
Trends

Pol Deturck succeeds Luc Bonte at Entrepreneurs for Entrepreneurs: 'Africa buzzing of ideas'

(30-04-2024) Translated from the original Dutch



Sustainable entrepreneurship is the best way to create not only prosperity, but also well-being for a community.

That is the firm conviction of entrepreneur Pol Deturck. That is why he succeeds Luc Bonte as chairman of Entrepreneurs for Entrepreneurs, the organization that supports entrepreneurs in Africa with loans and advice.

One is born in Kinshasa, the other started his career as a development worker in Asia. So it is no coincidence that Luc Bonte, once active within the steel group ArcelorMittal and the NGO Rikolto, and Pol Deturck, who will work at Beaulieu until the summer, have found each other in their passion for Africa, especially for entrepreneurship in Africa.

Luc Bonte became involved in the Corporate Funding Program (CFP) as early as 2008.

Sidmar, which later became part of ArcelorMittal, was one of the founding members of CFP,

and Bonte was, as a business leader, closely involved in all sustainable entrepreneurship projects. In 2008 he became chairman. Now that he takes leave of this position, the board of directors puts Pol Deturck forward as his successor. Deturck became involved with Entrepreneurs for Entrepreneurs (OVO), as the organization is called since 2011, at the request of Bonte.

“In the past, companies were often a source of problems, such as pollution and unsafe working conditions”, says Deturck. “Today I am convinced that companies that mean well and do it right are an important part of the solution. Good, sustainable entrepreneurship must help ensure that everyone on this planet can live comfortably, without our children or grandchildren paying the bill. OVO is the organization that brings together African and Belgian entrepreneurs with a higher social purpose.”

Like many others, you started at OVO as a coach of an African entrepreneur.

POL DETURCK. “That's right. Various routes are possible at OVO. We have Belgian companies that support projects in Africa through our NGO partners. As a volunteer you can be a sounding board and coach and help an African entrepreneur to turn his or her idea into a solid business plan. Finally, as an investor, you can give a loan to an OVO screened company or make a donation.”

LUC BONTE. “At OVO, we closely monitor that the projects we support are socially relevant and responsible, with attention for circular economy and inclusivity. We do not just support entrepreneurship, it must be sustainable entrepreneurship.”

‘Western companies have every interest in getting to know the African market’

Luc Bonte

That may seem a bit paternalistic or even colonialist.

DETURCK. “We really left that postcolonial behind us. It is not that this old white man will tell the African how to do it. It's their ideas and their projects, and we help make sure they get the funding they need and get a sounding board. The African entrepreneur is central, we are the assistant.

“Africa is one of the most innovative and creative societies available. It is buzzing with ideas. As a European entrepreneur, you should not miss that development. Africa will soon become one of the fastest growing markets in the world. China was also a developing country a few decades ago. Soon it will probably be the largest economic power. It can go that fast.”

OVO finances projects with loans from 5,000 to 50,000 euros. Those are not huge amounts.

DETURCK. “OVO supports entrepreneurs who cannot go to a bank for a loan, because they have no track record or detailed plan. But it is precisely those small entrepreneurs that make a difference in a local community, because one project leads to another. SMEs make up more than 80 percent of gross domestic product in many African countries.”

BONTE. “OVO arose from the need to support small businesses. Which does not prevent us from thinking about raising the maximum amount. But don't forget, with 50,000 euros you can do a lot, especially in Africa.”

Entrepreneurs who receive a loan pay 7 percent interest as standard. That is not nothing.

BONTE. "It is really little in Africa. Anyone who borrows from a bank quickly pays 20 to even 30 percent interest. This also applies to the microcredits that are so successful. We deliberately do not award our entrepreneurs gifts, but we do support motivated people who want to realize something. We often hear entrepreneurs say afterwards that the coaching was more useful to them than the loan itself. Although the financing remains necessary."

What happens to the interest you earn?

BONTE. "Capital and interest go back to investors. This can be both companies and private individuals. We recently created the OVO Acceleration Fund. This is a fund in which we collect donations from individuals and companies in order to accelerate the granting of loans. If an African entrepreneur wants 30,000 euros and we already have 25,000 euros through investors, we can quickly add the last 5,000 euros thanks to the Acceleration Fund. Those proceeds go back to the fund. We only deduct 2 percent for our operation. Together with other income such as the core membership of Western companies, we pay 3.7 full-time equivalents."

How do you choose the projects?

BONTE. "In the areas where we are active, a competition for projects is organized, the SusTech4 Africa bootcamps. This call is partly distributed by our partners: local or Belgian NGOs, universities, business clubs, the Belgian development cooperation agency Enabel and the Belgian embassies. Then we visit those projects with a group of volunteers for a week and the entrepreneurs can come and present their plan. At the end of the week, the best projects are selected, each with one or two coaches. If the entrepreneurs have a solid business plan after a few months, this will be submitted to the investment committee. If the plan is approved, the committee will seek funding."

Do the other projects also receive some form of feedback?

BONTE. "Yes. It sometimes even happens that one of the volunteers sees something in a project that has not been chosen, and that he still chooses to guide that entrepreneur. The entrepreneurs who do receive a loan are assured of coaching through OVO as long as the loan is running. This is usually three to five years."

You are mainly active in Benin, Rwanda, Uganda and Senegal. Does the democratic content of a government play a role?

BONTE. "We are looking for places where we can support grassroots projects in the best possible way. For example, we first ended up in Uganda and later in Rwanda. In Africa it can of course change quickly. As an entrepreneur you have to learn to take this into account."

DETURCK. "If there is no infrastructure at all, or extreme political instability, or a shaky legal system, or even war, it will of course be difficult. So we try to look for countries where the chances of success are greater. But we are not abandoning local entrepreneurs because the political climate is changing. On the contrary, we believe that a strong network of SMEs can provide stability. That is important in a fast-growing continent like Africa."

BONTE. "We want to help the entire local community through those small businesses. In Uganda we started with the Uganda Business Club. The members meet every month to

discuss their problems, help other companies. The ultimate aim is for these entrepreneurs to help and inspire each other.”

How big is the success rate of the companies that support OVO?

BONTE. “Because of corona, we have granted a number of African companies a repayment extension, which means that a number of loans are repaid in a delayed manner. But in our portfolio, the percentage of real failures is only between 6 and 15 percent.”

DETURCK. “We have few real failures. Despite corona, most companies still survive. For the time being, they only repay the interest. If things get better again, they can also repay capital again. The last thing we want is to squeeze those companies to death by sticking to that strict installment. That would go against what we want to achieve. ”

‘Africa will soon be the largest labor market in the world with 1.5 billion people. In 2050 a quarter of the world's population lives there’

Do Belgian companies that want to join as a member also have to meet conditions for sustainable business?

BONTE. “The problem has never arisen. Companies that knock on our door are already familiar with sustainable business.”

DETURCK. “If we really notice that a company wants to use us for greenwashing, it would soon be over. But we have not yet experienced that. We attract companies that want to be part of the solution.”

Volunteers who cooperate do so in a personal capacity. Is there also a program that allows companies to encourage their employees to participate in OVO projects?

BONTE. “We are working on that with the Talent for Growth project, which will allow a company to send some of its employees to Africa to participate in our SusTech4Africa initiatives. It can certainly be interesting for companies if their employees commit themselves in this way and if this is embedded in the company. And they can also learn a lot from African entrepreneurs, for example about creativity, innovation and cooperation.”

DETURCK. “Western companies have every interest in getting to know the African market. Africa will soon be the largest labor market in the world with 1.5 billion people. In 2050, a quarter of the world's population lives there, especially young people. OVO is an ideal way to get acquainted with African entrepreneurs and the rapidly growing local market. You help to tackle important social themes, such as migration, climate and income inequality. But as an impact entrepreneur and investor you can also achieve a correct economic return, although that is of course not the first priority. Incidentally, we focus not only on entrepreneurs, but on all enterprising people. This can also be employees, liberal professionals or people from the creative sectors, for example.”

Do you intend to set new accents as chairman?

DETURCK. “Our direction is clear, we are here to stimulate environmentally friendly and socially relevant entrepreneurship in Africa through financing and sharing knowledge. It will remain so. However, we will work with the team to see how we can further increase our effectiveness and impact, including by making even more Belgian entrepreneurs and

investors enthusiastic about OVO. And we want to work even more intensively with our partners and other organizations with similar ambitions.”

Bio

Luc Bonte

- Born in Kinshasa
- Graduated as civil engineer from UGent
- Worked at Sidmar and ArcelorMittal, incl. in Belgium and Asia
- Was general director at Vredeseilanden (now Rikolto)
- From 2008 until now chairman of Entrepreneurs for Entrepreneurs

Pol Deturck

- Born in Kortrijk
- Graduated as bio engineer from KU Leuven
- Worked more than ten years as development worker in Sri Lanka and Vietnam
- Built a career in de food and chemical industries, incl. Vandemoortele and Tessenderlo Group
- Since 2021 active at Beaulieu International Group