Blurred lines

Cases of EU development and commercial instruments for matchmaking

by Sebastian Große-Puppendahl, Bruce Byiers and San Bilal

www.ecdpm.org/dp188
Key messages

The lines between EU development cooperation and commercial objectives in business matchmaking support programmes are increasingly blurred and despite an institutional division of labour among DGs, underlying objectives and approaches are similar.

The EU aims to include its own commercial intentions in development cooperation approaches. But some programmes have moved towards a more classical private sector development approach. Others have been ahead of EU policy, using ODA funding to foster economic cooperation and business exchange.

To date, commercial matchmaking particularly focused on regions outside sub-Saharan Africa. DG GROW’s Enterprise Europe Network recently welcomed Cameroon and Nigeria, exemplifying a potential changing mindset towards sub-Saharan Africa.

There is a need to more consistently include principles of development and sustainability across commercial and development cooperation matchmaking instruments that ensure inclusiveness; sustainability; and adequate results and measurement indicators.
# Table of Contents

Table of Contents ........................................................................................................... iii  
List of Figures .................................................................................................................. iii  
List of Tables .................................................................................................................... iv  
Acknowledgements ......................................................................................................... v  
Acronyms ........................................................................................................................... vi  
Executive Summary ......................................................................................................... vii  
  Main findings ................................................................................................................ ix  
  Way forward along the three dimensions ...................................................................... ix  
  EU approach towards sub-Saharan Africa ................................................................. x  
  Private sector engagement for development ............................................................. x  
1. Introduction ................................................................................................................... 1  
   1.1. Context .................................................................................................................. 1  
   1.2. Purpose and objective of this case study ........................................................... 2  
2. Understanding the three cases .................................................................................... 4  
   2.1. DEVCO in the Southern Neighbourhood and Latin America ............................ 4  
   2.2. Commercial matchmaking................................................................................. 20  
3. Analysis of development and commercial matchmaking ........................................... 28  
   3.1. Objectives and underlying rationale .................................................................. 28  
   3.2. Financial and institutional implications for the instrument’s implementation .... 30  
   3.3. Matchmaking under development cooperation or commercial funding ......... 31  
   3.4. Differences between using DEVCO and commercial support and how that translates on the ground ................................................................. 33  
   3.5. Extending the scope of existing instruments for the whole of Africa ............. 34  
4. Conclusion ..................................................................................................................... 36  
   4.1. Lessons for policy makers to better align instruments ...................................... 36  
   4.2. EU approach towards sub-Saharan Africa ....................................................... 39  
   4.3. Private sector engagement for development ..................................................... 39  
References ......................................................................................................................... 41  
Annex .................................................................................................................................. 42  
AL-INVEST IV evaluation results .................................................................................. 42

## List of Figures

Figure 1: Trends in finance (US$ bn, 2011 prices) & financial flows (% GDP) by income level ........ 1
List of Tables

Table 1: Overview of results of the AL-INVEST programme 1994-2008 .......................................................... 18
Table 2: Performance indicators of output and outcome .................................................................................. 25
Table 3: The policy context that instruments address and operate in ......................................................... 28
Table 4: Overview of financial instruments and institutional mandates behind the cases ......................... 32
Acknowledgements

ECDPM gratefully acknowledges the financial contribution of the UK Department for International Development (DFID), which made this study possible.

The authors would like to thank their colleague Karim Karaki and the numerous persons interviewed for this study, and in particular for the valuable comments received on an earlier draft version.

The views expressed in this study are those of the authors only and should not be attributed to any other person or institution.
Acronyms

BCCs  Business Cooperation Centres
BDS  Business Development Services
BMOs  Business Membership Organisations
BSOs  Business Support Organisations
COSME  EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises
DCI  Development Cooperation Instrument
DG DEVCO  Directorate-General for International Cooperation and Development
DG GROW  Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
DG NEAR  Directorate-General for Neighbourhood and Enlargement Negotiations
EBESM  Enhancement of the Business Environment in the Southern Mediterranean project
EC  European Commission
ECDPM  European Centre for Development Policy Management
EEAS  European External Action Service
EFISI  European Fund for Strategic Investments
ENI  European Neighbourhood Policy
ENPI  European Neighbourhood Instrument
ENPI  European Neighbourhood and Partnership Instrument
EU  European Union
EUDs  European Union Delegations
EUROMED  EU-Mediterranean
FDI  Foreign Direct Investments
FPI  Foreign Policy Instruments
GIZ  Deutsche Gesellschaft für Internationale Zusammenarbeit
GVCs  Global Value Chains
HRVP  High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the European Commission
ICI  The EU's Instrument for Cooperation with Industrialised Countries
ICT  Information and communication technology
LDCa  Least-developed countries
MSMEs  Micro- and Small- and Medium-sized enterprises
ODA  Official Development Assistance
PI  Partnership Instrument
SDGs  Sustainable Development Goals
SMEs  Small- and Medium-sized enterprises
SouthMed  Southern Mediterranean
SSA  Sub-Saharan Africa
TA  Technical assistance
UN ECLAC  United Nations Economic Commission for Latin America and the Caribbean
UNIDO  United Nations Industrial Development Organisation
Executive Summary

The 2030 Agenda for Sustainable Development, adopted in New York in September 2015 places a much larger emphasis on private finance and investment, to address social, environmental and economic challenges, with far greater recognition of the interconnectedness of developed and developing countries than previous development frameworks. At the same time, the relative importance of official development assistance (ODA) is declining in relation to private financial flows, especially as the incomes of low-income countries rise.

This changing discourse around the development process and the means available to promote development raise numerous challenges and opportunities, not least in relation to the way in which governments engage with the private sector. While developing country governments aim to access finance and encourage foreign direct investment as part of their economic transformation strategies aimed at promoting more and better jobs, developed country governments have a range of different instruments at their disposal for engaging the private sector in third markets.

Both on a European and member state level, diplomatic and political missions are conducted together with private sector representatives to connect their companies with foreign companies. Similarly, events abound where business representatives are brought together to enhance the possibilities for business cooperation across countries and continents. Donor agencies increasingly also aim to promote such linkages and ‘engage firms for development’.

This study takes a closer look at three European private sector support programmes with a strong focus on matchmaking, two of which represent development cooperation and one of which has explicitly commercial objectives. The study aims to better understand their potential to serve development interests while trying to seek an answer to the following research question: what are the lessons to be learnt from development and commercial EU matchmaking instruments to engage business for development?

This case study is not intended to be an assessment or evaluation of those matchmaking instruments, but rather aims at a better understanding of their objectives, synergies and differences as well as challenges and limitations. This can help to inform policy makers, those implementing and managing the projects and final beneficiaries to make better use of such instruments as well as better leverage private sector activities for development objectives. It additionally provides insights into whether the considered examples can be replicated in sub-Saharan Africa.

This study looks at EuroMed Invest, a match-making instrument focused on EU investment in the Southern Mediterranean (SouthMed)/North Africa and AL-INVEST in Latin America. These are compared with a matchmaking instrument for commercial purposes, namely the Enterprise Europe Network with some additional discussion of the ELAN programme. Overall these programmes fall under the category of private sector support programmes, however they have or had in previous phases a strong focus on matchmaking services.

By looking at North Africa and Latin America and focusing on both development and commercial matchmaking instruments, the study is able to draw comparisons across continents, approaches and various other factors, such as funding, mandates, objectives and context. This provides a clearer picture of why SSA is not (yet) or only a very minor focus region of such instruments and what the drivers and constraints are for using matchmaking instruments regardless of objective for development outcomes.
Recent developments related to the Enterprise Europe Network expansion into Africa with Cameroon becoming the first sub-Saharan African country to join the Network on 1 March 2016 - followed by Nigeria becoming Network partner shortly thereafter - provide further evidence for the need to better understand how some of the commercial instruments provide opportunities to use business activities for the benefit of development. They also show the increasing interest by the European Commission to commercially collaborate beyond the umbrella of development cooperation.

Main findings

**EU matchmaking instruments are set up according to an institutional division of labour.** They also seem to be in line with the institutional mandate and the policy behind this. So the instruments’ overall objectives are following the institutional and policy direction though implicitly lines between development cooperation and commercial objectives are increasingly blurred, as EU commercial goals do play a role in development cooperation matchmaking though to a varying extent depending on the instrument’s stage in time.

Despite the overall trend among EU member states and EU institutions to increasingly include own commercial intentions in development cooperation approaches, AL-INVEST IV and now 5.0 in Latin America have moved the other way more towards a classical approach towards private sector development (PSD), focused mainly on focuses particularly on the enhancement of the investment climate and productive capacity. Others, such as EuroMed Invest and AL-INVEST up until its third stage have even been ahead of EU policy using ODA funding to interpret development cooperation with the SouthMed or Latin America through an economic lens by fostering economic cooperation and business exchange with commercial benefits for both the EU and its respective counterparts.

While previously commercial matchmaking particularly focused on regions outside sub-Saharan Africa and only in North Africa it seemed legitimate to speak about own EU economic interests, DG GROW’s Enterprise Europe Network recently welcomed Cameroon and Nigeria exemplifying a potential changing mindset towards sub-Saharan Africa.

