

Secretariate | Alliance for Entrepreneurship in Africa – Draft TOR
African Entrepreneurship & MSMEs’ Growth Acceleration

Context

SME's contribution to the economic development of Sub-Saharan African countries is overwhelming through the creation of employment, income-generation, poverty reduction, and empowerment of women. Despite the significant contribution of the sector, lack of capital, skills, access to electricity prevent their full contribution to developing sub-Saharan African economies. Furthermore, recent research suggests that African SME disproportionately suffered from the Covid 19 crisis, as affected by demand and supply shocks, and the inability (in comparison with SME in more advanced countries) to benefit from public support, given their high degree of informality and the narrow fiscal space of many African governments.

Donors have made progress during the last decade in supporting SMEs’ growth; however, much more is needed to unleash their potential. Key stakeholders that aim to support SMEs sustainable development can have more impact through leveraging economies of scale around a common agenda. Supporting the SME development will reinforce the vibrant African private sector as a long-term growth driver for Africa. Multilateral and bilateral development banks and other development partners, including African national and regional public development banks, hold a key role in supporting the growth and development of entrepreneurship and SMEs in Africa.

As a response to these challenges and opportunities, the Alliance for Entrepreneurship in Africa has been launched to mobilize all partners, public and private. This multilateral initiative is closely aligned with the network of African Public Development Banks (PDBs), as well as with the G20’s Compact with Africa.

This Alliance specifically aims to support the development of innovative and pioneering MSMEs, primary sources of growth and job creation, and at strengthening the capacity of entrepreneurs to access financing, which is a key driver for change, innovation and inclusive economic growth in Africa.

IFC has been asked to take on the Secretariate of the Alliance which will help to convene MDBs, DFIs and Team Europe.

The emerging mandate of the Alliance complements IFC’s upstream approach to create opportunities for Entrepreneurship and MSME growth by removing systemic barriers and increase regional investments to unlock the full potential of this sector. IFC’s upstream activities consist of pre-investment work that lays the foundation for future transactions. Efforts include technical assistance, capacity building for institutions and private companies, and support to clients and governments, among others.

The IFC Secretariate will seek to ensure that the core objectives of this initiative, as articulated in the declaration, are achieved by playing an active advocacy, facilitation and coordination role to build a coalition among stakeholders around a common agenda for the Alliance. IFC will bring experience as an honest broker underpinning the collective ambition of members without bias. Critically, IFC's track record in supporting the ecosystem (supply, demand and regulatory) for SME development from a global and regional perspective will bring significant technical expertise through this role to support the Alliance's ambitions. IFC's investment and advisory expertise in supporting MSMEs address climate change challenges, leverage the digital economy and improve value chains efficiency, strengthen the secretariate's effectiveness in this role.

Secretariate Key Competencies

- Seeing the bigger picture: robust planning, project management, and monitoring of work programmes.
- Supporting effective advocacy and communications between members and between the group and other parties, and practical advice on stakeholder engagement to promote peer-to-peer learning, replication and leverage the core competencies of each member. Facilitate dialogue and partnerships with governments and the private sector with links to donor partners, and access to market intelligence.¹
- An eye for detail: day-to-day administrative tasks required to support a well-functioning group including establishing processes and tools, organising meetings, travel and catering arrangements, agenda development, minutes, managing correspondence, and reporting.
- Prudent financial management including preparation of business cases, budget management, and financial reporting.
- Research and policy support including the development of agenda papers, data analysis, practical advice on government processes building on Country Private Sector Diagnostic frameworks, and the preparation of annual reports.
- Advice on governance issues including the preparation of governance manuals.

¹ Strategic Partnerships will be sought from a funding and technical perspective with a focus on attracting members that are aligned with the priorities of the Alliance.