BELGIAN INTERNATIONAL DEVELOPMENT POLICY FOR PRIVATE SECTOR DEVELOPMENT (PSD): FRAMEWORK AND STRATEGIES

1. Context and objectives

The objective of this note is to outline the framework and strategies of the support to Private Sector Development (PSD) by the Belgian International Development Policy, as well as to formulate a set of concrete PSD initiatives that will be implemented by Belgian International Development organisations, within a broad, long-term strategy for PSD’s contribution to sustainable international development as framed by the UN Sustainable Development Goals (SDGs).

This document updates and concretizes the 2014 DGD strategic PSD note : « Coopération belge au développement et secteur privé local: un appui au service du développement humain durable ».

This document has been prepared by a Task Force (TF) composed of representatives from the Cabinet of Minister De Croo, BTC, DGD and BIO. It is based on discussions among the TF members, key insights from PSD initiatives from international Development Ministries in the Netherlands, the United Kingdom and France, as well as interviews with a wide range of international development actors, private sector companies and other relevant stakeholders. The preliminary conclusions of the evaluation “Belgian International Development Support to the Private Sector” carried out by the consultancy Aide à la Décision Economique (ADE) have also been taken into account.

2. PSD as a means to achieve the SDGs, not an objective in itself

As was already stated in the 2014 Strategic PSD Note, it is important to reiterate right from the start that PSD is a means but not an objective as such. Sustainable and inclusive development indeed remains the general objective of International Development Policies.

However, the scope of the SDGs clearly is broader than that of the 2000 Millennium Development Goals (MDGs). The eradication of extreme poverty was at the centre of attention of the MDGs. Since 1990, nearly 1.1 billion people have moved out of extreme poverty. In 2013, 767 million people lived on less than US$ 1.90 a day, down from 1.85 billion in 1990.

With the SDGs, the objectives are broader, including inclusive growth, generation of sustainable jobs and income; but also high-quality education, health and transport, food security, access to energy and water, etc...

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1 This evaluation was commissioned by the Service de l’Evaluation spéciale de la coopération belge au développement/Dienst Bijzondere Evaluatie van de Belgische Ontwikkelingsaanwerking. The final evaluation report is expected to be available early 2018
PSD is about recognizing that the private sector is crucial in achieving the SDGs and about systematically considering the private sector as a means, an actor and an instrument to achieve development objectives, on equal footing with public institutions, civil society organisations (CSOs) and knowledge centres such as universities.

This PSD approach is at present being discussed by the OECD (Highlights from Peer Reviews\(^3\)) as well as by the Donor Committee for Enterprise Development (DCED\(^4\)) which refers to how strategic private sector engagement should be envisioned, i.e. with the private sector as equal partners with donors. The DCED is a forum for learning about the most effective ways to create economic opportunities for the poor, in line with the SDGs and based on practical experience with PSD. The DGD will become a member of the DCED as from 2018, and will ensure dissemination of information and international best practises among development actors in Belgium.

The private sector must be recognised as a key development actor. Therefore, mainstreaming its involvement in International Development activities and initiatives of CSOs should be fostered.

In many developing countries, there is a need to improve the context in which the private sector operates in order to enable it to (better) contribute to development outcomes, i.e. to enhance its “enabling environment”. The Belgian International Development Policy should find its own niches of value added support in this respect. In other words, its efforts and PSD support should be complementary to the PSD activities of multilaterals organisations such as the World Bank, the IMF, the African Development Bank and others. Moreover, there should always be a clear distinction between what Belgian International Development Policies promote, i.e. sustainable private sector development support (on which we can have an influence), and national policies of partner countries that are developed independently, for instance fiscal and taxation policies, including subsidy programmes\(^5\) for the private sector\(^6\).

In general, both access to funding on acceptable commercial terms and access to financial services remain a barrier to PSD in many developing countries. This is mostly true for companies looking for long-term growth or capital expansion.

