



# Private Sector and Development

Unit for Private Sector Cooperation – Service Portfolio

## National Graduate Institute for Policy Studies (GRIPS)

March 1 (Tue) 2016, 14:00–17:15

**Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ GmbH)**  
Business Unit Private Sector Cooperation  
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- 1995 Dipl. Kaufm. (=MBA)
- 1999 Rio de Janeiro, Frankfurt (consultancy)
- 2002 MBA
- 2003 Manila (chamber of commerce)
- 2006 Addis Ababa (GIZ)
- 2010 Cairo (GIZ)
- 2014 Berlin (GIZ)



## 1 Introduction of GIZ

Who are we and what do we do?

## 2 Private Sector cooperation

Why do we work with the private sector?

## 3 Service Portfolio

What does the unit private sector cooperation offer?

## 4 Programmes in more detail

Programmes and examples

## 5 Contact

How do we stay in contact?



## **GIZ - Innovative Partner for Global Sustainability Challenges**

- **Federally owned corporation, operating worldwide** in the area of international cooperation for sustainable development.
- Own offices and staff **in 130 countries**, ensuring smooth and comprehensive project delivery.
- Works on **behalf of the Federal Government** as well as other public and private, national and international clients.
- **Existing network** of experts and long-standing relationships to government authorities and associations.
- Expertise lies on the consultation of governments & in close cooperation on the ground - with producers, informal structures and the base of the pyramid .
- Promotes **complex reforms and processes of change in different sectors**, such as sustainable economic development, environment, energy, biodiversity, climate, health, transport and infrastructure management.
- Offers **demand-driven, tailor-made and effective services** for sustainable development



# We have had a significant impact on millions of people worldwide



In the last 4 years, GIZ has reached **over 100 million malnourished people** in Bolivia, Brazil, Indonesia and Tanzania via a food fortification initiative in partnership with BASF.

The Alliance for Financial Inclusion aims to give **50 million people** access to basic financial services.



We advise central banks and financial regulators in **32 countries** that account for more than **half the world's population..**

In 2012 GIZ enabled around **95,000 young people** from all over the world to get a decent education. On average this is one young person every 5 minutes.



In Namibia GIZ has helped some **250,000 farmers** to secure their livelihoods through agreements on land use rights.

**Two million children** benefit from the Fit-for-School programme in South East Asia.



GIZ advises around **400 water and wastewater companies** all over the world. More than **100 million people** now benefit from secure access to water and sanitation.



**80%** of all mining concessions in Sierra Leone are now recorded in a government database that is accessible to the general public.



In the past year, we explained the dangers of AIDS to **1.2 million people** in the five most affected countries in Africa.





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## **GIZ and Private Sector – Creating Synergies**

**Global Challenges, like Climate Change, Poverty and Depletion of Natural Resources demand for Common Efforts**

### Private Sector objectives in developing and emerging countries

#### **Procurement**

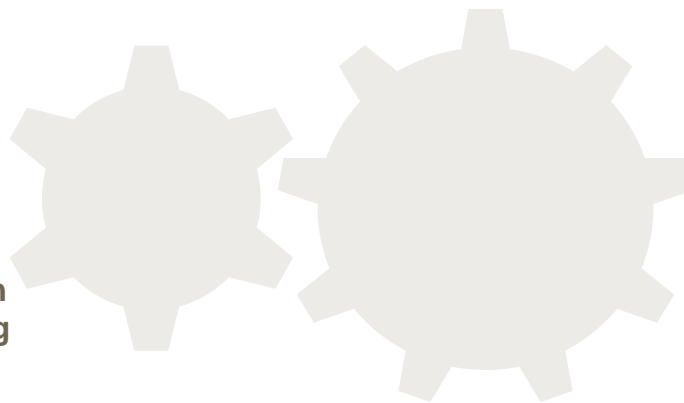
- **Supply Security**
- **Verifiably sustainable products, certification**

#### **Market Entry**

- **Market entry and expansion in developing and emerging countries**

#### **Operational Sites**

- **Qualified Employees**
- **Work Safety**
- **Environmental Management**
- **Stakeholder Engagement**



### Development objectives

- **Mobilization of capital and know-how**
- **Protection of natural resources, climate and the environment**
- **Products and services for low-income communities**
- **Involvement of local and low-income communities in economic cycles**
- **Improvement of local economic conditions and legal frameworks**



