



Bundesministerium für
wirtschaftliche Zusammenarbeit
und Entwicklung

The world is on your side

EZ-Scout

Enterprises. Opportunities. Development.

The role of German business associations and TVET centers in industrial (german) development cooperation

Services offered by the German Federal Ministry for Economic Cooperation and Development (BMZ) to companies, chambers of commerce and industry, and business associations

Opportunities for business in developing countries and emerging economies

- **Today, new opportunities and markets are frequently to be found in emerging economies and developing countries.**

- **However, entering the local market is fraught with insecurity and risks:**
 - political, legal and cultural contexts,
 - finding local contacts and business partners,
 - access to local networks,
 - access to suitable financing,
 - and so on.

The Federal Ministry for Economic Cooperation and Development (BMZ) and other German ministries offer a wide variety of services to support entrepreneurial engagement in developing countries and emerging economies.

Positive effect of entrepreneurial engagement in developing countries and emerging economies

The private sector is an important actor in the field of international cooperation. Companies

- ... create jobs and generate income,
- ... lay the foundations for a functioning public sector through the taxes they pay,
- ... help to train specialists,
- ... offer innovative and resource-saving technologies, for instance related to energy and water supply and transport,
- ... drive development in a country.



Themes for cooperation between the private sector and development cooperation



The EZ-Scout programme

EZ-Scouts are experts who work on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

- EZ stands for development cooperation, an arrangement within which the German Government and developing countries/emerging economies work together on an equal standing with private sector actors.
- EZ-Scouts are seconded to business associations, country associations, chambers of industry and commerce and chambers of crafts and skilled trades as contacts for all matters related to development cooperation.



Advisory services throughout Germany

25 EZ-Scouts are currently placed in assignments.

Assignment locations:

- **9** EZ-Scouts at institutions of the Association of German Chambers of Industry and Commerce network (DIHK/IHK)
- **11** EZ-Scouts at umbrella and industry associations such as VDMA and GWP
- **2** EZ-Scouts at country associations of German industry
- **3** EZ-Scouts at German skilled crafts institutions



EZ-Scouts: Tasks and skills

Advisory services

Our objective: Fostering potentials

We advise entrepreneurs on the cooperation options and networks of German development cooperation.

Networks

Our objective: Networking for successful involvement on the ground

We offer regional and sectoral networks combined with a private sector background.



Joined-up services

Our objective: To create synergies between foreign trade and EZ

Besides foreign trade instruments, we offer companies development cooperation instruments as an added bonus.

Dialogue

Our objective: Joint project development

We create platforms for dialogue among companies, business associations and politicians, and communicate their interests to **BMZ.**

- ▶ The **ZDH is committed to the social market economy and to an SME policy** of efficiency oriented competition. Its goal is the creation of political and legal frameworks which give small and medium-sized enterprises the freedom they need to develop their potential as employers and trainers.
- ▶ The **ZDH campaigns against competitive disadvantages for Skilled Crafts SMEs**. This currently applies in particular to the field of energy and environmental policy, to business finance, as well as to tax and financial policy.
- ▶ A special emphasis in the representation by the ZDH of the interests of the Skilled Crafts is on the area of education policy. **Its objective is the equivalence of vocational and general education.**
- ▶ **A guarantee of success for the Skilled Crafts and a factor for the competitiveness of German industry in general is provided by the „German dual system“ of vocational qualification.**
- ▶ **Challenges:** Demographic change - aging society; shortage of skilled workers - securing skilled personnel; attractiveness of vocational education

Export activities of Skilled Crafts companies

- ▶ About 50.000 Skilled Crafts companies are exporting products and services.
- ▶ Another 70.000 companies have potentials to embark on export activities.
- ▶ Most important target markets are located in neighbouring countries of Germany.
- ▶ Most attractive export markets:



Dual Training System - Facts and Figures

2013	German economy	Skilled Crafts sector
Apprentices	1.460.000	400.000
Quota of apprentices among all employees	3,5 %	7,7 %
Vacancies	33.500	15.000
Enterprises	3.620.000	1.004.000
Quota of Enterprises providing VET*	22,5 %	24 %

