

UDENRIGSMINISTERIET

Spørgsmål fra Udenrigsudvalget
til udviklingsministeren af 16. juni
2011.
URU alm. del – spørgsmål 205.

Spørgsmål 205:

”Vil ministeren kommentere henvendelsen fra PNOWB om støtte til privatsektorens udvikling i Afrika syd for Sahara, jf. URU alm. del – bilag 180, og svare på de i henvendelsen stillede spørgsmål?”

Svar:

Jeg hilser det meget velkomment, at Parliamentary Network on the World Bank (PNOWB) nu sætter fokus på privatsektorens udvikling i Afrika. Der er ingen tvivl om, at Afrikas vækst skal komme fra privatsektoren, dette har jeg ikke mindst fået bekræftet på min nylige tur til Uganda, hvor både Ugandas regering og erhvervsliv understregede dette.

PNOWB's spørgsmål fokuserer på indsatser til fremme af erhvervslivets rammebetingelser, investeringer i infrastruktur, landbrug samt faglig uddannelse og træning. Spørgsmålene afspejler netop den internationale opmærksomhed på at øge privatsektordrevet vækst i Afrika syd for Sahara, som er helt i tråd med regeringens udviklingsprioriteter og indsatser.

Indledningsvis vil jeg derfor give et kort oprids af Danmarks øgede fokus på fremme af privatsektordrevet vækst i Afrika, der jo har baggrund i Afrikakommissionens anbefalinger, og hvorledes dette er direkte afspejlet i den udviklingspolitiske strategis prioritetsområde for Vækst og Beskæftigelse. Her understreges, at danske indsatser til fremme af vækst og beskæftigelse planlægges og gennemføres i tæt koordination med partnerlande og øvrige udviklingspartnere favnende organisationer som Verdensbanken, fagbevægelsen, virksomheder og NGO'er.

I besvarelsen af spørgsmålene er flere af Afrikakommissionens internationale initiativer anvendt som illustrative eksempler. Eksempelvis at Danmark via den afrikanske udviklingsbank støtter etablering af Sustainable Energy Fund for Africa, der har til formål at stimulere og udvide det voksende energiforsyningsmarked Afrika for små og mellemstore virksomheder.

Endvidere omtales udvalgte danske indsatser gennem den programmerede bistand, særligt erhvervssektorprogrammerne, og erhvervsinstrumenterne. Der gives eksempler på, hvordan Danmark bidrager til at fremme små og mellemstore virksomheders adgang til finansielle ydelser, bidrager til udbygning og forbedring af veje og elforsyning, skaber markedsmuligheder for producenter af fødevarer gennem kvalitetsforbedringer og investeringer i landbrugssektoren, samt hvorledes Danmark gennem nye initiativer støtter unge afrikaneres faglige træning og uddannelse i tråd med den private sektors efterspørgsel.

Denmark's reply to Parliamentary Question on Private Sector Development in Sub-Saharan Africa

Private sector development was established as a priority area for Danish development cooperation with the launch of the strategy for Denmark's development cooperation, published under the title "Freedom from Poverty, Freedom to Change" (May 2010). The strategy reflects and brings forward the work and recommendations of the Africa Commission, which was initiated by the Danish Government in 2008. The Commission included Heads of State and Government, politicians as well as representatives of civil society organisations, the business community and academia, mostly from African countries. In its final report the Africa Commission made a number of specific recommendations (Africa Commission, May 2009), and five international initiatives were initiated with Danish development assistance. The recommendations also provided a firm basis for Denmark to make strategic choices on future support to further growth and employment creation. "Growth and Employment" is now one of five priority themes in Denmark's strategy for development cooperation, and the Danish Government has committed to doubling Denmark's annual support to private sector development in Africa by 2014 from 1 billion DKK to 2 billion DKK.

A strategic framework for Growth and Employment (February 2011) describes in more detail which tools and approaches the Government will utilise to turn strategy into action over the coming five years. Specific activities and interventions will be planned and implemented in close collaboration with the partner country and with other relevant development partners. The portfolio will be adapted to the opportunities identified and the actual conditions prevailing in each country. Denmark will build its development efforts in cooperation with many different national partners. These may include ministries and public authorities, private enterprises in prioritised sectors in the formal and informal sectors, banks, service providers, business and labour market organisations, institutions of higher education, and NGOs. In addition, Denmark will strengthen its cooperation with selected multilateral organisations, where these are found to offer added value to the development impact.

An outline of some of Denmark's experiences and priorities, collaboration with international finance institutions and examples of interventions at various levels strengthening private sector development follow below.

How is the Government planning to support, in cooperation with International Financial Institutions, improvements in the business climate, including facilitating business establishment and operations?

Improvement of the business climate is the corner stone in the Danish Business Sector Programme Support in Mali, Ghana, Tanzania, Kenya and Mozambique. Experience from the business sector programmes uniformly shows that there is a need to lift business policy and the investment climate up in the political hierarchy and to systematically raise the topic in dialogue with partner governments. Denmark's experience in providing access to financial services ranges from working with access to microcredit at the household level, over credits and loans to micro-enterprises, to support and development of the established financial system with a

view to enhance the possibilities for financing small and medium-sized enterprises. Denmark will in the future target much of its assistance to small and medium-sized enterprises, in recognition of their potential contribution to economic growth and employment creation. Last year Denmark entered a strategic partnership with International Finance Cooperation (IFC) to provide better access to finance in fragile states in Africa such as South Sudan. Moreover, Denmark provides financial support to the Consultative Group to Assist the Poor (CGAP) to continuously work for development of efficient and transparent financial services for the poor in close collaboration with donor partners, including the World Bank.

