

# Private Sector Engagement at GIZ

Future Forum 2023

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# Distinction between “Private Sector Development” and “Private Sector Engagement”

## Private Sector Development



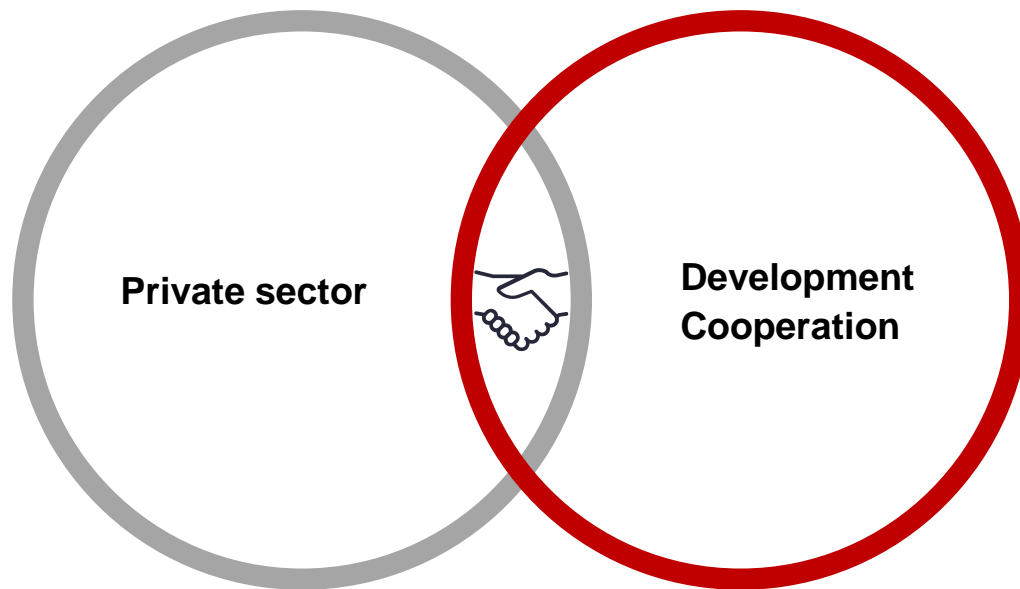
- **Aim: Strengthening of local economies**
- Private companies are the **target group** or **beneficiaries** (not partners)

## Private Sector Engagement



- Private companies are project **partners** (not a target group)
- Joint planning and/or financing and/or implementing **public benefit projects**
- Companies **contribute** (in-kind or financially) to **project objective**
- Possible in all sectors














# Joining forces to achieve sustainable goals



**Overlapping goals and interests lead to a win-win situation!**

Achieving goals more efficiently and more sustainably while minimizing risks.

