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Resilient nations.

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African Inclusive Markets Excellence Centre

Accelerating inclusive business and inclusive markets for reaching SDGs in Africa

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). The 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 public private collaboration. Ultimately, this will foster inclusive growth and regional economic integration in Africa.**

Inclusive markets lead to inclusive growth and 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, education, health, water & sanitation, 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 roles 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 allow businesses to scale and expand their positive 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, public-private collaboration 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 fill this gap and support the sharing of best practice and peer learning among both policy makers and implementing organisations.

An important operating principle of AIMEC will be additionality: **AIMEC will not create new initiative and programmes itself but support the scaling and replication of existing initiatives and policies.**

History of AIMEC

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 to develop AIMEC was received from the Conference of African Ministers of Economy and Finance (CAMEF) in early 2016. Since then, a feasibility study was conducted and AIMEC's business plan was developed and validated by experts and AU member states.

Benefits of AIMEC

African countries and development actors will benefit from AIMEC in various ways:

- **Support in reaching SDGs and economic transformation:** AIMEC will contribute to numerous of the Sustainable Development Goals (SDGs), particularly to SDG 8 which focuses on the promotion of “sustained, inclusive and sustainable economic growth.” It will also support the transformation of markets and private sector development.
- **Access to first class knowledge:** AIMEC will be the repository of actionable knowledge in the field of IB and IM polices and programmes. The Centre will also ensure this knowledge is easy accessible and shared in a proactive way.
- **Evidence base for policy action:** Research at AIMEC will provide evidence whether and where sub-regional or country-specific action is needed. This will provide donors a guideline for effective allocation of resources.
- **Facilitation of public private collaboration:** AIMEC will link governments, development actors and the private sector to collaborate on the development of policies and to implement joint projects.
- **Mainstreaming of successful programmes and policies:** AIMEC will support the replication of successful programmes and policies by providing technical advice and catalytic funding.



Photo credit: Technoserve

Catalysing replication of best practices

AIMEC aims to be the recognised Pan-African platform for thought leadership and catalytic action on IB and IM policies, programmes and public private collaboration. It will identify, facilitate and replicate good practice in these fields across Africa.

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

- **Pillar One: IDENTIFY** and analyse policies, programmes and partnerships in inclusive business and inclusive markets, by collecting existing knowledge and evidence. This will include conducting a detailed mapping of inclusive business and inclusive market policies, programmes and partnerships from across Africa and elsewhere as relevant. AIMEC will capture the results in analytical products and case studies and share the 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 organising 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. In addition to mobilising impact investors, this will be achieved through the establishment through the establishment of a catalytic fund, which will competitively award grants aimed at policy makers, development actors and the private sector.

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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Organisation of AIMEC

To be cost effective and flexible, AIMEC will use a **network structure**, with a small core management team supported by a range of associated experts, and linked to a variety of partner organisations. Network partners will play an important role in providing specific services and in implementation support of specific projects.

Target group of AIMEC

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 micro, small and medium-sized enterprises, as well as large multinationals of African origin, or those with significant operations in Africa and trade associations.
3. **Other development actors** include bi- and multilateral donors, foundations and civil society organisations.

Estimated cost and funding structure

The cost of AIMEC is estimated at approximately **USD 2.2 million** per annum, including an amount for the catalytic fund (starting at around USD 350,000).

While AIMEC ultimately aims to achieve financial sustainability, it is evident that some activities will require donor funding. Therefore, AIMEC will be funded through a combination of various forms of funding:

