

# INVESTMENT CLIMATE REFORM FACILITY 2021

**ANNUAL REPORT**  
September 2020 – August 2021

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## THE PRIVATE SECTOR NEEDS TO BE A KEY PARTNER IN PROMOTING SUSTAINABLE ECONOMIC AND SOCIAL DEVELOPMENT.

A favorable business environment allows local private sector as well as foreign investors to thrive and contribute to economic growth, innovation and decent job creation. Reform processes that reduce the cost of doing business, decrease business risks and enhance sustainability of investments need to be informed by structured dialogue between public and private actors to be successful.

To contribute to this objective, the European Union, the Organisation of African, Caribbean and Pacific States, the German Federal Ministry for Economic Cooperation and Development, and the British Council jointly brought resources to forge the Investment Climate Reform Facility (ICR Facility). It is **implemented by four European agencies** – Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the British Council, Expertise France and SNV. It **supports stakeholders in African, Caribbean and Pacific countries and regions to improve their investment climate and business environment** based on structured public-private dialogue.

It contributes, among others, to achieving SDG 8:

**Promote inclusive and sustainable economic growth, employment and decent work for all.**



## EXECUTIVE SUMMARY

**This Annual Report reflects on the activities of the ICR Facility from 01 September 2020 to 31 August 2021. The ICR Facility is implemented through [three Output Areas](#).**

In [Output Area 1](#) (see [page 7](#)), the Facility implements business environment and investment climate improvement initiatives. The report highlights the wide range of interventions on the national and regional level for beneficiaries in African, Caribbean and Pacific countries and regions, which the ICR Facility implemented in the reporting period. This includes specific examples for interventions the ICR Facility conducted with public and private, national, regional and multicountry partners.

In [Output Area 2](#) (see [page 14](#)), the ICR Facility conducts capacity development for national and regional development financial institutions (DFIs) in Africa, the Caribbean and the Pacific, with tailor-made capacity building for 6 DFIs and trainings for a wider group of DFIs. The report contains information on the progress the Facility has made in implementing the individual work plans for capacity building with the respective DFIs, as well as our trainings and round-tables we offered on topics such as climate finance or credit risk management.

In [Output Area 3](#) (see [page 17](#)) lessons learnt and best practices from the support of the ICR Facility are compiled and shared. In the reporting period, the ICR Facility focussed on topics such as innovative finance, climate smart investment and women's economic empowerment.

Activities that were developed in the reporting period were impacted by the restrictions posed by the COVID-19 pandemic. A special [section on COVID-19](#) (see [page 6](#)) in the report reflects on how the ICR Facility adapted its activities to these circumstances.

# HIGHLIGHTS OF OUR WORK

SEPTEMBER 2020 –  
AUGUST 2021



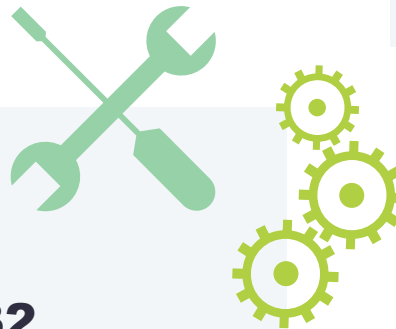
**62**

African, Caribbean and  
Pacific countries (ACP)  
covered



**88**

knowledge products and  
technical reports delivered



**32**

technical assistance  
initiatives implemented



**32**

ACP partner organizations  
supported



**2815**

ICR event participants

**2090**

users & followers  
on Social Media  
(LinkedIn + YouTube)



## NOTE: RESPONDING TO THE CHALLENGES IMPOSED BY COVID-19

The ICR Facility was still in its inception phase when the COVID-19 pandemic hit. Rapid adjustments in the delivery of support were needed. Being a flexible and demand-based instrument, the ICR Facility was well placed to support its partners with responding to the economic and social consequences of the pandemic. Also, the support had to be

delivered through virtual means almost exclusively throughout the reporting period. Working with national and regional consultants, building teams of consultants in-country and abroad, and switching to virtual modes of delivery helped to overcome the challenges.

### Offering immediate support to counter the effects of the crisis

Between June and October 2020, the ICR Facility delivered a total of 14 online live events in both English and French to support public and private stakeholders in better understanding how Business Environment and Investment Climate Reform can contribute to mitigating the effects of the crisis. Recordings are available on the ICR Facility's website [here](#).

To react to the rapid consequences of the crisis, the ICR Facility also offered so-called 1-on-1 clinics to eligible participants. These virtual, individual support sessions allowed ACP organisations to gain a deeper understanding of the topic and of the options to respond to the crisis. 15 clinics were delivered in total.

### Exploring innovative ways of collaboration and interaction

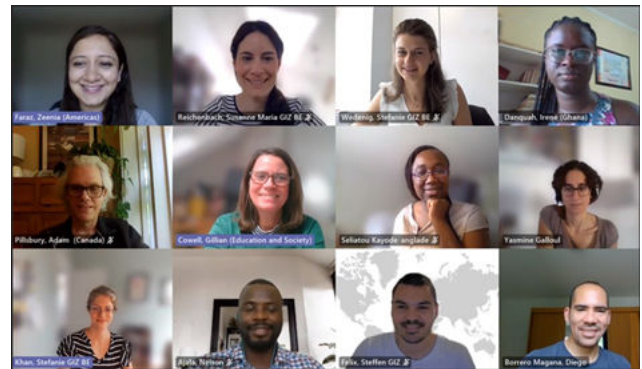
Facilitating exchange and learning is at the heart of the ICR Facility's mandate. Moving operations online has been a major facilitator in this regard: It has allowed the team to organise trainings and peer-to-peer exchange sessions with ease across countries and continents.



Examples of the successful implementation of this approach include highly participatory trainings on Climate Finance conducted for 30 development finance institutions (DFIs) in Africa and the Pacific ([more on page 14](#)), an interactive peer-to-peer exchange between arbitration practitioners

from Africa and the Caribbean ([more on page 23](#)) as well as a high-level event jointly organized with the World Customs Organization on human capital strategies of customs organizations after the pandemic.

Also internally, the ICR Facility had to adjust and so daily collaboration as well as team building and training activities took place in an virtual co-working space.



