

Creating Perspectives: Business for Development (East Africa)

A pilot project of the Federation of German Industries (BDI) and the German Federal Ministry for Economic Cooperation and Development (BMZ) is initiating partnerships between German and East African companies to create job prospects

The challenge

Over the last 20 years, East Africa has developed into one of the world's most dynamic regions and is now an attractive opportunities market with high growth rates. Virtually all market segments, whether textiles, agriculture or food industry, are not yet saturated and provide good development opportunities. At the same time, German business remains underrepresented in all East African countries.

The growth of small and medium-sized enterprises in the region is currently still limited. In many cases, there is insufficient entrepreneurial knowledge and experience or technical expertise within the companies. Access to capital is extremely difficult for many entrepreneurs, and they lack links to local or regional delivery chains. At the same time, many thousands of young people are crowding onto the labour markets in the East African countries each year, without adequate prospects for their future in their home region.

Our approach

Matching selected promising East African companies from processing sectors with the right German companies, who together create job prospects in the region: this is the objective of *Creating Perspectives: Business for Development*, the pilot project of the Federation of German Industries (BDI) and the German Federal Ministry for Economic Cooperation and Development (BMZ).

Project title	Creating Perspectives: Business for Development (East Africa)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Partner countries of the EAC (Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda)
Partners	East African Community (EAC), Federation of German Industries (BDI), East African Business Council (EABC) and its national business membership organisations
Period	November 2017–December 2020

The political partner of German Development Cooperation is the East African Community (EAC), and further implementation partners in East Africa are the East African Business Council (EABC) and its national business membership organisations. GIZ is involved in implementing the project on behalf of BMZ and is responsible for coordinating all stakeholders.

Contacts and reliable partnerships are the basis for future business. *Creating Perspectives* provides German companies with an insight into promising market segments in the region and helps them establish their initial contacts. In their role as mentors for East African entrepreneurs or as course trainers, they support knowledge transfer. At the same time, German companies gain access to potential markets and develop business ideas on the ground.



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Training, coaching and mentoring partnerships give the companies the opportunity to improve their capacities and to network regionally and internationally.



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Creating Perspectives is targeting companies that are ready for the next stage of growth. Through individual support, the selected East African companies are supposed to unfold their growth potential.

- **Training:** To prepare them for potential partnerships with German firms, the East African SMEs are offered management trainings with a focus on international business development. Being implemented by prestigious German training institutes and local trainers – with practical inputs from German firms – they offer the companies a good mix of theory and practice.
- **Coaching:** In order to implement what has been learned during the trainings, individual coaching sessions are possible. Even specific technical challenges can be tackled together with experts. If the topic is relevant for sector clusters, group coachings can be organised accordingly.
- **Mentoring:** After analysing specific challenges of single SMEs we try to link them with German counterparts for a mentoring partnership. In addition, cooperation project ideas can be elaborated based on a joint business interest.

Our success factors

With its 36 industry associations, representing the interests of more than 100,000 German companies, BDI is the leading organisation in German industry. As a public-benefit federal enterprise with 20,726 employees, GIZ supports the German Government and numerous public and private sector commissioning parties and clients in around 120 countries in achieving their objectives in the field of international cooperation. Until now, there have not been any formal projects between BDI and GIZ.

This is changing with the pilot project *Creating Perspectives: Business for Development*. The new partnership is business, solution and growth-oriented. It tests new models of cooperation between the private sector and development cooperation.

However, above all, *Creating Perspectives* thrives on the close cooperation with business membership organisations in all six partner countries of the EAC. Not only do they know the requirements in their area best, they can also facilitate contacts to the local and regional business world. In return, the organisations receive training opportunities so that trade fairs and SME-oriented services can be optimised and, as a result, the sustainability of the project ensured in the sense that the member companies achieve success.

How we work

Steering and implementation structures have been established with our local partner organisations in all six partner countries.

More than 70 companies from all six EAC partner countries are involved in the project. To prepare for matching with German companies, the East African entrepreneurs have already taken part in several tailored training courses in the region, including management trainings with a focus on internationalisation, rolled out by the Academy of the German Economic Institute (IW). This cooperation underscores our commitment to make experience of the African business world known in Germany, too.

The selected companies will be introduced successively to German companies as potential business contacts, or German mentors will be sought for these companies to implement development projects. For example, a Kenyan company was seeking digital solutions for the transparent management of food-processing value chains including payment and certification.

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