However, local and overall policy developments have influenced the way in which those EU matchmaking instruments are operated along three dimensions:

1. **Technical design of the instruments**
   Both development cooperation and commercial matchmaking instruments are in line with the institutional mandates and policies of their respective responsible Directorate-General (DG), in terms of overall objectives and activities. The way matchmaking under the umbrella of development cooperation has been understood has differed throughout time and according to context and policy developments. This has affected both the actual activities as well as the specific goals the programmes at their different stages pursued.

2. **Geographical scope and priorities**
   EU matchmaking under the umbrella of development cooperation to a large extent depends on the scope it takes. This relates to both eligible countries and regions, as much as beneficiaries, i.e. type and origin of businesses targeted. Following from this, it seems clear that both the instrument’s scope and its potential beneficiaries can be decisive factors for successful matchmaking and hence, policy makers should take factors, such as mutual interest and target audience, much more into account. The low rate of companies
finally internationalising beyond the borders of the EU with the help of the European Enterprise Network shows the complexity involved in selecting and attracting the right type of firms.

3. Criteria and indicators used

Criteria for sustainable development are largely absent and indicators for success and measurement are mainly economic both for AL-INVEST and EuroMed Invest. Hence, the question how the instruments can ensure that they serve development cooperation objectives, which go beyond pure economic activity and increased investments, that undoubtedly are good for development and employment creation for instance. This however does not ensure that those investments reach those most in need and benefit not only a small business community without any trickle-down effects for the broader society.

Therefore, there is a need to more consistently include principles of development and sustainability across commercial and development cooperation matchmaking instruments that ensure three key factors amongst other things and which could be in line with the ‘principles for strengthening the role of the private sector in EU development cooperation’ and explicit ‘criteria for supporting private sector actors’ presented in the 2014 EC’s private sector communication (Byiers et al., 2014):

- **Inclusiveness**: benefits are shared more broadly beyond those directly involved in matchmaking activities
- **Sustainability**: matchmaking activities do not only ‘do no harm’ to social and environmental aspects but more actively promote a green and socially-responsible business behaviour
- **Adequate results and measurement indicators**: activities need to be monitored not only in economic terms (agreements reached, number of participants and events organised etc.) but also related to aspects of prosperity and well-being (better and more jobs created, income increases, jobs moving from the informal to the formal sector, structural change etc.).

**Way forward along the three dimensions**

The implications for policy makers along those three dimensions should not be understood as a blueprint for future or current matchmaking instruments but rather as factors that should be taken into account to develop and further enhance the role such instruments can play in development cooperation. Simultaneously, these factors can help to increase the sustainability and positive spillovers for development of commercial matchmaking approaches, as they hardly take such criteria into account. Given that both the EU Trade for All strategy and the EU Global Strategy however do include aspects of sustainability and development cooperation, the absence of that in EU commercial matchmaking is surprising and thus one possible entry point to align the approaches.

With regard to the development of similar approaches in sub-Saharan Africa, thinking along those three lines - technical design, scope and criteria - can help to increase the benefits particularly of commercial instruments for reaching development cooperation objectives. This can take place without undermining the EU commercial interests. Similarly, EU development cooperation matchmaking instruments need to express openly which own commercial interests and objectives are pursued, which at the same time underlines the desire of a partnership of equals rather than a donor-recipient way of thinking and acting.
Discussion Paper No. 188

EU approach towards sub-Saharan Africa

The research on EU matchmaking instruments seems to confirm a tendency that sub-Saharan Africa is still looked at from a purely development cooperation point of view leaving it to DG DEVCO as the main responsible actor on the EU level. Matchmaking in sub-Saharan Africa is largely absent and only recently experienced some movement with Cameroon and Nigeria joining the Enterprise Europe Network and Nigeria being in negotiations to do so. Hopes that this will fundamentally change and more countries are able to participate in the Network are rather low due to funding constraints and the comparatively weak structure of how African businesses are organised in associations or supported by small and medium-sized enterprises’ (SME) agencies.

Interestingly, in North Africa it seems legitimate for the European Commission to talk about EU own commercial interests openly; hence matchmaking managed by DG NEAR seems to be working well besides a number of other factors, e.g. EU firms benefit as much as the SouthMed counterparts. Future development cooperation matchmaking in sub-Saharan Africa could equally learn from other examples in terms of recognising mutual interests and thinking along the three dimensions of technical design, scope and criteria. Ultimately, there is a question of finding synergies and coherence among commercial and development cooperation approaches. There are good reasons for the Enterprise Europe Network to be taking over matchmaking activities from other instruments given it pays more attention to aspects of sustainability and development, while retaining its EU dimension, which as an EU instrument is only legitimate.

Private sector engagement for development

The case of EU matchmaking services provided to the private sector is only one of many tools available to governments and public agencies to engage businesses for development. As much as it has promising examples, there are a number of challenges and opportunities to continue using them to contribute to international cooperation and development. The promotion of business cooperation between the EU and regional partners ultimately tries to achieve one simple thing: channelling investments to companies to grow and expand. Under commercial matchmaking the aim is to support EU businesses to benefit from growth potential outside Europe. Under development cooperation matchmaking, the commercial objective often is implicitly there, but is accompanied by the wish to provide business opportunities to third country firms, so that they become viable and competitive and can continue doing business with European counterparts.

The ultimate goal of investment promotion cannot only been done by bringing companies together that creates economic activity, but also through a variety of instruments that exist beyond matchmaking (Grosse-Puppendahl et al., 2016). On the more commercial side, export and investment promotion agencies provide guarantees and funding to EU businesses to expand and trade internationally. On the development cooperation side, multilateral and regional development banks, blending facilities and other development agencies provide guarantees, subsidies and other risk mitigation instruments to channel investments into developing countries.

Future research ECDPM will be conducting over the next months will look into some of those instruments to better understand differences between commercial and development cooperation investment promotion, which criteria they have attached and how they could contribute even more to positive development outcomes.
1. Introduction

1.1. Context

The 2030 Agenda for Sustainable Development, adopted in New York in September 2015, offers a new vision for development cooperation. Whereas in the past the focus has been on aid to finance social projects, the SDG framework places a much larger emphasis on private finance and investment, to address social, environmental and economic challenges, with far greater recognition of the interconnectedness of developed and developing countries than previous development frameworks. At the same time, the relative importance of official development assistance (ODA) is declining in relation to private financial flows, especially as the incomes of low-income countries rise, as discussed in the European Report on Development (2015) has pointed out (see Figure below).

Figure 1: Trends in finance (US$ bn, 2011 prices) & financial flows (% GDP) by income level

This changing discourse around the development process and the means available to promote development raise numerous challenges and opportunities, not least in relation to the way in which governments engage with the private sector. While developing country governments aim to access finance and encourage foreign direct investment as part of their economic transformation strategies aimed at promoting more and better jobs, developed country governments have a range of different instruments at their disposal for engaging the private sector in third markets. In its private sector communication in June 2014, the European Commission (EC) puts greater emphasis on the private sector to contribute to sustainable development, as “creating growth and job opportunities are a crucial part of development assistance” (EC, 2014). Additionally, there is evidence of more and more donors, including the EC, aligning development and commercial objectives in their policies and strategies. In March 2016, HRVP Mogherini highlighted the following with regard to the European Fund for Strategic investment (EFSI), the "Juncker investment plan":

1 Speech delivered at a Business Europe event on 3 March 2016.
“Beyond Europe, the plan seeks to open additional investment opportunities also in our partner countries. Creating such opportunities will not just help the stabilisation of these countries. It will address the challenge of migration and its causes. It will favour investments with a social and transformational purpose – for instance investments that are consistent with the Sustainable Development Goals, or that are more respectful of the environment. We can work together with the private sector on a transformative agenda for the world. Moreover, all this can have a positive impact on growth in Europe, helping our firms go international, and stabilising our neighbourhood. It is an investment in our present and own future.”

As outlined in a related study (Grosse-Puppendahl et al. 2016), the range of instruments available for development and commercial purposes is rather similar. Both sets of instruments can broadly be categorised into: i) financial support, ii) matchmaking/business facilitation, and iii) technical support/advice (see also Box 1). Although there are many similarities, there are also key differences, not least the underlying primary objectives (promoting some kind of development outcome as opposed to promoting own commercial interests in third markets), while the kind and scale of support differs depending on target country, as do the underlying criteria for accessing public funds.

Both on a European and member state level, diplomatic and political missions are conducted together with private sector representatives to connect their companies with foreign companies. Similarly, events abound where business representatives are brought together to enhance the possibilities for business cooperation across countries and continents. Donor agencies increasingly also aim to promote such linkages and ‘engage firms for development’ (Bilal et al., 2014; Byiers and Rosengren, 2012).

1.2. Purpose and objective of this case study

This study takes a closer look at three European private sector support programmes with a strong focus on matchmaking, two of which represent development cooperation and one of which has explicitly commercial objectives. The study aims to better understand their potential to serve development interests while trying to seek an answer to the following research question: what are the lessons to be learnt from development and commercial EU matchmaking instruments to engage business for development?