### Taking Public-Private Dialogue online

Public-private dialogue (PPD) is a pillar of action of the ICR Facility. The COVID-19 crisis confirmed that PPD needs to be boosted to design, implement and sustain reforms and policies, making sure that governments respond to the real needs of the private sector. Since the crisis has not affected everyone in the same way, the inclusion of different voices in PPD is even more relevant today.

However, COVID-19 restrictions can make meetings in a physical setting difficult. The ICR Facility promoted through its interventions the digitalisation of PPDs, so they can continue uninterrupted in a virtual setting or in hybrid manner even during lockdowns. This has also facilitated dialogue and learning at a multi-country level or regional level in a more inclusive and cost-effective manner. For example, as part of the Caribbean credit infrastructure intervention ([see featured interventions section, page 7](#)), the ICR Facility and Caribbean Export Development Agency (CEDA) successfully held a working session with public and private stakeholders from various countries in the region dealing with credit reporting challenges.

## OUTPUT AREA 1

### WE SUPPORT BUSINESS ENVIRONMENT REFORM FOR SUSTAINABILITY THROUGH PUBLIC-PRIVATE DIALOGUE

71 requests received	32 requests approved	21 interventions in implementation	8 interventions completed
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#### ICR Facility's on-demand mechanism

Based on requests from public and private stakeholders, such as governments, regional organisations, chambers and business associations as well as EU Delegations, the ICR Facility delivers targeted technical assistance interventions supporting ACP countries in their efforts to promote a more conducive, sustainable and inclusive business environment.

#### Areas of on-demand support

The ICR Facility implements technical assistance interventions at **three levels**:

1. by supporting reform processes of legal, institutional and regulatory conditions governing business activities to reduce costs and risk, and stimulate markets
2. by supporting policies and reform processes which make the business environment more socially and environmentally sustainable and
3. by supporting PPD processes and mechanisms that can enhance and inform these reforms and policies.



#### OUTPUT AREA 1 IN NUMBERS

996 participants in workshops and trainings (out of which 319 are women)	10 technical reports	7 engagement processes as part of PPD supported
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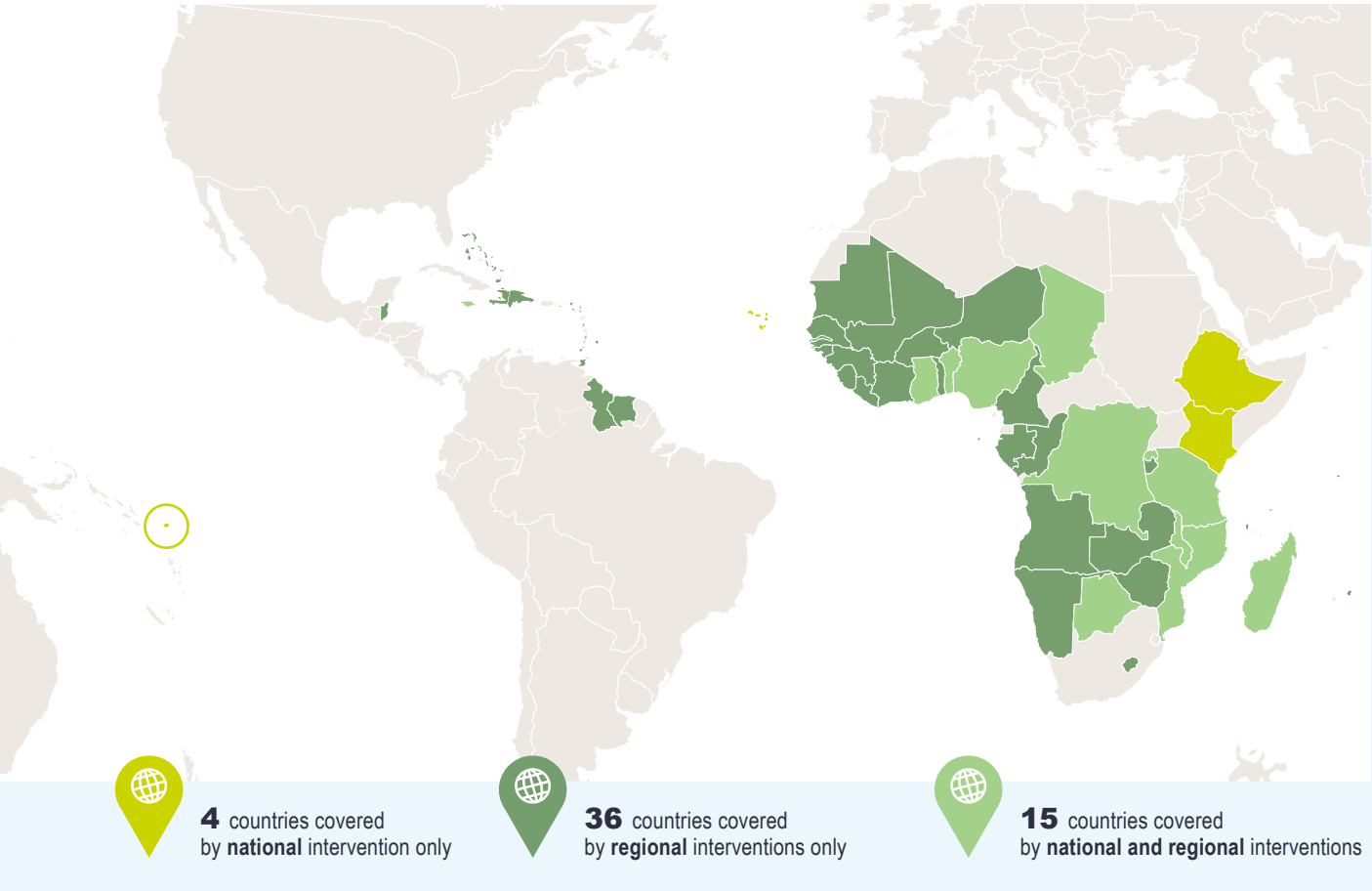
"Throughout the entire process with the ICR Facility, we had the feeling that the project was done with us and not for us. From the beginning, our requests were heard, and we were taking along on the journey, with gentle pushes where we needed them. Overall, we are very happy and thankful."

