



Sustainable Industrial Areas
INTERNATIONAL CONFERENCE

Addis Ababa | Ethiopia | 8th - 10th of April 2019

Moderated pavilion: Attractive Business Environment

Industrialisation in Africa: policies and instruments

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Sector Project Sustainable Economic Policy and Private Sector Development

International Conference

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Goal: Approaches of **economic policy and private sector development** are mainstreamed into measures of German and international development cooperation to implement the agenda 2030 for sustainable development.

Activities

- Advisory services to the BMZ on economic policy and private sector development to enrich international processes and fora
- Development and adaptation of **instruments**
- Dissemination of approaches in our projects with partner countries

Focal areas

- Green and inclusive economic development
- Economic development in the context of fragility
- **Structural transformation** in developing countries

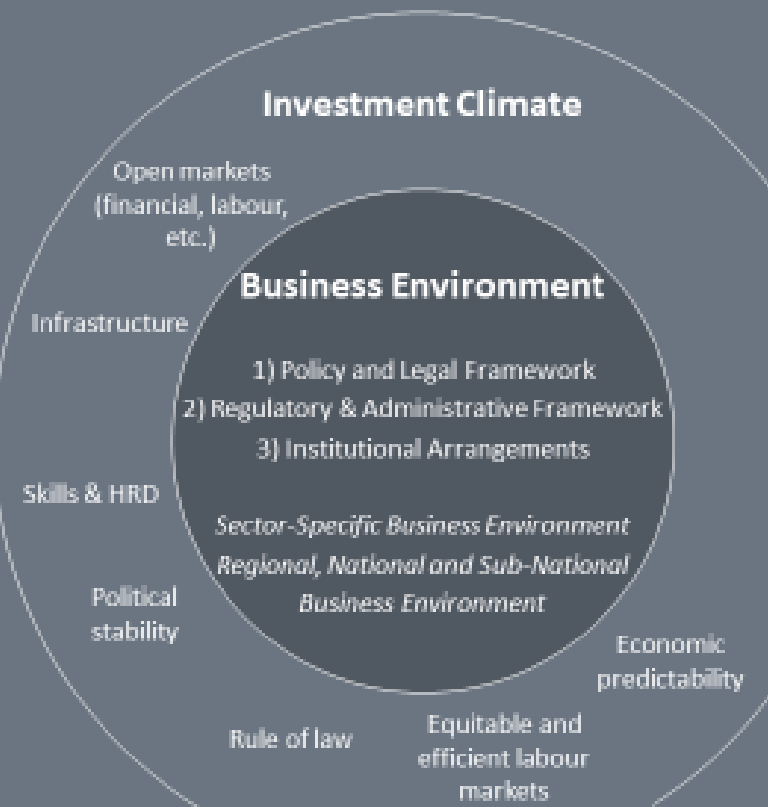
Partners



Agenda and processes

- Agenda 2030/SDGs
- G20
- Africa Initiatives of the BMZ
- Paris agreement

How we define Business and Investment Climate



DCED Technical Guidance Notes on Business and Investment Climate areas:

- + Inclusive Business
- + Green Growth
- + Gender
- + LRED
- + Labour Productivity
- + Quality infrastructure
- + SMEs
- + SMEs in public procurement
- + Investment promotion
- + Artificial Intelligence (in progress)

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DCED: Donor Committee for Enterprise Development. PSD: Private Sector Development. SME: Small and Medium-sized enterprise. LRED: Local and Regional Economic Development.



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BMZ supports Business Environment Reforms and Public-Private Dialogue across Africa

BMZ portfolio to support business environment reforms

- + 22 current projects*, funded with EUR 224.8 Mio.
- + 14 countries supported bilaterally, all others regionally
- + Regional projects with the AU, EAC, and ECOWAS



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*Projects do address complementary issues measured by other indicators, too.



Why does the Investment Climate and overall Industrial framework matter for SIAs?

