



European Union



Group of ACP States

# PRO€INVEST

PRO€INVEST is a programme for the promotion of investment in the ACP countries developed and undertaken by the **European Commission** on behalf of the authorities of these countries and financed by the European Development Fund. Its implementation has been entrusted to a management unit within the **Centre for the Development of Enterprise (CDE)**, under the supervision of the EuropeAid Co-operation Office of the European Commission.

PRIMS – PRO€INVEST Implementation Service  
52 Avenue Hermann-Debroux  
1160 Brussels (Belgium)



# PRO€INVEST

## A PROGRAMME OF THE EUROPEAN COMMISSION FOR STIMULATING THE ACP PRIVATE SECTOR

**PRO€INVEST** is a new Programme in the framework of the EU-ACP partnership, developed and undertaken by the European Commission on behalf of the authorities of the ACP States. Its objective is to promote investment and technology flows to enterprises in the ACP States.

This Programme is implemented by a management unit within the Centre for the Development of Enterprise (CDE), under the supervision of the EuropeAid Co-operation Office of the European Commission.

PRO€INVEST, with a budget **of 110 million EURO** over a period of 7 years is financed by the European Development Fund (EDF).

### THE PRIVATE SECTOR, A DRIVING FORCE FOR DEVELOPMENT

The United Nations Millennium Summit confirmed that the **reduction of poverty** in the ACP countries was one of its priorities, to which the whole of the development community actors has rallied.

Each country or organisation has set up a mechanism adapted to its objectives and its means in order to participate in this vast international movement which notably envisages the reduction of the debt of the poorest countries to sustainable levels, the development of basic services in favour of populations in the field of education, health and primary infrastructure, as well as increased support for the private sector finally considered as a development partner. Europe, and specifically the European Commission, has launched numerous initiatives in these different areas.

The private sector is also participating in this movement by creating jobs and wealth, and by providing added value, know-how and training. Private sector actors, enterprises and intermediary organisations in the ACP countries, are working together in a difficult context, worsened by the remoteness of the main markets and technical know-how. The fact that their legal, economic, technical, financial and social environment is uncertain or unstable despite the efforts made, adds to the difficulty of these countries to attract investors and therefore revitalise their economies and enterprises.

In order to overcome these obstacles the enterprises need management skills, advice, information, support and finance in these different areas and at different stages of their business life.

## **A RESPONSE FROM THE EUROPEAN COMMISSION: PRO€INVEST**

PRO€INVEST is perfectly in line with the policy of the "Accords of Lomé IV bis and Cotonou" intended to increase the private sector's role in development, implemented for many years by the European Commission and the institutions attached to it.

Its objective is to facilitate, in all the ACP countries, the promotion of investments and the conclusion of partnership agreements between North-South and South-South enterprises, by favouring a regional and sector approach.

For this PRO€INVEST focuses its actions towards enterprises in key sectors in terms of their impact on the economy of a country, while attempting at the same time to reinforce the management of ACP intermediary organisations (trade associations, chambers of commerce, etc ...). It accomplishes this in close co-operation with their European partners, which possess the know-how, have a better understanding of markets and are closer to financing sources.

The specific characteristic of PRO€INVEST is that it aims to promote economic growth in ACP countries by providing capacity building at the institutional and enterprise levels, and proactive investment promotion on a sector and regional basis with economic potential, while strongly supporting North-South and South-South business partnerships. These objectives are to be achieved essentially on a demand-driven and cost-sharing basis through two facilities: INTER€POWER (institutional strengthening) and INVEST€TECH (support to key sectors).

***PRO€INVEST will rapidly have a field presence thanks to the opening of three offices in the ACP countries.***

In terms of management structure, two bodies will supervise the Programme :

- The Follow-up Committee including representatives of the ACP Secretariat, ACP regions/regional organisations, the EIB (European Investment Bank) and the ACP-EU private sector associations.
- The Investors Advisory Committee, appointed by the European Commission, including the main European financial and private sector representatives and European investment promotion agencies.

## **THE SUPPORT INSTRUMENTS**

The objectives of PRO€INVEST are to be achieved essentially on a demand-driven and cost-sharing basis through two facilities the Commission has provided: INTER€POWER (institutional strengthening) and INVEST€TECH (support to key sectors).

These very complementary facilities are in perfect harmony with international support mechanisms for the private sector, including naturally those set up by the European Commission.