In order to adequately respond to this, the study seeks answers to a number of subquestions:

1. How and to what extent do the institutional mandate and funding of matchmaking instruments affect the following characteristics?
   a. their development cooperation and commercial objectives and how to align and reconcile them;
   b. their geographical scope.
   c. development or sustainability criteria attached to them, if any in place.
2. What are the drivers and constraints for using matchmaking instruments to engage business for development?

This case study is not intended to be an assessment or evaluation of those matchmaking instruments, but rather aims at a better understanding of their objectives, synergies and differences as well as challenges and limitations. This can help to inform policy makers, those implementing and managing the projects and final beneficiaries to make better use of such instruments as well as better leverage private sector activities for development objectives. It additionally provides insights into whether the considered examples can be replicated in sub-Saharan Africa.
Rationale behind instruments choice

To find answers to these questions, this case study looks at EuroMed Invest, a match-making instrument focused on EU investment in the Southern Mediterranean (SouthMed)/North Africa and AL-INVEST in Latin America. These are compared with a matchmaking instrument for commercial purposes, namely the Enterprise Europe Network, hereafter called the Network, with some additional discussion of the ELAN programme. Overall these programmes fall under the category of private sector support programmes, however they have or had in previous phases a strong focus on matchmaking services.

By looking at North Africa and Latin America and focusing on both development and commercial matchmaking instruments, the study will be able to draw comparisons across continents, approaches and various other factors, such as funding, mandates, objectives and context. This will provide a clearer picture of why SSA is not (yet) or only a very minor focus region of such instruments and what drivers and constraints are for using matchmaking instruments regardless of objective for development outcomes.

Recent developments related to the Enterprise Europe Network expansion into Africa with Cameroon becoming the first sub-Saharan African country to join the Network on 1 March 2016\(^2\) - followed by Nigeria becoming a Network partner shortly thereafter - provide further evidence for the need to better understand how some of the commercial instruments provide opportunities to use business activities for the benefit of development. They also show the increasing interest by the European Commission to also commercially collaborate beyond the umbrella of development cooperation. For now, structural conditions in sub-Saharan African countries have long been an impediment for countries to become Network members, as businesses are less formalised and structurally organised in terms of associations or business support organisations (BSOs) that must apply as consortia.

Another major obstacle until now has also been the funding because non-EU and non-COSME countries are not entitled to receive financial support but instead need to provide their own funding, so that the Network partner can provide all services the Network requires it to provide. Given those interesting components, the Network, in comparison to the other two development cooperation matchmaking instruments, will provide interesting insights into how these different approaches may come together to allow for greater synergies and coherence in engaging the private sector for development.

Methodology and outline

This case study is mainly based on interviews with public and private stakeholders from EU institutions, business associations and business support organisations, implementing agencies and companies in Brussels and beyond that are involved in the various instruments, desk research and a field visit to the Southern Mediterranean region in Casablanca, Morocco, for a matchmaking event.

The report is organised as follows: the next section provides an overview of the mentioned instruments while looking into i) history, origin and context, ii) objectives, mandate, set-up & scope, iii) institutional and financial aspects, and iv) implementation, impact & challenges. Section 3 compares the development and commercial matchmaking objectives, mandates and funding specificities of those instruments to better understand how policy plays out in practice. It will then finally present a conclusion with a summary of the main observations, synergies and difference and implications out of that for private sector engagement for development.

---

Box 1: Key features of mapping of public policy instruments to support private sector

The mapping of public policy instruments to promote private sector trade and investment outside the EU for both development and commercial purposes identified some of the key opportunities, challenges and synergies for using these instruments in a coherent way to promote sustainable development outcomes. By engaging the private sector for development, the lines between development cooperation and economic diplomacy are increasingly blurred.

Development and commercially-oriented public instruments to engage private investment abroad take similar forms that can be roughly categorised as 1) matchmaking services, 2) financial support and 3) technical support, with an increasing use of loans, equity investments and guarantees - rather than grants or soft loans only.

Opportunities and challenges for both sets of instruments are similar. Both aim to achieve public benefits at home and abroad, promoting technology and other positive spillovers while sharing costs, risks and resources. The similarities between the objectives and means of instruments point to the potential opportunity for synergies and greater coherence between public instruments with commercially-oriented and development-related objectives, and activities that are more inclusive and to the benefit of the poor.

Dedicated efforts are needed for 1) a more coherent application of sustainability criteria to the instruments, 2) better evaluation and learning opportunities of existing instruments, and 4) increasing transparency through better access to data and achieved impact and results.

*Source: Große-Puppendahl et al., 2016.*

### 2. Understanding the three cases

#### 2.1. DEVCO in the Southern Neighbourhood and Latin America

This section introduces the two selected EU development cooperation instruments that provide matchmaking opportunities for both EU companies and businesses in the Southern Mediterranean region (the case of EuroMed Invest), with reference to previous project phases, such as the Invest in Med programme, and in Latin America (the case of AL-INVEST).

**EuroMed Invest in the ‘Southern Neighbourhood’**

*History, origin and context of cooperation*

With its origins in the Barcelona Process, EuroMed Invest aims at developing “lasting business relations, investments and business partnerships between the two shores of the Mediterranean”. The Barcelona Process was launched in November 1995 by the then 15 EU members and 12 SouthMed partners as a framework to manage both bilateral and regional relations. This provided the basis for the Euro-Mediterranean Partnership, which then evolved into the Union for the Mediterranean in 2008, with three

---

3 Unfortunately, there is not yet an evaluation of EuroMed Invest, that is however to be launched soon but which makes it difficult to assess in terms of impact and actual results achieved up to this point.

4 EuroMed Invest [website](#): project presentation.

5 EEAS [website](#): Barcelona process.

6 “An innovative alliance based on the principles of joint ownership, dialogue and co-operation, seeking to create a Mediterranean region of peace, security and shared prosperity.”
dimensions that continue to be the partnership’s main working areas: i) political and security dialogue, ii) economic and financial partnership, and iii) social, cultural and human partnership.

EU-Mediterranean cooperation now takes place within the framework of the European Neighbourhood Policy (ENP) launched in 2004 and revised in 2011, through its main financial implementation tool, European Neighbourhood Instrument (ENI) with a budget of €15.4 billion for the period of 2014-2020. Within this, the ENI foresees an indicative allocation of between €7.5 and €9.2 billion for the Southern Neighbourhood region between 2014 and 2020. The ENP - governing the EU’s relations with 16 of its Eastern and Southern neighbours - is managed by the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR). Within that context the Barcelona process became a multilateral forum of dialogue and cooperation between the EU and its SouthMed partners, while bilateral relations are managed mainly within the framework of the ENP and through Association Agreements signed on a bilateral basis.

The three stages in the process of the creation of the EuroMed Invest project reflect the context-specific characteristics of EU-Mediterranean cooperation at the respective point in time. Looking at the ENP and the Euro-Mediterranean Partnership (EUROMED), there is an explicit focus on promoting “economic integration and democratic reform” while building “on common interests and on values — democracy, the rule of law, respect for human rights, and social cohesion”.

After the first review in 2011, following the Arab Spring uprisings, significant developments in the Neighbourhood urged the EU to undertake a further review of the ENP with a consultation launched in 2015. This serves the purpose “to propose how the EU and its neighbours can build more effective partnerships in the neighbourhood” while taking “stabilisation as its main political priority”, relying on “differentiation and greater mutual ownership”, seen in an incentive-based approach (“More for More”). While the ENP provides the policy context/background for the EU’s cooperation with SouthMed countries since 2004, EuroMed Invest has evolved along three stages.

The three stages of EuroMed Invest

1st stage - The ANIMA Project: The ANIMA Investment Network, currently managing EuroMed Invest on behalf of DG NEAR, is a spin off from the Barcelona process. The ANIMA project (2002-2007) aimed to reinforce the capabilities of the SouthMed investment promotion agencies (IPAs), while its ultimate goal was to increase FDI flows into the Mediterranean region. The ANIMA project was managed by a Euro-Mediterranean consortium made up of the three entities: i) the Invest in France Agency (AFII, France), ii) the National Institute for Foreign Trade in Italy («Istituto nazionale per il Commercio Estero»(ICE, Italia) and iii) the Directorate for Investments (DI, Morocco). This was a DG DEVCO-driven and funded undertaking that led to the creation of the ANIMA Investment Network in 2006 in order “to incorporate an independent international institution to pursue the partners’ cooperation”. Although partly focused on investment, being run through DG DEVCO meant this was undertaken with explicitly developmental objectives.

---

7 Regulation (EU) No 232/2014 of 11 March 2014 establishing a ENI.
8 To the South: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia and to the East: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.
9 EEAS website: European Neighbourhood Policy (ENP).
2nd stage - Invest in Med: In order to build upon the ANIMA project coming to an end in 2007, the Invest in Med programme (2008-2011) was launched with a budget of €9 billion from the 2007-2014 European Neighbourhood and Partnership Instrument (ENPI), (the predecessor of the ENI). In a change with the past, the Invest in Med programme was funded by DG DEVCO but managed by the DG DEVCO Directorate F ‘Neighbourhood’ with the aims i) to increase the abilities and efficiency of SouthMed IPAs and therefore enabling more FDI into the Mediterranean region, and ii) to support its economic development and reinforce cooperation between European and SouthMed IPAs.

