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African Inclusive Markets Excellence Centre (AIMEC)

AIMEC in a nutshell

The African Union (AU), supported by United Nations Development Programme (UNDP) and other development partners, is setting up an African Inclusive Markets Excellence Centre (AIMEC). AIMEC aims to become the premier pan-African regional platform for thought leadership and action on inclusive business (IB) and inclusive markets (IM), identifying, facilitating and replicating best practice and innovation in IB and IM policy, programming and partnerships. Ultimately, this will foster inclusive growth and regional economic integration in Africa.

Background: creating inclusive markets to foster inclusive growth and regional economic transformation

Inclusive businesses have proven effective in creating opportunities for low-income populations. For example, the mobile money service M-Pesa offers financial services to more than 25 million customers, most of whom previously had no access to formal banking. Besides financial services, priority sectors that contribute to inclusive growth in Africa include agribusiness, energy, and information & communication technology.

Inclusive market development is necessary to ensure that the benefits of growth are shared equally and to provide a conducive environment for inclusive businesses. Inclusive markets **reinforce inclusive growth and regional economic integration**, two explicit goals of the African Union and its partners.

Defining inclusive business and markets

Inclusive businesses (IB) include the poor on the demand side as clients and customers, and on the supply side as employees, producers and business owners at various points in the value chain. Inclusive markets (IM) expand choices and opportunities for the poor and other excluded groups in their role as producers, consumers, entrepreneurs and employees.

For more information, please consult the UNDP report "[Realizing Africa's Wealth](#)" (2013)

Need for AIMEC

Over the past few years, a number of effective policies and programmes to support inclusive business and inclusive markets have been implemented in different countries and sectors across Africa. Some African countries have developed support structures that allow inclusive businesses to scale up with a broad impact on development. Examples include the [Private Sector Innovation Programme for Health](#) in Kenya, a research initiative, or [TradeMark East Africa](#), an initiative promoting regional trade, integration and global competitiveness.

However, these interventions happen largely in isolation. Despite the multiplicity of actors, there is **no institution that facilitates the exchange of best practice across the African continent**. A Pan-African perspective could enhance the systematic replication of successful policies and programmes through coordination, collaboration, public-private dialogue and knowledge exchange. This approach can significantly accelerate the establishment of inclusive markets, and hence foster inclusive growth, regional economic integration and sustainable development. AIMEC will support and facilitate the sharing of best practice and peer learning among both policy makers and implementing organisations.

African Union's commitments

The African Union Commission (AUC) and UNDP have been jointly developing the concept of AIMEC since the AUC Private Sector Forum meeting held in Abidjan, Côte d'Ivoire, in 2012; a specific mandate was received from Conference of African Ministers of Economy and Finance in 2016.

AIMEC forms a key part of the implementation of existing strategies and plans such as the AU's 2014 – 2017 Strategic Plan and the African Union's Agenda 2063. AIMEC can also be placed squarely within the context of the Sustainable Development Goals (SDGs), particularly of SDG 8 which focuses on the promotion of "sustained, inclusive and sustainable economic growth".

Contact details

If you would like to learn more about AIMEC or contribute to the development of the Centre, please contact us.

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Benefits Of AIMEC

African countries and institutions will benefit from AIMEC in various ways:

- **Access to best practice and policy advice to accelerate achievement of development targets:** AIMEC will provide services to AU Member States focusing on supporting the development of more inclusive markets and businesses in their countries; thus, facilitating job creation, income generation, poverty reduction, regional economic integration and inclusive growth.
- **Access to catalytic funding for the replication of best practices:** AIMEC will provide seed funding for the replication of best practices in IB and IM policy support to African countries and institutions.
- **Access to knowledge:** AIMEC will be the repository of top and actionable knowledge and best practices in the area of inclusive growth partnerships with the private sector through IB and IM.
- **Evidence base for policy action:** Research at AIMEC will provide evidence whether and where sub-regional or country-specific action is needed according to specific circumstances.

