

## **Information on DFID's approach to re-orienting manufacturing support in response to COVID-19**

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### **1. Objectives**

DFID activities are guided by the objectives of:

- 1.1 Supporting the survival of key firms, clusters and industry sectors
- 1.2 Supporting the manufacturing sector to re-orient production to meet COVID-related needs.
- 1.3 Supporting recovery in a way which strengthens and improves manufacturing in developing countries

### **2. Activity areas**

Activity areas include the following (non-exhaustive):

#### Supply side

- 2.1 Provision of direct financial support and support for firms to survive the downturn.
- 2.2 Mapping existing and potential COVID-related production capacity in developing countries and communicating that to relevant parties, to facilitate effective procurement, inform policy and target further support.
- 2.3 Supporting firms to increase COVID-related production in developing countries– e.g. by addressing issues around finance, firm capacity and access to resources
- 2.4 Supporting governments to shape policy in ways that facilitates new COVID-related production or continuation of existing wider manufacturing activity
- 2.5 Coordinating DFIs to share information on potential opportunities for investment

#### Demand side

- 2.6 Collating and sharing information with potential producers and suppliers in terms of COVID-related requirements: type of product, standards, value, timing of orders
- 2.7 Encouraging COVID-related supply through development of demand-management mechanisms such as pre-commitments, pre-financing and aggregation of demand to allow for efficient production at scale.
- 2.8 Engaging with bodies engaged in procurement, to encourage, where possible, local purchasing to stimulate the local economy while meeting standards
- 2.9 Encouraging responsible behaviour by multi-national firms (especially buyers), particularly UK based ones, and other organisations

### **3. Practical examples of DFID work**

Practical examples of DFID work include:

- 3.1 DFID's Frontier Technology Hub is boosting local production of PPE through the provision of grant funding, access to technical experts and match-making with DFID programmes supporting firms manufacturing or pivoting to manufacturing essential goods.

- 3.2 In Nigeria the LINKS programme, focused on jobs creation in Northern Nigeria, is supporting factories making PPE. This includes helping the largest textile manufacturer in Nigeria produce gowns and aprons and the manufacture of lower grade masks by around 1000 tailors through provision of initial supplies/facilitating access to finance.
- 3.3 In Ethiopia, the Manufacturing Africa (MA) programme is supporting the Ethiopian Investment Commission (EIC) to survey manufacturers to understand their challenges, which include raw material shortages and demand uncertainty. It is also helping to source fabric for PPE production and developing off taker agreements.
- 3.4 In Ethiopia, DFID works with the government to help coordinate and streamline supply and demand by compiling a catalogue of local suppliers (including production capacity, timelines, standards) and demand – by communicating what is available locally to govt and donors procuring.
- 3.5 In Kenya, the MA programme looking to support MSMEs by supporting larger producers with many of these in their supply chains, through transaction facilitation, finance, or off-taking agreements, similar work planned in Rwanda. Through the Msingi programme in Kenya, there has been a survey of garment manufacturers to identify existing and potential PPE production, and the results have been disseminated to government and donors seeking to procure – as well as being used to steer Government policy.
- 3.6 In Uganda, the MA plans to survey local manufacturers to understand challenges, conduct mapping to increase production, procurement and coordination across supply chains, and provide transaction facilitation and technical assistance to local firms.
- 3.7 DFID Nepal is supporting an existing supplier to use 3D printing to produce PPE components for immediate use by the Ministry of Health in Nepal, as well as to produce prototypes with a view to scaling-up production.
- 3.8 Support for advocacy organisations like the Ethical Trade Initiative which is encouraging responsible conduct within the Garment sector.