Still, this is often only one of the main problems for smaller SMEs and start-ups. In their case, one of the key obstacles often is the weakness of the company itself or of its investment project: the lack of solid business planning, market analyses, financial engineering, corporate governance, etc. Money is one of their needs, but not the only one. This applies especially to start-ups, MSMEs, innovative companies and companies in newly emerging key economic sectors (e.g. D4D). Business development support in overcoming non-monetary obstacles thus is crucial, especially with a view to accessing funding from financial institutions. For those companies, PSD focus should be on enabling and enhancing business incubation, angling and handholding. Experience shows that with the rapid growth and

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4 www.enterprise-development.org
5 In the same vein than in developed countries, subsidies can play an important role in developing/emerging markets to: address market failures; risk & innovation, Enhance a public good - Improve governance, catalyze sector behaviour change, benchmark responsible business conduct, Leveraging additional investments, first mover disadvantage & neutralize Free Rider risk,... (source: GIZ).
6 ENABEL Note « L’appui au secteur privé local dans une perspective de croissance inclusive et durable » sets out exemples on how Belgium could provide PSD subsidies programmes.
professionalization of the financial sector in most developing countries, once the company and its investment project are strong and clear, securing the necessary financing, though still challenging, is much easier.

Finally, PSD is not about “helping or subsidizing companies”, but about mobilizing and using companies to achieve development goals if and when they are the best-placed actors to do so. In other words, it is about mobilizing, enabling and supporting companies to contribute as best as possible to achieving development outcomes. Providing expertise and support for the development of inclusive and sustainable market systems therefore are a logical choice.

3. The Belgian International Development Policy to support PSD: four objectives

In order to enable the private sector to (better) contribute to development outcomes, the Belgian International Development Policy will pursue four overall objectives:

1. Provide investment capital to enable companies to contribute to achieving SDGs
2. Promote a PSD enabling environment
3. Strengthen and increase supporting services to the private sector
4. Develop inclusive and sustainable market systems

In order to achieve these four objectives, two key principles must be respected:

1) Activities to achieve PSD objectives must be led by the organization best-placed to do so, and implemented by the organization best-placed to do so. This implies that the implementing organization may be different from the leading organization.

2) Such organisations must be flexible and fit for purpose for the development and implementation of PSD activities.

Indeed, both the private sector and the conditions in which it operates change continuously. In such a context five-year governmental cooperation programmes should always warrant flexibility, both in terms of programme content and budget means (e.g. Enabel has a ten percent budget margin to adapt its programmes). Furthermore, once the results, the framework and available budget have been clearly defined, it should be left up to the organizations responsible for the development and implementation of the PSD activities to determine partners, service-providers, specific activities etc. as they best see fit to achieve the results.

For the governmental and non-governmental multiyear cooperation programmes, this implies that:

- Program negotiations focus on objectives to be achieved, results to be obtained, budgets to be made available, and ensure that Enabel, CSOs and not-for-profit associations are made responsible for achieving objectives and results and managing budgets.
- It is up to the responsible organizations (Enabel, CSOs,...) to concretize an area of work into programmes, executing agencies, expenditure plans etc. and to adapt these as needed along the way towards achieving results.

By taking this flexibility and fit-for-purpose approach, Belgian development actors shall always look for the best way to implement programmes, using both internal staff resources and external partners. Implementation modalities can vary case-by-case, based on the partners’
capacity, the objectives of the project, the fiduciary risks and the availability of the most adequate partners.

Belgian Development actors should continue to call upon and facilitate the use of experts from Belgian public and private instances (administrations, agencies, VVSG, FEB/VBO, VOKA, UNIZO, leading private sector companies, etc.), from public and private instances in the partner country and region, from third party experts and consultants, as well as from other relevant (Belgian) PSD actors (Exchange, Ondernemers voor Ondernemers, Instituut Duurzame Handel/Sustainable Trade Initiative, etc.). As far as ENABEL is concerned, it must also have and develop relevant key strategic expertise in-house to enable and ensure its project management and implementation responsibility. CSOs should also develop specific expertise on PSD so as to find the best ways to engage the private sector into their programmes, wherever relevant.