* VET: Vocational Education & Training in German Skilled Crafts

Cooperation between ZDH – GIZ

- **Cooperation agreement GIZ – ZDH in June 2015**
- **Main topic:**
 - Vocational education – transfer / “export” of the German Dual System**
- **Exchange and deployment of experts, especially German “Meister” and “Gesellen” (master and journeymen) to partner countries**
- **Trainings in vocational training centres in Germany**
- **Joint project development – e.g. internationalisation of the skilled crafts organisations and the “Meister” and “Gesellen” (master and journeymen)**

Development cooperation services for companies






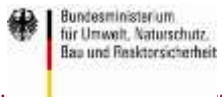


- **Investment funding, preparation and support**
- **International calls for tender/development projects**
- **Joint projects/development partnerships**
- **Import promotion/sustainable sourcing**
- **Export loan guarantees**
- **Capacity development and experts programmes**
- **Information and contact facilitation**

Deutsche Investitions- und Entwicklungsgesellschaft (DEG) - financing offers

Financing of and advice on long-term investment projects in
developing countries and emerging economies

- Long-term loans
- Equity participation
- Mezzanine funding
- Guarantees

Promotion programmes of Deutsche Investitions- und Entwicklungsgesellschaft (DEG)

Promotion	How much and for whom?	For what purpose?	By whom?
Feasibility studies	Max. 50% of costs and up to EUR 200,000 => for German/European companies with a sales volume of up to EUR 500 million	Cofinancing of feasibility and market analyses, legal opinions, environmental studies, etc., for preparing specific investments (also for introducing new technologies, processes, etc.)	 <p>BMZ </p>
Flanking measures	Max. 50% of costs and up to EUR 200,000 => for German/European companies	Cofinancing of measures to prepare for or flank projects in connection with DEG financing	 <p>BMZ </p>  <p>KFW DEG</p>
Climate partnerships with the private sector	Max. 50% of costs and up to EUR 200,000 => for German/European companies	Cofinancing of climate change mitigation projects (e.g. pilot plants, training, introduction of innovative climate protection technologies)	 <p>Bundesministerium für Umwelt, Naturschutz, Bau und Reaktorsicherheit</p>
Transaction manager	Max. EUR 100,000 => for German companies (with a sales volume of up to EUR 500 million)	Cofinancing of advisory costs to prepare for or examine an investment	 <p>KFW DEG</p>
Scaling up	Max. EUR 500,000 as a reimbursable subsidy, max. 50% of overall investments => for German/European and local SMEs in developing countries	Financing of innovative pioneering investments by SMEs on the brink of market launch (set-up phase)	 <p>KFW DEG</p>

Climate partnerships with the private sector

DEG is responsible for the 'Climate partnerships with the private sector' programme on behalf of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB).

The focus is on **promoting the transfer of know-how and technology** to support the emergence of a climate-friendly economy.

- DEG contributes a maximum of 50 per cent of project costs up to EUR 200,000.
- **German and European companies** are free to participate, also in cooperation with local companies.

www.deginvest.de



Development cooperation services for companies

- Investment funding, preparation and support
- International calls for tender/development projects
- Joint projects/development partnerships
- Import promotion/sustainable sourcing
- Export loan guarantees
- Capacity development and experts programmes
- Information and contact facilitation

International invitations to tender, information on development projects

International invitations to tender

Germany Trade and Invest (GTAI) offers an overview of current invitations to tender by KfW Development Bank and other international donors such as the World Bank, the EU Commission and many other bilateral and multilateral donors.

Early information on development projects

GTAI also provides information in the early stage of development projects on the envisaged project content, promotion volumes, deadlines and contact addresses.

www.gtai.de/projekte-ausschreibungen

The GTAI foreign trade portal iXPOS provides further information and offers.

www.ixpos.de



Development cooperation services for companies

- Investment funding, preparation and support
- International calls for tender/development projects
- **Joint projects/development partnerships**
- Import promotion/sustainable sourcing
- Export loan guarantees
- Capacity development and experts programmes
- Information and contact facilitation

develoPPP.de development partnerships

With the develoPPP.de programme, the German Federal Ministry for Economic Cooperation and Development (BMZ) offers **financial** and, on request, also **technical support** to companies investing in developing countries and emerging economies.