Florentine Bourdeaux,  
Research and Business Development Manager,  
Beluluane Industrial Park



OA1

All ACP sub-regions are covered by ICR interventions:



**16** countries with **fragile context** supported

32 INTERVENTIONS



TYPE OF BENEFICIARIES OF ICR INTERVENTIONS







OA1

## A CONSOLIDATED PIPELINE OF THIRTY-FOUR INTERVENTIONS

As part of its mandate, the ICR Facility is supporting a wide range of beneficiaries in Africa, Caribbean and the Pacific. Currently, we have a consolidated pipeline of 34 approved interventions, including seven already finalised, and twenty-seven under design or in implementation.

Caribbean Association of Investment Promotion Agencies (CAIPA)	Commonwealth of Dominica – Reform Management Unit – Ministry of Governance, Public Sector Reform	Federation of West African Chambers of Commerce and Industry (FEWACCI)	Nigeria – Small and Medium Enterprises Development Agency and Nigeria (SMEDAN) in joint request with the Abuja CCI	Ethiopia – Social Enterprise Ethiopia	Bureau régional de renforcement des capacités (BRRC) de l'OMD pour l'Afrique occidentale et centrale	Economic Community of Central African States (CEEAC)
Caribbean Export Development Agency (CEDA)	DR Congo – Fédération des Entreprises du Congo "FEC"	Madagascar – Economic Development Board of Madagascar (EDBM)	Saint Lucia – Ministry of Commerce, International Trade, Investment, Enterprise development and Consumer Affairs	Ghana – Social Enterprise Ghana	CARICOM Regional Organisation for Standards and Quality (CROSQ)	SADC Business Council (SADC BC)
Chad – Chambre de Commerce, d'industrie d'Agriculture des Mines et d'Artisanat	Ethiopia – European Union Business Forum in Ethiopia (EUBFE)	Malawi – The Public Private Partnership Commission	Tanzania – PM Office	Jamaica – The Ministry of Industry, Commerce, Agriculture and Fisheries supported by the Planning Institute of Jamaica	Rwanda – City of Kigali	Union Economique et Monetaire Quest Africaine (UEMOA) – Burkina
				Kenya – Social Enterprise Society of Kenya		
				Benin – Chambre de Commerce et d'Industrie du Benin	Botswana – Business Botswana	Cabo Verde – EU Delegation to Cabo Verde
Ghana – Ministry of employment and labour relations	Kiribati – Kiribati Chamber of Commerce and Industry (KCCI)		Tanzania – Tanzania Renewable Energy Association (TAREA)	Federation of West African Chambers of Commerce and Industry (FEWACCI)	Antigua and Barbuda – Antigua and Barbuda Investment Authority	Réseau International des Agences Francophones de Promotion des Investissements (RIAFPI)
Mozambique – Beluluane industrial Park Mozambique	Kenya – Clean Cooking Association of Kenya (CCAK)			Haiti – Chamber of Commerce and Industry of Haiti		

CODE	ICR AREAS OF SUPPORT
	Supporting reforms of legal, institutional and regulatory conditions governing business activities on a <b>sectoral</b> level
	Supporting reforms of legal, institutional and regulatory conditions governing business activities on a <b>national</b> level
	Improving capacities and the enabling environment to attract and retain foreign investment.
	Supporting policies and reforms which make the business environment more socially and environmentally sustainable: Enabling the green economy
	Supporting policies and reforms which make the business environment more socially and environmentally sustainable: Enabling the business environment for impact driven businesses
	Supporting Public-Private Dialogue processes on a <b>national</b> level
	Supporting Public-Private Dialogue processes on a <b>regional</b> level
	Responding to business environment challenges of the Covid-19 pandemic



OA1

## FEATURED INTERVENTIONS – OUR SUPPORT TO PUBLIC ORGANISATIONS

### A new regulatory framework for social enterprises to thrive in Jamaica

In Jamaica, social enterprises are tackling social and environmental problems while creating jobs and income. However, they are not explicitly acknowledged in the legal or regulatory framework of the country and have limited access to resources and markets. The ICR Facility supported the Ministry of Industry, Investment and Commerce (MIIC) and the Planning Institute of Jamaica (PIOJ) in developing a legislative framework as well as marketing and resource mobilisation plans for the social enterprise sector.

Social enterprises are businesses with a defined social mission to contribute to solving social, economic, environmental, or cultural challenges. A significant portion of their profits are reinvested in their social mission. The ICR Facility's regulatory reform support has the potential to tackle several spin-off benefits, including a registrable legal status with attendant benefits and programs designed specifically for the needs of social enterprises.

“The ICR Facility led the implementation of the intervention which was successfully executed. I use this opportunity to say congratulations Jamaica and thank you to the EU and the partnering organisations which co-founded the ICR Facility for business reform for the social enterprise sector project Jamaica. We are truly grateful.”

Chairmaine Brimm,  
Technical Specialist Socio-Economic Development,  
Planning Institute of Jamaica

»» To read the ICR Facility's report on Social Enterprises and their role in promoting inclusive business in ACP countries please follow [this link](#).

### SPOTLIGHT: Promoting greener jobs in Ghana

The Ghanaian Ministry of Employment and Labour Relations (MELR) received support to prepare its 'National Green Jobs Strategy'. The ICR Facility supported public-private dialogue at the sector and subnational level focused on identifying the obstacles to create and develop green jobs in the country.



The analysis of the business environment for green jobs allowed the Ministry to understand the current challenges and opportunities of green jobs in Ghana; and identify all relevant players and collect critical input to finalise and adopt the strategy. The intervention also resulted in a stakeholder map with a comprehensive list of actors relevant to green jobs across the country. Based on the mapping of stakeholders and the initial dialogue promoted by the intervention, the Ministry plans to establish a dialogue platform where the identified actors of the green jobs sector can gather to inform governmental policies.



## Ghana is set on a path for Green Jobs

Ghana wants better and more sustainable jobs across the country and is ready to invest more than USD 13 million to that end. But the to-do list is long. As a first step, law makers, policy makers, and investors need to embrace the notion that new jobs should not only boost the economy but also protect the environment. If the strategy succeeds, thousands could be lifted from precarious employment.