# Formats of Private Sector Engagement

Cooperation formats*	Connect	Networks	Partnerships	Financing	Cofinancing	Commissioning
	Information and advice on cooperation opportunities in German DC	Professional collaboration in Multi-Stakeholder Partnerships	Development partnerships with the private sector (EPW), project implementation together with GIZ		Financial participation in government programs to scale common goals, implementation by GIZ	Assignment of GIZ as service provider, project implementation by GIZ on behalf of the company
Program examples	  Agentur für Wirtschaft & Entwicklung	 <b>Forum Nachhaltiger Kakao</b> German Initiative on Sustainable Cocoa	 <b>Integrated development partnerships</b> e.g. with E4D or independently		      	
Contents	<ul style="list-style-type: none"> <li>Central point of contact and source of information on cooperation offers and funding instruments in German DC</li> </ul>	<ul style="list-style-type: none"> <li>Expert networks for knowledge exchange, development of project ideas, networks for opinion formation, networks of political decision-makers, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Private companies and GIZ jointly implement projects that have a developmental impact and go beyond the core business of the company</li> </ul>	<ul style="list-style-type: none"> <li>Companies can also receive financial support through grant agreements (if the company is based outside Germany) and local subsidies.</li> <li>Prerequisite: promotion of a public benefit objective</li> </ul>	<ul style="list-style-type: none"> <li>Companies can participate financially in programs run by the German government with partner governments in developing and newly industrializing countries to achieve common goals</li> </ul>	<ul style="list-style-type: none"> <li>Companies can commission GIZ as a service provider to implement corporate objectives / activities worldwide.</li> </ul>
USP	<ul style="list-style-type: none"> <li>Navigator through the funding landscape</li> <li>Networker for strategic contacts</li> </ul>	<ul style="list-style-type: none"> <li>Achieve common goals faster with peers and relevant stakeholders</li> <li>Sustainable transformation of a sector is possible</li> </ul>	<ul style="list-style-type: none"> <li>Project implementation with participation by BMZ in the form of financial or technical support by GIZ.</li> <li>Partners finance in parallel (also in-kind), share responsibility, costs and risks</li> </ul>	<ul style="list-style-type: none"> <li>Financing is used to enable their recipients to realize their own goals by implementing measures on their own responsibility.</li> <li>Suitable if GIZ does not claim a service</li> </ul>	<ul style="list-style-type: none"> <li>Company-specific project components can be docked onto ongoing programs if necessary, enabling sustainable anchoring in the respective country/sector</li> <li>Implementation is carried out by GIZ</li> </ul>	<ul style="list-style-type: none"> <li>Fast, flexible</li> <li>Tailor-made, efficient, strong in implementation</li> <li>Support by key account managers</li> </ul>
General Information	<ul style="list-style-type: none"> <li>GIZ's public-benefit business area</li> <li>Contact possible at any time, no costs for participating companies, financed by BMZ / GIZ</li> </ul>	<ul style="list-style-type: none"> <li>GIZ's public-benefit business area</li> <li>Participation possible at any time, no or low costs for participating companies, financed by BMZ / GIZ</li> </ul>	<ul style="list-style-type: none"> <li>GIZ's public-benefit business area</li> <li>Cooperation agreement, EUR 100,000 to EUR 2 million public funds (BMZ commission) in addition to company contribution (≥ 50%), term up to 3 years.</li> </ul>	<ul style="list-style-type: none"> <li>GIZ's public-benefit business area</li> <li>Must be planned in the offer under "TC instruments".</li> <li>Attention: for grants a KEP is required</li> <li>Max. sum for local subsidies: 100.000 EUR</li> </ul>	<ul style="list-style-type: none"> <li>GIZ's public-benefit business area</li> <li>Co-financing contract, starting at EUR 50,000, usually approx. EUR 1-2 million for a term of 2 years.</li> </ul>	<ul style="list-style-type: none"> <li>Taxable area of GIZ</li> <li>Performance contract, from approx. EUR 250,000, usually approx. EUR 2-5 million for a term of 3 years, expertise in the implementation of large-scale projects (approx. EUR 50 -100 million, term 10 years)</li> </ul>

informal/indirect cooperation

informal/formal

formal/direct cooperation

Combinations of cooperation formats are possible!

**giz**

# Why does GIZ cooperate with the private sector?

## *Regarding GIZ's Business Development*



Increase in GIZ's **quality** and **innovation**



Positioning GIZ as **established service provider**

## *Regarding Developmental Impact*



**Mobilize funds** and **know-how**



Increased **developmental impact**



Support **technology transfer**

# Why do private enterprises choose to work with GIZ?



To prepare for entering **new markets** in developing countries and emerging economies



To **pilot innovative technologies** and products



To improve the **reliability** and **sustainability** of their **supply chains**



To **mobilize know-how** and networks to local decision makers



To **work “hand in hand”** with a trustful agency of the German Government



To obtain **public funding** and **reduce risks**

# Useful links

Find useful information

[TOPIC / Private Sector Engagement \(sharepoint.com\)](#)

[MS Teams Community with 1200+ members](#)

[Exchange & Ask Channel on Teams](#)

[Inform & Share Channel on Teams](#)

[Privatwirtschaft | BMZ \(in German\)](#)

[Entwicklungspartnerschaften | BMZ \(in German\)](#)

# Contact



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**Thank you very much for your attention!**