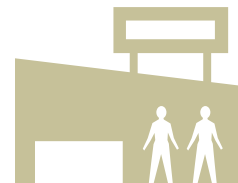




Private sector development 2013

A well-functioning private sector, markets and institutions are important for sustainable economic growth that includes the poor. Without clear laws and regulations, poor people's business endeavours will be disadvantaged. Sida disbursed SEK 489 million in 2013 so as to create the right conditions for a growing and vital business sector.



MAIN AREAS OF SUPPORT

Sida works with developing countries and other parties to improve the business climate for both small and large companies.

Sida primarily supports processes to make legislation clearer and remove bureaucratic barriers. It is important not only for existing companies, but also for those who want to start new businesses. It may involve simplified procedures for permit applications, the opportunity to buy land or better protection for patents and trademarks.

When it comes to direct support for individual companies, Sida is very restrictive so as to avoid distorting competition. Instead we prioritise projects that create the conditions for vitality in the business sector. The informal

economy in many countries is large – particularly in Africa – involving people supporting themselves on the proceeds from a small, unregistered business. Sida contributes towards the development of small-scale businesses through, for example, education, micro-loans and increasing the accessibility of markets for these poor business-people.

The conditions in war-torn countries such as Afghanistan and Liberia are completely different to those in countries that have experienced a long peace, such as Bangladesh and Tanzania, or countries in Eastern Europe that are implementing reforms to join the EU. Work often takes place in conjunction with international organisations, member-operated trade organisations and national, regional and local authorities.



THE 9 LARGEST COUNTRIES OF COOPERATION



RESULTS

DEVELOPMENT IN THE WORLD

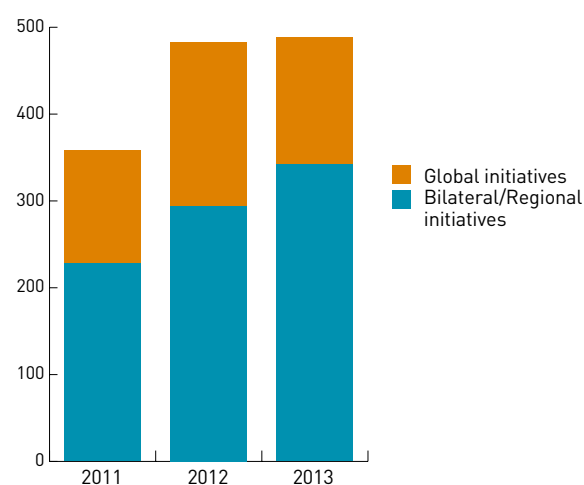
The global trend is that decision-makers are increasingly realising that a predictable business climate with clear, simple rules for running a business is important to a country's economic growth. The World Bank's study "Doing Business" shows that each of the 189 economies included in the investigation, from all regions of the world and at all income levels, have made important gains in improving the quality of the regulations governing the private sector. The report for 2014 even indicates that low-income countries have improved their business regulations twice as fast as high-income countries. Liberia has advanced to 35th, having been 71st last year out of 189 countries ranked in terms of opportunities to start a business ("Business Start-Up Indicator").

SWEDISH SUPPORT

Swedish businesses contribute to development cooperation in a range of areas. In Iraq, for example, the Swedish Academy for Training offers young unemployed Iraqis basic training in mechanics and courses in computing and English at their vocational school. The project is a collaboration between Sida, Scania, the language education company EF, UNIDO and the regional authorities in Kurdistan.

In Zambia, 80 000 small-scale farmers have been given greater access to products and services that increase their production, productivity and income. In addition, 700 new sales outlets have been opened for input goods and

TABLE 1: SUM OF OUTCOME 2011–2013



market information benefiting 60 000 smallholders is now provided thanks to Swedish support.

Sida invested SEK 489 million in around 100 initiatives over the course of 2013. The largest programme was for SEK 30 million to the ITC (International Trade Centre in Geneva) and the smallest was SEK 60 000 to improve mineral investments. Bilateral/Regional PSD initiatives are increasing.

STORY OF CHANGE

UMGT is a growing sunflower oil processing business located in Dodoma, Tanzania. Established in 2002, they now employ 38 full and part time workers. They purchase approximately 1 500 tonnes of sunflower seeds from 450 smallholders in rural Dodoma, where over 65 percent of them are women. Their filtered sunflower oil is sold to consumers across six regions of Tanzania.

UMGT is a grantee of the Tanzania Agribusiness Window (TZAW), a Challenge Fund run through the Africa Enterprise Challenge Fund (AECF), which receives funding from Sweden (Sida) and the UK (DFID).



UMGT, Dodoma, Tanzania