Intermediaries between development cooperation and the private sector

The private sector as a driver of development
What value can cooperation with the private sector add to international cooperation projects? The private sector, and particularly SMEs, creates jobs and training places, generates tax revenues for state development services, provides technical solutions in a range of sectors relevant to development policy, and has capacity for considerably larger-scale investment than state development cooperation. In developing countries and emerging economies in particular, a functioning state combined with a functioning private sector is the key to creating sustainable progress and prosperity. The United Nations Sustainable Development Goals (SDGs), which are intended to put the world on a fairer and more sustainable development path by 2030, therefore recommend substantially greater involvement by the private sector in development cooperation.

However, the private sector itself is also increasingly interested in greater collaboration with state development cooperation and is seeking opportunities for combining sustainable development with business growth. Societies need the private sector, and in the same way, companies benefit from a stable and efficient society. Where poverty is reduced, markets grow. Where employers can recruit skilled, healthy employees, productivity and competitiveness increase. And where the environment is protected, resources are conserved and supply risks decrease. The interests of the private sector and development cooperation therefore overlap in many areas, opening up scope for joint projects. The objective of the EZ-Scout programme is to increase this potential and to make use of it to the benefit of all parties.

The challenge
Business involvement in developing countries and emerging economies is, however, associated with uncertainty and risk – particularly for small and medium-sized enterprises (SMEs). They often lack the resources, networks and expertise to play a sustainable part in local development.

The German Federal Ministry for Economic Cooperation and Development (BMZ) has therefore set itself the objective of establishing closer links between foreign trade activities and development cooperation activities. To this end, it has developed a wide range of promotional and financing opportunities to facilitate business involvement in partner countries.

Our approach
To inform German and European businesses about development policy issues and cooperation programmes and to support them in organising activities in developing countries and emerging economies, BMZ deploys expert advisors, known by their German title as EZ-Scouts, to selected German Chambers of Trade and Industry and private sector business associations.

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EZ-Scouts serve as intermediaries between the private sector and German state development cooperation institutions.

- EZ-Scouts are familiar both with the perspective of the private sector and with the logic, instruments and approaches taken by state development cooperation. They serve as intermediaries and support involvement of private sector organisations in the approaches and concepts of development cooperation.
- EZ-Scouts create alliances and multi-stakeholder partnerships. They bring together the resources and skills of the private sector and those of development cooperation actors and devise effective and commercially sustainable cooperation approaches.
- EZ-Scouts initiate and design specific cooperation projects that make economic sense and help achieve sustainable development in partner countries.

The result is cooperation between equals that benefits all those involved and works towards a dignified future around the world.

**Implementing partners**

EZ-Scouts are employed by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and are deployed, on behalf of BMZ, to institutions representing the formal economy across Germany, including:

- German private sector umbrella organisations
- Business associations
- Chambers of Commerce and Industry
- Chambers of Skilled Crafts
- Regional associations

In cooperation with Engagement Global, EZ-Scouts are also involved in foundation organisations since 2017. The aim of their deployment is to increase the development cooperation involvement of German foundations and philanthropic organisations both in Germany and abroad and to develop new forms of cooperation. This activity is managed by the independent business unit, GIZ International Services, and implemented in close cooperation between the Client Liaison and Business Development Department (AGE) and the Sector and Global Programmes Department (GloBe).

**Project data**

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**The world is on your side**

EZ-Scout


Further information:
www.bmz.de/ez-scouts