- The company in question bears at least half of the overall costs. BMZ provides up to EUR 200,000.
- **All German and European companies** and their **subsidiaries** in developing countries and emerging economies are eligible for support.
- Participating companies always cooperate with one of the **three public-sector partners** that implement the programme on behalf of BMZ: DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and sequa gGmbH.

Development cooperation services for companies

- Investment funding, preparation and support
- International calls for tender/development projects
- Joint projects/development partnerships
- **Import promotion/sustainable sourcing**
- Export loan guarantees
- Capacity development and experts programmes
- Information and contact facilitation

Import promotion/sustainable sourcing from developing countries and emerging economies

The Import Promotion Desk (IPD) is an import promotion service provider in Germany.

- IPD is a joint project run by sequa and Federation of German Wholesale, Foreign Trade and Services (BGA). It brings together the interests of German importers with those of exporters in up-and-coming growth markets.
- The aim is to promote imports of specific products from selected partner countries in a sustainable and structured manner, while complying with high quality, social and environmental standards.

Countries: Colombia, Egypt, Ethiopia, Indonesia, Kyrgyzstan, Nepal, Peru, Tunisia

Product groups:

- Organically and conventionally produced foods
- Cut flowers
- Natural food ingredients
- Natural ingredients for pharmaceuticals and cosmetics
- Engineered wood

<http://www.ixpos.de/IXPOS/Navigation/EN/Your-business-in-germany/Contacts-and-networks/import-promotion-desk.html>



Development cooperation services for companies

- Investment funding, preparation and support
- International calls for tender/development projects
- Joint projects/development partnerships
- Import promotion/sustainable sourcing
- **Export loan guarantees**
- Capacity development and experts programmes
- Information and contact facilitation

Euler Hermes: Export loan insurance

On behalf of the German Federal Ministry for Economic Affairs and Energy (BMWi), Euler Hermes AG and PricewaterhouseCoopers (PwC) AG grant **government export loan guarantees for exports of goods and services.**

These effectively safeguard against economic and political risks of payment default.

For further information, please go to www.agaportal.de



Services offered by development cooperation for companies

- Investment funding, preparation and support
- International calls for tender/development projects
- Joint projects/development partnerships
- Import promotion/sustainable sourcing
- Export loan guarantees
- **Capacity development and experts programmes**
- Information and contact facilitation

Capacity development and experts programmes - excerpt from the programmes

- **Partnerships with business chambers and associations** and **vocational training partnerships** with sequa
- **DAAD practical partnerships** promote cooperation between companies and universities from Germany and from developing countries and emerging economies
- **Short-term secondment of honorary experts** via the Senior Expert Service (SES)
- Manager training programme '**Global Business Exchange**', currently in Morocco, Colombia and Peru
- **Alumniportal Deutschland**: Access to international experts who have studied or worked in Germany (www.alumniportal-deutschland.org)
- Highly qualified Tunisian experts are placed via the **German-Tunisian Mobility Pact**
- **Afrika kommt!** (Africa is coming) - manager training programme for experts and managers from sub-Saharan Africa

Partnerships with business chambers and associations, sequa

Promotion of cooperation by German business chambers and associations with their counterparts in developing countries and emerging economies

Objective: Improving project partners' structures and management; organisational development and elaboration of new service packages; support with representing interests and policy dialogue

Promotion is provided subject to application

Term: Two main project phases of three years each

Volume: approx. EUR 750,000/EUR 900,000 per main phase

Activities: Long-term and short-term advisory services, training courses, study and delegation trips, funds for equipment, PR work

Example:

Partnership between the Munich Chamber of Commerce and Industry and Associação Industrial de Angola (AIA)

Vocational training partnerships, sequa

Objective: To improve vocational training in partner countries by making use of the expertise of the organised business community in Germany and its vocational training institutions

Promotion is provided subject to application.