The Invest in Med programme’s activities focused therefore on institutional support, network creation and regional investment promotion. **Concrete actions undertaken in the Invest in Med programme are:**

- sector-based business-to-business (B2B) meetings for small and medium-sized enterprises (SMEs)
- institutional matchmaking between EU/Mediterranean business support organisations (BSOs)
- thematic regional and sub-regional investment workshops/conferences
- technical assistances (TA) missions and training of SouthMed partners
- dissemination of marketing, information and results
- production of strategies, studies and guidelines

Looking at the first two phases of EuroMed Invest it seems that they have been mainly focussing on capacity building and economic development within the context of development cooperation, while the third phase has experienced some change of focus, as laid out in the next sections.

3rd stage - EuroMed Invest: As a follow-up to the Invest in Med programme, EuroMed Invest was set up as operational between 2014 and 2016, with a budget of €5 million coming from the ENI qualifying to 100 percent as ODA but with the aim of developing private investments and economic relations in the Euro-Mediterranean area. One of the rationales for the EuroMed Invest project was to overcome some of the obstacles for intra-Mediterranean trade and to respond to the decreasing presence of EU businesses in the region following the Arab Spring. Furthermore, and given the current developments in North Africa and the Middle East, various political priorities for Europe rose to the fore, such as migration, political stability in the region and the threat of increasing terrorism. Additionally, the geographical proximity to Europe allowed the EuroMed Invest project to take on the appearance of a holistic response from the EU side. Amongst the ENP’s objectives are job creation, promotion of an enabling environment, economic diversification and attracting FDI, which may enable close links between EU and SouthMed countries. So while there is a development objective behind DG NEAR it seems legitimate to at the same time help EU businesses to operate in the SouthMed region.

**Objectives, mandate and set-up**

**EuroMed Invest overall aim** is “to boost business and private investments within the Euro-Med area to contribute to an inclusive economic development of the region”. Therefore EuroMed Invest has been set up in order to i) renew the interest of SMEs in the Euro-Mediterranean market, ii) increase investment and business projects flow, and iii) ensure that the EU regains its leading position as source of FDI in the region. It focuses on agrifood, transport & logistics, cultural & creative industries, water & green energies, and tourism. It concentrates on those key global sectors to position the region for the future creation of jobs and value, while simultaneously supporting the development of micro, small and medium-sized enterprises

---

14 European Neighbourhood and Partnership Instrument 2007-2013: Overview of activities and results
16 EuroMed Invest brochure.
17 EuroMed Invest website.
(MSMEs) by empowering Euro-Med business and investment networks.\textsuperscript{18} To achieve those overall objectives, it provides networking events (business meetings, workshops, conferences), management support operations (mentorship missions), trainings (workshops and masterclasses), and documents (guides, economic intelligence, studies, etc.).\textsuperscript{19}

The ANIMA Investment Network leads the MedAlliance consortium, comprising over 500 direct BSOs and indirectly all the EU and South ENI Chambers of Commerce. The latter has access to the companies registers, thus, potentially guaranteeing the mobilisation of SMEs and BSOs in all associated countries. Additionally, there are 79 organisations from 26 countries affiliated to the project.\textsuperscript{20} The Consortium’s six other members are Eurochambres (Association of European Chambers of Commerce), ASCAME (Association of Mediterranean Chambers of Commerce), BusinessMed (Union of Mediterranean Confederations of Enterprises), EMDC (Euro-med Development Center for Micro and SMEs), GACIC (German-Arab Chamber of Commerce), and EABC (Euro-Arab Business Council).

According to their publicity, EuroMed Invest aims to reach 40 million MSMEs as final beneficiaries as well as new and young entrepreneurs from both regions the EU and the ten SouthMed countries of the ENI: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria\textsuperscript{21} and Tunisia. In order to reach them it uses various project instruments, such as Euro-Med Business Roadshows both in SouthMed countries and in Europe, master classes and mentorship programmes for (young) entrepreneurs, as well as cooperation and mentorship programmes for BSOs, and the EUROMED Invest Academy.\textsuperscript{22}

While its funding is 100 percent ODA and there is the overall objective to also promote inclusive economic development in the region, EuroMed Invest’s stated expected results are rather commercially-oriented:

- renewed business and investment interest from SMEs in the Euro-Med countries;
- increased flow of inclusive investments and business partnerships;
- make EU retrieve its leader position as FDI origin towards the SouthMed countries;
- improved services for start-ups as well as for existing local and foreign companies to support their development in SouthMed countries;
- establishment of sustainable Euro-Med Alliances to drive the growth of business within the major sectors of common interest;

EuroMed Invest uses two main instruments. Its first instrument, the Euro-Med Business Roadshows (in South ENI), is generally a two-day formatted business event that focuses on the promotion of one (host) country per roadshow and its partnership with both EU and other SouthMed countries. It aims to thereby improve the country’s image as well while increasing the visibility of EU efforts towards regional economic integration but also of the Enterprise Europe Network in SouthMed countries.

By focussing on a maximum of five sectors, the roadshow tries to maximise synergies between the participants, which on the first day deal with doing business between SouthMed and the host country, while on the second the actual business roadshow takes place with pitching of foreign participants and other SouthMed countries. The EuroMed Invest project aims at carrying out 12 business roadshows during the whole duration of the project, at least 150 participants, including 30 foreign businesses, clusters and BSOs,

\textsuperscript{18} EuroMed Invest website: objectives.
\textsuperscript{19} EuroMed Invest website: project instruments.
\textsuperscript{20} EuroMed Invest website: partnership.
\textsuperscript{21} EU cooperation with Syria is currently suspended given the political situation in this country.
\textsuperscript{22} EuroMed Invest website: project presentation.
and a minimum of 250 business meetings organised per event, ultimately leading to 35 “promising partnerships”. The impact of the instrument is therefore measured in terms of events held and partnerships formed rather than specific impact indicators such as employment or the like.

The second instrument, EU Mediterranean Roadshows (in EU), has several main objectives including the promotion of SouthMed countries together in major sectoral EU trade fairs, informing EU companies about the SouthMed region’s economic context and the promotion of investment and business partnerships opportunities. It shall also contribute to the SouthMed region’s global positioning in the five EMI selected sectors and help building business partnerships among associated countries, including South-South. Finally, the roadshows shall contribute to FDI promotion by providing opportunities for Agencies for the promotion of Industry and Innovation (API) to prospect foreign investors.

To reach those objectives, the instrument is composed of the organisation of a Mediterranean pavilion, where approximately 25 percent are dedicated to investment promotion actors, as well as a doing business workshop organised at the trade fair location. Expected outputs are nine Mediterranean pavilions, a specified number of different participants from the EU (60), SouthMed companies (15 per pavilion) and staff from five SouthMed investment actors, and overall an average of 200 business contacts and 30 promising partnerships/FDI per roadshow.

Target groups are both private and public sector organisations but also business associations from the EU, SouthMed countries, and potential EU candidate countries. Business associations include investment promotion agencies, SME development agencies, chambers of commerce and industry, BSOs, private sector associations, private and public investors and company financiers as well as diaspora and/or women entrepreneur networks amongst others.23

Looking at the objectives, set-up and mandate of EuroMed Invest is important to better understand how development cooperation is understood in the EU-Mediterranean context. EuroMed Invest albeit being under the umbrella of development cooperation rather seems to be applied with an economic even commercial approach, which seems reasonable but very different from development cooperation in Sub-Saharan Africa. Particularly the expected results but also the identified partners to work with illustrate the economic lens through which EuroMed Invest looks at EU-Med cooperation by matching business partners from both sides.

**Who manages, finances, drives the agenda? Institutional & financial aspects**

The current programme is funded under DG NEAR, however, during earlier stages it was under DG DEVCO. As of January 2015, the DG DEVCO Directorate F ‘Neighbourhood’ was transferred to the newly created DG NEAR.24 **EuroMed Invest has a budget of €5 million (100 percent ODA) largely coming from the EC’s ENI (80 percent),** while the remaining 20 percent are provided by the MedAlliance Consortium, the Provence-Alpes-Côte d’Azur Region and the City of Marseilles.25 Invest in Med previously had received a total budget of €12 million26, mainly grants and TA for projects mainly coming from the EU, of which €9 million came from the ENPI South, which by then was DG DEVCO funded and managed by its Directorate F ‘Neighbourhood’.

---

When the transition was made to EuroMed Invest, however, Invest in Med was complemented with two other initiatives and the budget benefiting mainly the private sector has been reduced to €5 million under EuroMed Invest, while the other two parts are implemented by:

- GIZ’s EBESM project, which is macro-level to contribute to the improvement of the business enabling environment for micro- and SMEs in the ENP-South region, and
- UNIDO’s cluster initiative called ‘Development of Clusters in Cultural and Creative Industries in the SouthMed’ to foster entrepreneurial cooperation in cultural and creative industries.

The idea now is to provide support through small grants to social/responsible business ideas to create jobs in the SouthMed region, while according to interviews with DG NEAR the instruments remain largely the same in terms of management and the spirit of development cooperation. Hence, in practice the agenda is driven by DG NEAR and funding is provided through the ENI but DG NEAR in EuroMed Invest interprets development cooperation in a more commercially-oriented manner. The two new components implemented by GIZ and UNIDO are more related to classical development cooperation and are complementary to EuroMed Invest in line with the trend to develop strong performance indicators at various levels.