### **THE INTER€POWER FACILITY:**

Is intended to strengthen the institutional structure. Its purpose is to support, on a regional basis, the development and improvement of intermediary organisations and associations of consultants (chambers of commerce and industry, investment promotion agencies, professional organisations). It helps them to:

- propose strategic reforms as regards the investment environment and climate,
- reinforce the capacity of the private sector to make proposals in areas relating to the promotion of investments,
- prompt or support the establishment of a dialogue with the national and regional authorities on the implementation of these proposals,
- participate in the organisation of inter-enterprise meetings,
- contribute to the training of local consultants and facilitate their participation in the Programme,
- plan and propose support services adapted to the needs of enterprises with regard to the promotion of investments,
- support specific mechanisms for the promotion of initiatives originating from areas that do not fall within the above framework.

INTER€POWER's aim is also to facilitate access for institutions to new information technologies, to optimise their use and set up information systems for the management of projects and events.

### **THE INVEST€TECH FACILITY:**

Is more specially dedicated to supporting growth sectors. For this, it devotes more resources to support individual enterprises operating in key sectors whose project is the result of sector or sub-sector inter-enterprise meetings.

The main objectives are:

- to carry out strategic sector, sub-sector or regional studies with a view to identifying key sectors with economic potential by including the analysis of a sector's environment and its comparative advantages – legal, economic, technical, social and

financial constraints and ways of overcoming them – and the identification of technology and partners,

- to promote inter-enterprise co-operation essentially through the organisation of sector or sub-sector partnership meetings,
- to participate in the legal, technical, commercial and financial implementation of the projects negotiated at partnership meetings,
- to support specific promotion mechanisms for initiatives originating from areas not falling within the above framework.

## A COMPLETE EUROPEAN SUPPORT MECHANISM

PRO€INVEST is a full-fledged actor in the European Commission's mechanism for the promotion of the private sector, its actions complement those of various institutions or EU-ACP bilateral mechanisms. The leading support facilities include:

- **DIAGNOS**, an analysis unit intended to support the improvement of the macro-economic and business environment, closely related to budgetary support;
- **EBAS**, a matching grant scheme that helps businesses and intermediary organisations finance expansion projects and meet up to 50% of the costs of services facilitating an increase in competitiveness;
- the **Investment Facility** managed by European Investment Bank (EIB); this facility has been allocated important financial resources under the Cotonou Agreement and could provide financing for the subsequent stages of viable actions initiated by PRO€INVEST,
- and the **Centre for the Development of Enterprise (CDE)** which, in addition to making available some of its human and material resources to the Programme, will act in a complementary way so as to develop its synergies with it. It will be able to benefit from the initiatives of PRO€INVEST, notably as regards the

strengthening of intermediary structures, but it will also allow it to use its networks and profit from its experience built up during the different actions it has carried out over 25 years in favour of enterprises.

These complementary aspects will allow the ACP private sector to benefit from a particularly well-equipped "tool box", well suited to its numerous and varied needs, in accordance with the specific characteristics of sectors, countries and regions.

### **PROJECTED RESULTS**

*PRO€INVEST will*

- *contribute to improving the investment climate,*
- *provide services to enterprises, linked to investment,*
- *create more and better quality projects, identified and promoted on a regional basis,*
- *mobilise in the European Union and third countries enhanced technological and financial means in favour of enterprises in the South.*

In addition, the European Union Member States have bilateral support programmes for the private sector and, in most cases, finance institutions notably the 12 members of EDFI (European Development Finance Institutions). This predominantly financial mechanism naturally includes the regional investment banks of the ACP countries local banks, but also numerous bilateral mechanisms to promote investment.

## **ACTIVE COMMUNICATION IN FAVOUR OF THE PRIVATE SECTOR**

To accomplish successfully the actions entrusted to it, PRO€INVEST intends to develop an active communication policy in favour of ACP private sector actors. For this, the Programme intends to offer its users, via its Internet site, the most modern information tools, allowing them to benefit from the same information and exchange tools as their European partner organisations.

Specialised web sites for the different activities will be created to provide intermediary organisations and enterprises with real time information on the initiatives and instruments set up by PRO€INVEST, the dates for professional meetings, business opportunities, professional databases, and technical documentation. Also, thanks to the different links with, in particular, the web sites of the European Commission, the EIB and the CDE, PRO€INVEST will provide with a regularly updated overview of the general situation of the different countries.

### ***HOW TO REACH PRO€INVEST?***

- *Directly at its headquarters in Brussels (PRIMS unit based within the CDE).*
- *In the ACP countries and the European Union countries through its network of correspondents or Offices.*
- *Through the different tools and correspondents of the European Commission, the EU Member States and the CDE.*
- *Through the intermediary of the supplementary financing instruments.*
- *Through its Internet site.*