



ESA-EC Business Forum Mauritius, 27-28 August 2009

***The ESA-EC Economic Partnership Agreement: a new frontier for Trade, Investment
and Services***

CDE initiatives for the private sector

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Challenges in ESA

- Enormous challenges for ACP private sector competitiveness (agro added value products, agro processing, manufacturing...)
- Strong and decisive need for active support at SME's level (productivity upgrading)
- Strong needs on infrastructure and services (transport, energy, water, ICT)
- Increased need for cooperation and regional integration

Full engagement of the business community and the authorities from ESA region is needed



CDE's main strategy / “business model”

- Main target of assistance at enterprise level, and related intermediaries;
- Priority for SME range with innovation potentials (advanced technologies, market expansion, demonstration/emulation effects, linkage with EU partners);
- Pro-active structured programmes (for sector potentials with clusters and value-chains);
- Business development services (BDS);
- Technical assistance (BDS) to local financing institutions to facilitate SMEs access to investment



CDE's structural assets and capacities

- An extensive knowledge and information on ACP enterprises, their requirements, potentials and on provision of specific support;
- An experience and know-how in conducting of sectoral and enterprise development initiatives (potential surveys, program identification, partnership meetings, functional workshops, etc.);
- An extensive ACP and EU enterprise data base;
- A large set of associated consultants from the EU and ACP private sectors, especially for relevant sub-sectors of ACP private enterprise;
- an ACP network of “*antennae*” and intermediaries;
- An EU network of investment and trade promotion agencies, with special programs, links to EU enterprises/industrial associations;
- a standing relationship and operational links with Finance Institutions, in particular EIB and EDFI group, as well as in several ACP countries;



Modes of operation

- * strong degree of decentralisation into ACP regions (with mostly local staffing and close involvement of local professional institutes as service providers);
- * CDE's regional offices monitor the technical assistance programs and conduct the BDS support;
- * CDE head office functions: co-ordination with institutions and EU private sector, monitoring and benchmarking, back-up functions and consolidated expertise, design and guidance for programs, technology, methods...



Model concepts for regional and national PSD programs

- Assistance for clusters and value chains, with a sectoral focus;
- Choice of sectors based on broad sector priorities decided by regions or countries;
- CDE would offer the methods and support to specify target sub-sectors/niches with best potentials and to design specific competitive strategies, requiring specialised sectoral/technical expertise;
- The main beneficiaries in such programs would be groups of enterprises, related intermediary organisations, consulting firms and professional agencies



Priority domains for PSD (1)

- competitiveness and productivity upgrading (enterprise support on business administration domains, such as general management, finance and reporting, process optimisation, marketing etc.;
- Initial diagnostics will be essential to determine the enterprises' requirements;
- linkages of ACP and EU competitiveness centres and professional institutes to be enhanced);
- ACP intra-regional trade development and support for export market access, especially pertinent under the aspect of regional integration and EPAs process



Priority domains for PSD (2)

- access to investment finance for SMEs (medium- to long-term loan and equity funds): support for business plan/feasibility study elaboration and financial negotiations;
- energy efficiency and environmental management assistance (energy audits, renewable energy promotion, clean manufacturing techniques, environmental impact monitoring);
- support facility for SME investment finance institutions training/upgrading for fund managers and financial analysts;
- BDS consultants training and accreditation facility: training/upgrading for ACP consultants with standard tools provided (enterprise diagnostic tools, feasibility study/business plan methods, management information systems)



CDE's scope and role to take in PSD programmes under EDF (et al.)

EDF allocations for PSD in ACP regions

Regions for RIPs	Regional organisations	Total RIP (€ million)	EPAs-related funds (€ million)
West Africa	ECOWAS,UEMOA	597	418
Central Africa	CEEAC,CEMAC	165	97
Eastern and Southern Africa and Indian Ocean	COMESA,EAC,IGAD, IOC	645	180 (20 for PSD)
Southern Africa Development Community	SADC	116	92,8
Pacific Region	PIFS	95	45
Caribbean Region	CARIFORUM	165	143



Private Sector Development Programmes with CDE involvement

On-going:

- République d'Haïti (Fonds et procédures FED)
- République Démocratique du Congo (Fonds belge et procédures CDE)
- République du Gabon (Fonds gabonais et procédures CDE)

Under preparation for 2010 CDE budget in ESA:

Region PSDP

- COMESA/EAC/IGAD/OIC
- SADC

National PSDP

Angola, Botswana, Ethiopia, Djibouti, Kenya, Mozambique, Malawi, Madagascar, Zambia



CDE's contributions to be provided for PSDPs

- programme conceptualisation, potential study and project document for PSD
- specific approach for identification of best potentials, clusters and competitive strategies
- standard conventions / management contracts for programme management/implementation
- standard organisational structure for project management unit
- CDE's established operational procedures, guidelines, criteria
- provision of tools for consultants' training
- CDE's back-up with sectoral/functional expertise and linkage to EU/ACP networks, finance institutions, technical institutes etc.
- CDE budget contribution for Program Management Unit
- administrative support, accounting, financial control
- reporting and central documentation
- co-ordination with other all-ACP private sector programmes



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