



Netherlands Enterprise Agency

Centre for Promotion of Imports from Developing Countries Strategic Plan 2016 – 2020: Access to export

Administered on behalf of the Ministry of Foreign Affairs

Mission

CBI connects small and medium-sized enterprises (SMEs) in developing countries to the European market and this way it contributes to sustainable and inclusive economic growth.

CBI works on the basis of the conviction that economic growth is not sufficient to bring an end to extreme poverty, gender inequality and climate change. The poorest groups must be able to participate and profit too. The business environment in developing countries forms the motor for growth. This growth can be made sustainable by stimulating business that pays specific attention to people and the environment.



CBI links these ambitions to the United Nations' development agenda 2030. CBI specifically contributes to goal 8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. It therefore also contributes to the implementation of one of the priorities in the Minister for Foreign Trade and Development Cooperation's aid and trade agenda, specifically private sector development.

Through private sector development, the Netherlands contributes towards creating a good business climate, which facilitates economic growth and combats poverty.

The Netherlands Enterprise Agency (RVO.nl), which CBI has been part of since 2015, serves the entire width of the private sector development policy, with the exception of financial sector development.

Working area

CBI's working area is at the interface between aid and trade; the CBI programs are focused on supporting SMEs in developing countries with accessing the European market. The goal here is to promote integration in global value chains.

New CBI commitment: focus and synergy

Focus

• Fewer countries

CBI will be reducing the number of countries in which it is active to a maximum of 30 in 2018. The exact selection of countries is still to be confirmed. In any case:

- focus on programs in the least developed countries and fragile states will increase;
- a minimum of 50% of the annual budget will be spent on exporters with good opportunities in the least developed countries and fragile states;
- space will be reserved for programs aimed at exporters with good opportunities in lower-middle income countries.

• Fewer sectors

CBI will be cutting back from more than 30 to around 15 sectors in 2020. More focus offers the possibility to deepen knowledge and increase the network in these sectors and, in combination with the concentration on a number of countries, create more impact. How this sector choice is made will be worked out in more detail in 2017.

In any case, in addition to export potential, correlation with national export policy, support, institutional capacities, international corporate social responsibility (ICSR) and gender aspects will also be taken into account in the final sector choice.

• Focus on sustainable and inclusive business

CBI stimulates companies to work towards corporate social responsibility through its programs. In the coming years, specific attention will be paid to responsible chain development, decent work and gender.

Synergy

CBI wants to address obstacles in the chain as successfully as possible, in order to create increased efficiency and achieve more results. To make this possible, over the coming years CBI will be focusing on better synergy with other instruments for private sector development, both within RVO and partners with similar instruments. CBI has resources available to use CBI expertise in the form of short interventions in order to support other RVO and embassy programs.

In addition, CBI will remain focused on intensive cooperation with international partners such as the International Trade Centre (ITC), the European Trade Related Instruments Connected (TRIC) and the World Trade Organisation (WTO).

Implementation

Programme selection

CBI uses the methodology of integrated, programmatic working. According to this methodology, programs are built up from a selection and analysis of value-chains and the development, implementation and evaluation of business-cases.

Starting points for the selection of a programme are:

- The sector is among the CBI focus sectors and there is demand for its products in Europe;
- The country is on the list of countries that are eligible for projects on the basis of development cooperation.
- There is export potential in the relevant country and the relevant sector;
- Correlation with national export policy;
- Presence of sufficient institutional infrastructure, or the potential to develop this;
- Presence of sufficient SME companies in the relevant sector;
- Development relevance / contribution to combating poverty / creating jobs;
- Opportunities in relation to making trade more sustainable, including addressing ICSR risks and good job opportunities focused on women;
- CBI intervention creates added value;
- CBI can work cost effectively and achieve results.

Company selection

The CBI's target group is SMEs in developing countries. The first selection of companies will take place on the basis of a number of criteria, including: at least 51% of the company is locally owned and it is an SME company (between 25 and 500 employees).¹

For this selection, CBI has developed a process, known as the audit, in which local and European experts are used. This screening helps to better determine on company level where there are obstacles, what the company needs to do in order to achieve export growth and what, for each company, the chances of success are as well as the investments required to achieve this growth.

Incidentally, micro businesses can also be selected. This applies primarily in the least developed countries, where there is a lack of sufficient SME companies who can participate in a programme.

CBI also occasionally selects companies that have more employees than the number used in the definition of an SME. Experience has shown that these companies can hold a key position in the relevant sector and in this position can deliver added value for the development of the sector as a whole. The company can set a catalysing example in the country itself, e.g. in the area of CSR.

Monitoring: goals and reporting on CBI-wide indicators

CBI has formulated a number of indicators for the measurement of results, which are the same for all programs. These include, for example, the level of exports to Europe, job opportunities and reinforcement of organisations that support the business environment. CBI also uses a set of sector- or region-specific indicators. The choice of indicators fits with the CBI's strategy. The strong focus on least developed countries and fragile states means that a lot of progress can be made in the field of CSR (including gender) or preparation of companies to enter the international market. This focus on least developed countries and fragile states means at the same time that it is more difficult to achieve export results than in high-potential lower- and lower-middle income countries. Considering the specific position of young people and the current international (migration) problems, CBI will also show clearly how the programs contribute to job opportunities for young people and entrepreneurship in least developed countries and fragile states, through practical examples.

CBI is the initiator of the Pioneering Realtime Impact Monitoring and Evaluation (PRIME) study, a partnership between LEI/WUR Erasmus university, PUM and CBI. The aim of this partnership is the development of an innovative methodology to measure the effects of these PSD programs and to map the contribution of CBI to sustainable economic growth in a scientifically sound way.

Market intelligence

CBI has developed its own, unique research method. CBI carries out chain research as well as market research and policy research for and in developing countries. This provides unique information to exporters, business-support organisations and policymakers from developing countries as well as policymakers and importers from the Netherlands/ Europe.

The market intelligence (MI) is available via an online platform and via training. So non-participating exporters can also access this information. In addition to MI for exporters in developing countries, MI is also aimed at importers (import intelligence) and at policymakers (policy intelligence), what is known as tailored intelligence². This tailored intelligence is also developed on the basis of needs within the CBI programs.

Financial resources and clients

CBI is funded by the Netherlands Ministry of Foreign Affairs. The budget for 2016 was about 25 million euros. CBI also wants to focus on other organisations, institutions and bodies that offer opportunities for commissioning, such as the European Commission (DG DEVCO), local governments and multilateral institutions.

¹ As described in the policy framework published on the CBI website: <https://www.cbi.eu/About%20CBI/policy-framework/>

² Tailored intelligence: customised studies that are developed – on request – within the framework of CBI's export value-chain programs. A tailored-intelligence study is focused on secondary target groups: policymakers (Policy Intelligence or PI) or importers (Import Intelligence or II).

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Netherlands Enterprise Agency (RVO.nl) | January 2017

Netherlands Enterprise Agency (RVO.nl) is an agency of the Dutch Ministry of Economic Affairs. Netherlands Enterprise Agency implements policy for various ministries in to the areas of sustainability, agricultural, innovation

and international business and cooperation. Netherlands Enterprise Agency is the contact point for businesses, knowledge institutions and government bodies. For information and advice, funding, networks and legislation and regulations.

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