For example, governmental cooperation programmes could include the digitization, professionalization and increase of efficiency of land registry systems, under the responsibility of ENABEL and the national director of land registry. Results to be obtained could be a nationally accessible online registry, capable to reply on land registry applications within 24 hours. How to achieve this would be left up to ENABEL and the national director. They could decide to ask Belgian or other land registry experts to provide on-site consultancy and training, tender the installation of a new ICT registry system, commission local CSOs to have farmer organizations advise on facilitating the access of farmers to the system, etc.

Regarding development and implementation, a fundamental distinction is necessary between commercial activities on the one hand and non-commercial ones such as blending and concessional or grant-based activities on the other. Private companies should always be perceived and dealt with on a commercial basis. Their financing should fundamentally be commercial, also in view of maintaining and strengthening their commercial rigor. Concessional funds should only be provided to companies in order to enable them to contribute to development outcomes, e.g. to finance studies, pilots, services rendered, environment and social best practices, smallholders inclusiveness schemes and capacity building.

A concessional funding initiative for SMEs can be set up to provide such funds. Companies should only receive concessional funds for specific new or pilot projects (e.g. part of an expansion) of their core business or for goods and services rendered. This does not mean that Belgian International Development Policies should not be innovative in their funding activities. A concessional SME financing mechanism offering subsidies for feasibility studies and technical assistance, first-loss guarantees and convertible loans will always be considered either within a governmental cooperation programme in partner countries.

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7 Examples abound, especially in the 1990s and early 2000s, when International Development was still ‘discovering’ PSD, of development funds being used to finance commercial undertakings without the necessary commercial rigor, resulting in weaker companies and the money being lost. One example is a big Dutch NGO establishing a 65 mln € investment fund in the late 1990s targeting SMEs. Ten years later, all the money was gone, none of the investment project companies were in better shape than before the investment, and half of them had disappeared.
As a reference regarding funding possibilities and roles of actors in Belgium, the following distinction should be clear among Belgian actors involved in PSD:

- Commercial financing: BIO, Credendo, the various (para) public investment vehicles, commercial private funds such as Alterfin, Kampani, etc.
- Non-commercial: ENABEL, DGD, CSOs, the Shift, etc.

4. **PSD initiatives to be implemented by the Belgian International Development actors:**

To achieve the four PSD objectives set out above, nine specific actions will be implemented.

1. **The creation of a PSD Unit within DGD,** in order to ensure overall consistency of the four PSD objectives.

DGD will concentrate on PSD strategy, policy and innovation, on managing budgets and on controlling. It will refrain from getting involved in operational matters.

DGD’s PSD Unit will promote and coordinate the development of PSD expertise in partner countries, exit countries and non-partner countries. It will promote and monitor PSD activities of various international development actors (ENABEL, multilateral organisations, CSOs, knowledge centres, new actors, private sector and so on), in close cooperation with in-house (SPF/FOD) and other relevant expertise. In particular, it will pro-actively reach out to Belgian companies to encourage and support them in devising and strengthening their contributions to the SDGs.

This PSD Unit shall be a separate entity within DGD. It will effectively coordinate all PSD activities of DGD. It will cooperate with the broader Foreign Affairs Department’s services, such as B3 and others. Therefore, recruiting external staff with real private sector experience is key for DGD’s PSD Unit to be effective.

DGD will draft terms of reference (ToR) for its PSD Unit (objectives, roles, budget, staff recruitment, PSD Officers role...) with the support of the PSD TF.

2. **The establishment of a one-stop-clearinghouse within DGD’s PSD Unit.**

DGD’s PSD Unit will be the reference point of contact for Belgian and international companies, CSOs, universities or any other actor aiming at being active in a developing country or engaging in international development and looking to access information, advice, financing opportunities and so on. DGD’s PSD Unit will run this one-stop clearinghouse. It will coordinate and collect intelligence on PSD initiatives. It will be the point of contact for all International Development actors in Belgium and abroad (e.g. PSD Units of foreign government agencies), and will liaise with Finexpo and Credendo. A central role of the clearinghouse will be to refer those contacting the clearinghouse to the federal or regional institution that is best-placed to follow up (Finexpo, Credendo, FIT, BECI, AWEX, etc.).

