

Strengthening Industries in East Africa – Creating Sustainable Perspectives

Services for German, European and East African companies
offered by the Business Scouts for Development

On behalf of



Federal Ministry
for Economic Cooperation
and Development

Implemented by



Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

In cooperation with



BDI

The Voice of
German Industry

Business for development in East Africa

East Africa is the region with the **highest economic growth** in Africa, increasing by 5.7% in 2018. However, in addition to the opportunities this presents, East Africa is also facing **social, economic and environmental challenges**, such as high population growth, climatic changes that impede food security, and large income disparities. International crises and the resulting insecurity in supply and value chains, as well as the impact of the Covid-19 pandemic, add to these difficulties.

Small and medium-sized enterprises (SMEs) form the **backbone of the East African economy**. SMEs account for 90% of traders, contribute to over 60% of employment and generate 29% of the region's GDP. However,

entrepreneurial success is often hampered by multiple challenges, such as a lack of skilled labour, low innovation, insufficient competitiveness, non-tariff barriers and poor knowledge of export and product standards.

Together, the Business Scouts for Development programme and the Federation of German Industries (BDI) are therefore supporting SMEs from various sectors to **promote economic growth and thus the resilience of East Africa** in the long term – by building a digital, socially just and sustainable economy. To this end, they are working on the implementation of **new partnerships, strategic alliances and sustainable value and supply chains**.



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East Africa is becoming increasingly attractive for German and European companies due to its economic growth and advanced economic integration. BDI has been working closely with local partners since 2017. The aim is to promote and deepen African-German economic cooperation. In addition, the private sector is to be strengthened and integration into global value chains advanced.

Networking and cooperation between German, European and East African companies and institutional partners is supported by the Business Scouts based in Germany and East Africa. Know-how transfer is facilitated through training, coaching and mentoring by industry experts. One focus is on improving business development, which is the basis for new skilled jobs.

Together we create opportunities for people and companies alike. Several local companies were able to grow as a result, increasing their revenues and number of employees. Many new partnerships between German, European and East African companies have emerged as a result.

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Matthias J. Wachter

Head of Department International Cooperation,
Security Policy, Raw Materials and Space, BDI





Partnerships create opportunities

Establishing partnerships between East African, German and European companies plays an outstanding role in sustainable local economic development.

Business Scouts provide targeted support in **know-how transfer, networking, match-making and business development** for East African companies. Assignments of short-term experts from the **skilled crafts sector** in East African companies also allow for **practical training** of employees and knowledge transfer in the area of machine maintenance. SMEs are thus specifically

empowered to optimise their work processes and management. The **involvement of local organisations, associations and political frameworks** ensures regional integration.

German and European companies, in turn, benefit from the **broad network and regional expertise** of the business scouts. The companies thus receive information on economic demands and gain access to **new sales markets, business partners and fields** as well as **contacts to local business associations** in East Africa.