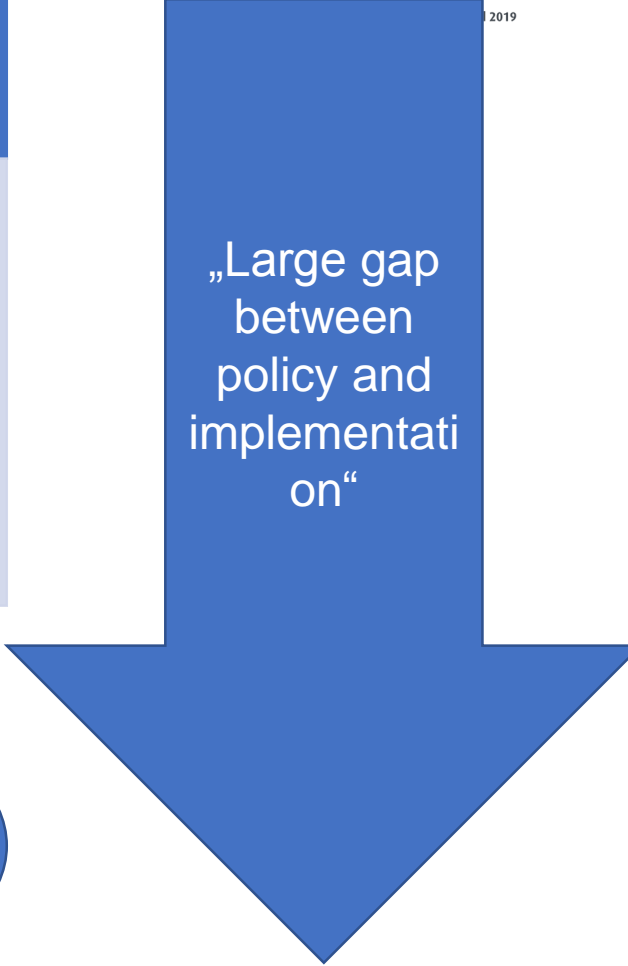
Your quotes from yesterday explain why.

Business and Investment Climate

- „It needs to be easier to do business“
- „Customs processes need to run smoothly“
- „It is less about fiscal incentives“

Industrial Policy

- „Better alignment of industrial policy and urbanisation“
- „Textiles now – but which sector next, which sector is adding value?“



The investment climate matters and is not solved by operating in SIAs (SIAs vs SEZs). Surveys show it matters for investors with needs depending eg on size & sector.

Industrial Policy to help embed SIAs and targeted sectors in a sound policy framework to help achieve policy objectives



Industrial Policy: Common Challenges

- Industrial Policy “falls from the sky” -> no ownership
- Nice documents, **no implementation**
- **Start with instruments** not IP objectives
- Not always based on **evidence**
- IP objectives have no **quantifiable targets**
- Too many IP objectives outlined in documents with no **strategic prioritization**