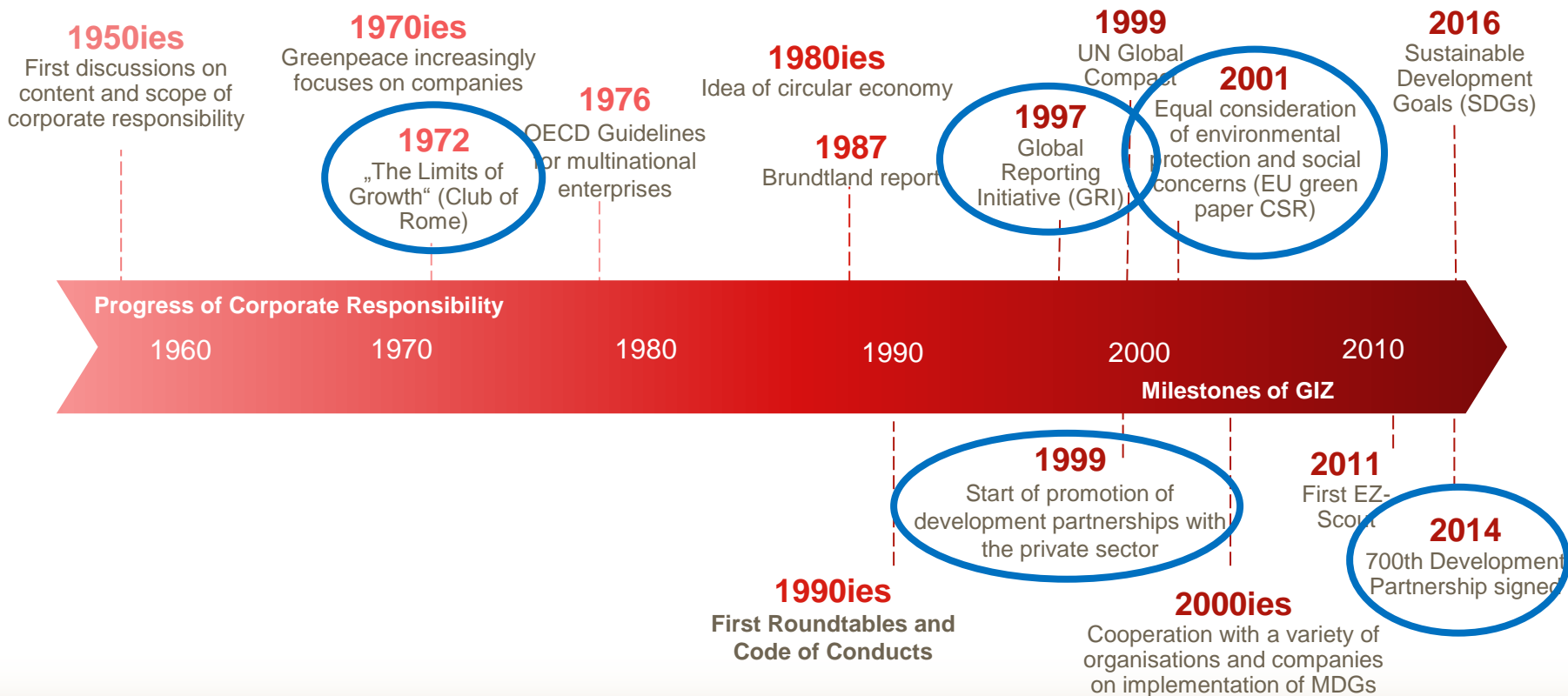
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# Sustainable Development and Corporate Responsibility

## Milestones GIZ Private Sector Cooperation





# Unit Private Sector Cooperation

## Service Portfolio

- Alliance for Integrity (Afin)
- Global Compact Network Germany (DGCN)
- Responsible and Inclusive Business Hubs (RIBHs)
- Inclusive Business Action Network (IBAN)

## Learning and Implementation Networks with the private sector

- EZ-Scouts
- ExperTS
- Servicestelle für die Wirtschaft des BMZ

## Consulting services

for business chambers, associations and corporations  
on DC-instruments and (funding) programmes

## Project Implementation in partner countries

### Manager Trainings

Morocco, Colombia, Peru

- Global Business Exchange Programme (GloBus)

- Development Partnerships with the Private Sector (develoPPP.de)

- lab of tomorrow
- shared Value

## Innovative Cooperation Approaches development and piloting



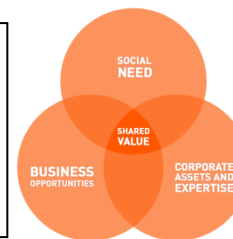
## Impact of Corporate Activities

identify  
mitigate  
prevent

create  
common  
values

Product development

- Political analysis
- Concept creation
- Prototyping
- Test
- Consulting
- Project development
- Implementation
- Market Mechanism



shared value

compliance

impact  
business



Deutsches Global Compact



project implementation  
develoPPP.e; iEPWs, IBAN, RIBHetc.