DGD will draft ToR for this instrument, with the support of the PSD TF and in close cooperation with relevant stakeholders.

3. **The creation of a “Business Partnership Fund”**.

This facility will be accessible for Belgian Development actors and other actors such as CSOs, knowledge centres, private businesses, for the co-funding of PSD projects with a
clear development objective. Commercial and non-commercial entities will be entitled to
different levels of support.
This Business Partnership Financing Facility will be set up to support projects with the
objective to develop concepts and approaches that seek to achieve SDGs. Applications to
the facility should concern new, innovative, disruptive, experimental or pilot projects. When successful, they should be scalable and become self-sustaining over time. Applicants can vary from at least one company in partnership with at least one not-for-profit institution or organization (public, such as a municipality or a service provider, CSOs or otherwise) to other useful set-ups.
The project should offer external financial support for a limited number of years and
include a clear exit plan to become self-supporting and scalable.
The Facility could be allocated an annual budget by DGD, work with quarterly application
deadlines, and have a maximum amount for allocation every quarter.
When drafting the Facility’s terms, inspiration will be sought from similar facilities of other
International Development actors, specifically in the Netherlands, the United Kingdom,
France and Germany.
DGD will draft ToR on the creation of this instrument, with the support of the PSD TF.

4. The creation of a PSD Unit at Enabel.

Enabel’s PSD Unit will ensure coherence of all PSD activities and stimulate the search for
well-aligned interventions. It will lead on PSD enabling environment programmes
management and/or implementation. Recruiting external staff with real private sector
experience is key for Enabel’s PSD Unit to be effective.

Enabel’s PSD Unit will manage and/or implement PSD activities of the governmental
cooperation programmes, focussing on the enabling environment (objective 2), on
strengthening and increasing supporting services to the private sector (objective 3) and on
developing inclusive and sustainable market systems (objective 4).

The flexibility and fit-for-purpose approach must be followed for all objectives, i.e. looking
for the best actor to implement, either within Enabel or through call for expertise.
The new Trade for Development Programme and team will be integrated in Enabel’s PSD
Unit. It will focus on the partner countries and promote alignment and complementarity
with Enabel’s governmental cooperation programmes.

5. Concrete support to the emergence, development and performance of SMEs that
contribute to achieving SDGs.

Every governmental program which includes PSD interventions should envisage this
support in two ways:
a) Promotion of Business Development Services (BDS), business angling, hand-holding
etc... Preparations of governmental programs should include a mapping of such
existing SME support to identify the most pertinent and cost-effective concepts and
organisations. It is recommended to analyse this as early as possible in the programme
preparation process. Governmental programs can include measures to support these,
through financing, geographical extension, linkage with a SME financing mechanism,
etc.
b) A concessional SME financing mechanism offering subsidies or support (services) for feasibility studies and technical assistance, first-loss guarantees and convertible loans to existing SME, when a clear development goal is identified. The concessional facility could, in very specific cases, also provide seed capital to innovative or ground-breaking greenfield business with clear SDG objectives (e.g. digital, agriculture, climate actions).

The basic terms for such a mechanism can be determined using the terms of BIO’s MSME Support Fund and the EU/EDFI’s ElectriFi/AgriFi, as well as of facilities set up by relevant ministries in the United Kingdom, the Netherlands, Finland and others. These general terms can then be specified in each specific governmental program. It should also be decided whether a specific financing mechanism is set up, or whether a connection is sought with similar programs of other donors. The financing mechanisms should be accessible for any MSME (to be) registered in the country of the governmental program, regardless of whether the MSME’s owners are domestic, Belgian or otherwise international.

To ensure the effective implementation of these two key aspects, every governmental cooperation programme shall foresee at least one full-time PSD expert, with effective business and finance skills at the Belgian Embassy, in order to keep track of PSD in the country, promote exchange and learning on PSD; be the primary contact point for Belgian companies, coordinate with other donors regarding PSD and manage the local BDS programme and concessional SME financing mechanism.

