



European Development Fund : Practical recommendations



- Who am I?
- Alan Reynolds
- United Kingdom
- Independent consultant on foreign trade and investment promotion
- Formerly Director Export Services in British trade promotion organisation (= Czech Trade)
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My experience of EU programmes has been as a Consultant to:

- business intermediary organisations in EU and ACP (Afriky, Karibiku a Tichomoří)
- Caribbean Export Development Agency
- small firms centres under EuropeAid in China
- Ministry of Economy in Macedonia
- Agadir Agreement secretariat in Jordan
- EU Delegation in Bosnia + Herzegovina



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- Today: I am speaking about, under EDF,
 - how business organisations can create a consortium to get grants; and
 - the lessons learned from one such project
- I will set in the context of the Pro€Invest programme, which is about to be relaunched.
- This is a personal view, based on my experience



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Possible benefits from using the Programme:

1. Assist firms in EU to do new business or organise investment in ACP
2. Build capacity of EU intermediaries – market knowledge, event administration
3. Secure finance for:
 - Extra events
 - Already planned events
 - Contribution to overheads



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- Choose ACP country and sector : factors
 - Labour (quantity, skills, language)
 - Infrastructure (telecomms, ports, factories)
 - Raw materials (abundance, cost)
 - Proximity (time to market)
- Choose the EU country as partner: factors
 - Existing link (trade, tourism, investment, colonial, laws)
 - Human links ACP diaspora and EU expats
 - Political interest in the ACP country
 - Business opportunity to benefit from ACP target sector



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Choose the ACP intermediary: factors:

- Relevant objective (e.g. inward investment)
- Focus on target sector (e.g. trade association)
- Sufficient trained staff
- Confidence (can you work with them?)

Choose the EU intermediary: factors:

- Sector interest (e.g. Trade association)
- Interest in ACP country (e.g. regional business organisation)
- Capacity (experience, staff numbers, working capital)
- Thirst for extra funding (i.e. NOT public bodies)
- Established contacts and chemistry



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One completed project has been Mission to
United Kingdom in November 2007:

- Ghana (ACP country)
- United Kingdom (EU country)
- Ghana Free Zones Board (ACP partner)
- West Africa Business Association (UK body)
- Agribusiness (Target sector)



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Sectors in Ghana interested in the mission:

- Fruit, Fruit Juices and prepared fruit
- Vegetables
- Ethnic products; fufu flour, palm cream, yam, cassava, plantain
- Cocoa products
- Food additives, jams and jellies
- Palm oil, palm fruits
- Grain milling; flour and livestock feed
- Smoked Fish









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Opportunities seen for the UK:

- Extra or enlarged source of products
- Transfer to lower wage and extensive workforce of labour intensive tasks
- Profitable investment outside UK
- More business for logistics suppliers
- Knowledge and intellectual property transfers
- Sale of equipment and supplies



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Method of organisation in Ghana:

- Use of GFZB and GIPC databases to identify and alert businesses
- Appointment of sector expert with knowledge of UK
- Setting criteria for participation
- Assessment of prospective participants
- Briefing on UK market characteristics



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In UK WABA engaged an expert with UK market knowledge and a specialist firm to market event:

- Firm distributed press releases, emails and called 91 firms : to
 - Expose the event to as many relevant media avenues as possible
 - Arrange contra deals with relevant media where possible
 - Arrange paid advertising in selected magazines
 - Provide media relations point for editors and journalists
- In order to:
 - make contact with target participants
 - inform the market about the event and opportunity
 - achieve a desired delegate base of 50 persons.



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The event comprised in week 19-23 November:

- November 19: Official reception Ghana High Commission London (to show Government commitment, publicity, networking)
- November 20: Agribusiness Seminar in London SW1
- November 21: One to One meetings (Ghana missioners/ UK delegates)
- November 22: Visits commencing at 04h00
 - Western International Market near Heathrow supplying London's wholesalers and retailers specialising in the ethnic markets,
 - New Covent Garden Market serving London restaurant trade and specialising in oven ready produce for it
- Purpose was to demonstrate how UK market worked and its sophistication, as well as make business contacts for the future



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- Those attending seminar were:
- Director of WABA
- Representative of the Ghana High Commissioner
- Director Africa at UKTI
- Chief Executive of the Ghana Free Zones Board
- Chief Executive Ghana Investment Promotion Centre.
- Deputy Editor Fresh Produce Journal
- Main buyer fruit and vegetables, Marks & Spencer
- Technical and QA Manager, Waitrose Farms
- Speakers representing the 15 Ghanaian companies



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- **Organisational issues**

- Too diverse range of products to target media.
- UK delegates reluctant to stay for two working days
- Effort required in the UK to “sell” Ghana as a source
- UK delegates preferred to meet Ghana visitors before committing to one-to-one meetings with them.
- A single mission alone is not sufficient.
- Need to sift ACP firms (eliminate timewasters)
- Useful to involve Ghana High Commission
- Allow more time between selecting missioners and marketing in UK



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- Lessons learned from the Mission
 - Develop quality standards and lose Ghana's poor reputation .
 - Co-operate to provide volumes required by large buyers
 - Note stiff competition from sweeter pineapple from elsewhere.
 - Narrow range of products to maximise buyer interest.
 - Improve presentation of packaging
 - Develop a *Ghana brand* (like Cape Apples)
 - Secure better access to market statistics on price and shares.
 - Make more use of High Commission staff to produce country
- BUT three Memoranda of understanding were signed between Ghana and UK firms. A good base on which to build.



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- Some problems with EU programmes
 - More reliance on theoretical case than pragmatism
 - Lots and lots of forms and argumentation. Box ticking
 - Takes several applications to understand procedure
 - Follow rules to the letter and document everything.
 - Respect deadlines. Don't be late by even 1 day!
 - Get prior consent for any deviation from agreed plan
 - Claim advances of grant, as payment can be very slow
- Designed by bureaucrats for bureaucrats