Project development



## Over the last 20 years, we have worked with more than 1.500 companies

Some of our partners



DAIMLER





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## Consulting Services

Agentur für Wirtschaft und Entwicklung

- Contact point for the private sector / Advice of BMZ's options for cooperation

- Manage dialogue with central trade associations

- „Think Tank“ in order to support the BMZ in private sector cooperation

- Strong cooperation with *EZ-Scouts* and *ExperTS*



## Learning and Implementation Networks

### Global Compact Network Germany (DGCN)

#### What is it all about

- Support German signatories of UN Global Compact in taking actions to advance corporate strategies in line with the ten UNGC principles on human rights, labour, environment and anti-corruption
- Design and implementation of learning and dialogue formats fostering the exchange and transfer of knowledge

#### Benefits for Private Sector

- Network for Corporate Responsibility
- Platform for knowledge exchange and the development of practice-oriented solutions
- Webinars, coaching, practical guidelines, learning groups and events supporting businesses in relevant fields (e.g. human rights due diligence, scope 3 emissions)

#### Examples:

- Guidelines: Sponsoring guideline | 5 steps towards managing the human rights impacts of your business
- Human Rights Peer Learning Group | Peer Learning Group Climate Management



## Learning and Implementation Networks

### Alliance for Integrity (Afin)

#### What is it all about

- Promote integrity among companies, their business partners and other relevant actors
- Contribute to better framework conditions regarding anti-corruption by fostering dialogue between public and private sector
- Focus countries: Ghana, India and Brazil and Indonesia

#### Benefits for Private Sector

- Peer learning and international dialogue on anti-corruption – sharing lessons learned based on best practice examples as well as suggestions for anchoring integrity in the organization / company
- Access to knowledge on integrity and compliance
- Trainings on anti-corruption and integrity to improve the compliance capacities of companies in international supply chains

#### Examples:

- Regional meeting of the “¡De Empresas para Empresas!” (DEPE) Trainers in Rio
- Compliance Training in Jakarta | Compliance Training in Accra



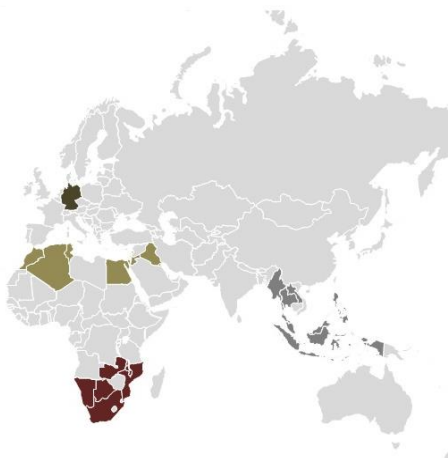


## Learning and Implementation Networks

### Responsible and Inclusive Business Hubs (RIBHs)

#### What is it all about

The RIBHs aim to encourage and support companies to develop, implement and grow their Inclusive Business (IB) models



#### Benefits for Private Sector

- Serve as contact point for regional actors in the MENA region, Sub-Saharan Africa and South East Asia
- Develop capacity development formats and support companies in the initiation and implementation of IB models
- Facilitate partnerships between development cooperation and the private sector
- Share knowledge and best practice examples

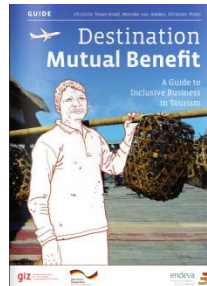


# Learning and Implementation Networks

## Responsible and Inclusive Business Hubs (RIBHs) - Examples

### Awareness Raising & Capacity Development Formats

“Mutual Benefits” Framework: Offers different concepts and case studies on including low-income people into value chains in the tourism sector.



Sustainable Start-up Lab: 5-days training for start-ups and SMEs that want to innovate their business on an eco-social basis.



### Inclusive business models with companies and start-ups

The Semiramis Intercontinental Egypt now implements a sustainable catering concept.



Kirana Megatara, the largest Indonesian producer of crumb rubber, is restructuring its supply chain to source directly from smallholder rubber farmers.



The consulting services of the RIBHs allowed the social business “Baladini” to professionalize its kitchen incubator in Egypt. Baladini aims to help women to become successful entrepreneurs in food business and catering.





