



giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



Enhancing the Quality of Industrial Policies



SME promotion reloaded

Approaches for an employment initiative for Africa

Cairo, 7th of March 2018

Rainer Engels

Advisor on Structural and Industrial Policy,

Sectoral Program on Sustainable Economic Policy and Private Sector Development, GIZ



SME promotion reloaded

Approaches for an employment initiative for Africa

Germany pursues three approaches in its cooperation with African countries:

1. Industrial zones as drivers of structural transformation in Africa
2. Encouraging investment in African SMEs
3. Empowerment: A job that only assures daily survival cannot bring about lasting

Encourage investment. Strengthen the middle class. Create jobs.



Strengthen the middle class

- **1. Large-scale projects as an opportunity to involve local SMEs in existing investments**
- **2. Financially support African SMEs and provide them with holistic advice**



Large-scale projects as an opportunity to involve local SMEs in existing investments

- Analyze and identify existing large-scale investment projects that offer **high potential for the integration of local SME**
- In addition to individual international and local private investors, the **state continues to be one of the most important investors** in Africa
- **Identify the relevant (supplier) industry**, the necessary work areas and occupations together with the investors, but also through local associations, chambers and service providers.
- **Matchmaking** - between the investors and local suppliers
- Build the necessary **training centers** to train and educate employees in relevant (and missing) expertise
- Build up necessary **management skills**
- Dialogue with the partner government on the **legal and regulatory framework**



Financially support African SMEs and provide them with holistic advice

- Bundle the necessary expertise in the partner country in one **hub**
- Support companies of the local middle class through (transparent) **support programs**
- Coordinate and design **funding approaches** and **state framework conditions** for SMEs
- Systematically identify and address **obstacles to business and investment** at short notice
- Support small and medium-sized enterprises in gaining **access to capital and financial services** (bankability)
- Support international and national private investors as well as financial service providers to tap into the **SME customer segment**