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Bundesministerium für
wirtschaftliche Zusammenarbeit
und Entwicklung



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The German Government's Support for Cooperation with the Private Sector

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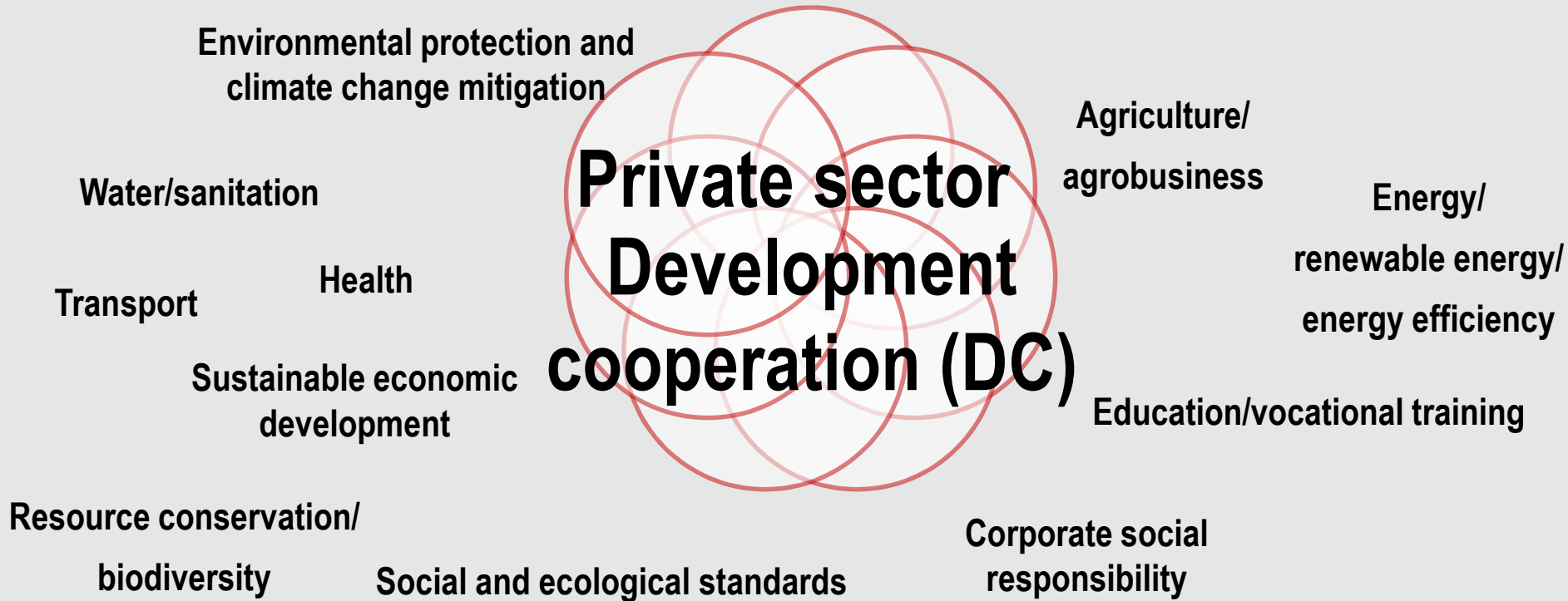
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Various institutions use these instruments:





Development cooperation involving the private sector : topics





The German Cooperation with Rwanda

Information about GIZ in Rwanda

<https://www.giz.de/en/worldwide/332.html>

Priority areas:

1. **Governance and democracy**
2. **Economic development and employment**
Fields of intervention: IT, Energy, business development, Economic inclusion of refugees and host communities



Rwanda: Poultry

- ❑ **Poultry** is a strategic sector for the Government of Rwanda and it is especially interesting for the domestic market and cross-border exports.
- ❑ Main products: frozen chicken meat, frozen processed poultry, eggs.
- ❑ Estimated size of the poultry market in East Africa is 2.2 billion USD (2 billion EUR).
- ❑ The domestic demand specifically for eggs totaled 203 million eggs in 2015, of which only 57% were produced in Rwanda. But despite that there is the opportunity for exports to DR Congo.



Rwanda: Poultry

- Currently more demand than there is supply.
- Opportunities: Processed poultry (packaged, frozen, etc.), egg production.
- Challenges: Limited technical capacity, limited access to animal feeds.
- Animal Feeds:** Imports about 1 million USD (900,000 EUR). Local production (biggest 3) volume 2,500 MT of feeds per month (feeds one-third of Rwanda's poultry population).
- High cost: 60-70% of input cost (high cost of raw materials, maize and soybean) and advanced raw materials (animal vitamins, supplements, minerals).
- Feed shortage is a major bottleneck for Rwandan animal production. Space - and need - for innovative solutions.