**Implementation, impact & challenges**

According to its literature, EuroMed Invest aims to build on existing experiences and to maximise synergies with other initiatives. Additionally, the objective is to implement a “framed decentralised process for its activities” through its 79 affiliate partners in 28 countries. Despite focusing on inclusive benefits for SouthMed countries, EuroMed Invest emphasises the visibility of both European investments and the EU. It includes 127 operations, 15 publications and three web platforms, which are implemented between December 2013 and December 2016.

The 2002-2007 ANIMA Investment Network project considers itself to have accomplished its mission “to increase FDI flows into the Mediterranean region”. The ANIMA project by then was driven and funded by DG DEVCO. Even now, financed by DG NEAR, it seems that, according to interviewees, development cooperation is the overall context, in which the EuroMed Invest takes place but any criteria of sustainability and/or development remain absent, which seems surprising being an ODA-funded project. Although there is no real difference between DEVCO and NEAR finance, the shift has included a change in mindset about cooperation finance more openly serving own interests. Despite often being perceived as a challenge, it seems that SouthMed countries appreciate an open expression of their European counterparts about EU interests, which forms the basis for a partnership of equals, as also expressed by involved stakeholders and businesses.

In terms of success and impact, Invest in Med was particularly considered a success because it was led and implemented by private sector organisations and had a higher budget, according to interviews conducted with stakeholders involved. EuroMed Invest has the same philosophy but in its external communication there is more EU visibility, reflected in the change of the project’s name from Invest in Med to EuroMed Invest, which makes the marketing approach different though the spirit and funding of (development) cooperation remains similar, according to stakeholders involved.

28 CCI Cluster website: ‘Development of Clusters in Cultural and Creative Industries in the Southern Mediterranean’
30 EuroMed Invest brochure.
Taking these information into account helps to better understand how development cooperation and commercial aspects overlap within EuroMed Invest. Development cooperation through DG NEAR in the case of EuroMed Invest takes place through private sector development, which in light of the 2014 private sector communication seems innovative and even ahead of time, as commercial interests are openly expressed and pursued by means of ODA money. Besides it also seems legitimate and welcome to openly express those rather commercial interests in SouthMed countries, as reported by interviewees.

**Challenges**

While most of the EU support to the Southern Neighbourhood has been channeled through bilateral programmes, there is also an envelope that specifically supports BSOs in the SouthMed region, according to interviewees. While Invest in Med’s weakness was related to the instruments designed there are also a number of challenges in EuroMed Invest. One of them being **measurement difficulties due to a lack of data** available or properly communicated by companies. Currently, South ENI and EU roadshows are monitored in terms of level of participation, the origin of participants (foreign vs. local), and the number of B2B meetings. Monitoring is closely related however to (a lack of) data about when, where and by whom what kind of investment (trade partnership or investment) actually takes place. These measurement issues in turn relate to the **ability to identify adequate performance indicators** beyond participation and number of meetings, which would also be highly relevant for an evaluation of the project. The latter is expected to be launched soon, which shall take a closer look at the impact on job creation.

Another challenge relates to the **amount of partners involved** in such a project, as it can lead to resources and funding being spread too thinly. This in turn impacts on the effectiveness of implementation. Yet different but similarly important for spending resources and funding is the **ability to identify concrete investment opportunities** even if finding firms is not difficult at all thanks to the huge database available. It is however perceived difficult to mobilise European companies due to for example political instability and security issues, which can hamper the overall enabling environment for trade and investments.

For the future, it seems likely that EuroMed Invest will be extended until mid-2017 but without further funding by DG NEAR. Thereafter a new initiative could be set that is much more focused on job creation operating under a limited consortium compared to the EuroMed Invest project, as involved stakeholders expressed.

**The case of the AL INVEST programme in Latin America**

This section mainly focuses on the AL-INVEST IV programme (2009-2014) but also refers to previous stages, particularly AL-INVEST III, and the recently begun AL-INVEST 5.0. One of the reasons for that are the interesting differences between the third and the fourth stage of AL-INVEST. Additionally, there are evaluations available for AL-INVEST III and IV.
History, origin and context of cooperation

AL-INVEST\textsuperscript{32} started with a two-year pilot programme in 1994, whose success led to five subsequent programme. These all aim to promote inclusive growth and to create opportunities “through facilitating the internationalisation of thousands of Latin American SMEs, in collaboration with their European partners”.\textsuperscript{33} The programme takes place within the context of EU cooperation with Latin America and has evolved along five different stages: AL-INVEST I (1995-1999), AL-INVEST II (1999-2004), AL-INVEST III (2004-2007), AL-INVEST IV (2009-2013: social cohesion and regional integration), and AL-INVEST 5.0, which was launched at the beginning of 2016.

Regional cooperation with Latin America was launched in the early 1990s focussing particularly on higher education, support to SMEs and local urban development. Other programmes were set up in the beginning of the 2000s to find answers to new challenges related to monetary and fiscal policies, structural reforms, income distribution and social inclusion (Fischer, 2000). Additionally biennial EU and Latin America and Caribbean (LAC) summits have been set up, of which some priorities have been translated into concrete programmes, such as AL-INVEST, tackling the issue of social cohesion, a priority for 2007-2013.\textsuperscript{34}

This was also a response to remaining inequality, still a major issue that needs to be addressed by means of economic diversification, so less reliance on natural resources, leading to job creation and better opportunities for Latin American companies to engage in trade within the region and beyond.\textsuperscript{35} Accounting for 99 percent of all businesses and employing around 67 percent of the workforce, SMEs are essential for job creation and production but so far “Latin America’s SMEs participation in GVCs and productive linkages among firms that promote innovation and competitiveness are scarce” (Altenburg, 2011).

In 2006, the development cooperation instrument (DCI) was established and the first financial perspective of the DCI covered the period 2007-2013. The instrument was created by combining a number of different geographic and thematic mechanisms of EU development aid also covering Latin American countries. The adopted regulation\textsuperscript{36} established a financing instrument for development cooperation, which marked a shift also for the AL INVEST programme, as the EU-Latin American mutual interest component disappeared (discussed in more detail in the following sections).

In conclusion, AL INVEST in its aspirations seems to be a promising response to Latin American concerns of low levels of productivity, competitiveness and regional and GVCs integration of the region. AL INVEST has the potential to not only increase business opportunities but to at the same time also address broader systemic issues related to productivity, employment and value chains participation, as laid out in the following section.

\textsuperscript{32} AL stands for América Latina (in Spanish).
\textsuperscript{33} European Commission website: Latin America - AL-INVEST.
\textsuperscript{34} Other examples for such LAC priorities include the €30 million Latin American Investment Facility (LAIF), which is a blending mechanism to provide funding for infrastructure in sectors like energy, including renewable energies, transport, environment. The idea behind those EC Investment facilities is to “combine EU grants with other public and private sector resources, such as loans and equity, in order to leverage additional non-grant financing, and achieve investments in infrastructure and support to the private sector. The LAIF thereby “aims at reducing the social and economic inequalities which represent one of the biggest threats of the continent by promoting actions which foster economic activities in different sectors” (Annex 3 of the Commission Implementing Decision on the Action Document for the LAIF).
\textsuperscript{35} Annex 2 of the Commission Implementing Decision on the Action Document for ALINVEST 5.0.
\textsuperscript{36} REGULATION (EC) No 1905/2006 of 18 December 2006 establishing a financing instrument for development cooperation.
Objectives, mandate and set-up

The main objective of AL-INVEST IV was “to support Latin American SMEs to improve their competitiveness, promote innovation and strengthen business internationalisation”. In order to achieve those ambitions, several actions were set up: i) facilitating business links between Latin America and EU SMEs, ii) promoting regional integration and social cohesion, development policies, and business partnerships, iii) encouraging knowledge and technology transfer, and iv) strengthening Latin American business organisations and facilitating networking with their European counterparts. It has additionally the following priorities: i) internationalisation of relations-local development; ii) regional integration; iii) European orientation; iv) representation of sectors and territories; and v) synergies with other cooperation programmes.

The programme’s fourth stage was implemented for the first time by three regional consortia, each responsible for the different geographical zones in Latin America: the Consortium for Central America, Mexico and Cuba (CAMC), those for the Andean Region (RA) and for Mercosur, Chile and Venezuela (MCV). Additionally, each Consortium had a lead organisation: the Mexican development bank Nacional Financiera (NAFIN); the Santa Cruz Chamber of Industry, Services and Tourism (CAINCO) in Bolivia; and the Brazilian National Confederation of Industry (CNI). On top of that, a Coordination and Services Consortium headed by the Association of European Chambers of Commerce and Industry (EUROCHAMBRES) supported the three regional consortia with horizontal services.

AL-INVEST III in contrast had the general objective to foster economic cooperation between Europe and Latin America, supporting the process of enterprise internationalisation in both regions, while developing a sustainable and long term cooperation based on mutual interests. Particularly the mutual interest component as well as the internationalisation of companies in both regions are major differences compared to the fourth and fifth stage of AL-INVEST, which are now more development-rather than commercially-oriented from an EU perspective.

