

## **Working Paper – Proposal of a Task Force Assistance to CDE**

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A Task Force (TF) for the new sector is being establishment for the CDE's (Center of Development of Entrepreneurship) activities in the ACP (Africa, Caribbean, and Pacific) countries. This paper is a follow up on the conclusions of the October 1 – 2, 2009, "Annual Meeting of the members of the CDE European Institutional Network in Florence, Italy.

### **Introduction:**

This paper builds on the Florence presentation of Mr. Chalus and Mr. Miller of the Enterprise Management Center – International (EMC-i) and meetings between Mr. Zdenek Chalus and Mr. Mabouso Thiam and Mr. Vaflahi Meité, also in Florence. Some ideas of this paper have been also discussed with Messrs. Hans W. Meier-Ewert, Frédéric Lernoux, Ms. Petra Seghers. The following two core issues were identified:

1. Added value of the presentation and the supplemental paper prepared by Messrs. Chalus and Miller was seen and identified as an opportunity to open up a new sector for the CDE's activities. The MPP, MP, and SIPP in the field of investments in the RET (Renewable Energy Technologies) via the SMIC in the ACP countries based on introduction of the new professions in the ACP Countries (i.e. Enterprise Architect, Enterprise Engineer, and Financial Engineer) are seen as having a significant innovation potential, and, therefore, it has been recommended to develop this initiative further.
2. Organization part of the know-how presented by Mr. Chalus is to serve a foundation for the proposal to create the said Task Force unit as a temporary body within the CDE's administrative structure.

### **Proposed TF's mission proposal:**

To prepare a position paper for the CDE's managerial and controls activities as they relate to the less developed regions in the ACP countries where a none or an insufficient electric power generation capacities exist and where such area are not yet prepared for implementation of larger stand-alone projects and implementation of clusters (as described in the presentations made in Florence).

Objective: To lay down the administrative foundations for the future CDE's operations in these regions and to test the functionality of the proposed organizational structure on approximately 3 to 5 pilot projects.

To prepare a position paper for support of Small and Medium Enterprises (SME) in these regions using technical assistance and support of internal managerial/control systems, internal audit for the SME as well as external control and audit operations directed at the SME and which are subject of interest of the CDE (for example, Proinvest, EDF, EIB).

Objective: To participate at preparations and start-up of a project which will be part e.g. of the 7th Framework Programme and to promote the CDE's objectives (This project should fulfill the role of a foundation to be used for transfer of best practices for managerial and controls systems of the SME and SME portfolios from those EU Member States which are active or getting ready to be active in the ACP countries).

To prepare a position paper for the actual and administrative implementation of the TF's in such a way is that a fully operational unit with managerial and controlling functions for implementation of projects of the CDE in less developed regions of the ACP countries with no or insufficient electric power generation capacities exists after the TF is dissolved.

Objective: To ensure sustainability and further expansion of processes which were jump started by the TF.

### **Proposed structure of the Task Force:**

We propose to implement the TF's mission through integration of the following operations:

**Incubator Phase:** Establishing the TF and linking it to the CDE's budget. The first step in establishing the TF should be the creation of the Working Group (WG), counting about 4 to 5 people (we offer two people from the EMC-i's team). Subsequently, after about 2 months of the WG's work it might be possible to fully staff the TF. We suggest the TF has 9 people, out of that 5 from the EU Member States and 4 people from the ACP countries. The EU-part of the TF team will have the following positions assigned: TF leader; sales, networking platform, project portfolio management, and international procurement. We suggest that the way allowing the CDE to select these people is found and the TF is thus created. A justification for such selection of the TF's team might be the need of having a direct link to the existing administrative structure of the CDE. An approach using a public tender process with a winning firm supplying these experts represents a risk of alienation i.e. that after the TF ends its work, the activities that it initiated will end as well. Four people representing the ACP countries might come from the regions which are identified as suitable for the work and the projects the TF is to implement (A possible key might be: 2 people from Africa and 1 each from the Caribbean and the Pacific to provide for representative and diverse participation).

The priority of this incubation phase should be the opportunity for the CDE to identify expertise of the TF team members and willingness of the individual TF's members to accept the commitments related to their work in the TF. A guarantee for the CDE should be a managerial contract which the TF's members would accept and control activity by the CDE as well as sanctions toward those TF members who might not meet the commitments as defined in the above-mentioned managerial contracts.