Ethiopia: Poultry

- The size of the **livestock population, the natural endowment of favorable climatic condition for improved, high yielding animal breeds**, provides Ethiopia with significant potential for further develop the sector.
- Demand for chicken products **is growing quickly in Ethiopia**. The government recently set new targets to bring meat production to 164 tons and egg production to 3.9 billion eggs by 2020 through improved poultry breeds.
- Chicken and eggs lie at the heart of Ethiopian culture and traditions and they are a key part of the feasts.



Ethiopia: Poultry

- ❑ Chicken is the cheapest forms of meat that almost everyone can afford. Eggs are excellent sources of proteins and good quality eggs are necessary for human health.
- ❑ Demand for chicken and eggs is far more above the supply and most likely it will still increase in the coming years.
- ❑ Furthermore, the middle class in Ethiopia increases and subsequently, the expenditure on chicken and eggs will increase. Moreover, new international fast-food chains and tourism will increase the demand.



The German Government provides support in the form of

1. Information and contacts
2. Recruitment and HR development
3. Project development
4. Financing

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Support for businesses provided by the German Government

1. Information and contacts

Info portals, invitations to tender, business development trips

GTAI - Germany Trade and Invest <http://www.gtai.de>

International tenders of the KfW, german development bank



Support for businesses provided by the German Government

1. Information and contacts

Initiating contacts and accessing networks

German Chambers of
Commerce Worldwide
Delegation Of German Industry
and Commerce for Eastern Africa
<https://www.kenia.ahk.de/>

German development
cooperation – local presence
e.g. GIZ, www.giz.de

DC Scouts

http://www.bmz.de/en/zentrales_downloadarchiv/themen_und_schwerpunkte/wirtschaft/Kontaktdaten_EZ-Scouts_en.pdf

Advisors in chambers, associations and regional federations



Support for businesses provided by the German Government

2. Recruitment and HR development

Placement and training of staff

Alumniportal-Deutschland.org
graduates of training
in Germany, etc.

Afrika kommt!
<https://www.afrika-kommt.de/>
Trainee program for young professionals

Academy for International Cooperation
training/ advice on relevant issues
<http://www.giz.de/akademie/>

Senior Experten Service (SES)
<http://www.ses-bonn.de/>

Centre for International Migration
and Development
<http://www.cimonline.de>
(Short-term) secondment of experts



Support for businesses provided by the German Government

3. Project development

Grants and financial support

Developpp.de Classic (DEG, GIZ)

Grant of € 100.000 – 2 Mio.

<http://www.developpp.de>

max. 50% of total amount

Company: turnover € 800.000, workforce of at least 8, 2 years on the market

Feasibility studies (KfW DEG)

Groundwork for investment that makes sense from a development perspective, grant of max. € 200.000
max 50% of the total amount

<https://www.deginvest.de>



Support for businesses provided by the German Government

3. Project development

Example developpp.de

14 proposals by companies in Rwanda of which are

in progress: 6

in implementation: 1

finished: 7



Support for businesses provided by the German Government

3. Project development

Grants and financial support

Climate partnerships (KfW DEG)

Promotion and scaling-up of climate-friendly technologies in emerging economies and developing countries

Maximum grant of EUR 200,000

<https://www.deginvest.de>

max. 50% of total amount

Company: turnover 1 million, workforce of at least 10, 3 years on the market

In cooperation with local companies!!



Support for businesses provided by the German Government

3. Project development

Grants and financial support

Up-scaling (KfW DEG)

Support of pioneering investment by small and medium-sized enterprises (SMEs) that wish to scale up an innovative business model.