AL-INVEST 5.0 - called ‘Inclusive Growth for Social Cohesion in Latin America’ - for an implementation period of three to four and a half years from 2016 onwards aims to contribute to productivity growth and support the sustainable internationalisation of Latin American SMEs. To do so, and to foster business linkages of MSMEs, it will develop and work through business membership organisations (BMOs), which will mainly be traditional chambers and business associations but also emerging sector or cluster associations in new fields with high growth potential. Thereby Latin American SMEs will be able to benefit from three main services: 1) training and TA to improve both productivity and competitiveness, 2) participation in business meetings in relevant trade fairs, and 3) having access to quality information and advice regarding market opportunities, potential clients/business partners and EU legislation/policies.

In order to reach both objectives - the global objective: poverty reduction through more inclusive and sustainable economic growth in Latin America; and the specific operational objective: improve the productivity of MSMEs in Latin America - the programme is expected to achieve the following results:

- **Result 1**: at least 8,500 MSMEs are connected in business linkages in at least 12 eligible countries
- **Result 2**: MSMEs have improved their productivity and competitiveness (measured by business volume and number of employees)

---

37 European Commission website: Latin America - AL-INVEST.
38 Leaflet AL-INVEST IV 2009-2012: Facilitating the internationalisation of Latin American SMEs.
39 AL-INVEST 5.0 Guidelines.
• **Result 3**: Institutional capacity of at least 40 participating BMOs has been strengthened in terms of organisational capacity, the service offered to companies and constructive political dialogue
  → indicative assessment criteria could be: Increase in membership, increase in staff, more services or higher volume of services to MSMEs and more initiatives and participation in policy dialogue
• **Result 4**: Improved market for business development services (BDS) by i) creating awareness among the participating companies, ii) connecting supply better to demand, and iii) fostering joint actions where MSMEs are enabled to jointly hire consulting firms to access knowledge
• **Result 5**: better MSME policies at the national level

The expected results seem to mainly serve the specific operational objective of improving the MSMEs productivity, as the focus lies on economic (measurement) indicators. By achieving those rather commercially-oriented results, AL INVEST hopes to indirectly have positive spillovers on poverty reduction through supporting increased economic growth. Whether this will be more inclusive and sustainable remains to be seen but the expected results can be understood in commercial rather than development terms despite the aspiration to increase institutional and thus organisational capacity of participating BMOs and also looking at the number of employees.

AL-INVEST 5.0 additionally hopes to address several cross-cutting issues that should be taken into account when defining priority sectors. Those relate to strengthening democracy in the region by supporting democratically organised BMOs, promoting gender equality, strengthening environmental sustainability, resource-efficiency and thus a green economy, and supporting and including marginalised groups with entrepreneurial and employment opportunities while giving preference to underdeveloped regions.

**Who manages, finances, drives the agenda? Institutional & financial aspects**

The EU's contribution to AL-INVEST IV was €50 million, which meant that 80 percent of total costs (€62 million) were covered by DG DEVCO funding with a €40 million single grant and a bidding process for services (€10 million). Similar to the period when AL-INVEST IV was in place (2009-2013), the EU financial contribution to regional (continental) programmes in 2007-2013 amounted to €556 million, so approximately 8 percent of the EU's contribution to regional programmes for Latin America went to AL-INVEST IV. Coordination within the EC lies with DG DEVCO/EuropeAid Directorate G, Development Coordination Latin America and Caribbean, while actual implementation/management has been carried out by the three regional consortia: CAMC, RA and MCV with only slight support of EUROCHAMBRES, as responsibilities were shifted away from EU organisations in the transition from phase III to IV.

While its third phase had a budget of €54 million with a €43 million contribution from the EC and €11 million from the Network’s members, AL-INVEST 5.0 has a total EU contribution of €26 million split into €25 million grant and an additional €1 million under indirect management with the UN’s Economic Commission for Latin America and the Caribbean (ECLAC).

---

41 Result 5 will be implemented by ECLAC with €1 million of funding from the EU.
42 Leaflet AL-INVEST IV 2009-2012: Facilitating the internationalisation of Latin American SMEs.
43 European Commission [website]: Latin America - Regional Cooperation - funding
44 Final evaluation of AL-INVEST Phase III. EUROPEAID/123314/C/SER/ multi.
In general EU regional cooperation with Latin America and its related funding takes place under the Development Cooperation Instrument (DCI) “by exchanging experiences and creating networks at the same time as forging links between countries within the region as well as promoting sub-regional integration”. It thereby aims to support the region's efforts in reducing poverty and foster the sustainable and inclusive growth of the region while respecting human rights, the rule of law, democracy and other key elements of good governance.

The DCI includes all developing countries except those eligible for the Pre-Accession Instrument and has three components: i) the geographical programmes based on the European Consensus for Development supporting cooperation with around 47 developing countries in Latin America, South Asia and North and South East Asia, Central Asia, Middle East and South Africa (excludes EDF and ENPI countries), ii) thematic programmes benefiting all developing countries (including those covered by the ENPI, now ENI, and the EDF), and iii) the Pan-African Programme (PAP) to support the strategic partnership between the EU and Africa. The Multiannual Indicative Programme for Latin America for 2014-2020 has been established under the DCI regulation for 2014-2020 with an overall allocation of €925 million comprising two components:

- **Component 1 (€805 million):** the Continental Programme, focussing on: Security - development nexus (€70 million), Good governance, accountability and social equity (€42 Million), Inclusive and sustainable growth for human development (€215 million), Environmental Sustainability and Climate Change (€300 million), Higher education (€163 million, under the Erasmus+ programme for 2014-2020), and Support measures (€15 million).

- **Component 2 (€120 million):** Sub-Regional Programme for Central America, focusing on: Regional economic integration (€40 million), Security and rule of law (€40 million), Climate change and disaster management (€35 million), and Support measures (€5 million).

To understand why there has been a shift from AL INVEST phase III to IV, it is useful to keep the above information in mind. This will help to understand why AL INVEST IV and also 5.0 was more about development cooperation rather than mutual benefits for both EU and Latin American businesses, as elaborated on in the following section. This seems to contradict the more commercially-oriented expected results of 5.0, one needs to keep in mind however that the programme mainly benefits and targets Latin American businesses, hence commercial EU interests are only an afterthought.

**Implementation, impact & challenges**

While AL-INVEST III was focussing on matchmaking and supporting EU and Latin American businesses alike (50 percent of funding going to EU businesses), AL-INVEST IV was really set up to improve the ability of Latin American SMEs to penetrate global markets. This implied more of a focus on Latin America compared to the third stage of AL-INVEST, which was about mutual interests. This is mainly due to the DCI that came into existence in 2007 being more in the spirit of primarily development rather than economic cooperation. Therefore the year of 2007 reflects a turning point in EU vis-a-vis development interests with regard to the AL-INVEST programme, as the DCI urged programmes to be in line with this new policy instrument.

---

45 European Commission website: Latin America - Regional Cooperation – funding.
46 European Commission website: Development Cooperation Instrument (DCI).
47 In accordance with the DCI Regulation, the Latin American eligible countries for Component 1 are: Argentina, Bolivia, Brasil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela. Eligible countries for Component 2 are: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.
AL INVEST III however also faced challenges, as it was seen to spend too much money on bringing both EU and Latin American companies to trade meetings and supporting businesses that would have done business or internationalised anyway, which is related to the question of additionality, or supporting companies that were not prepared to engage. For both programme stages III and IV the measurement of success was extremely difficult.

Following from these challenges, AL INVEST IV lost large parts of the EU business support component and instead focused on a smaller number of Latin American businesses because otherwise there would have also been the danger of companies repeatedly receiving support. Hence, the matchmaking component of III was shrunk and instead there has been a greater focus on supporting productivity and competitiveness of MSMEs, also in line with the priority by Latin American economies to diversify. This shift from III to IV was however criticised by private sector organisations in Europe, as they lost an opportunity to receive support in entering the Latin American market, which would have in turn created opportunities for Latin American companies to do business with Europe. The new AL-INVEST 5.0 aims to improve the process (see Box 2).

Box 2: AL-INVEST 5.0 implementation, according to its Commission Implementing Decision

AL-INVEST 5.0 will not be split into several geographical areas, as it was the case in IV because of i) a smaller budget, ii) fewer human resources, which makes it easier to deal with less bigger contracts rather than many small ones, iii) the risk of limiting the scope for multiplication, peer learning and knowledge transfer, and iv) a separation into several contracts makes political dialogue with ECLAC and within EU-CELAC more difficult.

By working through business linkage approaches to enhance the productivity of participating companies, several opportunities arise. It first of all can help to create a culture of constant innovation by means of exchange and cooperation between different companies. Second, it can help to create a market for business development services (BDS) by creating demand and increasing purchasing power. And finally, connecting individual companies to BMOs can help to make their demands and needs heard and feed into policy dialogues, which helps to improve policies and hence the business environment those companies are working in.

Mainly working with BMOs additionally offers a number of benefits, such as demand orientation, outreach and multiplier effects, complementarity, better framework conditions and EU added-value of having an extensive network of BMOs, whose “contacts, experiences and lessons-learned in AL-INVEST will greatly benefit the design and implementation of the MSME programme”.