6. The provision, by BIO, of private sector expertise and policy recommendations to DGD and Enabel.

This will be ensured through e.g. the supply of PSD studies and via the co-organisation of PSD workshops in partner countries for new cooperation programmes. BIO will contribute systematically to this type of expertise and will be further integrated in the whole process of the cooperation programmes (e.g. joint identification missions with Enabel, contribution to the country strategies, PSD workshops any other type of PSD activities outside of BIO’s current mandate).

Additional staffing and organizational changes at BIO will be required. In order for BIO to play a more active role in PSD activities and work better in line with both DGD and Enabel in the cooperation programmes on PSD, a new investing facility ("code 5") for high risk or low return commercial investments shall be created by mid-2018 at latest.

7. The implementation of the Belgian SDG Charter, the starting point to prepare the ground for "Private Sector for Development" partnerships.

Any collaboration between private sector organisations, companies, CSOs and not-for profit organizations should start with these organizations signing up to the SDG Charter. The Shift will be used as the primary tool to identify partnerships along specific value chains and foster dialogue and partnership between companies as well as between public

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8 The number of FTE working on PSD should be set on country-by-country basis, depending on the opportunities to support PSD (e.g. PSD potential in Tanzania and Guinea is different). The expert could be for instance ECT1, based in the Embassies.
and private sectors. DGD’s PSD Unit will monitor The Shift’s activities and ensure coherence with the overall PSD strategy.

Besides promotion, The Shift should be asked to stimulate learning. Partnership projects and experiences should be disseminated, exchanged and discussed via workshops, direct staff exchanges, documentation etc. Within this framework, The Shift will be contracted to organize an annual “PSD for SDG Day”, which brings together actors, stakeholders and interested parties in the partnerships, takes stock of experiences, achievements and challenges, invites practitioners from abroad, and lends visibility to the Minister’s support to PSD for SDG.


The opportunity to create a partnership on PSD with IDH will be assessed within a Belgian International Development perspective. This should be seen as a temporary best solution and a learning experience. The Belgium International Development Policy should examine the need and opportunity to create its own facility on the basis of the experience with an extensive IDH test phase. IDH mainly works with big companies such as Callebaut, Unilever and Heineken. It has been successful in the Netherlands thanks to civil society support for sustainable sourcing of products and raw materials. This is a key aspect to take into consideration for the setting up of this partnership with IDH: to raise the awareness of the general public, private sector and civil society on sustainable sourcing.

9. Raising awareness and ensuring leadership on PSD.

The implementation of the PSD strategy will be presented during the 2017 diplo-days, so as to clarify what this means for the Embassies. During Enabel’s 2018 “middle management week”, a one-day PSD workshop will be organised. DGD, Enabel, BIO and the Minister’s Cabinet will set up a PSD training program encompassing:

- What is PSD?
- PSD’s “enabling environment”, instruments (revolving funds, concessional investing, and business environment services: support in business and financial management, in marketing, accountancy,...)
- Blending, commercial investing (equity, loans etc.)
- Opportunities and limitations of the Belgian institutions involved in PSD
- Case studies, successes and “brilliant failures”, lessons learned, etc. presented by donors, private sector and other relevant actors.

Besides achieving a common knowledge base, the training program aims to achieve a broad buy-in into PSD, develop a business-friendly culture in all the organizations involved, advance knowledge and appreciation of the other Belgian actors, facilitate developing networks, cooperation etc. Lessons can be learned from the experience with the training on the Human Rights Based Approach, where colleagues from Enabel, DGD and BIO were invited together. This is part of the follow-up planned after the Minister’s 2017 town hall meeting (to be followed by strategic and thematic group sessions). This initiative should be fully endorsed by the management of the various International Development actors and be able to count on the top, higher and middle management’s personal participation.
Belgian Embassies will be encouraged to develop their PSD expertise in relation to Belgian International Development Policy: intelligence data gathering, reinforce networks with the private sector actors, support Belgian companies willing to expand or establish in the country. The newly established DGD PSD Unit will provide support to Embassadors in the identification of opportunities for the private sector. BIO should be considered by the Embassadors as a tool for economic diplomacy, which will also increase BIO’s visibility. BIO will therefore keep embassadors systematically informed of its activities in their jurisdiction. Embassadors will systematically investigate how best to include the Belgian and international private sector in events organised in partner countries (and non-partner countries for CSOs) by Belgian International Development actors. The support and expertise of NGOs, CSOs, universities, think tanks, etc. should always be considered in the PSD activities.

