

DBCCI PROGRAMMES FOR SMES IN COOPERATION WITH THE DUTCH GOVERNMENT

Programme Cooperation in Emerging Markets (PSOM)

Objective:

To reduce poverty by supporting sustainable economic development in PSOM countries;

Through:

- Encouraging Dutch companies to invest in emerging markets;
- Promoting durable trade relations

Why is PSOM being executed?

The main goals of the PSOM programme are:

- Alleviate poverty;
- Create employment and train people;
- Income generation;
- Strengthen private sector in Bangladesh.

Typical PSOM project

- Pilot investment project (demonstration, new and risk);
- Joint venture between the Dutch and the Bangladeshi company. Both companies will have to invest in the project;
- Hardware & technical assistance (80%-20%);
- New for Bangladesh (new product, production method, technology);
- Follow-up investments: possibility of expansion after project;
- **Maximum project duration is 2 years, max. budget EUR 825,000;**
- Result based contracts with companies.

Budget

- **Approximately EUR 2 million for Bangladesh per year;**
- Maximum total project costs are approximately EUR 825,000 (60% PSOM + 40% companies);
- PSOM contribution is 60% (max EUR 495,000)
- Own contribution of project partners is 40% (max EUR 310,000)

Economic sectors PSOM Bangladesh

- All economic sectors are taken into consideration in accordance with the MoU between Bangladesh and the Netherlands;
- Only Dutch companies can apply for PSOM;
- The JV that will be established between the Dutch applicant Company and the Bangladeshi partner company will be the recipient of PSOM;

Selection criteria PSOM

1. Strategic interest
2. Quality project plan and business plan
3. Financial aspects
4. Pilot character
5. Development effects

Tender Procedure

Only Dutch companies can apply for PSOM:

1. Intake form (voluntary):
Free consult for the applicant with EVD advisor to see if the project idea can fit within PSOM;
2. Qualification proposal (tender):
Project proposal according to the obligatory format in the tender instructions (an external commission decides upon which project gets the PSOM contribution).