## Learning and Implementation Networks

### Inclusive Business Action Network (IBAN)

#### What is it all about

- Entry point for and to the global Inclusive Business (IB) community
- Network connecting the dots between businesses, existing initiatives, support mechanisms, investors and other stakeholders around the world
- fostering partnerships and collective action

#### Benefits for Private Sector

- Access to knowledge and information on IB and relevant IB stakeholders
- Peer learning and exchange formats
- Tools for the scale and replication of IB models
- Support on the ground through local partners

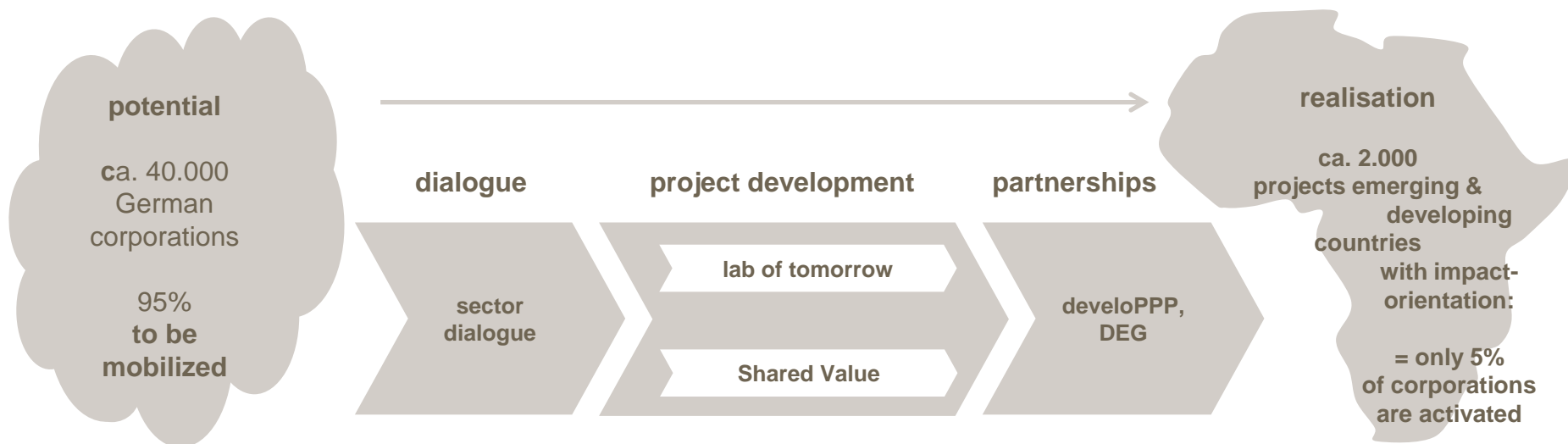
#### Examples:

- Database on IB Publications - [www.searchinclusivebusiness.org](http://www.searchinclusivebusiness.org)
- Base of the Pyramid (BoP) sector dialogue events and workshops (e.g. Housing Nigeria, Energy Ghana, Fast Moving Consumer Goods Egypt, Health Argentina)
- Innovation and policy roundtables



## Innovative Cooperation Approaches

goal : to close the gap & establish new partnerships  
with focus on core business and are beyond CSR





Bundesministerium für  
wirtschaftliche Zusammenarbeit  
und Entwicklung

Durchgeführt von:

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

# lab of tomorrow

**#StrategicPartnershipDigitalAfrica**

Real challenges meet  
business-driven solutions  
to create shared value



The lab of tomorrow is part of the "Digital Africa" strategic partnership of Germany's Federal Ministry for Economic Cooperation and Development (BMZ)

