

# BITT Forum, model of engagement with the private sector

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# Private sector engagement is a new role for the SMP

- The SMP is primarily a network organisation and provides coordination. The model should build on existing strengths for this new role.
- This model is driven economic growth, a priority set by the Malawian and Scottish governments.
- What is the private sector and why should we engage with it? What does it bring?

# What concerns are there with private sector engagement?

- The private sector can have different values, strategies and different ways of working together.
- There must be absolute clarity, respect and good communication.
- The model provides a lens to show a course of action and impact. There is an underlying principle of partnership with the private sector reflecting the approach of the SNP.

Model	Scale	Approach	What we can learn
Waitrose Foundation	Relationship between Waitrose, its Foundation farmer councils in Ghana, Kenya and South Africa	Direct partnership and links with producers for sustainable profits and reinvestment meeting local needs	Simplicity and clear goals. Takes into account government and local priorities. Personal working relationships can be very effective
German Development Agency (GIZ)	'Business for Development Pathfinder' (SADC)	Promoted the private sector	Danger of unfeasibility, stay within abilities, have follow up meetings
UN Global Compact	Multinational	Initiative to commit businesses to universal rights	Reach is too broad and roles are ambiguous
Wales for Africa	Peer-to-peer links between Wales and Uganda	Facilitates links between Welsh and Ugandan beekeepers to improve honey and beeswax trade	Maintain inclusivity between linkages on the ground and in the office
Invest in Africa	Business to business cross sector links in Ghana	Africa Partnership Pool promotes producers to buyers	Good knowledge sharing and capacity building, excellent communication

# The investment climate in Malawi

- Malawi ranks number 164 (– 1 from 2014) in the World Bank ease of doing business index.
- In 2014 the economy ran a trade deficit of \$137 million, down from \$700 million in 2010.
- In 2014 it ran a budget deficit of £167 million.
- Its gross national income per capita is \$320.
- Malawi is a recipient of £70 million of aid from the British government per year.
- ‘Cashgate scandal’ sapped donor confidence.

# What the model should be inspired by

- The North-South Institute recommends that any engagement should be inclusive and practical. “Share, gather, invite and build.”
- For investors Malawi’s ease of doing business is a concern. Investors want trust and personal relationships. It is here that the SMP can utilise its strengths and provide information and advice, links to organisations and individuals and the promotion of opportunities.
- The model is tailored for the SMP but is not static and open to suggestions from all.

# A model of engagement