5. **Other considerations with regard to the PSD policy implementation**

- The Belgian International Development Policy takes a sector-agnostic approach but will keep a focus on specific sectors, in particular those in which Belgium is strong or wants to become leading: agriculture and agribusiness, renewable energy, ports and logistics as well as D4D.

- For each new cooperation programme with a partner country, when the main focus is on PSD, the Belgian International Development Policy shall look at geographical regions where PSD opportunities exist, and which are de facto more economically developed. Otherwise, there is a high risk that no relevant PSD programme can be set up, for instance in the poorest regions where there is no infrastructure, no access to finance, no entrepreneurship or SME network.

- The Belgian International Development actors shall contract qualified external PSD experts and recruit qualified PSD staff with business and/or financial skills to ensure an effective strategic and implementation of PSD activities. Therefore, recruiting individuals with real private sector experience will be incremental to the success of the PSD strategy of the International Development Policy to achieve the SDGs.

- As foreseen by the new Enabel management contract (article 33), a permanent PSD leaders group composed of DGD, BIO, Enabel and FINEXPO will be established. This group will meet regularly for information exchange, initiating and monitoring joint projects. This group will be chaired by the DGD Director General.
Annex I: Private Sector Development Policy: Summary of objectives and how to achieve them

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<tr>
<th>Objectives</th>
<th>Activities</th>
<th>How to implement?</th>
<th>Comments</th>
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| 1. Provide investment capital to enable companies to contribute to achieving SDGs | - BIO: Set-up a “code 5” facility for high risk / low return commercial investing.  
- BIO: commercial (“code 8”) investing  
- Commercial funding by BMI/SBI | BIO/DGD: set up ASAP the new facility SBI-BMI  
Social investment funds (BIO could invest in these funds if they meet BIO’s investment criteria, which is unlikely with the current mandate, but could be possible with a facility for high risk / low return commercial investing) | Indirect private sector investing: multilaterals organisations wherein Belgian State is a shareholder/funder (EIB, WB group, AfDB, etc.) |
| 2. Promotion of a PSD enabling environment | Support and promote enabling environment policies of both national/intra-regional/local governments as well as inter-regional initiatives between countries (e.g. trade corridors, regional integration,...). The goal is to reduce obstacles for private enterprise (reference: a.o. Ease of Doing Business Index): land registration, credit bureaus, fiscal/tax regulations, reform of business registration processes, contracting laws, customs and trade regulation, infrastructure...  
→ This should always be complementary to multilateral organisations PSD activities and result | - Creation of DGD PSD Unit  
- Creation of a PSD Unit within ENABEL. Supporting enabling environment as a key part of governmental cooperation programmes  
- BIO to provide expertise through PSD studies, PSD workshops and general policy advice | Belgian PSD enabling environment policy shall take into consideration the multilateral organisations’ programmes and seek to be additional/complementary. Also ENABEL should identify what are the key sectors/expertise where they already do enabling environment promotion and which sectors/expertise they should be active/develop more and coordinate between them.  
To note that DFID has 60 PSD officers and 60 Economists both in London and across the Embassies network to support PSD. NL RVO also has recruited 25 PSD coaches. |
in an integrated list of ‘hard’ and ‘soft’ interventions.