# lab of tomorrow (Dec 8-10) | movie



# lab of tomorrow (Dec 8-10) | results



1 challenge



3 days



39 participants

5 prototypes



ZRA Learning System/Certified Shops



Simcard Enforcement + Presumptive Text-Based Taxation



Cash Flow Transparency



Tax Loyalty Program



MREG



2.9 mn taxable SMEs

100 %

SME's commitment to pursue the prototype

65%

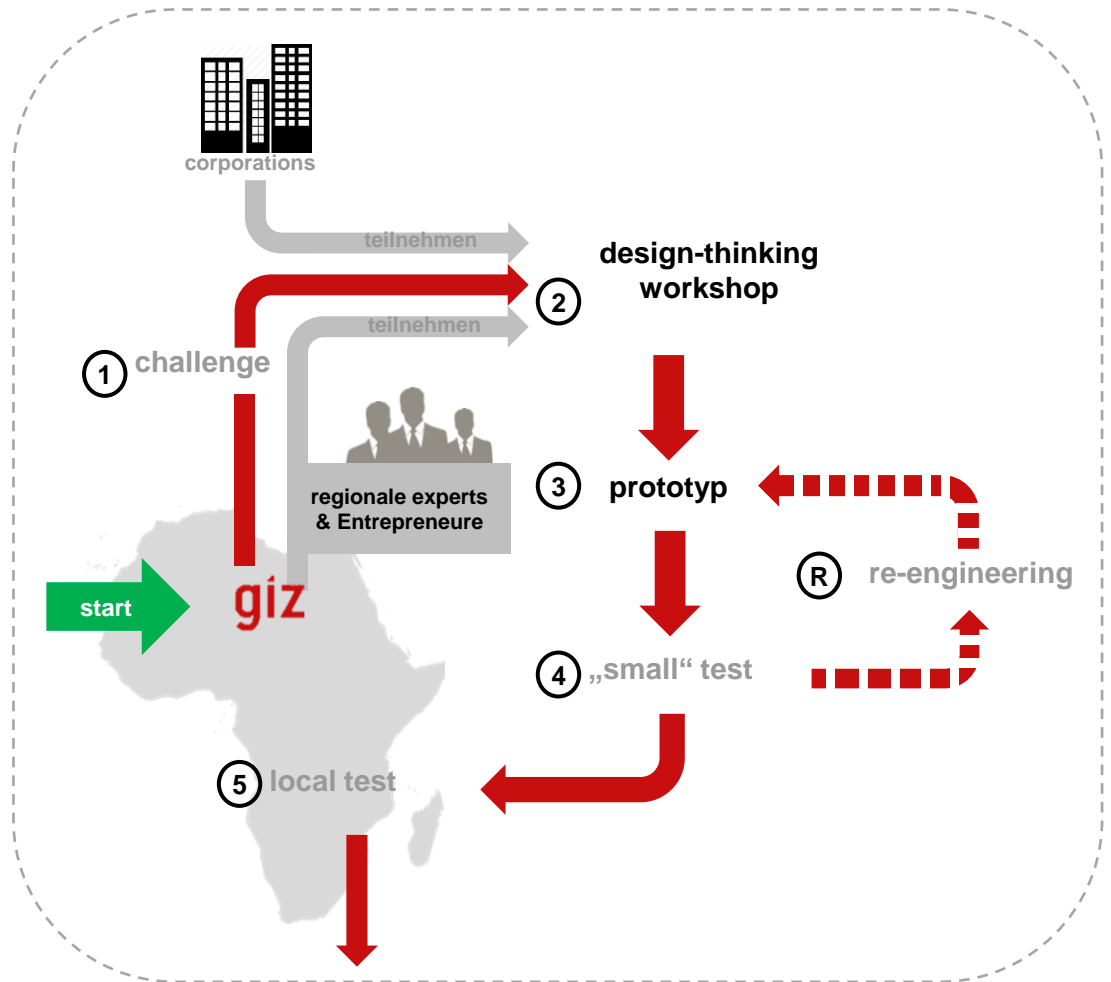
Commitment to take the prototype to the field with GIZ !

55%

Commitment to cooperate with other participants

# „lab of tomorrow“

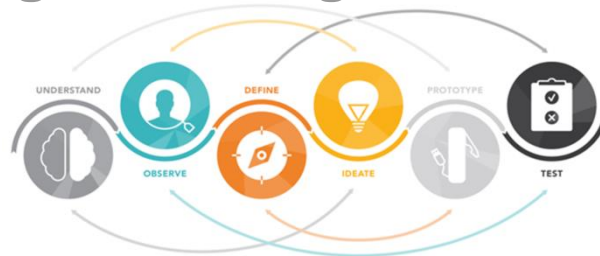
- concrete
- creativ
- consortial





# lab of tomorrow (Dec 8-10) | participants

Following the Design-Thinking method, the lab of tomorrow participants



were divided into 5 interdisciplinary groups and...

GIZ Group Private Sector Cooperation	GIZ Group Private Sector Cooperation	GIZ Group Private Sector Cooperation	GIZ e-Governance	GIZ Finance
GIZ Zambia	BMZ representative	BMZ representative	ZRA Zambia	GIZ DeveloPPP
ZRA Zambia	ZRA MOF	ZRA Zambia	Zambian Researcher	SME, app solutions (net-com)
SME, E-Governance (init)	SME, municipal software (HSH)	SME, IT solutions (Ibes AG)	SME, business mgmt software (Detecon)	SME, GIS systems (GeoInform)
LE, digital solutions (SAP)	SME, registration systems (Veridos)	SME, finance software (H&H)	SME, mobile solar energy (Mobisol)	SME, finance software (H&H)
SME, software (Bizerba)	SME, mobile solar energy (Mobisol)	SME, finance software (GFA SysCom)	Researcher, cyber security (FH Brandenburg)	SME, business mgmt software (GFA B I S)

