Promoting Dutch – Tanzanian Business
How can the Dutch government help?

Knowledge & Information
Public Private Partnerships
Financing
Enabling environment
1) Knowledge and information

Tools and instruments:

- Information www.rvo.nl tanzania.nlembassy.org/
- Advice (tailor-made scans)
- Events
- Business opportunities
- Special attention for first timers
Waste event
Also check

www.internationaalondernemen.nl/
www.ondernemeninontwikkelingslanden.nl
2) Public-private partnerships

Encourage economic development through market-oriented investment in developing countries

**PPP facilities, new calls 2016/2017:**

- Facility for Sustainable Entrepreneurship and Food Security (FDOV) - 4
- Sustainable Water Fund (FDW) - 1
- Geodata for Agriculture and Water (G4AW) - 2

**For promoting a cluster of Dutch companies:**

- Partners International Business (PIB) - 0
Example on youtube:
FDOV: https://youtu.be/1KNgHr2I1nM
3) Funding

Subsidy for *demo* and *feasibility* studies for *SME*

Stimulating *access to finance* by government finance/garantees, especially for *SME*

Grants for offers for *public infrastructure* tenders

- Kairuki Hospital Extension & Renovation
- Investment Fund for Health in Africa II
- Africa Health Infrastructure Fund (AHIF)
- Kilihortex
- Grofin
- Novastar

**Financing**

- DHI
- DGGF
- FMO
- DRIVE
4) Enabling environment

- Embassy in Dar es Salaam in the lead
- Cooperation with PSD partners (e.g. PUM, EP-Nuffic, etc.)
- Small scale interventions
Seed potato cooperation
Waste management cooperation
Energy cooperation
Aiddata.rvo.nl
## Example FDOV

### Facility for Sustainable Entrepreneurship and Food Security (FDOV)

<table>
<thead>
<tr>
<th>Project title</th>
<th>Programme</th>
<th>Country</th>
<th>Total budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam Initiative against Malnutrition</td>
<td>FDOV</td>
<td>Kenya, Tanzania, United Republic of</td>
<td>€10.77 mln</td>
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<tr>
<td></td>
<td></td>
<td>Ethiopia, Bangladesh, South Africa</td>
<td></td>
</tr>
<tr>
<td>Commercializing food security</td>
<td>FDOV</td>
<td>Tanzania, United Republic of</td>
<td>€2.11 mln</td>
</tr>
<tr>
<td>Seeds of Expertise for the Vegetable Industry of Africa</td>
<td>FDOV</td>
<td>Tanzania, United Republic of</td>
<td>€4.75 mln</td>
</tr>
<tr>
<td>Sustainable and Secure Smallholder Systems @scale</td>
<td>FDOV</td>
<td>Kenya, Uganda, Tanzania, United Republic of</td>
<td>€5.55 mln</td>
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</table>
‘The first country in the world pitching its economic strengths through virtual reality’
Questions & remarks
Specific program info
DGGF

One goal, two target groups:

1. Dutch SMEs
   - Financing investments by Dutch SMEs
     Fund manager = Netherlands Enterprise Agency (RVO.nl)
   - Providing credit insurance and trade finance for (Dutch) SME exports
     Fund manager = Atradius Dutch State Business

2. Local SMEs
   - through financing intermediary investment funds
     Fund manager = PwC & Triple Jump
     Grofin – IFHA – Novastar – African Health Infrastructure Fund
   - Development relevancy (local employment, knowledge transfer, local production capacity)
   - CSR proof
Dutch SME investments

Financing

• Loans directly to Dutch SME’s (on the basis of co-financing)
• Supporting financiers to finance or invest in Dutch SME via:
  - Guarantees (EU and local banks)
  - Co-financing with private financiers
  - Loans to private equity funds
• A mix of different financing options is possible
• Maximum: EUR 10 mln in one SME, minimum EUR 300.000-500.000
Dutch SME Exports

Financing options

- DGGF Export credit insurance (additional to regular ECI)
  Maximum indemnification EUR 15 mln
- Direct financing: discount bills of exchange
  - Up to EUR 2 mln
  - Only if banks will not finance the transaction
  - Discounting after final delivery for 100%
Local SMEs

• DGGF does not invest directly in local individual SMEs

• Supports innovative and sustainable financing initiatives through (Dutch and local) intermediary funds.

• Intermediary Funds will in turn finance local SMEs (Novastar, Grofin, Financial Access)

• Selected Intermediary Funds are published on www.dggf.nl
DHI

- Subsidy to support Dutch SME in exporting to and investing in Tanzania (or other countries)
- Second call recently closed and had a budget available of € 4,5 million (€ 2,5 million for emerging countries and € 2 million for dggf countries ). Third call is foreseen begin 2017.
- Call is open for 6 weeks
- Target group: SMEs of at least 3 employees
- 1 or more parties can apply together
- RVO will assess based on several (published) criteria
- Subsidy based on ranking
- Max one application can be granted to an applicant each call
Demonstration project

• Demonstration of Dutch technology (in Tanzania) to demonstrate that it works in the local context and has added value.
• Export potential (within 3 years) should be at least 10 times the subsidy amount.
• Subsidy for both the hardware (only depreciation!) and hours.
• Max. subsidy € 200.000,- per project (50%)
• Demonstration is focused on several parties
• Small scale and short term
Feasibility study

- Study on technical and financial feasibility of intended investment in Dutch capital goods by potential customer in Tanzania.
- Market research does not qualify
- Letter of intent needed from potential customer
- Result: Project design and investment plan based on which the customer can take the investment decision
- Export potential (within 3 years) should be at least 10 times the subsidy amount.
- Max. subsidy € 100,000,- per project (50%)
Investment preparation study

- Study on technical and financial feasibility of intended investment of a Dutch company in Tanzania.
- Investment is in line with activities of the company based in the Netherlands and will strengthen the mother company.
- Result: business plan/investment plan for making the investment decision and obtaining finance.
- Investment contributes to local development.
- Max. subsidy € 100.000,- per project (50%)