In January 2016 the grant of €25 million (financial contribution provided by the Contracting Authority, 80 percent financed by the EU) has been awarded to the Chamber of Industry, Commerce, Services and Tourism of Santa Cruz in Bolivia. Action for a duration of 48 months shall take place in Bolivia, Brazil, Costa Rica, El Salvador, Guatemala, Peru and Uruguay.

---

50 Call for proposals AL-INVEST 5.0: Award 23/02/2016: http://bit.ly/1pcOGjX
Performance measurement in the fifth stage is done on the basis of decent employment creation, enterprise growth and institutional strengthening, while AL INVEST IV focussed on “business indicators (number of beneficiaries and SMEs served) (and) financial ones (99 percent average as financial performance of the 3 Consortia in AL)” (AETS Consortium, 2014). In line with that, AL INVEST III indicators were very business-related by measuring the number of events, participants, as well as realised and positive meetings. Looking at those different stages and their main indicators therefore suggests that 5.0 seems to put more emphasis on development aspects, such as job creation and capacity building.

Working with private sector organisations is considered easier than with public agencies, as incentive structures are better and at the same time can help to support the process of democratisation, as companies get attached to chambers and are therefore able to be more vocal about needs and concerns. This can bring bargaining power to the population in local, regional and national politics by becoming a critical and vocal mass. Working with private sector organisations however also means that there is no direct impact on EU policy level, which is trying to be mitigated by bringing together private sector representatives and policy makers.

Lessons learnt from past experiences of AL-INVEST programmes

Because of the success of previous programmes - “tens of thousands of beneficiary SMEs and contracts generated worth of hundreds of millions of Euro” - AL-INVEST has now entered a fifth phase.\(^{51}\) While the programme has “contributed to the positive economic development in Latin America over the last decade and to strengthen the internationalisation of Latin American companies”, it was however mainly focussed on competitive and productive enough SMEs able to compete in the international markets. Therefore, 5.0 puts emphasis on those companies with growth potential but currently concentrating on increasing productivity and competitiveness to operate in the local or regional markets to be able to integrate into regional and global value chains (GVCs).

At the same time, the Commission Implementing Decision of AL INVEST 5.0 suggests on the basis of experiences from previous AL INVEST phases that it will be essential to work through multipliers, as they are closer to the companies than public institutions can be. Effective multipliers can be BMOs for instance and therefore AL-INVEST 5.0 has a strong advantage supporting those, as “Latin American companies show a relatively high standard of organisation”.\(^{52}\) It also stresses that a particular focus on companies with growth potential is important, as in the past programmes targeted many micro and small enterprises operating at subsistence level, which by raising their incomes promised to have a direct and potentially huge impact on poverty reduction. However, “targeting subsistence firms can be counterproductive” because where those firms operate, micro and small units do not have competitive advantages towards bigger companies”, hence no real growth potential, as the Implementing Decision states. Supporting those subsistence firms would therefore mean to incentivise the creation of more alike companies, which would result in decreasing prices and income, so potential market distortion.

\(^{51}\) Annex 2 of the Commission Implementing Decision on the Action Document for ALINVEST 5.0.

\(^{52}\) Annex 2 of the Commission Implementing Decision on the Action Document for ALINVEST 5.0.
It was also found that business linkage approaches are particularly successful in Latin America for achieving direct positive impact at enterprise level. Similarly, they found production linkage approaches are useful, as they entail business networks, clusters, value chains and regional development strategies. They are however only successful at company level and have broad impact, if “integrated into the broader framework of SME policy and coordinated with other initiatives, particularly of public and academic institutions”.53 For AL-INVEST there is hence a “clear need for a structured knowledge management and a clearly defined role of European partners in the consortium”, as laid out in the Implementing Decision.

The final evaluation of AL-INVEST III looking at the period between 2003 and 200854 found that the programme was highly valued by all its network members despite their institutional diversity and diverse objectives. The offered instruments were considered essential and it was highlighted that all instruments, even with some adjustments, were used in an integrated and continuous process that was able to achieve better results and effectiveness with regard to firms internationalisation. However, the evaluation also pointed to the difficulty of effectively using the instruments due to the actual system of selection and access of the programme’s resources.

Between 2004-2007, the programme was able to create 31 new EU Centres in the various Latin American countries, which was in line with its objectives to create more EU centres in the least-developed countries LDCs in Latin America and to strengthen and develop the current networks of cooperation between Europe and Latin America to increase the business relations between EU and Latin American business. Interviewees expressed that the efficient organisation among consortium members positively contributed to the third stage’s overall success with benefits for both regions. This is also in line with the evaluation findings that noted that there was an excellent organisation with regard to the consortium, documents, support and project proceedings, which facilitated the project's continued funding as well as helped to accomplish the Commission’s conditions. Here it would be particularly interesting to see those conditions to be better able to understand the impact on development.

The third stage is further considered to be highly visible among stakeholders and institutions in both regions and seen as a point of reference. It was however recommended that any future programme should have a more integrated and strategic vision of political support towards SMEs with solid institutions that are able to influence global and regional development cooperation, so that SMEs are better able to integrate into global value chains.

According to the Consortium’s final report55 on programme results of AL-INVEST III (2004-2008), the four-and-a-half year programme organised 455 business events and activities for SMEs and 104 capacity building activities for business organisations. The main focus of such business events was on agriculture, agro industries and agro machinery (36.7 percent) followed by machinery/mechanical equipment (9 percent), environment and energy (7 percent) and ICT (5 percent). The majority of capacity building activities concentrated on EU-Latin American exchange (32 percent) followed by internationalisation services for business organisations (26 percent). In total, “41,358 companies participated in business events making all together 60,515 positive contacts” (Table 1), with an overall evaluation by participants of 8.47. Additionally, 2,074 organisations took part in the capacity building projects with an overall evaluation by participants of 9.22 and over 500 business agreements were signed with an overall evaluation of the programme by the beneficiaries of 8.56.

54 Final evaluation of AL-INVEST Phase III. EUROPEAID/123314/C/SER/ multi.
Table 1: Overview of results of the AL-INVEST programme 1994-2008

<table>
<thead>
<tr>
<th>Programme</th>
<th>Nr of Events</th>
<th>Total Participants</th>
<th>Realised Meetings</th>
<th>Positive Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL-INVEST Pilot 1994-1995</td>
<td>33</td>
<td>1.350</td>
<td>1.588</td>
<td>1.022</td>
</tr>
<tr>
<td>AL-INVEST I 1996-2000</td>
<td>158</td>
<td>7.537</td>
<td>3.024</td>
<td>2.570</td>
</tr>
<tr>
<td>AL-INVEST II 2000-2004</td>
<td>259</td>
<td>35.321</td>
<td>65.084</td>
<td>49.801</td>
</tr>
<tr>
<td>AL-INVEST III 2005-2008</td>
<td>559</td>
<td>43.432</td>
<td>73.593</td>
<td>60.515</td>
</tr>
</tbody>
</table>


Looking at those overall programme results however does not allow drawing conclusions on to what extent those activities had a positive (direct) effect on development outcomes, such as job creation and sustainable private sector development in Latin America. Neither does it allow assessing whether public support, so EU funding, had the leverage effect it was intended to have. A lack of available data and development measurement indicators attached to AL INVEST III also make it difficult to understand the concrete development benefits, though it needs to be acknowledged that almost any kind of business cooperation should have positive externalities for private sector development (PSD).

**Results and evaluation of AL-INVEST IV**

According to the European Commission, the AL-INVEST IV programme achieved the following results while involving 18 countries in Latin America and serving almost 60,000 SMEs. The EC considers it to have “represented a considerable and quite remarkable effort both by geographical coverage and by scale of the beneficiary population, especially in regard to the Latin American context”. Particularly the sectors served by the programme covered several priority activities of Latin American SMEs, “including traditional sectors (agriculture), crafts and technology-intensive sectors (IT, etc.)” (AETS Consortium, 2014).

By doing so, it was able to generate new exports worth €85 million in the region of Mexico, Central America and Cuba alone. Hence, according to its evaluation €1 of EU contribution generated €5 of new business. Additionally, it created “more than 20,000 direct and more than 60,000 indirect employments in Bolivia, Colombia, Ecuador and Peru” (ibid.). In the Andean region, more than 6,500 SMEs were able to increase their exports, while 1,000 of them were first-time exporters.56

Though these results seem impressive and as good for development as for commercial reasons, it leaves the questions of whether this model is therefore the right model to be replicated elsewhere or if particular local context-specific reasons positively contributed to job creation and increased exports. This relates to the question of results attribution and measurement indicators (Große-Puppendahl et al., 2016).