# the challenge as a game changer

Improvement of the collection of revenues for Zambia from small and medium enterprises

Food not Waste – food waste and energy challenge in the Kenyan horticulture export supply chain

Smart Logistics & Medication in Kenya

Country: Zambia

Name of project/unit: Good Financial Governance in Zambia

Local contact person: Doris Nueckel

Proving the business case for Photovoltaic/Diesel Hybrid Power in Nigeria

- Increased revenues have a positive effect on Zambia's budget deficit to improve its efficiency

Lab of Tomorrow  
Technology powered development  
by GIZ

giz

Challenge-Short-Description for the Lab of Tomorrow

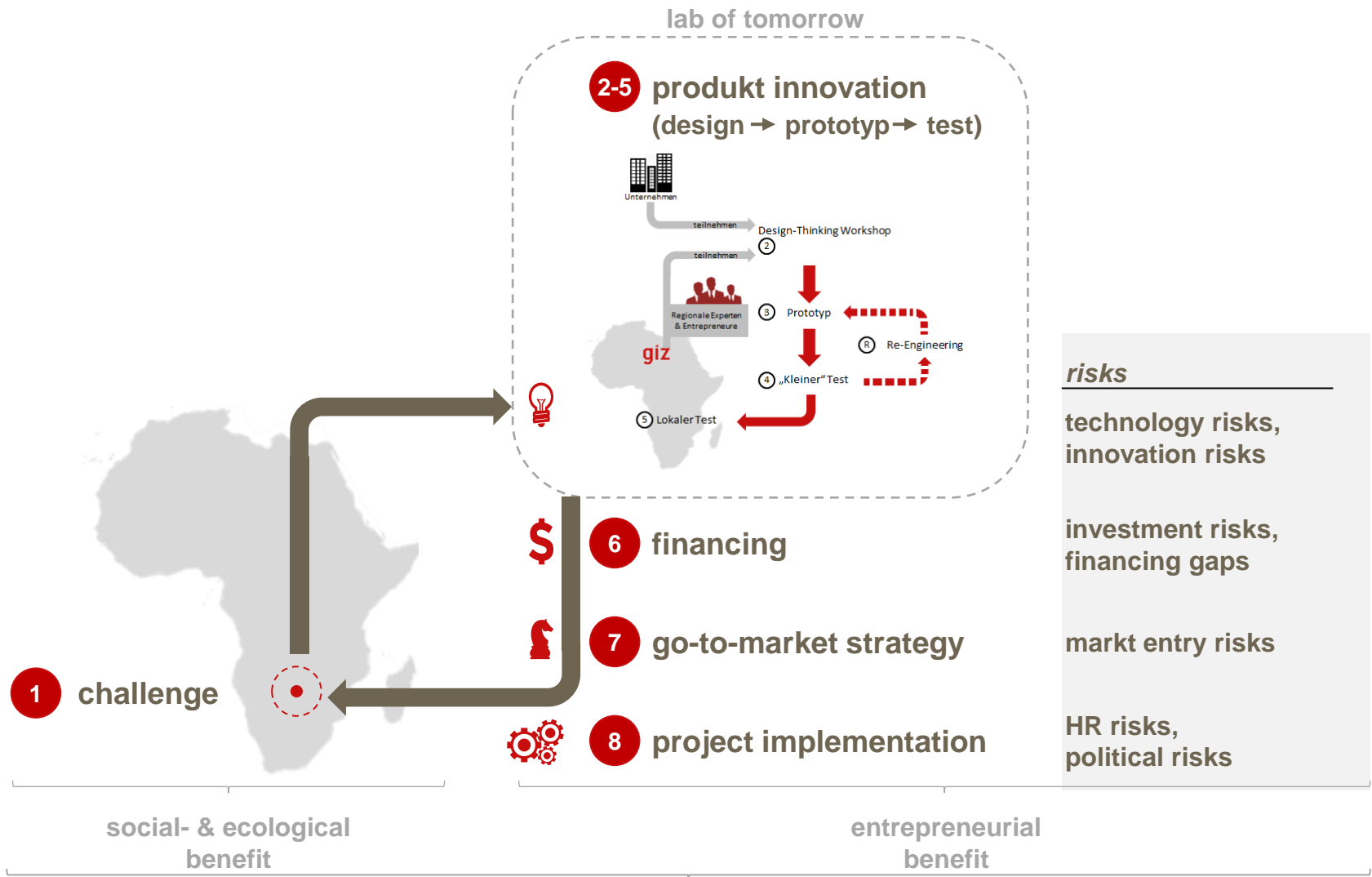
Title: Improvement of the collection of revenues for Zambia from small and medium enterprises  
Country: Zambia  
Name of project/unit: Good Financial Governance in Zambia  
Local contact person: Doris Nueckel