Based on the Africa Commission recommendations, the Danish government has, in partnership with the African Development Bank, established an African Guarantee Fund (AGF) that will provide guarantees to African banks and financial institutions lending to small and medium-sized enterprises. AGF has been established as a self-sustaining, independent financial institution in Africa working on commercial terms, and the first guarantees are expected to be issued within 2011. Denmark, Spain and the African Development Bank have agreed to invest the first share capital of app. USD 50 million. The aim is to attract contributions from other donors and private investors too, so that the Fund's guarantee capital will grow to up to USD 500 million in the course of a few years.

Lastly, the Industrialisation Fund for Developing Countries (IFU) should be mentioned. IFU acts as an advisor and active co-investor for Danish enterprises that wish to establish themselves or expand their activities in a developing country. IFU operates on a commercial basis and offers partnerships by raising equity capital and/or providing loans for investment projects. As part of the strategy for increasing growth and employment, IFU will undergo a targeted renewal.

What investments have been allocated to strengthening local infrastructure in sectors such as infrastructure and electricity?

Through bilateral sector programme support Denmark has over the years given priority to infrastructure improvements such as minor roads, water supply and decentralised power supply. At present Denmark have infrastructure sector programmes in Mali, Mozambique and Uganda and road sector programmes are being phased out in Benin, Tanzania and Zambia. Larger infrastructure investments are supported via the multilateral organisations, World Bank, regional banks, the European Union or with soft loans.

By way of example, in Tanzania, Denmark has for many years supported the development and improvement of local and national roads. In addition to the road sector programme, Denmark is via the Danida Business Finance scheme (or soft loan scheme) financing the Rehabilitation of 219 km of the TANZAM Highway in Tanzania with a contract value of approx. 115 million EUR. The contract is the third contract Denmark is financing on TANZAM Highway which constitutes a vital link between Dar es Salaam and the Southern Highlands in Tanzania and to Zambia, Malawi and DRC.

With regard to electricity, another priority sector for the Danida Business Finance, Denmark is financing the Reinforcement and Extension of the National Power Transmission Grid in Mozambique with an estimated contract value of 105 million EUR. The objective of the project is to improve the power supply in the country by providing increased transformer capacity and extending the transmission network.

Lastly, through the African Development Bank, Denmark supports the establishment of a Sustainable Energy Fund for Africa, another Africa Commission initiative, which aims at stimulating and expanding the emerging African energy market for small and medium-sized enterprises as producers, distributors, suppliers and consumers of climate friendly energy. The objective of the initiative is increased production of and access to sustainable and reliable energy services, primarily in rural and sub-urban areas, through a market based approach through financing for the preparation of larger bankable energy projects and co-financing of minor energy projects. Total Danish support to the Energy Fund will be 300 mill. DKK.

How is the government improving the climate for private agricultural investment in the region?

Current sector programmes in Denmark's partner countries focusing on creation of growth and employment in Ghana, Mali, Kenya, Uganda, Mozambique and Tanzania all imply activities to improve the investment climate for private agricultural investments. In addition, support is provided to improve framework conditions within the Ministries of Agriculture in Burkina Faso, Niger and Mali.

Agriculture and other use of natural resources constitute important elements in overall value creation in Denmark's partner countries. Many value chains have the potential to generate production and other sustainable economic activity, and thus create employment opportunities. Hence, Danish development assistance will increasingly target different levels in the value chain, including production, processing, transport, distribution, and export, etc. to strengthen the organization of and investments in commercial agriculture.

For instance, as part of the Danish support, the Uganda Growth sector programme has an Agribusiness Initiative that supports enterprise development, market- and product diversification applied through value chain approaches initially focusing on coffee, maize, oil seeds and export horticultural products. It includes financial services and supporting the capacity of firms to be able to accommodate international standards and quality requirements in the food sector creating export opportunities. The Danida Business Partnership programme also supports upgrading of local farmers/agro-business companies through technology transfer from Danish companies as well as training and investments in environmental improvements by providing support to establishment of commercially driven partnerships contributing to growth, local jobs and a catalytic role in mobilizing foreign direct investments.

What steps will the government take to ensure an educated and well trained labour force to sustain the development of the private sector ?

As part of the strategy for fostering growth and employment, Denmark is determined to strengthen the links between education and employment in the private sector. In practice, interventions may vary from Danish support to informal training to more formalised and structured education and training programmes.

Two interventions currently being planned for 2012 as part of business sector programmes can illustrate this; In Tanzania support is provided to the development of a Graduate Internship Programme at Dar es Salaam Business School with the aim of securing at least 250 graduate internships by the end of 2012. In Ghana, support is granted to establish a Skills Development Fund under the Council for Technical and Vocational Education and Training. The fund will be demand driven and cater for developing and improving both public training institutions and private companies.

A range of activities supported by Denmark focus on improving women's access to labour market and training and technology on equal terms as men. These are included in sector programmes, in multilateral cooperation - for instance with the International Finance Corporation (IFC) - and through training at the enterprise level through Danida Business Partnerships.

Finally, the Africa Commission initiative "unleashing African Entrepreneurship", implemented by ILO encourages youth to pursue entrepreneurship opportunities as one of the few feasible options for young people to create employment for themselves and others in the formal or informal sector. The initiative is implemented in Tanzania, Kenya and Uganda, actively engaging governments, youth organizations, educational institutions, business development service providers and micro-finance institutions in a range of activities aimed at fostering an entrepreneurship culture among the young people. This includes introducing entrepreneurship education in schools, providing access for existing and potential young entrepreneurs to support for business development, establishing a Youth-to-Youth fund, and promoting evidence-based advocacy.