Private Sector and Development
Unit for Private Sector Cooperation – Service Portfolio

National Graduate Institute for Policy Studies (GRIPS)
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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.

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.

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

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

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

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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Who are we and what do we do?

Private Sector cooperation

Why do we work with the private sector?

Service Portfolio

What does the unit private sector cooperation offer?

Programmes in more detail

Programmes and examples

Contact

How do we stay in contact?
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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Milestones GIZ Private Sector Cooperation

**1950ies**
First discussions on content and scope of corporate responsibility

**1960**
Progress of Corporate Responsibility

**1970ies**
Greenpeace increasingly focuses on companies

**1972**
"The Limits of Growth" (Club of Rome)

**1976**
OECD Guidelines for multinational enterprises

**1980ies**
Idea of circular economy

**1987**
Brundtland report

**1990ies**
First Roundtables and Code of Conducts

**1997**
Global Reporting Initiative (GRI)

**1999**
UN Global Compact

**2000ies**
Cooperation with a variety of organisations and companies on implementation of MDGs

**2001**
Equal consideration of environmental protection and social concerns (EU green paper CSR)

**2011**
First EZ-Scout

**2014**
700th Development Partnership signed

**2016**
Sustainable Development Goals (SDGs)

**2016**
700th Development Partnership signed
Unit Private Sector Cooperation
Service Portfolio

Learning and Implementation Networks with the private sector

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

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

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

Project Implementation in partner countries

- Manager Trainings Morocco, Colombia, Peru
- Global Business Exchange Programme (GloBus)
- Development Partnerships with the Private Sector (develoPPP.de)

Innovative Cooperation Approaches development and piloting

- lab of tomorrow
- shared Value

29.02.2016
Impact of Corporate Activities

impact business

compliance

create common values

identify
mitigate
prevent

project implementation
develoPPP.e; iEPWs, IBAN, RIBHetc.
Over the last 20 years, we have worked with more than 1,500 companies

Some of our partners
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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

potential
ca. 40,000 German corporations
95% to be mobilized

dialogue
project development
partnerships

lab of tomorrow
Shared Value
develoPPP, DEG

realisation
ca. 2,000 projects emerging & developing countries with impact-orientation:
= only 5% of corporations are activated

Notiz: (1) Mittlere und große Mittelständische Unternehmen mit bestehenden Auslandsaktivitäten und Interesse an weiteren Expansion; IfM, 2012
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

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
Following the Design-Thinking method, the lab of tomorrow participants were divided into 5 interdisciplinary groups and...

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<th>GIZ Group Private Sector Cooperation</th>
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<th>GIZ e-Governance</th>
<th>GIZ Finance</th>
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<tr>
<td>GIZ Zambia</td>
<td>BMZ representative</td>
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<td>ZRA Zambia</td>
<td>GIZ DeveloPPP</td>
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<td>Zambian Researcher</td>
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<td>SME, E-Governance (init)</td>
<td>SME, municipal software (HSH)</td>
<td>SME, IT solutions (Ibes AG)</td>
<td>SME, business mgmt software (Detecon)</td>
<td>SME, GIS systems (Geoinform)</td>
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<td>LE, digital solutions (SAP)</td>
<td>SME, registration systems (Veridos)</td>
<td>SME, finance software (H&amp;H)</td>
<td>SME, mobile solar energy (Mobisol)</td>
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<td>SME, finance software (GFA SysCom)</td>
<td>Researcher, cyber security (FH Brandenburg)</td>
<td>SME, business mgmt software (GFA B.I.S)</td>
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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

Country: Zambia
Name of project/unit: Good Financial Governance in Zambia
Local contact person: Doris Nueckel

Smart Logistics & Medication in Kenya

Proving the business case for Photovoltaic/Diesel Hybrid Power in Nigeria
project based ecosystem
‘Innovation to Market’

1. challenge

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

6. financing

7. go-to-market strategy

8. project implementation

lab of tomorrow

Shared Value

social- & ecological benefit

entrepreneurial benefit

risks
- technology risks, innovation risks
- investment risks, financing gaps
- market entry risks
- HR risks, political risks
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
### Criteria for projects

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<th>Criteria for companies</th>
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<td><strong>Compliance</strong> with the development-policy principles of the German Government</td>
<td><strong>&gt; 1 Mio. Euro annual turnover</strong></td>
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<tr>
<td><strong>Complementarity</strong>: Public and private contributions must be mutually complementary</td>
<td><strong>&gt; Ten employees</strong></td>
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<tr>
<td><strong>Subsidiarity</strong>: project would not be implemented without public contribution and is not a legal necessity</td>
<td><strong>At least 3 years at the market</strong></td>
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<td><strong>Competitive neutrality</strong>: The measure must not distort competition</td>
<td><strong>Long-term commitment in the partner country</strong></td>
</tr>
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<td><strong>Private sector's own contribution</strong>: at least 50 percent of whole project budget</td>
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Jordan

Sustainability comes with the room

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.

Pontos

08/2008 – 12/2010
Volume: 400,000 €
Public contribution: 200,000 €
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
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
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