Challenge description  
Zambia's small and medium enterprises (SME) are not efficiently targeted by the Zambian  
taken measures for the improvement of the  
d.  
of resources to employ more staff  
(tor) is untouched and unclear how to tap  
taxes or pay less tax  
being introduced in Zambia

for the payment of taxes

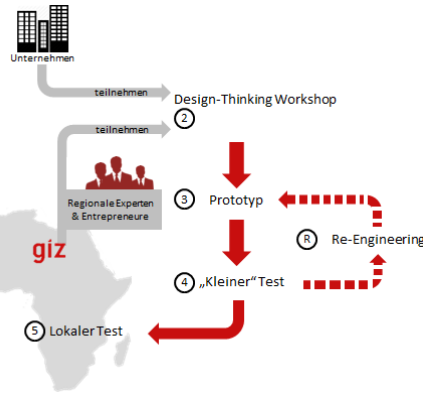
- Increased revenues have a positive effect on Zambia's budget deficit to improve its efficiency

# project based ecosystem 'Innovation to Market'



lab of tomorrow

**2-5 produkt innovation**  
(design → prototyp → test)



## risks

technology risks,  
innovation risks

investment risks,  
financing gaps

markt entry risks

HR risks,  
political risks

social- & ecological  
benefit

entrepreneurial  
benefit

Shared Value

# lab of tomorrow (Dec 8-10) | quote



**Dr. Amat Amoros, Referentin, Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung**



## Manager Trainings

### Global Business Exchange Programme (GloBus)

#### What is it all about

- Aimed at Managers from German and local (Morocco, Colombia, Peru) SMEs in the sectors Renewable Energies, Food, Engineering and Textiles
- Start new partnerships between German and local SMEs



#### Benefits for Private Sector

- German SMEs: entering new Markets and start partnerships with SMEs in Morocco, Colombia or Peru
- Local SMEs: trainings on international management, intercultural training and economic cooperation | B2B Meetings and networking | new cooperation projects with German companies



## Project implementation

develoPPP.de Programme

Set up to **foster the involvement of the private sector** at the point where business opportunities and development policy initiatives intersect

Development organizations and European companies: jointly plan, finance and implement projects: **public part up to 50 percent** of project volume

**Formats:** Ideas competition (up to EUR 200.000 public share) | Strategic Alliance (at least EUR 750.000 total volume → GIZ ≤ 50%)

### Contributions of GIZ:

- Country-specific, sectoral and inter-cultural know-how
- Broad network and contacts with governments, government agencies and NGOs
- Integrity, credibility and trust in partner country
- Project planning & management as well as local infrastructure





## Project implementation

develoPPP.de Programme

Criteria for projects	Criteria for companies
<ul style="list-style-type: none"><li>• <b>Compliance</b> with the development-policy principles of the German Government</li></ul>	<ul style="list-style-type: none"><li>• &gt; 1 Mio. Euro annual turnover</li></ul>
<ul style="list-style-type: none"><li>• <b>Complementarity:</b> Public and private contributions must be mutually complementary</li></ul>	<ul style="list-style-type: none"><li>• &gt; Ten employees</li></ul>
<ul style="list-style-type: none"><li>• <b>Subsidiarity:</b> project would not be implemented without public contribution and is not a legal necessity</li></ul>	<ul style="list-style-type: none"><li>• At least 3 years at the market</li></ul>
<ul style="list-style-type: none"><li>• <b>Competitive neutrality:</b> The measure must not distort competition</li></ul>	<ul style="list-style-type: none"><li>• Long-term commitment in the partner country</li></ul>
<ul style="list-style-type: none"><li>• <b>Private sector's own contribution:</b> at least 50 percent of whole project budget</li></ul>	
<ul style="list-style-type: none"><li>• <b>Sustainability &amp; Commercial interest:</b> project is fundamentally embedded in a sustainable commitment of the company and clear commercial interest exists</li></ul>	



## Jordan

**Sustainability comes  
with the room**

### Pontos

08/2008 – 12/2010

Volume: 400,000 €

Public contribution: 200,000 €



## Challenge

- Water is a particularly precious and scarce good in Jordan.
- During peak season hotels are forced to hire private water suppliers.

## Approach

- Installation of a grey water recycling plant in the Dead Sea Spa Hotel (pilot project).
- Training of the Jordanian staff for assembly and maintenance of the facility.