- In the preparation of governmental cooperation programmes, the key concrete obstacles in a country should be identified, in particular those obstacles that could be successfully tackled at least in part in 3-5 years within the framework of the governmental programme. Addressing these particular obstacles should then be included in the programme.\(^9\)

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<tr>
<th>3. Strengthen and increase supporting services to private sector, both in Belgium and abroad</th>
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<tr>
<td>- Provide BDS to support the emergence, development and performance of SMEs that contribute to achieving SDGs.</td>
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<td>- Provide support to Belgian and international companies willing to establish in developing countries or engage in international development</td>
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<td>- Facilitate the creation of local incubators in developing countries</td>
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<td>- Strengthen federations of enterprises, chambers of commerce, SMEs organisations,...</td>
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<td>- Enhance supply and demand for non-financial supporting services that are</td>
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<td>- Setting-up of the one-stop-clearing house within the DGD PSD Unit.</td>
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<td>- The Shift – broker &amp; facilitate partnerships</td>
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<tr>
<td>- Creation of ENABEL PSD Unit (PSD excellence centre). PSD activities (e.g. BDS, sectors or value chains analysis) as a key part of governmental cooperation programmes.</td>
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<tr>
<td>- Creation of a Business Partnership Fund</td>
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<tr>
<td>- BIO to provide expertise on BDS needed for the support of PSD. BIO will also advise on the set-up of the Business Partnership Fund and the setting-up of the concessional SME financing mechanism</td>
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\(^9\) In Tanzania for example, important obstacle are the lack of business data collection, info & analysis, and the insufficient development of credit bureaus.
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<th>needed to support the private sector (business incubation, business angeling,...)</th>
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<tr>
<td>• Systematically investigate how best to include the private sector (Belgian and international) in forums/fairs/events organised in Partners Countries (and non-partner countries for NGOs/CSOs) by Belgian International Development actors.</td>
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<tr>
<td>• DGD Direct support to entreprises via the programme « Appui au développement du secteur privé local, aide au commerce et partenariat avec le secteur privé dans le cadre de la mise en œuvre des objectifs de développement durable de l'Agenda 2030 » via different actors.</td>
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<td>• Promote the setting-up of partnerships with CSOs and knowledge centres (Universities, think tanks,...) from both “North &amp; South”</td>
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<th>4. Develop inclusive and sustainable market systems</th>
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<td>• Promotion and development of inclusive and sustainable value chains and economic sector/market access between actors in the countries of interventions and Belgian/international businesses (at</td>
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| • The Shift – broker & facilitate partnerships. |
| • DGD PSD Unit to promote the SDG Charter, lead the evolution of overall PSD strategy & policy. |

| Belgian cooperation should follow a sector agnostic approach when developing inclusive and sustainable market systems, but should further develop programmes in sectors where Belgium I strong/has expertise (e.g. |
| national/inter-regional or trans-regional/cross-border level. | - The Trade for Development Centre Programme and its team will become part of the ENABEL PSD Unit. They will focus on the partner countries and identify opportunities in line with the governmental cooperation programmes. Promoting fair and sustainable trade will remain a part of their activities
- ENABEL PSD Unit will work on broader initiatives within the governmental cooperation programmes.
- DGD will set out the terms & conditions with the IDH Sustainable Trade initiative. |
| SDG Charter implementation: should be the starting point to prepare the ground for PSD partnerships with all International Development stakeholders. | agribusiness, renewable energy, D4D, ports |
| Set up a partnership with IDH Sustainable Trade Initiative | IDH sustainable Trade Initiative convenes companies, CSOs, governments and others in public-private partnerships. Together they drive the joint design, co-funding and prototyping of new economically viable approaches to realize green & inclusive growth at scale in commodity sectors and sourcing areas. IDH approaches are designed to drive sustainability from niche to norm in mainstream markets, delivering impact on Sustainable Development Goals. IDH focus on creating positive impact on deforestation, living incomes and living wages, working conditions, toxic loading and gender. IDH is supported by multiple European governments, including institutional donors: BUZA, SECO and DANIDA and work together with over 500 companies, CSOs, financial institutions, producer organizations and governments in 11 sectors and 11 landscapes in over 50 countries worldwide. |