

## Mogens Jensen: Danida business-to-business programmes must to a greater extent create jobs in developing countries

*The Danish Minister for Trade and Development, Mr Mogens Jensen, is now restructuring Danida's business-to-business programmes to focus on local sustainable development, when engaging Danish companies' competences in development cooperation.*

This initiative follows an evaluation of a former business-to-business programme, which concluded that the effect on job creation and sustainable growth in developing countries has not been sufficient, and that there has been unclarity with regard to EU rules.

The Danish Minister for Trade and Development, Mr Mogens Jensen, has therefore decided to suspend Danida Business Partnerships and Business Project Development, while at the same time initiating the development of new and up-to-date programmes as part of a new strategic framework for innovative partnerships.

Mogens Jensen says:

*"It is crucial to involve the private sector – and in particular Danish companies - fully in contributing to sustainable growth and development in developing countries. That is why we initiate an open dialogue with the private sector and civil society to rethink our business-to-business programmes to make them even more effective. At the same time, we must be absolutely sure that our business-to-business programmes are in line with EU regulations for government support. As this has been questioned, I have decided to suspend the two facilities, Danida Business Partnerships and Business Project Development for the time being. On going projects and activities will continue as planned, but no new agreements will be made."*

The consultants Devfin Advisers AB and Nordic Consulting Group A/S have carried out an evaluation of the former private sector Business to Business (B2B) programme covering the period 2006 to 2011. The evaluation shows that the B2B programme has helped Danish companies engage commercially in developing countries and emerging economies, while serving as a relevant avenue for transfer of Danish know-how to developing countries. However, despite some success, the B2B programme has not demonstrated a sufficient effect on job creation, sustainable growth and development in the developing countries. The evaluation also questioned the programmes' compatibility with EU regulations on government support.

Danida Business Partnerships, the successor to the B2B Programme, aims to contribute to local growth, employment, promote corporate social responsibility, and to share Danish know-how through commercial partnerships with local companies and partners in developing regions. Larger projects were eligible for 5 million DKK over a five year period. The smaller project facility, Business Project Development, has since 2013 promoted transfer of Danish private sector expertise to developing countries. Smaller projects are within a 750 thousand DKK budget and cover initial costs related to identifying business opportunities in developing countries. Both project facilities have been suspended until their replacements have been developed. On-going projects that have already been approved will not be affected.

There will continue to be a broad range of programmes, which constitute the basis for a close and good collaboration between Danida and the Danish private sector: Danida Business

Finance, the CSR-fund, Danish Climate Investment Fund as well as the initiative for cooperation between Danish sector ministries and their counterparts in a number of developing and emerging economies. These programs will continue. Additionally, new programmes are under development, including the Fund for Social Dialogues and new facilities under the Investment Fund for Developing Countries (IFU), targeting small and medium-sized companies, and agriculture investment initiatives.

The B2B evaluation and the résumé can be downloaded [here](#).