By Jens-Peter Hiller and Dode Seidu

“With the support of the ICR we have gone ahead to deliver on some of the key things – stakeholder mapping, business environment analysis and dissemination of the final green jobs strategy – we must have in place to support the National Green Jobs Strategy we are about to outdoor [...]. We are very grateful to the ICR and how they came in timely to provide the 3 key things they supported with. They should be commended. Without those, we would have not been able to make the progress we have made in a very short time.”

Emma Ofori Agyemang,  
Director of the Department of Policy Planning, Monitoring and Evaluation  
at the Ministry of Employment and Labour Relations, Ghana.

At the Kpone landfill near Accra, Ghana’s capital, the trash mound heaps up to 30 meters high. Every day, trucks and tricycles dump hundreds of tons of waste electronics, plastics or imported second-hand clothes. The landfill poses a serious public health risk. Nearby residents and businesses have been protesting continuously for its closure as the odour and the buzzing flies cause inconveniences and repel customers.

For the estimated 300 waste pickers at Kpone, however, the landfill is their source of livelihood. Every day, they come here to collect recyclables that they can sell to middlemen or businesses: metals, cans, components, cardboard, or electronics for instance. In the Greater Accra Region, as many as 7,800 people are estimated to earn their living from waste picking. These are the types of men and women the Ghanaian Ministry of Employment and Labour Relation refers to when speaking of the informal workforce.

### High level of underemployment in Ghana

Ghana, like many developing countries, has an employment problem. The country’s labour force constitutes only 42 per cent of the population, with an unemployment rate of 10 per cent and more than 50 per cent underemployment. Sixty percent of employed persons work in informal establishments, only 40 per cent in formal ones. The high informality has widened the ‘decent work deficit’ and regrettably promoted precarious employment in Ghana, a report by the International Labour Organisation (ILO) and Ghana’s Employers Association says. Informality is not the only problem the government faces; creating decent jobs for the country’s teeming youth is the government’s biggest challenge.

In the last decade, Ghana recorded an average gross domestic product (GDP) growth of 6.8 per cent. As exciting as the country’s economic growth has been, overdependence on natural resource extraction like oil, gold and cocoa has been associated with high greenhouse gas emissions. While the government vigorously aims to promote sustainable growth and development, these efforts will affect current and future employment. As Ghana embarks on a path towards a Green Economy, it needs to get the labour force on board.

### Green Jobs Strategy illustrates Ghana’s pathway

This understanding has led the Ghanaian government to develop a five-year national Green Jobs Strategy. A Green Job is a decent job that contributes to preserve or restore the environment, according to the ILO. ‘The Green Jobs Strategy assembles all the important things to look at in having Green Jobs in a country’, says Emma Ofori Agyemang, who was involved as policy planning director in the Ghanaian Employment Ministry.

»» The full article with further insight is available via [this link](#).



## FEATURED INTERVENTIONS – OUR SUPPORT TO PRIVATE SECTOR ORGANISATIONS

### Building capacity to resolve legal disputes in the Democratic Republic of Congo

Resolving legal disputes in an expedite, fair and cost-effective manner is key for a conducive business environment. The National Centre for Arbitration, Conciliation and Mediation (CENACOM), created in 2004 by the Federation of Entreprises of the Democratic Republic of Congo (FEC) is now further empowered to facilitate the resolution of legal disputes between companies doing business in the DR Congo.

The ICR Facility provided support to CENACOM in the following areas:

- Adaptation of its rules and regulations in accordance with the Uniform Act of OHADA (Organisation for the harmonisation of business law in Africa),
- training of 81 arbitrators on arbitration rules and processes,
- reform of the CENACOM pricing system, and
- development of a communication strategy for CENACOM. The objective of the intervention was to support CENACOM in its strategy and operations to make it more relevant for companies, as well as increase its capacity to finance itself.

Based on the intervention, the ICR Facility also conducted a Peer-to-Peer Exchange (see [page 23](#) for insights). Check out the summary of the event [here](#).



### Supporting access to climate finance in Kiribati

Adapting to climate change is a top priority for Kiribati. Rising sea levels make the country one of the six places in the world that are most vulnerable to climate change\*. The ICR Facility provides assistance to the Kiribati Chamber of Commerce & Industry (KCCI) with capacity building for climate finance. There are several sources of external climate finance available – including international funds and private equity funds. The ICR Facility supported KCCI to learn how to identify and access these.

The intervention supported KCCI to deliver its mission in mitigating and adapting to climate change with tools and knowledge on global climate finance including Green Climate Fund (GCF) accreditation and project development, readiness, and alternative sources of finance. The intervention also resulted in the development of a roadmap for climate finance opportunities for KCCI and its 80 members.

For more information on promoting climate-smart investments of public and private sectors, check out the series of knowledge products available [here](#).

\* Source: Verisk Maplecroft global risk index



## FEATURED INTERVENTIONS – OUR SUPPORT TO REGIONAL & MULTI-COUNTRY ORGANISATIONS

### Enhancing Investment Promotion Agencies' capacity to attract investments and engage in business environment reforms

RIAFPI – the International Network of Francophone Investment Promotion Agencies – is a network responsible for promoting the exchange of information and best practices between French-speaking Investment Promotion Agencies (IPAs) and facilitating access to capacity building. Through the ICR Facility's technical assistance, eight IPAs strengthened their investment aftercare capacities. The intervention built their capacity to better understand the needs and challenges of investors they host and better support their operation, strategies and future plans. With this training, the IPAs are also able to promote the investment climate reforms to be tackled governments in response to real entrepreneurs' and investors needs.

Furthermore, four of the IPAs developed Public-Private Dialogue action plans and were able to share their experience in the first stages of implementation with the rest of the network.

“The support provided by the ICR Facility to RIAFPI came at the right time for National Agency for Investment Promotion (ANPI) Comoros, which had just set up its first aftercare services to support investors established in Comoros. From our point of view, everything was designed to be complementary and the methodology delivered was particularly beneficial to the agency's staff. The expertise provided, the exchange of good practices between participating agencies and the customised support we received enabled us to prepare a precise action plan and to start implementing it.”

