- A comprehensive **entrepreneur- training and development scheme**, to provide local help with project formulation and development, links with others, and early-stage financial backing.

6 Observations and Conclusions

6.1 DraCom is right to see the PS as the main driver of economic growth, and to aim at a coherent and integrated strategy for its support. It is strong on concepts, but less precise on practicalities. The EC proposals need to be made more concrete, more specific, and more action oriented. ACP should press for an **action plan** to be worked out and costed at the start of negotiations.

6.2 It is welcome to see DraCom promise "an increased volume of **resources**"; but the plans need to be detailed and costed in advance, to ensure that the resources committed are sufficient.

6.3 DraCom's approach seems to remain Euro-centred, with assistance flowing from Europe, often as much for the benefit of European exporters, investors and consultants, as of ACP beneficiaries. ACP needs to insist on all programmes being seen as principally for the **benefit of ACP businesses** and accordingly opened to other ACP, local and regional, if not also international players.

6.4 DraCom plans seem still to be driven by EC and its advisers. ACP should insist on full and **equal participation**, if not the leading role, in identifying overall and national problems and priorities, and designing action plans.

6.5 DraCom is right to focus on the **enabling environment** and building investor confidence. PS must always focus on risks and costs, and therefore has to have stability, transparency, and efficiency. But it is principally for ACP States to initiate action to provide this.

6.6 DraCom is right to focus on building capacity of **PS organisations**; but it does not go far enough in detailing the extent of support needed, which should cover trade and investment promotion activities and links, as well as dialogue with States, with a special funding programme.

6.7 DraCom is right to aim at building up local service providers; but this needs to be expanded into a comprehensive programme of **support and training for ACP entrepreneurs** and new projects, including contact and communications facilities, a project preparation scheme, and on-going ,**on-the-job training** for PS businesses.

6.8 DraCom is right to focus on **micro and SMEs** as means to increase employment and combat poverty; but specific programmes, and a **specialised agency** are probably needed for this purpose. A study should be undertaken.

6.9 Dracom is right to focus **EIB** resources on **equity** and venture capital investment, with maximum leveraging and financial sector development benefits. ACP States also need to act to boost domestic savings, and encourage local equity investment. A **special fund** to subsidise financial services to small island and landlocked states may be needed.

6.10 There is clearly, at least at this stage, a **wide measure of agreement** between ACP and EC, both on objectives and on priorities, with obvious differences of emphasis. Disagreement is more likely to arise on the modalities and mechanisms of **implementation**. The EC side will be concerned to stress the need for proper control of funds, clear **accountability** for expenditure, and its responsibilities to Member States to ensure both value for money and also commercial opportunities for their nationals. The ACP side will stress the need to minimise bureaucracy, speed up decision making, and maximise **responsiveness and flexibility** by bringing administration as close as possible to the market and minimising regulations.

6.11 The stress placed by EC's DraCom on the need for a **coherent and integrated programme** should be welcome, provided that a degree of **flexibility** to respond to unforeseen developments is retained. Negotiators should press for EC to detail the procedures and responsibilities for each segment of the programme. The objective of the negotiations should be to arrive at a **concrete, achievable action plan**, with the sources of funding and responsibilities and timetable for action all agreed. This action plan should include at least the basic framework of the principal special programmes, some of which have been suggested above, with indicative budgets, and a schedule for implementation of these programmes, and for agreement on the individual private sector strategy plans for each country.

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