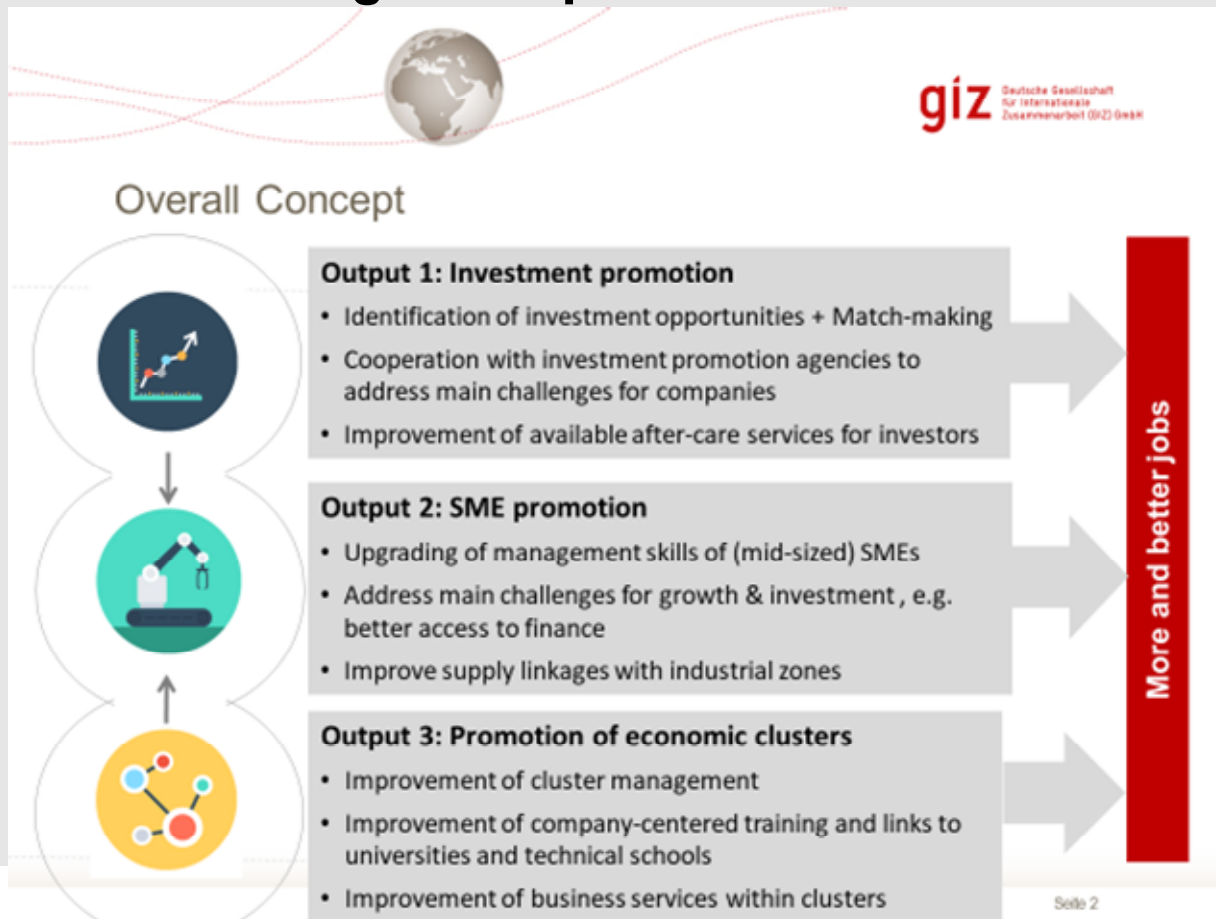
Funding of max. € 500,000, max. 50% of the investment (grant in case of failure) <https://www.deginvest.de/Internationale-Finanzierung/DEG/Unsere-Lösungen/Up-Scaling/>

Enterprises must have a pilot project suitable for scaling up.

Target group: Eligible are early-stage SMEs which are registered in a developing country or emerging market. These may also be local subsidiaries of German or European companies. Preference is given to investments in Africa or India.



New GIZ-Program: Special Initiative for Jobs



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Output 2: SME promotion

Proposed work packages:

- ✓ Domestic supplier development: cooperate with large companies to source locally
- ✓ Qualify/certify BDS providers -- Improve SME capabilities
- ✓ Employment-oriented short-term trainings (e.g. IT skills)
- ✓ Promote e-commerce through training and awareness campaign
- ✓ Access to capital: matching-grant for smaller investments?

Support for businesses provided by the German Government

4. Financing and backup measures

Financing (KfW DEG) <https://www.deginvest.de>

Financing and advisory services for long-term investment projects in developing countries and emerging economies (DEG share from EUR 1 million)

Backup measures

Cofinancing of measures to prepare for or accompany a project involving DEG financing (e.g. training measures, social and environmental protection measures, management consulting) up to 50% of the costs (up to EUR 200,000)

Transaction management

Cofinancing of consulting costs to prepare for/appraise an investment (max. EUR 100,000 for German enterprises)



»»» AfricaConnect: das Programm

Finanzierung und Begleitung europäischer Unternehmen in Afrika



AfricaConnect auf einen Blick

- › Begleitung europäischer Unternehmen in Afrika
- › Darlehensfinanzierung in EUR, USD oder Lokalwährung
- › Keine Sicherheiten oder Garantien notwendig
- › Laufzeiten von 3 bis 7 Jahren
- › 750 Tsd. Euro bis 4 Mio. Euro
- › Risikoteilung zu attraktiven Zinskonditionen ab 1%
- › Schlanke Finanzierungsstruktur
- › Rasche Umsetzung
- › Es fallen keine Kosten für die Finanz-, Umwelt- und Sozial-Due Diligence an
- › Nutzung des DEG-Netzwerks und langfristiger Erfahrung mit Investitionen in Afrika



Chancen für Unternehmen in Afrika

- › starkes Wachstum
- › unerschlossene Märkte
- › junge Bevölkerung
- › attraktive Standorte

Herausforderungen für Unternehmen in Afrika

- › politische Rahmenbedingungen
- › Finanzierungen mit prohibitiv hohen Konditionen
- › kleiner Erfahrungsschatz
- › ausgeprägte Bürokratie

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Thank you

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