CBI
Joint ITC-WTO Workshop on AfT and SME Competitiveness

Dick de Man
Deputy Director
Netherlands New Agenda for Aid, Trade & Development Cooperation

- Since 2012, one Minister for Foreign Trade and Development Cooperation
- 3 priorities:
  - Ban extreme poverty in one generation
  - Sustainable & inclusive growth everywhere in the world
  - Success for Netherlands Trade & Industry
- Spearheads: Food security, water, women rights, sexual & reproductive health care, security and legal order.
- Private sector = cross cutting theme.
Netherlands New Agenda for Aid, Trade & Development Cooperation

- Fundamental conviction that we need to encourage growth in low & middle income countries
- Only eradicate poverty through sustainable & inclusive economic development
- Private sector is crucial in this process as a driver of employment, esp. SMEs
- Helping DC’s to link up with local, regional and global markets
- Connecting to global value chains requires a good
Netherlands New Agenda for Aid, Trade & Development Cooperation

- Connecting to global value chains requires a good business environment and a strong private sector.
- Weak physical & financial infrastructure, inadequate knowledge & skills, difficulty in meeting standards make it difficult for DCs to integrate in local, regional and global value chains.
- Successful aid removes these obstacles and paves the way for trade and investment; in this context NL strongly supports the Trade Facilitation Agreement.
Netherlands New Agenda for Aid, Trade & Development Cooperation

Improving the Business Enabling Environment: through PARTNERSHIPS: companies, government, knowledge institutions and NGOs – The ‘Dutch diamond approach’

- Access to Markets (€68 m)
- Improvement of legislation & regulatory framework, strengthening customs & tax services (€5 m)
- Reliable institutions (€129 m)
- Physical & insurance infrastructure (€83 m)
- Strengthening financial structures (€38 m)
- Access to finance, Dutch Good Growth Fund €750 m)
Dutch Good Growth Fund
Netherlands New Agenda for Aid, Trade & Development Cooperation

Dutch Good Growth Fund = Revolving fund for:

- Investments by Dutch SMEs in emerging markets and DCs
- Finance for local SMEs in these markets
- Export credit insurance and finance for development-relevant exports from Dutch SMEs to these markets
Netherlands New Agenda for Aid, Trade & Development Cooperation

Improving the Business Enabling Environment:

- Stimulating Dutch companies to do more business in DCs, to give an impulse to local economies with their knowledge and skills
- to contribute to solutions for Food Security, Water, Logistics and Life Sciences & Health
- Compliance to ICSR is a must
- Mutual profit
Netherlands New Agenda for Aid, Trade & Development Cooperation

Three categories of countries:

- Aid countries (LDCs & fragile states) – least connected, weak governance, infra, Customs, tax, physical & financial), land rights, instability: Afghanistan, Burundi, Mali, Yemen, Rwanda, South Sudan, Palestinian T.

- Transition countries from aid to trade ,Bangladesh, Benin, Ethiopia, Ghana, Indonesia, Kenia, Mozambique ,Uganda. PSD instruments also in 50 other low & middle income countries

- Trade relation countries
Netherlands New Agenda for Aid, Trade & Development Cooperation
The role of CBI

- PSD is intrinsically linked to creation of jobs & income
- CBI integral part of Dutch PSD agenda
- Working on increased access to regional & global markets
- Enable SME exporters to benefit from new technologies and trade agreements that facilitate access to global markets
- To make the difference between market access and market presence...
- Especially LDCs cannot benefit due to market imperfections
Netherlands New Agenda for Aid, Trade & Development Cooperation

The role of CBI

45 years experience identified bottlenecks hampering access of SME exporters to int’l markets:

- Information asymmetry:
  - lack of strategic knowledge – at all levels and lack of skills & network to effectively implement this knowledge
  - Lack of access to finance
- Lack of coherent trade & economic development policies, little involvement of private sector
- Lack of understanding functioning of GVCs, role of SMEs in trade and inclusive development, and impact of AfT
CBI approach, practices for the AfT Agenda

- Strong research base: promising sectors and markets
  - continuous research on export markets (€ 2.9 mln)
  - intelligence through 25 advisory boards from T&I
  - Value chain analyses in supply countries
- Programmatic approach: integrated, tailored solutions on country/sector level
- Strong commitment of stakeholders in design phase including early involvement of importing trade
- Need oriented, focus on most urgent constraints
- Focus on value addition and export diversification
CBI approach; practices for the AfT Agenda

Programmatic approach integrating 4 levels:
- Coaching SMEs: Long year coaching, knowledge & skills transfer on all critical export success factors, enhance self-reliance; this includes actionable intelligence, strengthening networks with suppliers and buyers, compliance to ICSR and assistance in getting access to finance
  - Start with Audit, Selection & Plan of Action
  - Identify USP/niche
- Scale up trade support delivery of BSOs to SMEs
  - Focus on most pressing constraints of SMEs
  - Learning by doing; capacity strongly anchored
CBI approach, practices for the AfT Agenda

- Advising local governments on opportunities + constraints and consequences of trade policies for SMEs; Voicing effects of trade policy measures on SMEs to governments in the North
- Advising importers, retailers and producers on sourcing from developing countries; enhancing partnerships:
  - Northern buyers are in strategic position to bridge the knowledge, technology and finance gap faced by SMEs
  - Mutual interest

In such a way that strengthening soft skills on all levels becomes mutually re-enforcing (case)
Solving SME constraints also require:

- Collaboration with other partners with complementary expertise: e.g. ITC, USAID, European partners, NGOs, financial specialists e.g. Fast International, etc.

- Robust monitoring and evaluation system, to understand how AfT assistance to SMEs contributes to sustainable economic development, what works and how
  - Real-time monitoring, to enable adaptive management in dynamic environments [www.primepartnership.nl](http://www.primepartnership.nl)
CBI approach, practices for the AfT Agenda

CBI research paper on Access to Trade Finance for SMEs in developing countries: http://www.cbi.eu/marketintel/cbi-policy-intelligence-access-to-trade-finance/192231/platform/136122/database
Link to CBI film on CBI’s Integrated approach to export development and export promotion: http://www.cbi.eu/About%20CBI
Link to the CBI Market Intelligence Portal: http://www.cbi.eu/marketintel_platform
Link to the website of PRIME, an initiative of CBI, PUM, Wageningen University and Rotterdam Erasmus University for Pioneering Real-time Impact Monitoring and Evaluation in small and medium enterprises http://www.primepartnership.nl/
## More information

<table>
<thead>
<tr>
<th></th>
<th>P.O. Box 93144, 2509 AC The Hague the Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Postal address</strong></td>
<td>Prinses Beatrixlaan 2 2595 AL The Hague</td>
</tr>
<tr>
<td><strong>Visiting address</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Telephone</strong></td>
<td>+31 (0)88 60 24 330</td>
</tr>
<tr>
<td><strong>Mobile</strong></td>
<td>+31 (0)6 225 170 29</td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td><a href="mailto:dman@cbi.eu">dman@cbi.eu</a></td>
</tr>
<tr>
<td><strong>Website</strong></td>
<td><a href="http://www.cbi.eu">www.cbi.eu</a></td>
</tr>
</tbody>
</table>