

The need for cooperation between investors and development agencies.

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**THE NEED FOR
COOPERATION
BETWEEN
INVESTORS AND

DEVELOPMENT
AGENCIES**

INTRODUCTION

The imperative of Christian faith:
“life in its fullness—for all”

John 10:10 “I came that they may
have life, and have in its fullness.”

WHY DO BELIEVERS ENGAGE IN RELIEF AND DEVELOPMENT WORK

- Christian imperative of love to the neighbour (this is fulfilment of the whole law)
- Fulfilment of God's command to serve the neighbour
- They believe by serving the neighbor they are actually serving God

SCOPE OF THE DISCUSSION

- There are many forms and scope of development and investment
 - Small scale at village level by local people
 - Small NGOs and agencies sometimes involved in one small area and one specific issue
 - Individual investors buying some few shares in a local initiative
 - To large international development agencies and large international investors
- For this discussion, let us stick to the big players.
 - For development agencies let us think of larger, international players like ACT Alliance members which are faith or values inspired
 - For investors let us focus on cross-boarder investors with elements of ethical investments and probably faith inspired as those.

WHY IS COOPERATION NECESSARY?

- Faith inspired investors and development agencies have the same foundation of action
- The people they are focusing on are in many cases about the same
- The goals are to do good to humanity and to change the world to the better

WHAT COOPERATION COULD ACHIEVE

- Mutually enriching each other: Focusing on both the most vulnerable people and most dynamic entrepreneurs; demand for creativity and hard work as well as humanitarian considerations for those who are less able.
- Eradicating stereotypes about each other: “People before profit” and “trade-not-aid” approaches (appreciate the importance of both); or “demand for initiative and creativity” as well as concern for those unable
- There are many agencies which are now involved in enterprise development, but they do not use the language of profit and wealth. There are many ethical investment entities which do not use the language of development or humanitarian connotations.
- Possibility to focus on both the small scale initiatives but also big scale enterprises.
- I saw one development agency which claims to play different roles of developer, implementer, entrepreneur and advocate...

WHAT DEVELOPMENT AGENCIES CAN CONTRIBUTE

- The language of development and focus on communities rather than just the company and its few employees or simply profit
- The importance of structural adjustments rather than working on a case
- Focus on improving lives of others more than money, therefore willingness to work even in less profitable areas
- Capacity

WHAT INVESTORS COULD CONTRIBUTE

- Changing the perspective of development agencies about people and communities they serve
 - Looking at websites of development agencies, especially for me as African, I get frustrated because what they show is only misery, dysfunctional societies and poverty
 - They focus on and market themselves as serving the most vulnerable, the poorest of the poor who are virtually helpless. I understand the fundraising logic behind this but it leads to stereotyping communities in general.
 - They seldom propagate success but at extremely small scales, but always showing how much still needs to be done
 - They appeal to pity—change in language to rights-based approach etc., notwithstanding

One Example: Website of a development agency

- “Africa is the poorest continent on the planet. Many African states are politically unstable, and livelihoods are affected by environmental destruction and the effects of climate change. Illiteracy is one of the biggest obstacles of development. Child mortality and HIV/AIDS are widespread.”
- “Numerous prolonged crises and natural disasters cause suffering in Africa. According to the UN Refugee Agency UNHCR, there are approximately 15 million refugees, asylum seekers and internally displaced persons in Africa.”

Some more examples

-assists the world's poorest to lead a life in dignity. Aid is given regardless of race, creed, political or religious affiliation.
- Nearly 1 billion people still live in extreme poverty, so we've spent the past several years exploring how we can help more people move out of poverty, more quickly...Give the gift of a flock of chicks... a flock of chicks has changed their lives forever. ...for \$20, you can make a difference to another family..."

How Investors Describe their destinations

- Business Opportunities is a three – phase project which aim is to bring awareness to the opportunities and challenges of doing business in Africa and strengthen economic relations between Poland and Sub–Saharan Africa.
- Africa Opportunity Fund (AOF) is a closed-end investment company incorporated in the Cayman Islands and traded on the Specialist Fund Market of the London Stock Exchange. Investment Objective To earn capital growth and income through value, arbitrage, and special situations investments in the continent of Africa.
- Africa as a continent, is ripe with amazing and lucrative business opportunities and listed below are 7 lucrative business opportunities in Africa entrepreneurs can do to earn some cash and help Africans live better lives; (crowd farming, waste management, automobiles, urban logistics, healthcare services, financial tech, local products export...)

More Examples

- Many commentators have touted Africa as the future breadbasket of the world, which is plausible given the continent's large areas of open arable land. Investors, too, are seeing the promise in the agriculture sector.
- The term "millionaire" is taking on a new meaning in Africa. It's no longer just about the size of your bank account; any shady politician, corrupt bureaucrat, or unscrupulous businessman on the continent can easily claim to be a millionaire. But Africa's new and emerging generation of millionaires are not just excited about money. They're also passionate about impact; they want to create value that touches and improves people's lives. It's called impact entrepreneurship. It's the new way of making money and doing good, at the same time. It's a model that is proving that profit and ambition do not always have to come at another's expense.

CHANGING MENTALITIES

- Experience in United Evangelical Mission—quest for investment in Church owned banks in Africa
- Changing approaches of back-donor funders (focus on entrepreneurship and working with businesses)