EQuIP



Enhancing the Quality of Industrial Policies



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german
cooperation

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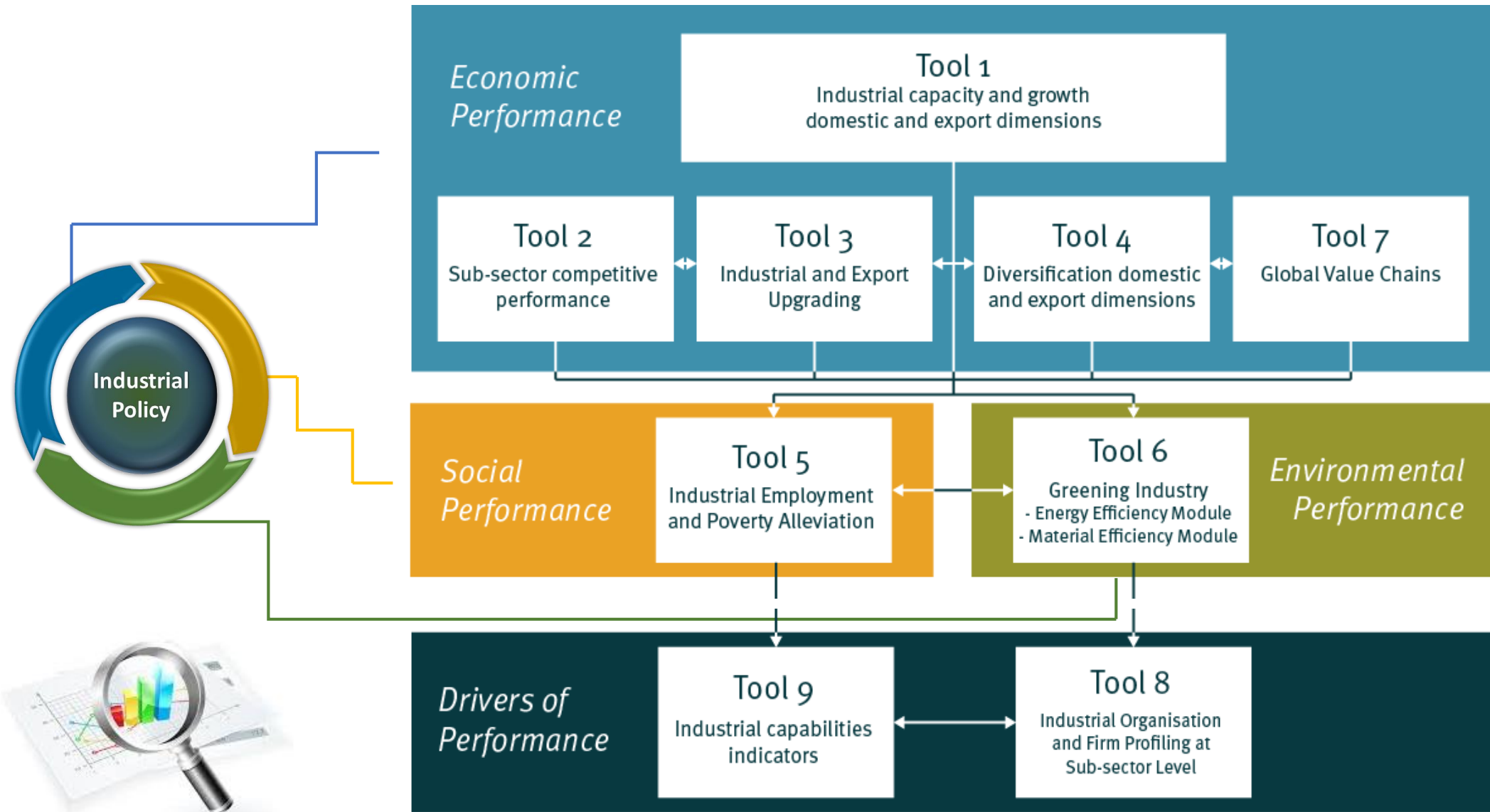
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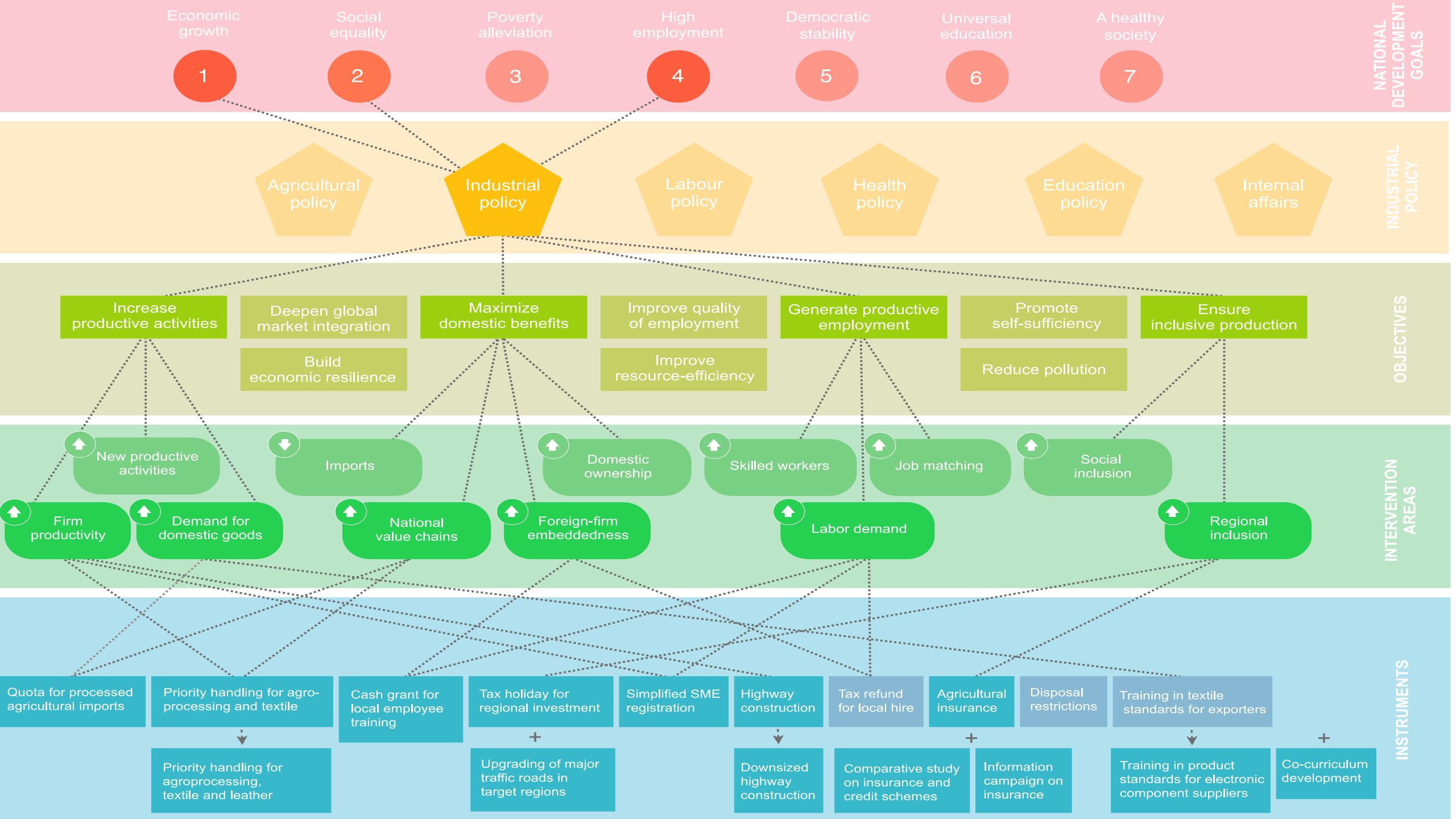


