Prosperity"** which contains the new Inclusive Business Support Ecosystem Diamond framework.



- Developed and launched the '[African Agribusiness Supplier Development Toolkit](#)' and related [Training Manual](#)'. The ASDP supports smallholders and SMES production, productivity and market linkages with large off-takers, contributes to employment generation, income generation, food security, agriculture transformation and other priority objectives of African countries.
- Creation of a "**Private Sector Success stories from UNDP Country Offices in Africa**" publication illustrating successful, innovative private sector projects.
- **Produced a Wikipedia article on Inclusive Business Finance** in order to introduce the topic of Inclusive Business Finance to all.
- Organized two global webinars on **Inclusive and Green Business models** and **Inclusive Business Policies**.



- Co-organised a UN Global Compact African events series on "Africa: Advancing Partnerships and Responsible Business Leadership" and special "[Great Lakes Private Sector Responsible Investment Roundtable](#)" in Addis Ababa in June 2014.

[Positive, Independent Mid-Term Evaluation](#) of AFIM was conducted in 2013 by an external consulting firm which concluded that the project has been successful in delivering tangible results.

## Engagement Opportunities

Based on the achievements to date AFIM, is actively looking for collaboration opportunities for the following key activities:

- Implementing of the **African Agribusiness Supplier Development Program (AASDP)** is being implemented in Angola, DRC, Kenya, Liberia, Nigeria, Rwanda and South Africa. The objective is now to expand to more countries.
- Developing and **African Inclusive Markets Excellence Centre (AIMEC)** as requested by the African Union Commission (AUC) to support the development of more inclusive markets and business in Africa, leading to job creation, income generation and poverty reduction.
- Convening a **Public-Private Platform** to advance inclusive market development in non-agriculture sectors such as extractive industries, energy, tourism and retailing.
- Creating of an **African Inclusive Business Impact Investment Fund** to support inclusive business, entrepreneurs and ventures in Africa.
- Supporting the organisation the **Great Lakes Private Sector Investment Conference**, in support to the "Framework of Hope for the Great Lakes region"

### Support to the Continental Agenda (AU, NEPAD, RECs):

- **Adoption of the [Johannesburg Declaration](#)** on "Engaging the Private Sector in Furthering Africa's Agribusiness, Food Security and Nutrition Agenda ", landmark for policy and action orientated public private partnerships at the African Agribusiness Forum 2011; and a Public Private Dialogue (PPD) on youth and agriculture were conducted at the African Agribusiness Forum 2012.



*Organizations that participated and supported the PPD*

- **Over 20,000 small holders in Agri-food value chains supported** to participate in and benefit more from sub regional inclusive value chain projects in 6 commodities (soybean, sorghum, dairy, onion, mango and groundnuts) in Eastern, Western and Southern Africa. In partnerships with EAC, ECOWAS and COMESA. The projects were refined through [Innovative Project Facilitation Platforms](#) and supported with a catalytic grant.
- **Developed tools to support NPCA** to engage the private sector in financing country level National Agriculture Investment Plans under the Comprehensive Africa Agriculture Development Programme (CAADP), see [CAADP Workshop Report](#).
- Launched the "[The African Women and Youth Finance Directory](#)" at the 3<sup>rd</sup> International Women Empowerment Entrepreneurship (SMEs) Summit in Cairo in April 2014, supporting women and youth entrepreneurship and empowerment through access to finance.



# Regional Value Chain

## Development Examples

UNDP AFIM has played various roles in the cases below, ranging from providing technical or financial support, to disseminating good practices.

### 1. Commercialisation of Sorghum



**Summary:** Africa Harvest, an East African NGO, aims to expand sorghum trade in the East African region by facilitating market based linkages among value chain partners to increase productivity in Kenya and Tanzania.

**UNDP role:** AFIM provided catalytic funding to African Harvest to support small scale sorghum farmers in Kenya and Tanzania to increase their productivity through selected aggregators.

**Development impact to date:**

The project has supported 2,500 farmers in Kenya and Tanzania. In Kenya, Sorghum yields improved from 450kgs/acre to an average of 1000-1500Kgs/acre in Tharaka region. And mechanisation of processing has improved productivity from 3 bags per day to 25 bags/ hour by mechanical threshing. This project also indirectly benefits 13,000 individuals linked to the farmer households.

### 2. East Africa Dairy Development (EADD)

**Summary:** Heifer International, a global non-profit, aims to help dairy farmers double their incomes by increasing their ownership of cross-bred cows, milk production and access to formal markets. The core projects are in Kenya and Uganda.

**UNDP role:** AFIM and EADD partnered through the catalytic funding mechanism to develop sustainable (paid for) extension service provision capacity both in Uganda and Kenya.

**Development impact to date:** Catalysed the creation of sustainable extension and support systems in 4 targeted Producers Organizations in Kenya and Uganda to consistently increase the quality and quantity of milk produced in the households of over 2000 farmers.

### 3. Mango Quality Improvement Project

**Summary:** ECOWAS-TEN (Trade and Enterprise Network) is a non-profit organisation supporting mango producers in the West African region to increase their competitiveness in accessing markets for their produce.

**UNDP role:** AFIM provided catalytic funding to ECOWAS-TEN to develop production and post-harvest capabilities of the mango value chain towards increased fresh mango export.

**Development impact to date:** The project supported the development of an export mango quality guide and the creation of a West African Mango Quality platform that is set to create a West African mango quality label, supported by ECOWAS.

### 4. Sahelian Onion Productivity and Market Expansion Programme (SOPMEP)



**Summary:** Agribusiness in Sustainable Natural African Plant Products (ASNAPP) established SOPMEP to provide training, technical assistance and access to finance to farmers in key onion producing countries in West Africa (Ghana, Burkina Faso, Benin and Niger).

**UNDP role:** AFIM provided a micro-grant facility to ASNAPP to support 2,500 smallholder farmers in Ghana and Burkina Faso.

**Development impact to date:** Through this project 1,200 and 1,442 farmers were trained on good agricultural practices (GAP) and post-harvest handling in Ghana and Burkina Faso respectively. Farmers in Ghana have demonstrated increases yields averaging from 1.1 tons to 1.9 tons, and selected beneficiaries of the storage structure recorded a 400% price increase as they were able to delay the sale of their onions.

## Contact us

Tomas Sales, AFIM Manager

Email: [tomas.sales@undp.org](mailto:tomas.sales@undp.org)

African Facility for Inclusive Markets (AFIM)

Regional Service Centre for Africa

Bole Olympia, Addis Ababa, Ethiopia

Web: [www.undp.org/africa/privatesector](http://www.undp.org/africa/privatesector)



Empowered lives.  
Resilient nations.