The **host country** in particular will enjoy additional benefits:

- The host will be the **home of the premier pan African think and do tank** for IB, IM and public-private sector collaboration to support inclusive economic transformation and regional economic integration.
- AIMEC offers **high-level visibility as a global thought leader** in the field of IB and IM and actively contribute to accelerated implementation of Agenda 2063 and SDGs. AIMEC will nourish local capacities and facilitate access to networks, players and resources for implementation in this field.
- The host will be the **hub of activities** of AIMEC and thus earn additional income through AU Member States delegates and others attending events organized by the Centre in the host country.

Value proposition

The Centre's mission **is to become the recognised pan-African public-private platform on policy, programming and partnerships for inclusive business and inclusive markets**. AIMEC will achieve this by identifying, promoting and facilitating the replication and development of best practice in policy and programming across the African continent.

How AIMEC will work

AIMEC will undertake a range of activities, which are grouped into three pillars.

- **Pillar One:** IDENTIFY and analyse policies, programs and partnerships in inclusive business and inclusive markets, by collecting existing knowledge and evidence; conducting a detailed mapping of inclusive business and inclusive market policies, programs and partnerships from across Africa and elsewhere as relevant; developing analytical products and case studies; and disseminating information via a flagship annual publication and an online information platform.
- **Pillar Two:** FACILITATE the replication, adoption and development of best practice by acting as a platform for coordination and collaboration between stakeholders. This will involve brokering linkages and organizing dialogue forums, as well as hosting an annual conference that brings together key players from across the continent.
- **Pillar Three:** REPLICATE best practice by providing financial incentives for the scaling of existing programmes and for the piloting of innovative solutions, where existing approaches are not effective. Besides working to mobilise impact investors, this will be done through the establishment of a catalytic fund, which will competitively award grants aimed at policy makers, development actors and the private sector.

WHO WILL BE THE TARGET GROUP

AIMEC will target both public and private sector stakeholders and will facilitate public-private collaboration. Including private sector stakeholders is key to success, as inclusive markets need participation and buy-in from businesses. Specifically, the following three stakeholder groups will be targeted:

1. Target clients in the **public sector and their affiliates** are the African Union Commission, national and local governments of AU's Member States, and Regional Economic Communities (RECs).
2. **Private sector** clients will be comprised of companies, including micro-, small- and medium-sized enterprises, as well as large multinationals of African origin or those with significant operations in Africa and regional business and trade associations.
3. **Other development actors** include bi- and multilateral donors, foundations and civil society organisations.

Estimated cost and funding structure

The operating cost of AIMEC is estimated at approximately USD 2 million per annum, including the amount for a catalytic fund to seed fund replication activities (starting at around USD 350,000).

While achieving financial sustainability is a key aim for AIMEC, it is evident that some activities will require donor funding. Therefore, AIMEC will be funded through a mix of core funding, i.e. regular contributions from AUC/ the host; project funding, e.g. from development actors seeking implementation support; and fees for service, such as trainings, as well as tailored consulting or technical assistance services.

The AU and UNDP are looking for a host country to support AIMEC operationally and financially.

How to become the host of AIMEC

AIMEC is looking for a host country that meets the following criteria:

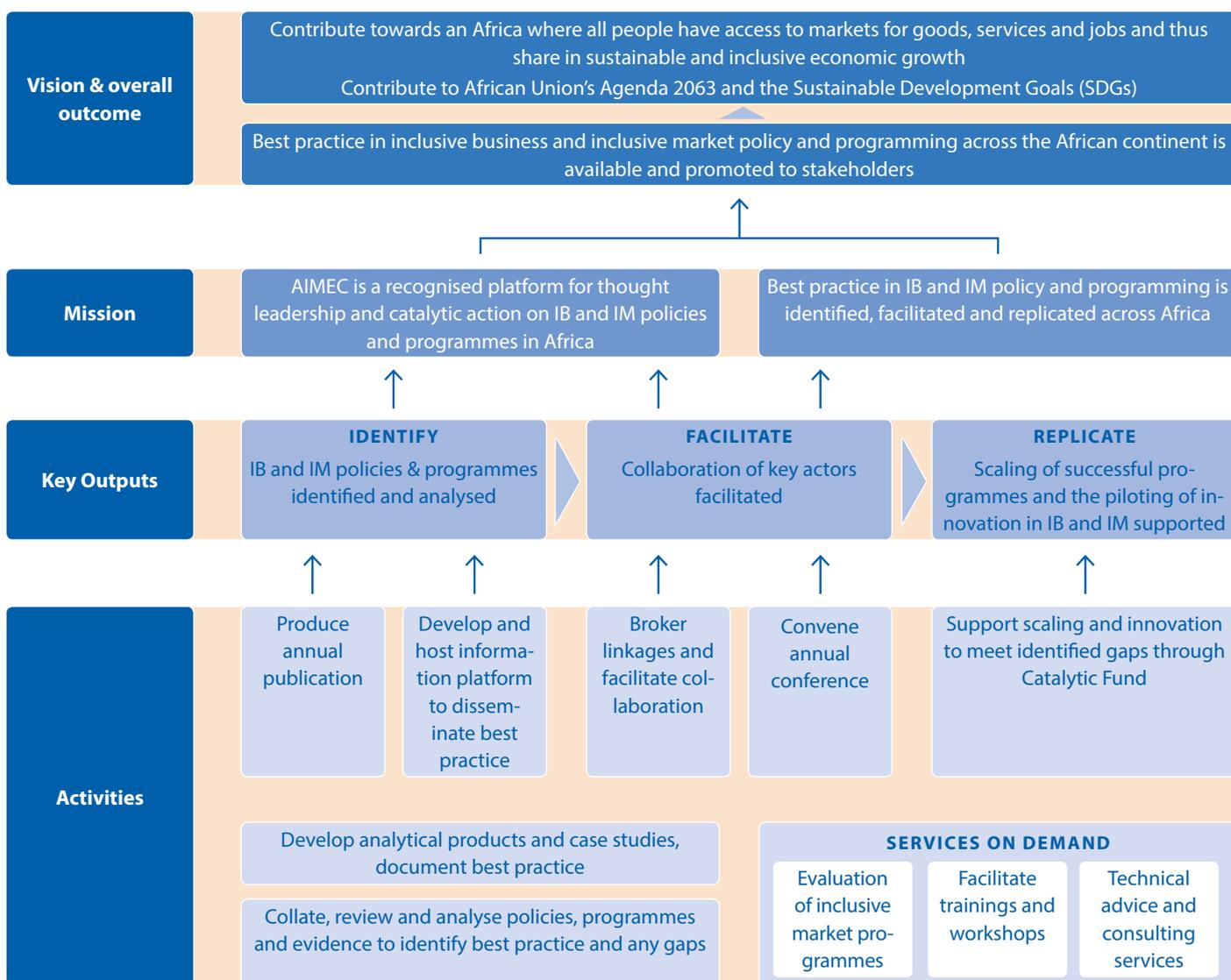
- The host country demonstrates interest in leading the development of solutions for IB and IM and will provide political support and leadership to the Centre.
- The location should be politically stable, to ensure a conducive operational and working environment.
- The host country should supply financial and/or in-kind resources, at least during the set-up phase.
- The Centre should be located near relevant institutions, to be able to build up networks and participate in events and meetings easily.
- The Centre would ideally be located in a country with a high ease of doing business, so as to ensure smooth operations.

Expected outcomes and impact

AIMEC will facilitate the development of an inclusive business ecosystem, i.e. a network of interconnected, interdependent actors, whose actions make it possible for inclusive businesses to succeed and generate impact at an increasingly large scale. It is expected that AIMEC's work on strengthening

the inclusivity of markets and supporting the development of inclusive businesses will lead to regional economic integration and inclusive growth, i.e. economic growth that increases access to sustainable socio-economic opportunities for a broader number of people, countries or regions, while protecting the vulnerable.

AIMEC's Theory of change



Preliminary outcome targets

- Thought leadership in the field: 2 policy papers on IB and IM policies, adopted by the AU, RECs and/or Member States per 3-year implementation cycle, several publications on IB and IM.
- Adoption of IB and IM policies by member states: 10% AU Member states with policies and programmes explicitly supporting inclusive markets and businesses after 3 years, 20% after 5 years
- Support of IB in Africa: 15% increase in number of inclusive businesses in Africa after 5 years
- Support of the IB ecosystem in Africa: 10% increase in number of events on IB and IM after 3 years, 25% after 5 years