Nadjati Soidiki,  
Director General of the National Agency for Investment Promotion,  
Comoros

### Identifying opportunities to improve credit infrastructure and insolvency frameworks in the Caribbean

Access to inclusive finance is one of the greatest challenges for businesses and individuals in the Caribbean region. A healthy credit infrastructure is critical to tackle business creation and expansion. The ICR Facility supported the Caribbean Export Development Agency (CEDA) in an analysis of the credit reporting infrastructure in fifteen CARIFORUM countries. The intervention provided an in-depth assessment of credit bureaus and collateral registries in the region, and highlighted opportunities for reform at the country and regional level. The report has raised attention on the topic in the region and inspired a number of countries to prepare next steps as part of their response to tackle the effects of the COVID-19 crisis in their economies.

A complementary intervention is currently assessing the opportunities to improve insolvency frameworks in the fifteen countries. In light of the current economic crisis, non-performing loans are increasing in many Caribbean jurisdictions and the availability of effective tools to restructure debt and enhance creditor recovery is now critical. The intervention will identify different avenues to improve insolvency frameworks through national or regional initiative while fostering collaborative action and peer learning.

Find the results of the analysis [here](#).

## OUTPUT AREA 2

### WE STRENGTHEN NATIONAL AND SUB-REGIONAL DEVELOPMENT FINANCE INSTITUTIONS

4 trainings held for DB Zambia	1 roundtable on Credit Risk Management with 5 Pacific DFIs
4 policies of BRD and DBS reviewed and recommendations for amendments developed	1 M&E benchmark study completed and recommendation paper on impact measurement completed for BRD
<b>67</b> participants from 30 African and Pacific DFIs in 3 climate finance trainings	



#### HOW WE WORK WITH OUR DFI PARTNERS

<b>BRD</b>	<b>DBZ</b>	<b>DBS</b>	<b>CDB</b>	<b>EBID/BIDC</b>	<b>BDEAC</b>
Rwanda	Zambia	Samoa	Caribbean	ECOWAS Region	Central Africa
<ul style="list-style-type: none"> <li>Monitoring &amp; Evaluation</li> <li>Green Climate Fund accreditation</li> </ul>	<ul style="list-style-type: none"> <li>Investment products and approaches</li> </ul>	<ul style="list-style-type: none"> <li>Innovative SME finance</li> <li>Climate finance</li> <li>Credit risk management</li> <li>Customer relations</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility study on structuring an investment fund</li> <li>Feasibility study for a new Supply Chain and Trade Finance Facility</li> </ul>	<ul style="list-style-type: none"> <li>Management trainings</li> <li>Procurement</li> <li>HR and skill development</li> <li>Project evaluation</li> <li>Trade Finance</li> </ul>	<ul style="list-style-type: none"> <li>Trade Finance</li> </ul>

The ICR Facility provides tailor-made capacity building to the Development Bank of Rwanda (BRD), the Development Bank of Zambia (DBZ), the Development Bank of Samoa (DBS) and three regional banks: the Caribbean Development Bank (CDB), ECOWAS Bank for Investment and Development (EBID/BIDC) and the Banque de Développement des Etats d’Afrique Centrale (BDEAC).

The technical assistance needs of the DFIs are very broad and cover different types of support (revision of policies and procedures, trainings, peer-to-peer exchange formats, market studies, etc.). A tailored workplan has been developed with each of the banks, based on their priorities, and outlining the topics to be covered and

activities to be implemented. When possible, activities targeted towards a specific bank can be opened to other beneficiaries: in the Pacific, the support provided to DBS on credit risk management included a roundtable with four other institutions from the region, and in the future, some of the trainings provided to DBZ will welcome participants from other banks in order to improve knowledge sharing.

The ICR Facility also organised group trainings on Climate Finance for African and Pacific banks, and are currently supporting the World Federation of DFIs in the development of an online knowledge hub which will benefit institutions from all regions.



## EXAMPLES OF ONGOING ACTIVITIES – OUR SUPPORT AND COLLABORATION

### Our support to the Rwanda Development Bank on Climate Finance and Monitoring and Evaluation



The ICR Facility works with the Rwandan Development Bank (BRD) in two areas: First, we support the BRD’s application to become an accredited entity of the Green Climate Fund (GCF) in order to access GCF funding for climate related projects in Rwanda. This support includes a revision of the bank’s policies and procedures that have to be submitted for the GCF application, for instance the BRD’s policies for environmental and social safeguards or the procurement policy. The ICR Facility also supported BRD in elaborating a gender policy as well as an on-granting manual for climate finance, outlining how GCF funds would be used after a successful accreditation.

Secondly, the ICR Facility provides advisory support to BRD to improve its Monitoring and Evaluation system in order to better enable the bank to track its developmental impact as an institution overall, but also on a sectoral level. The support includes conducting a benchmarking study to compare BRD’s institutional performance tracking to that of development banks of similar size and structure, developing recommendations how to adapt BRD’s own performance tracking and the development of an impact dashboard and train BRD staff on how to use this dashboard. Recommendations for improvements have been presented to the Executive Committee of BRD and will be implemented in the next months.

### Our support to the Development Bank of Samoa on Credit Risk Management



A solid credit risk management is key to each bank, including development banks, to ensure the available funds can be used to maximize development impact, to maintain economic sustainability and to serve their clients better.

The ICR Facility provides technical assistance to the Development Bank of Samoa (DBS) to enhance its credit risk management system, including a review of the DBS credit risk policy and recommendations for improving the application of the policy in the everyday work of the bank. As one recommendation to DBS was introducing a credit risk management software, the technical assistance included a market overview of available technologies and guiding questions for DBS to select the best-suited tool for its needs. Secondly, it was proposed to link the communication with the bank’s clients to the credit risk management system, for instance to inform clients prior to repayment dates. This will be taken up in the next activity with DBS, which will focus on customer relationship management (CRM).

Also, the ICR Facility has organized a training series for Pacific DFIs in the field of Climate Finance to build awareness regarding the role of national DFIs, familiarise DFIs with conditions and modalities of Green Climate Fund accreditation and to build synergies between DFIs and other national agencies responsible to implement the Paris Agreement.

On a regional scale, the ICR Facility organised a roundtable of Pacific DFIs to discuss challenges in credit risk management and share experiences and brainstorm solutions.