**Operational Phase:** Implementation of tasks of the core activities of the TF with the costs related to the TF work would be gradually covered through the TF's participation in pilot projects and by implementation of the project in e.g. the 7<sup>th</sup> Framework Programme. In the Operational Phase the TF will implement the following objectives:

- Setting up communication channels for cooperation between the CDE and SMIC in individual ACP countries; setting up processes to support CDE's communication and marketing directed to the less developed regions in the ACP countries. Creation of a wide audience of those who are interested in the CDE's activities in the ACP countries.
- Initiation and cooperation on preparation of methodology and manuals (MPP, MP, SMEEP), TF's cooperation with the appropriate DG in the EC, IFI and the funds, specifically with the WB, and other professional groups, such as e.g. the OMG and the BRG. The emphasis of this cooperation will be a methodology support of decision making processes, support of managerial and control systems, internal audit, support of ICT applications suitable to the less developed regions of the ACP countries (with no or insufficient electric power supply).
- Cooperation on testing of the pilot applications in order to support dissemination of the know-how and best practices concerning the field of renewable energy technologies (RET), support of

the SME portfolios in production of electric power from various resources in selected regions (SMIC).

- Participation in a creation and work of the consortia preparing a project for the 7<sup>th</sup> Framework Programme. During the preparatory discussions we identified the following partners in the consortia: besides the CDE, BBA, KPMG CR, and e.g. Spain participants of the Annual Meeting in Florence we recommend to consider participation of a Czech law firm which expressed its interest to participate, offering a relevant experience concerning the issues related to transformation of legal system, diverse caseload in privatization and the property law and issues related to renaissance of SMEs which have the ambitions to succeed even at the global markets.

**Closing Phase:** The Task Force will be established for a limited period of time, we recommend 18 to 24 month at the most. In the last third of the TF's existence it will be necessary to create the conditions for including the adopted tasks into administrative structure of the CDE, especially as these concern themselves with organizational issues (management and controls), procedural issues (support of SMIC in the ACP countries in presentation of applications for project funding, presence of methodology for financing and controls, such as ex ante and on gion audits and evaluations). Lastly, an important part of the post-TF conditions will be a support of motivation on the part of the ACP countries to participate in the EU-based foreign aid and motivation of European firms and businesses possessing the required skills to participate actively in the projects identified by the ACP countries. A newly created unit in the CDE should then assume the following responsibilities:

- Management and controls in cooperative projects with the less developed regions of the ACP countries (electrification via renewable energy technologies)
- Initiation and evaluation of usefulness, effectiveness and economy of the pilot projects
- Finalization of the CDE's participation in the project within e.g. the 7<sup>th</sup> Framework Programme.

### **Conclusions:**

The proposed approach reflects the initiative and the know-how presented at the Annual Meeting of the members of the CDE European Institutional Network in Florence. Working paper is focused on the conclusion and consensus of the discussions among the meeting's participants as mentioned in the introduction above. It is within the CDE's authority to establish the Task Force when it deems it suitable to do so. Please consider this proposal as a follow up and a suggestion as the Task Force might be the first step in enhancing internal control and managerial tools of the CDE as they concern themselves with the projects aimed at the less developed ACP countries.

This proposal reflects, among others, personal experience of Mr. Zdenek Chalus with preparation, execution and evaluation of a Task Force's mission in the Czech Republic which took place between 1999 and 2000, lasting 18 months. That particular TF was oriented in helping the Czech Ministry for (the Local) Economic Development timed with the preparations of the Czech Republic to participate in programs of structural interventions co-financed by the EU funds.

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## **Annex to the Working Paper CZ01:**

Some abbreviations used in this paper:

SMIC	Small and Medium Island Community
SME	Small and Medium Enterprise
SMEEP	Small and Medium Enterprise Energy Portfolio
MP	Master Plan
MPP	Master Planning Process
EDF	European Development Fund
IFI	International Financial Institutions
SIPP	SMART Island Power Project
RET	Renewable Energy Technology
OMG	Object Management Group
BRG	Business Rules Group

More details were included in the supplemental paper of the presentation of MR. Zdenek Chalus and Mr. Robert Miller on the Annual Meeting in Florence.

The supplemental paper structure (content):

1. What are the Small and Medium Island Communities (SMIC)?
  - SMIC and Enterprise Engineering, Enterprise Architect, the SMIC and why they are essential
2. Why we need the Master Planning?
  - SMIC and jobs, food, health, and education
  - Gaps, Principles and Recommendations of the Czech Presidency
  - SMIC and SME, SMEEP and Services in a Community; Research or/and MPP for SMIC
3. What the MPP – SIPP should do?
  - Methodology and tools; Organization models (OM) and the MPP structure; Process Modeling (PM) and SIPP base for SMIC units; Business motivation modeling (BMM) and consensus on SMIC
  - Pilot application approach is proposed; SMEEP recommended for SMIC in the ACP countries
4. Architect's role and Engineering Support for SMIC in the ACP
  - Enterprise Architect's, Enterprise Engineering and Financial Engineering role in SMIC in the ACP countries; examples of activities for Africa, already started

Conclusion of the supplemental paper with content:

- What points we have tried to make ...
- The added value we are bringing in ...