Using synergies by working in clusters

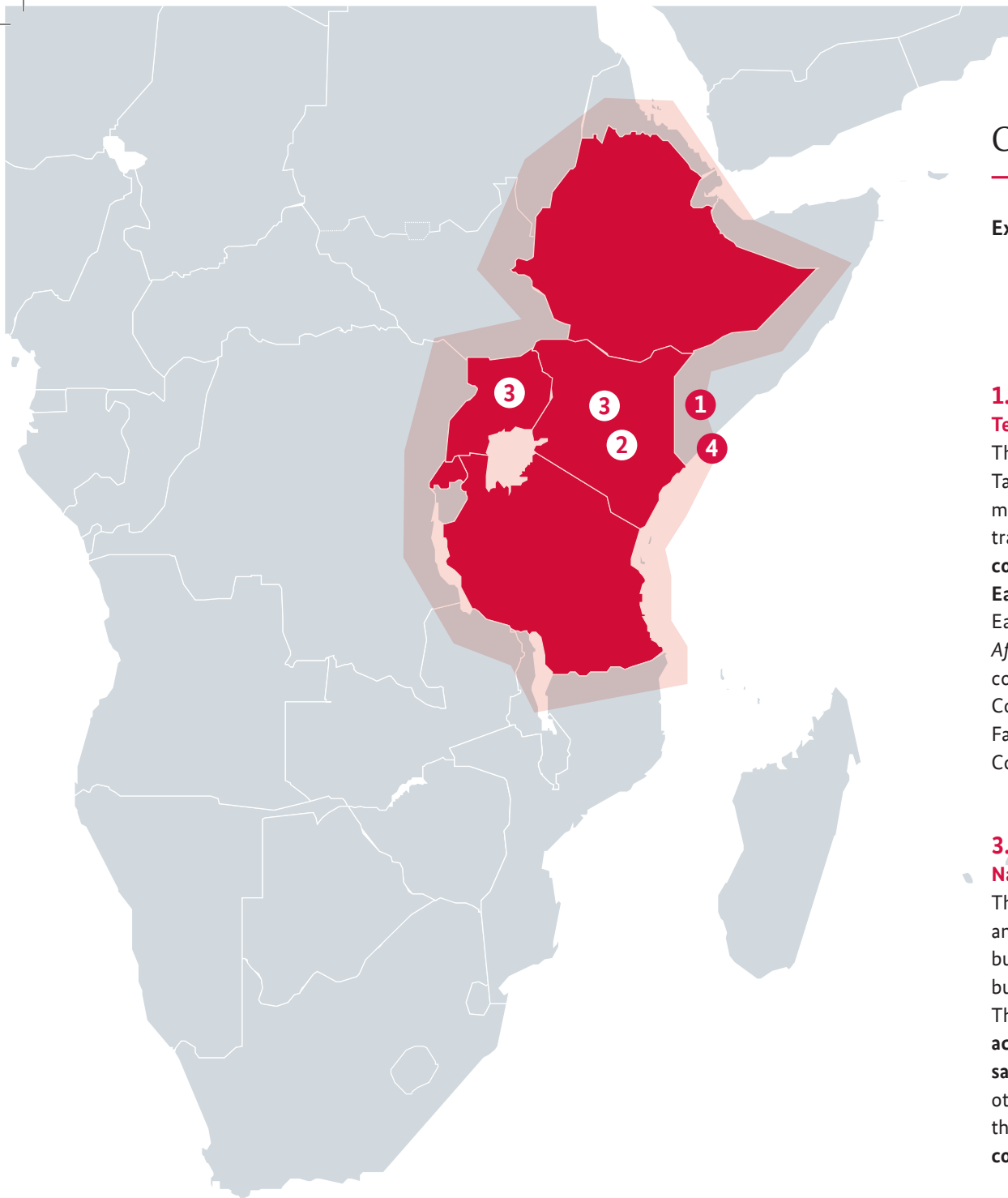
Business Scouts for Development work with the BDI on selected focus sectors in a so-called **cluster approach**, thereby creating synergies between project partners and countries. A **regional exchange** also promotes innovative business ideas that give rise to new partnerships between companies.

Measures are carried out in the following clusters, which may vary from country to country: **agribusiness, food, natural products, metal and construction, plastics and textiles**. Cross-cutting topics are gender, digitalisation, health, energy, climate and environment.

Services offered by Business Scouts

- **Networking and information events** on relevant sectors or topics, including B2Bs for German, European and East African companies
- **Know-how transfer** through training, coaching and mentoring by experts from industry and skilled crafts
- **Mentoring** between German, European and East African companies
- **Joint project development** and initiation of public-private partnerships
- **Matchmaking** supported by the Business Scouts in Germany and East Africa
- **Support** for business development





Cooperation projects

Examples from practice

1.

Textile industry

The "Fashion For Change" project with the Tanzanian Women's Chamber of Commerce (TWCC) and other partners offers training and coaching to **improve the competitiveness of female designers in East Africa**. Moreover, entrepreneurs from East Africa and Ghana exhibited at the *African Sourcing and Fashion Week* in cooperation with VDMA Textile Care, the Confederation of the German Textile and Fashion Industry and Trade and Fairs Consulting on behalf of Messe Frankfurt.

2.

Agribusiness and food cluster

Poor food standards and contamination at agro-processing plants pose a major threat to food safety in Kenya. Through a partnership with the Agricultural Industry Network (AIN), the Business Scouts are implementing a **capacity building project to eliminate food contamination**. It includes training on topics such as international food safety management systems or hygiene and maintenance of industrial premises.

3.

Natural products cluster

The cooperation with Invest in Africa (IIA) and other partners focuses on capacity building for 40 SMEs in the avocado, shea butter, coconut and moringa sectors. The measures concentrate primarily on **access to markets and finance, product safety and packaging, traceability** and other production-related issues. 70% of the companies have reported **improved competitiveness** so far.

4.

Plastics cluster

The plastics cluster develops **advisory and capacity development services** for East African partner companies. One of these is an **online cooperation platform for African SMEs** that provides sector-specific information, updates and exchange opportunities with German and international partners. It was created in cooperation with the Kunststoffinstitut Lüdenschied, supported by the East African Business Council.

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**Business Scouts
for Development**

Business Scouts for Development work as experts for development cooperation in around 30 countries across the globe. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), they advise companies from Germany, Europe and the project countries on funding instruments and business opportunities in developing and emerging countries. In addition, in cooperation with companies, they initiate and design projects as well as innovative solutions that aim at contributing to a socially just and ecological transformation of the economy. The Business Scouts for Development work closely with partners from the private sector, TVET organisations, foundation organisations and social partners worldwide.