“We learnt from the expert’s presentation and found we have similar challenges with counterparts in the Pacific. Our CRM at the Development Bank of Samoa is mainly manual, but the Bank of Cook Islands banking system is more advanced in the use of digital innovation. The Tonga Development Bank has also made progress in digitizing loan processing which provides linkages to performance appraisals and application of IFRS9. We’ve picked up on these developments and would like to learn more. Therefore, we have agreed to hold another roundtable to continue the collaboration to share resources and experience to improve the DFIs of all the countries. We also want to extend this collaboration to other Pacific Islands countries to strengthen capacity of DFIs in the Pacific.

Another outcome of the roundtable is for us to submit a proposal to the ICR Facility to support the collaboration initiative in the future. We really appreciate the organization and flexibility the ICR Facility which has allowed us to include other DFIs of the Pacific and to share the resources. We are very grateful for this opportunity.”

Susana Lulu,  
CEO of the Development Bank of Samoa

## SPOTLIGHT: Our collaboration with the African Association of DFIs

The African Association of DFIs (AADFI) has over 80 member institutions engaged in development finance activities in Africa. Its objectives are to stimulate cooperation for promotion and financing sustainable development in Africa and to encourage the process of economic integration in the African region.

AADFI is an important partner for the ICR Facility: it helps us identify relevant interventions for DFIs on the continent and acts as a multiplier to share knowledge. In 2020, we

jointly organised a technical workshop on Climate Finance which benefited 45 participants from 27 DFIs. In 2021, the Facility is supporting the World Federation of DFIs (WFDFI), whose General Secretariat is currently chaired by AADFI, in the development of a knowledge hub. This knowledge hub will present information on development finance and the role and contributions of DFIs, and will aim to shape and advance policy and advocacy positions that impact the development banking and development finance community worldwide.

### We asked Cyril Okoye, AADFI Secretary General, to tell us what he thought about the ICR Facility and its work in support of DFIs:

#### Do you appreciate the support provided by the ICR Facility to AADFI?

Yes, we do appreciate the support the AADFI is receiving from the ICR Facility. The support to capacity building on Mainstreaming Climate Finance Actions in national DFIs was very insightful and the assistance provided towards developing the Knowledge Hub of the WFDFI website will go a long way in enhancing the knowledge sharing and development mandate of the Associations.

#### According to you, how can DFIs benefit from receiving technical assistance and what are the advantages of having a technical assistance facility providing support to DFIs?

DFIs would benefit more from receiving technical assistance by focusing on programmes that support building skills in achieving the SDGs and the Paris Agreement. Member DFIs need technical skills in project preparation, and the appraisal of projects, among others. Institutional development is also important for AADFI and its members to deliver effectively and efficiently on their mandates. Technical assistance helps DFIs scale up their interventions most efficiently and optimally and to achieve greater development impact.

#### The ICR Facility is a demand-based Facility: we provide individual support to selected banks, and also support a broader group of DFIs. Do you see a value added and possible synergies in this two-pronged approach? According to you, what are the priority topics in terms of knowledge sharing between development banks?

The ICR Facility's two-pronged approach is good. On one hand, by responding to the individual needs of the institutions, the ICR Facility makes its contribution relevant and the involvement of the beneficiary in developing a tailored workplan makes that approach inclusive and result-oriented.

On the other hand, the approach adds more value by cooperating with all the African DFIs, through the AADFI, by sharing common challenges and interests as part of the DFI community. Moreover, delivering programmes for AADFI member DFIs through the AADFI platform is efficient and enhances knowledge sharing across countries, institutions, and regions.

As a DFI association, our focus is on building the institutional capacity of our members, and professional skills in promoting climate finance and SDGs projects. We are also placing emphasis on strengthening national DFIs to be strong and well-positioned to support the delivery of development projects, this includes placing emphasis on governance and systems in member institutions.

»» To find out more about the role of DFIs for Climate Finance, check out the ICRReport [here](#).



## OUTPUT AREA 3

### WE COMPILE AND MAINSTREAM LESSONS LEARNED AND GOOD PRACTICES

26 live events	15 clinics	11 blogposts	9 ICReports	1 P2P exchange	1 Toolbox
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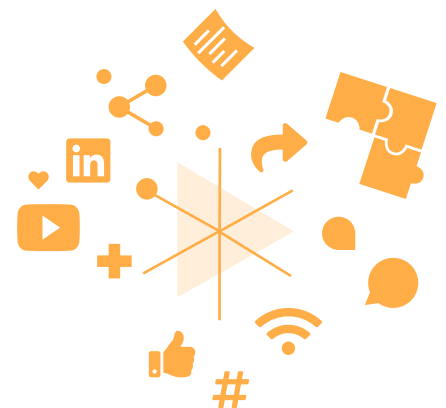


The live events attracting 1625 participants.

#### The ICR Facility identifies, compiles and shares good practices for improving the business environment and investment climate in ACP countries.

It does this by drawing on lessons learned from interventions, by convening and strengthening communities of practice, and by developing knowledge products that delve into relevant policy issues, provide essential context, and offer policy options and recommendations. In addition, the knowledge products help to stimulate requests for technical assistance.

These Knowledge Products include concise papers by subject specialists known as ICReports and tools for policymakers and practitioners. They also comprise interactive communications such as live events and blog posts, as well as peer-to-peer exchanges.



#### MORE INFORMATION

For more information on the Knowledge Products and to register for upcoming Live Events, we invite you to visit the ICR Facility Knowledge Hub: [www.icr-facility.eu/knowledge-hub](http://www.icr-facility.eu/knowledge-hub) and the ICR Blog to get more information on business environment and investment climate reform in African, Caribbean and Pacific countries.

#### PAST LIVE EVENTS

Recordings of all the Live Events are available on the ICR Youtube Channel: [▶ ICR Facility](#).

#### UPCOMING LIVE EVENTS

To receive news about upcoming Live Events, please email: [info@icr-facility.eu](mailto:info@icr-facility.eu) or follow the ICR Facility on LinkedIn: [in /icr-facility](#)



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## TOPIC I: INNOVATIVE FINANCE



Access to finance has long been identified as a major barrier for the growth of micro, small and medium sized enterprises (MSME) around the world, and in ACP countries in particular. The appropriate financial products, developed and delivered on the right basis and enabled by the regulatory environment, need to be provided for specific target groups to overcome the specific challenges they face in accessing the finance they need. The ICR Facility has explored mechanisms for overcoming barriers in access to finance through ICRReports and live events.