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EQuIP Analytical tools





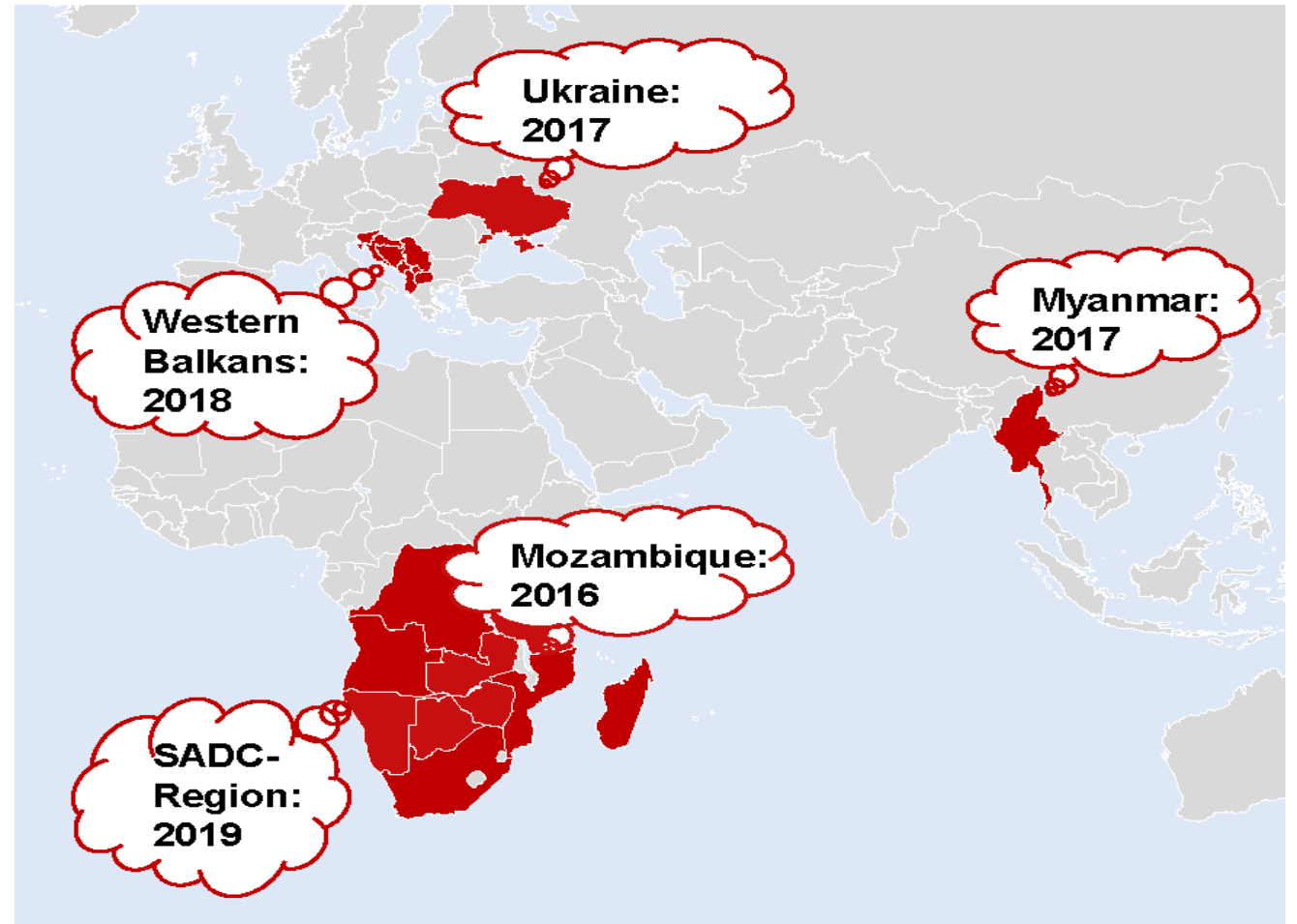
Industrial Policy



Role of Industrial Policy for SIAs

- ensure SIAs contribute to industrial & development **objectives**
- ensure **transparency** and consistency
- ensure support is targeted based on **sound analysis** and **agreed priorities** and **not contradictory**
- ensure **interactions** are considered (eg urbanisation)
- have an **M&E System** in place that shows what works and what doesn't

EQulP in Use





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Thank you!

www.equip-project.org

Get in touch

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