Supporting SME Integration into Global Value Chains

Breakout Session 2, Track 3, Reaching new markets
*How the challenges raised by the presenters affect CBI’s work.*

The complex dynamics of GVCs and the nature of the bottlenecks faced by SMEs in LDCs cannot be tackled with a singular approach. Technical assistance requires a long year, integrated and results based approach. CBI highlighted its integrated value chain approach interconnecting actors at micro, meso and macro level and how that addresses some of the most pressing constraints that SME exporters in low income countries encounter in their efforts to connect to international value chains. CBI elaborated on how to avoid that SME exporters are disproportionately affected by market failures and how to encourage a higher fraction of SMEs to survive.

Mainstreaming the involvement of the private sector at a conceptual and implementation level into SME export programmes warrants a truly needs based approach. Establishment of partnerships between SME exporters with Northern buyers has proven to be very instrumental as these buyers are in a strategic position to bridge the knowledge, technology and finance gap faced by SME exporters while at the same time supply and demand are brought together. This, however, requires that TPOs take the role as facilitators of Public Private Partnerships to encourage investment in sustainable export development activities.

The CBI approach was put in a wider context of the Netherlands New Agenda for Aid, Trade and Development. Improving and facilitating synergy between aid and trade with private sector development has many advantages. It creates sustainable growth and decent jobs in both developing countries and The Netherlands. It lays the foundation for an effective new partnership with developing countries experiencing economic transformation.

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