

KNOWLEDGE GIFT TITLE:

Systemic Market Energizer (SME)
TM

COUNTRY(IES) / REGION:

Sub-Saharan Africa

LEAD ORGANISATION:

Endeva and Business Fights Poverty

CHALLENGE / PROBLEM

For many large international companies, growing in „frontier markets“ has become a strategic priority. But they struggle to find high-quality local business partners along their value chain (e.g. suppliers, distributors).



MAJOR ASSUMPTIONS MADE

1. Challenges of MSMEs in “frontier markets” are often diverse and inter-connected.
2. Large companies prefer working with MSMEs along their value chain, especially in areas where they lack local knowledge.



SOLUTION OFFERED

Some large companies started to provide selective support to MSME partners to improve their service or product quality, but many are not satisfied with the outcome.

Endeva and Business Fights Poverty developed a framework to drive growth through collaboration: While making collaboration between international and local companies work on the ground is not easy and what works is highly context specific, our framework provides a new way to think about how to help MSMEs to grow, with an emphasis on a more holistic, collaborative approach.

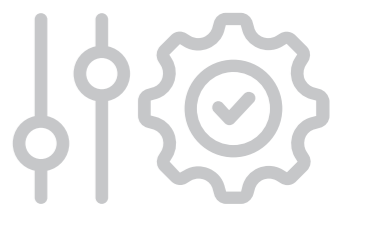


ILLUSTRATION / VISUAL



OUTPUTS CREATED

1. Framework for large companies on how to initiate and set-up ecosystem initiatives that enable MSME in their value chains to thrive.
2. Case studies on successful initiatives of large companies that take an ecosystem approach to more effectively support their MSME partners.
3. Facilitated peer-learning process for large companies to explore collaboration opportunities.



INDICATORS / SCALE / IMPACT

In 2019, the project initiated a collaboration process between large companies in the fast moving consumer goods, finance technology and agribusiness sector. Companies currently conduct market assessments to explore collaboration potential. Once successful, the project could impact thousands of MSMEs in Sub-Saharan Africa with improved access to technical assistance, finance and markets.



PARTNERS

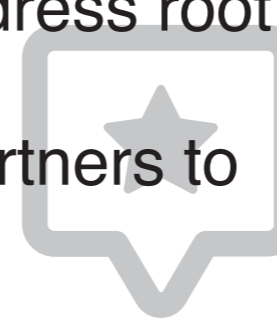
Core partners include: Visa, Bayer AG, AB Sugar, Vitol Foundation and Small Foundation.

In additional we have a large advisory group, including WEF, UNCDF, ANDE, IFC, Harvard Kennedy School, DCED and Gatsby Foundation.



KEY RECOMMENDATIONS / UNIVERSAL PRINCIPLE

- Invest in building deeper understanding of MSME needs and root causes of challenges.
- Provide more holistic support to MSMEs to effectively address root cause challenges.
- Collaborate with complementary companies and other partners to leverage capacity and resources.



REPLICATION POTENTIAL / SUSTAINABILITY

- The framework has a high potential for replication because it can be applied in different contexts and stakeholder constellations. The framework and the case studies will be published in late 2019 to allow others to use or adapt the learning materials.
- The project is sustainable as most of the funding is provided by the private sector and collaboration initiatives are driven by companies.



TOPICAL FOCUS

- MSME segmentation & entrepreneur-centred approaches
- Interplay between financial & non-financial services
- MSME support in digital era
- Entrepreneurial eco-systems & local advisory service providers
- New trends in MSME development

- Green
- Gender
- Fragility

SUB-TOPIC SELECTED

Facilitated by:

