

Danish Experiences with Private Sector Development in Developing countries

19th of May 2009



Agenda

- Danish Federation of SME
- The International Dept.
- Development of the B-t-B concept
- Presentation of B-2-B programme
- Questions and discussion
- Lessons learned
- Questions and discussion



DFSME International Department

- Purpose is to create good enabling environment for SME internationalisation by
 - providing adequate financial support for SME's internationalisation
 - developing tools which can enable SMEs to internationalise the "smart" not "hard" way
 - providing services for SME internationalisation – based on "help to selfhelp" principle



International Departments 4 legs

- Collective promotional activities for SME internationalisation
- Business-to-Business cooperation (B2B)
- Institutional building of SME organisations
- Corporate Social Responsibility (CSR)



Development of the BtB Programme

Why support the private sector?

Overarching objective of Danish development assistance is **Poverty reduction**

Therefore private sector development is central:

- Contributes to a sustainable economic development
- Improves social sectors and living conditions
- Improves the environment and working conditions



Business-to-Business concept

Transfer of know-how and technology from Danish companies to companies in developing countries

- Developed in 1990
- Pilot project in Zimbabwe 1991-1994 (½ mill. Euro/year)
- Permanent programme 1994 – (30 mill. Euro/year)
- Today operational in 15 countries in Africa, Asia and Latin America
- Continuous development of concept and other private sector development programmes
- Major revision of programme in 2006 – more quality and flexibility
- Lives up to DAC code of conduct



B2B

B2B supports the establishment of long-term cooperation between companies in Denmark and companies in Danidas partner countries including 10 focus countries and South Africa.

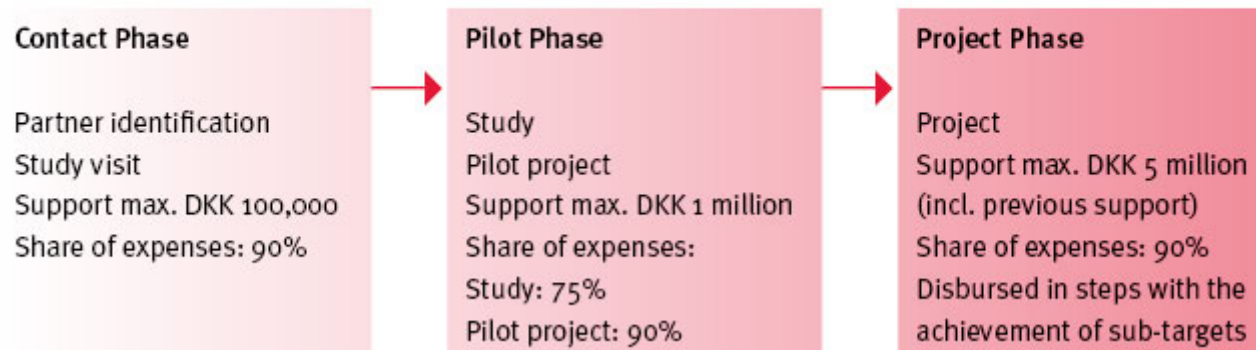
The B2B programme supports: education, training, work environment – and environment efforts to contribute to immediate objective:

- **Increased employment**, focus on womens access to the labour market.
- **Environmental improvements**, such as the working environment, as well as the external environment.
- Promotion of cross cutting issues (**CSR**) such as labour rights.
- Strengthening of the **local companies competitive** position.



B2B phases

B2B Programme Components



B2B support opportunities

Facilitate establishment of partnerships. Support rate of 90 % of the cost of activities, which can be considered **additional**.

Contact phase: Partneridentification, study visit, culturel workshop, pre-investment meeting.

Max. DKK 100,000
(13.000 Euro)

Pilot phase: Studies, pilot project

Max. DKK 1,000,000
(130.000 Euro)

Project phase: Technical assistance/training, environmental efforts, CSR activities, establishing costs, equipment

Max. DKK 5,000,000
(65.000 Euro)



CSR activities under B2B

Possible and DMFA encourages support to various CSR activities under the B2B programme.

For example HIV/AIDS seminars or labour rights workshops for employees, improved occupational health, prevention of child labour a.o..



Business opportunities

Major motives for companies to apply:

- Access to new markets – domestic, regionally and exports
- Possibilities for outsourcing
- Access to raw materials
- HRD of staff members
- Incentive to keep the most valuable staff members

B2B projects within all sectors

- partnerships within manufacturing, metal, wood, ICT, textiles, plastics, pharmaceuticals, horticulture, agriculture, non-alcoholic beverages etc.