Term: 2 main project phases of three years each

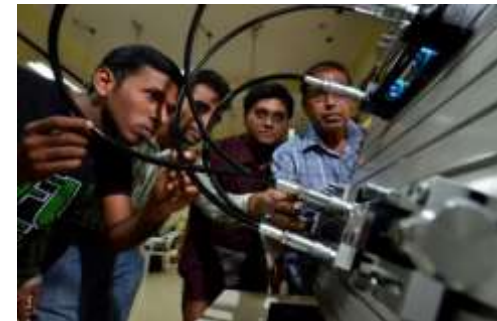
Volume: approx. EUR 750,000/EUR 900,000 per main phase

Priority areas of cooperation:

- Organisational development at vocational training institutions in order to carry out practice-oriented training
- Strengthening dialogue with the private sector

Example:

Vocational training partnership between the Frankfurt Rhein/Main Chamber of Skilled Crafts and the Ethiopian Chamber of Commerce and Sectorial Associations



SES (Senior Expert Service)

- The **Senior Expert Service** seconds honorary specialists who are no longer active in their profession for **worldwide assignments**. From **industrial companies and crafts businesses to organisations and municipalities**, SES has more than 11,500 senior experts with **expertise in more than 50 sectors of industry** who provide advice and hands-on support.
- Their volunteer assignments usually last for three to six weeks; the maximum duration is six months.

www.ses-bonn.de



Afrika kommt! – Africa is coming!

An initiative of German business and industry for managers and future leaders from sub-Saharan Africa

- Young professionals from sub-Saharan Africa receive one year of further training at a German company. The company assumes 100% of the costs.
- German companies attach value to cooperating with their African partners. They invest in providing further training for Africa's future business elite.
- Companies that have already made use of the programme:
Volkswagen AG, BASF SE, Bayer AG, Bosch, Siemens Hausgeräte, BMW AG, Commerzbank, SAP SE ...
- The programme is being implemented by GIZ International Services.



www.afrika-kommt.de

Development cooperation services for companies

- Investment funding, preparation and support
- International calls for tender/development projects
- Joint projects/development partnerships
- Import promotion/sustainable sourcing
- Export loan guarantees
- Capacity development and experts programmes
- **Information and contact facilitation**

Information and contact facilitation – in Germany

Beside the EZ-Scouts

Agency for Business and Economic Development (supported by BMZ)

The agency responds to all enquiries related to cooperation with the private sector.