Click on the arrows (↪) in the right column below to access ICRReports or event recordings ([more](#)).

### ICReports



<b>Social Enterprise and Inclusive Business in ACP Countries: variety and access to finance</b>	The report highlights the variety of social enterprises and inclusive businesses operating across ACP countries, and explores the barriers they face in accessing finance. It offers recommendations for actions that can support social enterprises and inclusive businesses to overcome barriers and demonstrates how the ICR Facility can support such actions.	 <a href="#">more</a>
<b>Honour loans: a comprehensive mechanism to foster development by supporting MSMEs</b>	Honour loans combine interest- and guarantee-free financing with provision of support to entrepreneurs. In Africa they have increasingly been adopted as a public policy tool to promote business creation and access to finance for entrepreneurs. This report highlights benefits and challenges of promoting honour loans.	 <a href="#">more</a>
<b>Supporting investment in inclusive business and social enterprises – best practice for policymakers and investors in ACP countries</b>	Mobilising private capital to deliver social and environmental benefits is vital to making progress towards the Sustainable Development Goals. This report focuses on the supply of, and challenges for, so-called 'impact capital', and offers recommendations to build ecosystems in ACP countries that support greater and more varied private sector investment in inclusive businesses and social enterprises.	 <a href="#">more</a>

### Live events



<b>Not one size fits all: the varying needs of social enterprises and inclusive businesses</b>	 <a href="#">more</a>
<b>Loans on honour: a comprehensive mechanism to foster development by supporting MSMEs</b>	 <a href="#">more</a>
<b>Democratising access to social finance</b>	 <a href="#">more</a>
<b>Opportunities and challenges for crowdfunding in ACP countries</b>	 <a href="#">more</a>
<b>Startup acts: an emerging instrument to foster the development of innovative high-growth firms</b>	 <a href="#">more</a>
<b>Democratising access to social finance for green and social enterprises in the Pacific and the Caribbean</b>	 <a href="#">more</a>



## TOPIC II: CLIMATE SMART INVESTMENT



Promoting knowledge around Climate Smart Investment (CSI) is a key priority for the ICR Facility and aligned to the European Union’s Green Deal, which places sustainability at the heart of the EU agenda, both in Europe and in the world. The ICR reports and Live Events in this series are designed to promote private investment as a means to increase sustainable production, enhance resilience (adaptation) to climate change, and mitigate greenhouse gas emissions, where possible and appropriate.



### ICReports

<b>National DFIs: Critical allies for climate action</b>	National development finance institutions can be key actors as financiers and as catalysts for climate financing and for achieving the Nationally Determined Contributions (NDCs). Our ICR report discusses and recommends how they could play a greater role in climate financing and how they could be best supported to do so. It also features examples from two African development finance institutions: West African Development Bank (BOAD) and Development Bank of Southern Africa (DBSA).	 <a href="#">more</a>
<b>Investment Climate Reform and the Adaptation Finance Gap: Mobilising Private Investment for Climate Adaptation in African, Caribbean and Pacific countries</b>	Many ACP countries are highly vulnerable to climate change and yet face shortfalls in funding for adaptation. Engaging the private sector and mobilising its investment is therefore vital to deliver climate adaptation in these countries. This report shows how investment climate reform and climate change adaptation can be complementary, supporting delivery of the objectives of each.	 <a href="#">more</a>
<b>Supporting Businesses to deliver climate change adaptation in ACP countries: Priority Actions and the role of international capital</b>	ACP countries are some of most vulnerable to climate change. Given pressures on public resources, the need is urgent to stimulate business activity, and thus private capital, into areas highly disrupted by climate change – food production, water and the natural environment, infrastructure, and disaster risk management – to generate adaptation solutions. However, business engagement in these areas is often low. This paper highlights three priority actions that, if introduced, can help catalyse enterprise engagement to provide goods and services to build countries’ resilience to climate change.	 <a href="#">more</a>



### Live events

<b>Improving the business environment for climate adaptation: needs and opportunities for investment in ACP countries</b>	 <a href="#">more</a>
<b>Mobilising finance to catalyse private sector engagement for climate change adaptation</b>	 <a href="#">more</a>
<b>Democratising access to social finance for green and social enterprises in the Pacific and the Caribbean</b>	 <a href="#">more</a>





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## TOPIC III: WOMEN'S ECONOMIC EMPOWERMENT



Women's economic empowerment (WEE) is not only a moral imperative, but a key element to ensure sustainable economic development and an integral part of improving the investment climate and business environment. Studies have shown that taking action now to advance gender equality can add \$13 trillion to global Gross Domestic Product (GDP) by 2030. Improving women's labour market participation and the quality of the work they perform has positive benefits for them, their families, and society overall, as women's earnings are more likely to be invested in the education and better nutrition of their children, reducing the intergenerational transmission of poverty. Giving women a voice in policy making, including in public-private dialogue, is essential to ensure the challenges they face can be addressed.



### ICReports

<b>Business Environment Reforms to support women-owned businesses in ACP countries</b>	Business creation and business revenue growth is a crucial engine of economic growth and job creation. Yet, women are less likely than men to own formal micro, small- or medium-sized enterprises, and women-owned businesses are less likely to grow or have employees and have been more heavily affected by the COVID-19 crisis. This report suggests that legal reforms, a reduction of administrative barriers, and providing enhanced access to finance are essential to promoting the formalisation, growth and sustainability of women-owned and led businesses.	
<b>Business Environment Reforms to Promote Equal Opportunities for Women in the Labour Market: Evidence from ACP countries</b>	Women are more likely to be unemployed, be economically inactive, work in the informal sector, and to have temporary or more precarious employment than men. COVID-19 has widened the historical inequalities present in the labour market. This paper focuses on the legal, administrative, and policy and tax incentives and reforms necessary to promote a more inclusive labour market for women to have better quality jobs.  <b>Key Messages</b> <ul style="list-style-type: none"> <li>Having equal opportunities/treatment under the law is essential to promoting equal opportunities for women in the labour market. The lack of equal treatment under the law negatively affects women's access to the labour markets, earnings, and productivity.</li> <li>Policies and regulations still prohibit or create barriers for women from entering traditionally male-dominated industries, which often provide higher earnings and more job opportunities. Business environment reform could enhance women's access to these specific job markets, thus reducing existing occupational segregation and gender stereotypes.</li> <li>Fiscal systems can influence women's employment decisions and can limit or promote women's jobs. Public procurement opportunities for women, either with quotas in traditionally male-dominated sectors or for the inclusion of women-owned businesses, can be useful for promoting a more inclusive labour market.</li> </ul>	



