

Private Sector Development and SME support in EU external aid programmes

26 May 2011

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From 2005 Aid for Trade initiative to 2010 Green paper on EU development policy (1)

Aid for Trade 2005:

- Importance of trade capacities for growth and development reconfirmed
- But also new focus on supply side constraints: productive capacities and economic infrastructures (the wider Aid for Trade agenda).

EU Aid for Trade strategy 2007:

- Joint strategy European Commission/ EU Member states

From 2005 Aid for Trade initiative to 2010 Green paper on EU development policy (2)

Green paper on EU development policy 2010:

- Trade, FDI and remittances flows set the scene; not overestimate role of ODA
- Private sector key for economic growth and poverty reduction ... and for sustainable public revenues and policies
- Focus on sustainable and inclusive growth
- Public institutions and policies needed for enabling environment and flanking policies

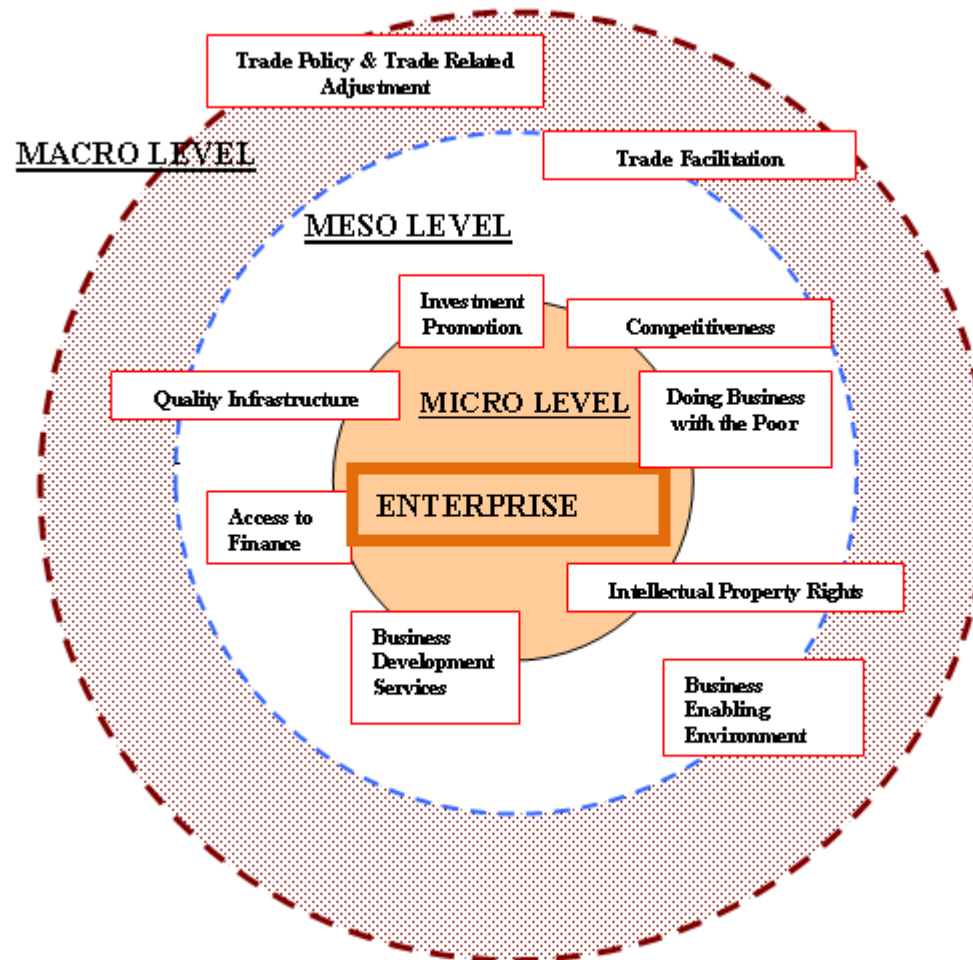
Trade and private sector development (1)

Setting the context:

- No one size fits all solutions: focus on local conditions and priorities
- Regional dimension often key: narrow national markets
- Major constraints: lack of local capacities
- Building capacities is no quick win
- Multiple needs and priorities

Trade and Private Sector Development (2)

... resulting in many areas and levels of intervention:



EU support in all regions of external aid (1)

Overall EU support for private sector development and trade related assistance : around one billion a year (economic infrastructures excluded).

➤ **Building productive capacities:**

ACP 42,5%

Europe 13%

Latin America 6%

Neighbourhood 9,5%

Asia 9%

Other 20%

EU support in all regions of external aid (2)

- **Wider Aid for Trade agenda** (incl. economic infrastructures) - 2005-2009:

ACP 54%

Europe 12%

Latin America 5%

Neighbourhood 14%

Asia 7%

Other 8% (incl. inter-regional/global)

2011 and afterwards (1)

Communication on EU development policy:

- Focus on sustainable and inclusive growth

Communication on growth and private sector

- Place of existing policies on Business enabling environment, Building productive capacities, Quality infrastructure, Business support
- Better engaging with private sector, incl. through blending mechanism

2011 and afterwards (2)

2014 – 2020: New multi-annual programming period

Thank you!