Telephone: +49 228 / 995 35-31 31

Email: wirtschaft-kontakt@bmz.bund.de

Information and contact facilitation - abroad

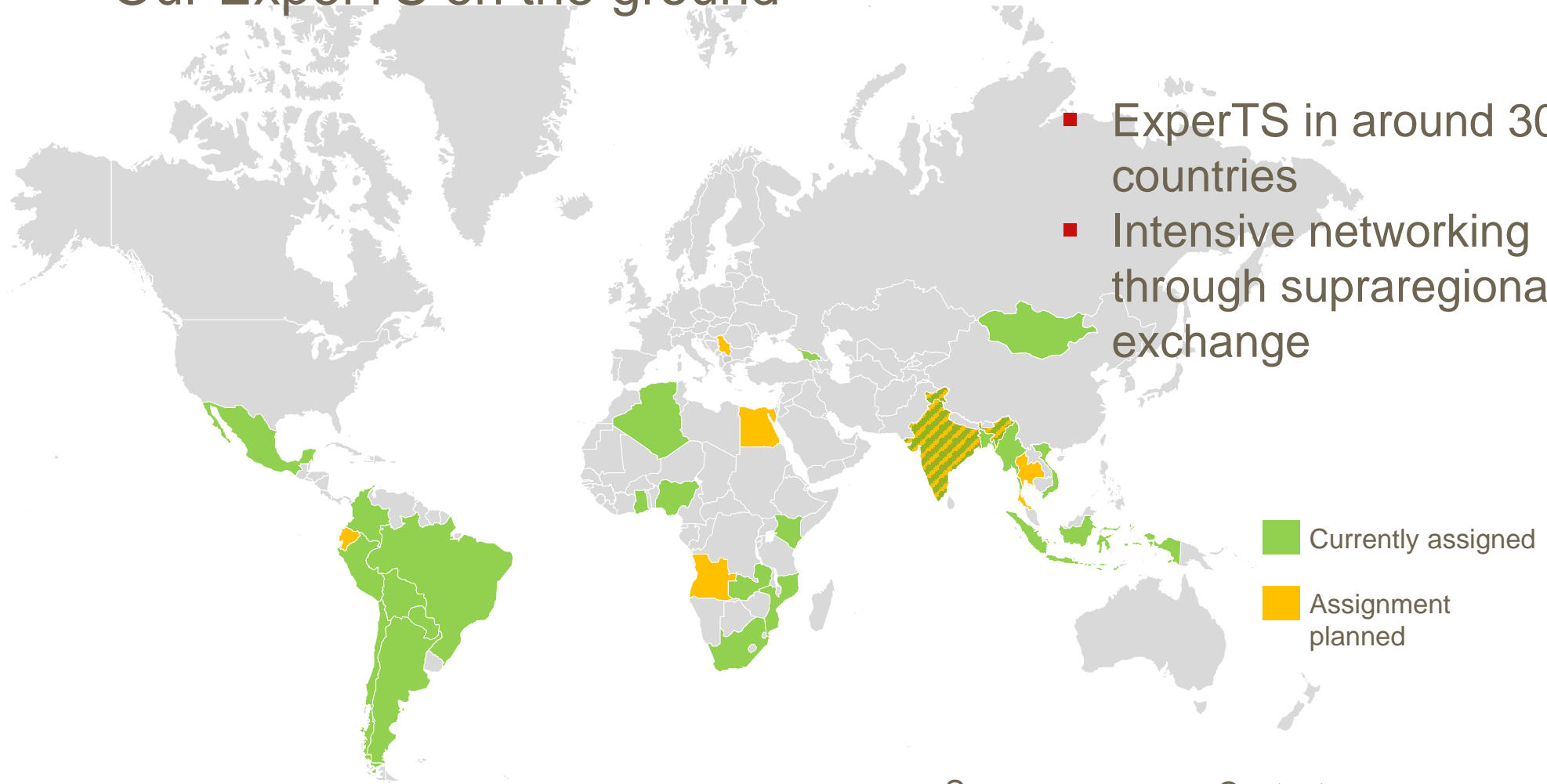
ExperTS (Economy. Transfer. Sustainability.)

- ExperTS for development cooperation with the German Chambers of Commerce Abroad (AHKs), Delegations of German Industry and Commerce and bilateral business associations
- ExperTS are familiar both with the local market and its development potentials, and with the needs of German companies.
- ExperTS are financed by the BMZ in cooperation with the Association of German Chambers of Commerce and Industry (DIHK)
- The network of the ExperTS is mirrored by the EZ-Scouts in Germany - close cooperation especially in the field of vocational training.



Our ExperTS on the ground

- ExperTS in around 30 countries
- Intensive networking through supraregional exchange



Background

Programme

Services

Successes

Contact



Centre for International
Migration and Development
a joint operation of GIZ and the
German Federal Employment Agency



Technical priority areas

Setting up chambers of industry and commerce

Our objective: Stable economic relations

We set up structures for chambers of Industry and commerce as the basis for long-term economic cooperation.



Sustainable economic development

Our objective: Sustainable growth

We support sustainable development of the local economy by facilitating support for exports and innovations.



Energy

Our objective: Climate protection

We promote the sustainable generation and use of energy by transferring expertise and technology.



Vocational education and training

Our objective: Training

We develop vocational training courses for experts together with the private sector.

Background

Programme

Services

Successes

Contact

▶ **Thank you!**

Michael Kleinbub
Development cooperation advisor / EZ-Scout
at German Confederation of Skilled Crafts

Tel.: +49 30 20619 348
E-mail: kleinbub@zdh.de