### Live events



<b>Supporting women-owned businesses through business environment reforms</b>	
<b>Business environment reforms to promote equal opportunities for women in the labour market: evidence from ACP countries</b>	



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## TOPIC IV: BUSINESS ENVIRONMENT REFORM AMID FRAGILITY AND CONFLICT



The countries with the highest need for private investment and economic growth are often also the countries with the most challenging investment climate. While businesses in such countries struggle to access markets and obtain inputs, governments face huge difficulties in managing the overall business environment and economy. As a result, unemployment and poverty remain high, contributing to further fragility and conflict. Within this context, the ICR Facility works with public and private stakeholders in a variety of settings in ACP countries – including those characterised by fragility and conflict – to improve the investment climate and business environment.



### ICReports

#### Reforming Business Environments amid Conflict and Fragility

This report looks at the challenges for business environment reform within fragile and conflict-affected situations. It examines the ways governments and business representative organisations can come together to support changes that improve the conditions for business development and economic growth. Furthermore, it makes suggestions on which kind of support public and private stakeholders in ACP countries could request from the ICR Facility, depending on their specific needs.



### Live events

#### Reforming business environments amid fragility and conflict



## ICR TOOLBOX – TOOLS FOR REFORMING THE BUSINESS ENVIRONMENT



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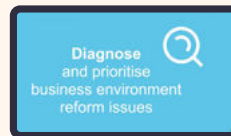
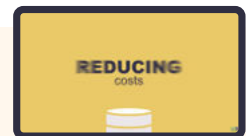
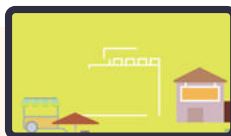
The ICR Toolbox is a publication created for policymakers and private sector representatives in ACP countries and beyond, and is designed to respond to common challenges faced by those working to develop a business environment for a thriving, inclusive, and sustainable private sector. It includes straightforward, practical tools that require limited resources and time to apply, with step-by-step guidance and lessons learned from applying the tools in practice, as well as hands-on materials and templates.

Given the core relevance of public-private dialogue (PPD), the Toolbox contains both designated tools for PPD design and evaluation, as well as a focus on PPD integration across all other tools. The Toolbox is structured along the four phases of the policy cycle: Diagnosis, Design, Implementation and Evaluation & Sustainability. This structure and the guidance provided throughout the publication should allow public and private stakeholders to quickly identify applicable tools based on their current needs and stage of the reform process.

### About the ICR Toolbox

- For policymakers and private sector in ACP and beyond
- 14 tools
- Straightforward and practical
- Limited resource requirements
- Maximum application time of three months
- For four phases of BER
- Designed to support public-private dialogue

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## PEER-TO-PEER EXCHANGES


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While business environment and investment climate reform initiatives often require locally adapted approaches, many public and private sector actors in ACP countries face similar challenges. The experience they have gained in tackling these specific challenges can serve as a source of ideas and inspiration for peers from other contexts on how to implement innovative approaches for a more inclusive and sustainable business environment and investment climate.

This is why the ICR Facility is organizing Peer-to-Peer (P2P) exchange activities which aim at disseminating and sharing knowledge and lessons learned from technical assistance projects it delivers while building communities of practice and strengthening peer networks in ACP regions. The P2P series was launched in July 2021 and will comprise six P2P exchanges over 10 months.

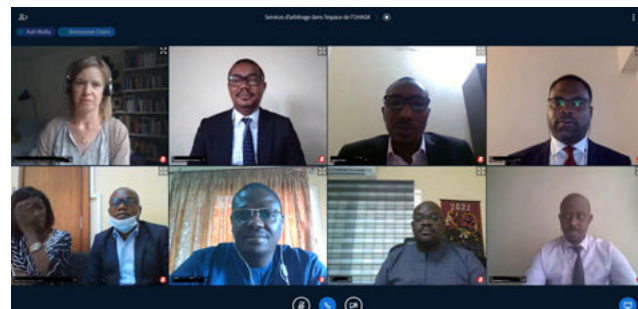
### SPOTLIGHT: P2P on Arbitration

As a follow-up to the technical assistance provided to the National Centre for Arbitration, Conciliation and Mediation (CENACOM) in the Democratic Republic of Congo (see [page 12](#)), the first of these P2P exchanges brought together arbitration service providers from ten African countries under the theme “Improving the Business Environment Through Arbitration Services in the OHADA Region and Beyond – Current Trends, Challenges and Achievements.”

Over three virtual half-day sessions, twelve representatives of arbitration centers discussed how to improve the visibility and the overall management of arbitration and mediation centres in order to provide the private sector in their countries with an inclusive and efficient method for commercial dispute resolution. The multifaceted, interactive programme comprised presentations from national and international experts, experience sharing by peers, plenary discussions as well as working sessions in smaller groups.

As direct outcomes of the activity, all participants elaborated a list of recommendations for public actors on how to improve the environment for arbitration services. Furthermore, they completed individual learning journeys during which they identified their most pressing issues and created an action plan accordingly.

All in all, a concluding anonymous satisfaction survey showed that the P2P exchange was perceived as highly beneficial and value-adding by all participants who expressed strong intentions to stay in contact with each other after the event. Thus, the activity also served as a great platform for the formation of a practitioners’ network.



	<b>3</b> half-day sessions (3.5 hours per day) held over <b>1</b> week
	<b>4</b> national and international experts
	<b>12</b> participants: 4 women, 8 men
	Plenary discussions, group discussions, group working sessions
	Experience exchange
	Inspiration for action
	Formation of network beyond event

“I think that this exchange covered all the insights for creating the type of arbitration we dream of in Africa.”

Feedback (from anonymous survey)

## IMPRINT

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The ICR Facility supports countries and regional institutions of the Organisation of African, Caribbean and Pacific States (OACPS) in their public-private dialogue process to create a more conducive and sustainable investment climate.

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Brussels, September 2021

# INVESTMENT CLIMATE REFORM FACILITY

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