## Impact

- Saving of one third of the used fresh drinking water.
- Reduction of the operating costs.
- Taking pressure off the scarce Jordanian resources.





## Asia supra-regional

### Rolling out social standards

#### Tchibo

09/2007 – 03/2011

Volume: 3.3 Mio. €

Public contribution: 1.4 MIO €



### Challenge

- Inacceptable working conditions in textile-production.
- No national or international legal norms.

### Approach

- Create a dialogue between management and employees.
- Establishment of a local trainer infrastructure to improve basic social standards.

### Impact

- 2 000 companies in twelve countries supplying German retail business comply with the social and environmental standards.



## Consulting Services ExperTS

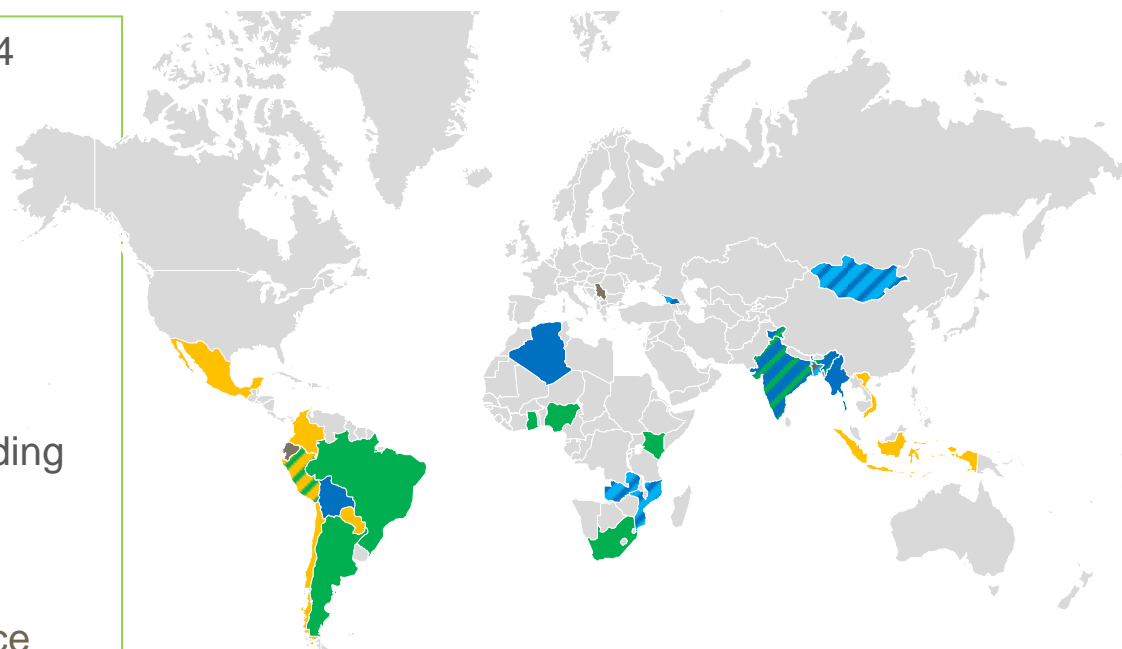
The ExperTS experts work in around 24 countries in German Chambers of Commerce (AHK), Delegations of German Industry and Commerce and bilateral business associations



**Advise** on financing and cooperation options in the context of German DC



Establish contacts | Trainings | Fact finding Missions

### Main areas of activity

- Establishing Chambers of Commerce
- Sustainable economic development
- Renewable energy and energy efficiency
- Vocational training



 Establishing Chambers of Commerce  
 Sustainable Economic Development

 Vocational Training  
 Renewable Energy and Energy Efficiency



## Consulting Services

### EZ-Scouts

EZ-Scouts are **experts** on behalf of BMZ working in 25 business associations, regional associations, chambers of crafts, commerce and industry

Create **platforms for dialogue** between companies, associations and politics

Act as **contact persons for businesses** on issues of development cooperation, like:

- Financing and cooperation options in the context of German development cooperation
- Investment opportunities in developing and emerging countries



#### Berlin

- Zentralverband des Deutschen Handwerks
- Bundesverband mittelständische Wirtschaft
- Bundesverband der Deutschen Industrie
- Außenhandelsvereinigung des Deutschen Einzelhandels
- Bundesverband Großhandel, Außenhandel, Dienstleistungen
- Deutscher Industrie- und Handelskammertag
- Verband der Automobilindustrie
- Bundesverband Solarwirtschaft
- Afrika-Verein der deutschen Wirtschaft
- German Recycling Technologies and Waste Management Partnership
- German Water Partnership



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## Contact



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