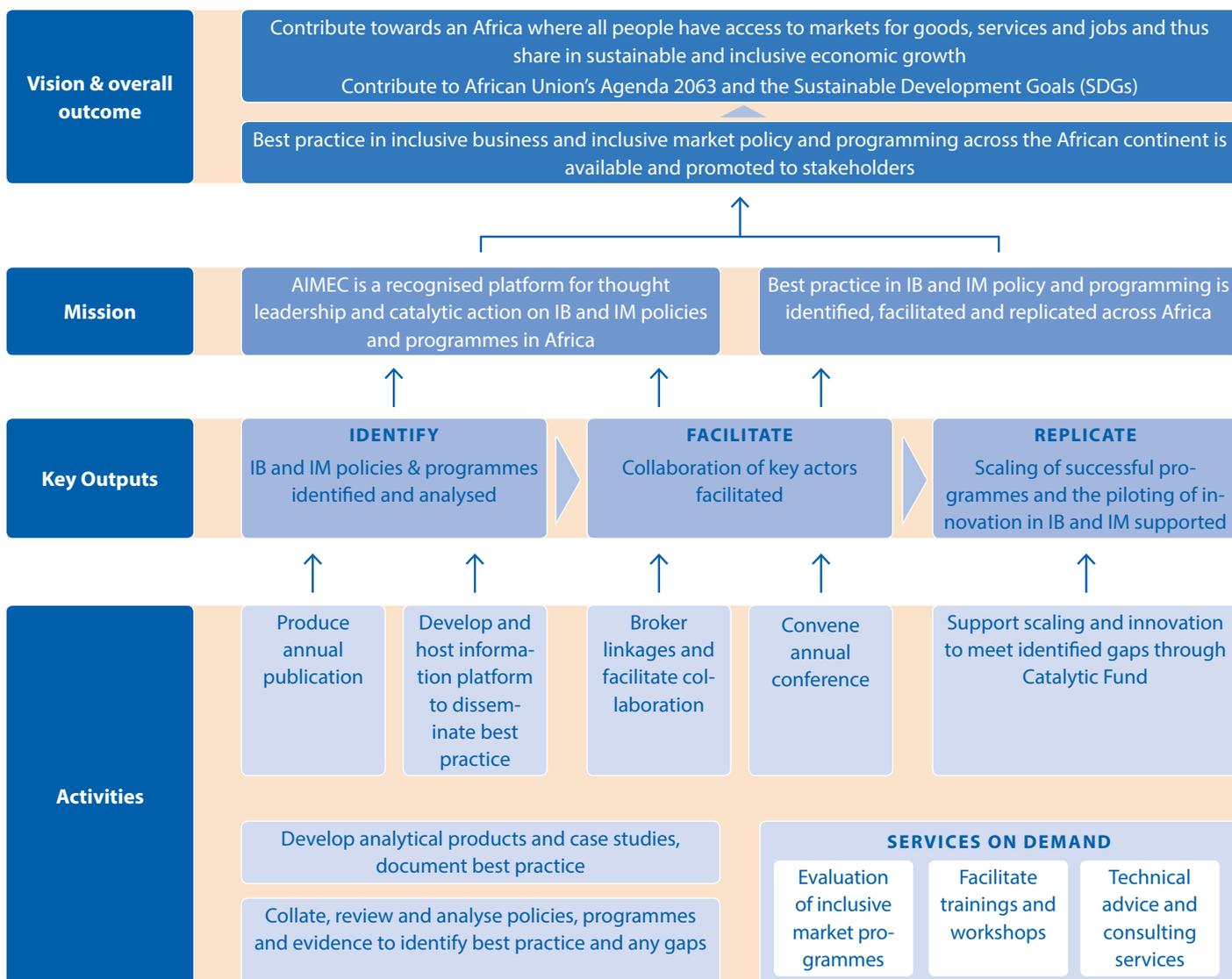
- Core funding, i.e. regular contributions from AU Member States and other stakeholders
- Project funding, e.g. from development actors seeking implementation support
- Fees for service, such as trainings, as well as tailored consulting or technical assistance services

Expected outcomes and impact

AIMEC will facilitate the development of an **inclusive business ecosystem**, i.e. a network of interconnected actors, whose actions make it possible for inclusive businesses to succeed and generate impact. It is expected that AIMEC's work will lead to **regional economic integration and inclusive growth**.

This will increase access to sustainable socio-economic opportunities for a broader number of people, countries and regions and, thus, **reduce poverty**.

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