The **AL-INVEST IV evaluation itself found** that “the program achieved outstanding results (due to) the high relevance and significance of the actions executed (which) stems from the high ownership by the beneficiaries, which provides the actions with sustainability and flexibility to the logical changes resulting from a project of this magnitude” (AETS Consortium, 2014). Thanks to the programme’s wide coverage (20 countries only in Latin America and a total of 28 including the EU) and the number of SMEs served, “AL-INVEST IV represented a considerable and quite remarkable effort” (ibid.). The “broad social and

56 European Commission website: Latin America - AL-INVEST.
institutional capital raised” with 679 institutions in 20 countries resulted in good business and financial indicators as well as partial results obtained from the different consortia\textsuperscript{57}: 23,000 people (incl. businessmen and officials) received training; 17,000 TA tasks were made addressing specific enterprise problems; 3,300 consultation cases has been offered on innovation topics which have multiplier effects on SMEs; and 4,200 business conferences gathering businessmen from both the EU and Latin America led to business for a value of several million Euro.

The evaluation therefore recommended to continue the programme but to at the same time redesign the role of European companies and institutions in a future programme according to needs identified in the Latin American region. This is reflected in 5.0 now putting more focus on Latin American businesses with growth potential and regional cross-cutting priorities, such as industrialisation or better value chain integration. Despite “the effectiveness of the new design strategy of regional consortia, as they are the same people who are responsible for carrying out the initiatives” and being aware of needs and constraints, it should be made clearer and more transparent among all stakeholders what the rules are governing such a programme. Particularly monitoring and follow-up actions need to be established as well as a proper measurement system should be in place.

For the future, there is also a question of targeted countries, so whether concentrating on LDCs or continue working with the “Chiles”, “Mexicos” or “Brazils”, as well as how much support should be given to improving the business environment. With regard to the strategy it seems there is a clear division of work, AL-INVEST to do development cooperation while DG Growth and its Enterprise Europe Network or other initiatives, such as ELAN, look at EU commercial aspects of cooperation with Latin America. The EC’s new trade and investment strategy “Trade for All” contrarily shows a trend of including aspects of sustainability and development in their commercial aspirations to foster outwards investments and trading in goods and services.

At the same time it is about finding complementarity to other initiatives, such as the Partnership Instrument (PI), supervised and funded by EEAS under the Foreign Policy Instruments (FPI) but managed by DEVCO staff, or the EIB-IDB support to internationalisation of SMEs from Europe, Latin America and the Caribbean and their two facilities\textsuperscript{58}: i) the IDB’s internationalisation of SMEs Financing Facility that seeks to boost new FDI and inter-regional trade involving SMEs and consisting of a $250 million loan and up to $250 million additional resources to be raised through syndication or co-financing, and ii) a facility managed by the EIB that will finance an amount of up to $500 million to promote the internationalisation of Latin American and Caribbean SMEs via investments by their subsidiaries in Europe as well as European SMEs with trading activity or a presence in Latin America and the Caribbean. The latter EIB facility “in reciprocal fashion” would focus on FDI projects in Europe by Latin American/Caribbean SMEs and midcaps.\textsuperscript{59}

According to involved stakeholders, AL-INVEST 5.0 now also increasingly cooperates with other instruments that are more commercial, such as the Enterprise Europe Network, COSME, the cluster initiative, IPR helpdesks and also ELAN, which could reflect the change towards a more integrated approach. EU trade and investment promotion however is considered only as an afterthought in AL-INVEST 5.0. This is in line with its legal basis and mandate, provided by DG DEVCO and its main objective of poverty reduction. Hence, trade and investment promotion, according to interviewees, should not be

\textsuperscript{57} More detailed evaluation results on those consortia can be found in the Annex.

\textsuperscript{58} EIB press release 27 October 2014: IDB-EIB facilities to support internationalisation of SMEs.

\textsuperscript{59} Companies with up to 3,000 employees.
done by a DEVCO-funded/managed programme though it is of course legitimate to use the private sector to achieve sustainable development.

**Summary of EU development cooperation matchmaking**

While this first part of the case studies section looked at EU matchmaking instruments in the context of development cooperation, the following Section looks at matchmaking for commercial reasons exemplified by the Enterprise Europe Network. It should be noted however that the border lines between the two are blurred, as shown by EuroMed Invest using ODA-funding to foster economic rather than pure development cooperation and AL-INVEST being similarly torn between both worlds. The latter had economic cooperation at its heart using DEVCO money and only recently shifted towards a greater development focus. Both cases also show that their objectives and strategic orientation have followed EC policies, overall strategies and underlying institutional mandates. A lack of clear development or sustainability criteria point to challenges of measuring results and impact though economic indicators have been used. At the same time both Latin America and the SouthMed have a very different context compared to sub-Saharan Africa in terms of history, policy framework and cooperation. Taking those differences into account is crucial for the analysis section later.

### 2.2. Commercial matchmaking

**The case of the Enterprise Europe Network**

**History, origin and context**

The Enterprise Europe Network ("the Network") was launched in February 2008 by the Commission's Directorate-General for Enterprise and Industry (DG ENTR) (since renamed DG for Internal Market, Industry, Entrepreneurship and SMEs, DG GROW). As supporting small businesses is one of the cornerstones of the EU's drive for growth and jobs, the Network was set up to help ambitious European businesses to innovate and to increase their competitiveness to capture the growth outside the EU and leverage the potential of European SMEs by internationalising them. Against the backdrop of more far-reaching globalisation and “90% of the world’s growth being expected to happen outside the EU in the future” (DG GROW, 2015), several external EU policies, including trade, development cooperation and economic policies, are growing in their importance.

This also increases the pressure for European companies, both MSMEs and larger corporates, to access those markets and get their share of growth to stimulate EU economies and secure growth, jobs and income. In that respect, SMEs are particularly important for the EU's drive for growth and jobs: 99 percent of all EU companies are thought to be SMEs, accounting for 85 percent of all new jobs in Europe. Hence, the Network's rationale is that “what's good for SMEs is good for Europe's economy”. SMEs additionally account for 67 percent of the current total employment and “some 60% of the overall added value produced in Europe" (Simonelli, 2016).

---

60 Enterprise Europe Network website: About the EEN.
First phase of the Enterprise Europe Network: 2008-2014

The Network started operating in 2008 and brought together organisations, which were members of two pre-existing networks, the Euro Info Centres and the Innovation Relay Centres, and other organisations that had not previously been involved in business support at the European level. Until the end of 2014, the Network’s first phase was run under the Entrepreneurship and Innovation Programme 2007-2013 (EIP), which was the operational pillar of the EU’s Competitiveness and Innovation Programme (CIP) 2007-2013.

By that time the main aim was to improve the EU support services offered to European firms “by integrating and developing the former services of the Euro Info Centres and the Innovation Relay Centres, so that companies can access practical and effective solutions to their business needs whoever they first contact (the “no wrong door” principle61). Article 21.2 of the CIP specified three types of services, which the Network partners implemented in EU member states and in CIP participating countries and which in their nature did not significantly differ from services offered by Invest in Med/EuroMed Invest or AL INVEST, both of which cover regions different to the EU Member states and CIP/COSME countries: i) information, feedback, business cooperation, and internationalisation services, ii) services for innovation and for the transfer of both technology and knowledge, and iii) services encouraging the participation of SMEs in the Community framework programme for research and technological development (RTD). The CIP aspirations though compared to the discussed development cooperation matchmaking instruments were clearly aiming to promote and benefit European firms, while the Network’s services outside the EU and CIP/COSME countries are more limited, as outlined in the following section.

Objectives, mandate and set-up & scope

The Enterprise Europe Network is one of the EU’s key instruments to boost growth and jobs. It brings together more than 600 BSOs from more than 60 countries in order to “help small companies seize the unparalleled business opportunities in the EU Single Market” and beyond.63 The Network partners’ host organisations include chambers of commerce and industry, technology/innovation centres, universities/research institutes and development agencies, of which most of them have been engaging with local businesses for a long time. This makes sure that 3,000 local experts know about their clients’ strengths and needs and as network members these clients are linked up through a "Partnership Opportunities Database”, which enables the Network partners to share their knowledge and source technologies and business partners for their individual clients across all Network countries.

The Network at the same time ensures that the Commission retains close links with enterprises, so that the latter are able to keep track of EU policies affecting them but simultaneously provide feedback and private sector views back to EU policy makers. Under the Horizon 2020 programme, it also delivers some innovation services. Particularly the private sector feedback to EU policies is valued and seems to have - for this particular stakeholder group - a higher traction at times than EC’s public consultations, as reported by interviewees.

The Enterprise Europe Network considers itself a true one-stop shop for all SMEs (based in the EU Member States or in the COSME countries) with international ambitions. By combining international business expertise with local knowledge, it wants to help businesses to innovate and increase their competitiveness and thereby expanding their business internationally both inside the EU and in growth markets beyond. The Network provides a number of services, such as support packages for innovative

---

61 SME either got help directly or has been put in contact with other suitable providers of SME oriented services.
63 Enterprise Europe Network website: About the Enterprise Europe Network.
SMEs, technology transfer, access to finance, advice on EU law and standards as well as intellectual Property Rights (IPRs), the ability to speak up on EU law and access to research funding. As a cornerstone it additionally offers support to companies for going international. The ‘currency’ of the Network, so the ultimate goals and indicators of success are partnership agreements concluded between companies from different countries.

The entire Network presently consists of the 28 EU member states, eight further countries that are participating in the EU programme for the Competitiveness of Enterprises and SMEs (COSME) financing the Network in the present financial period and 29 third countries outside the EU and COSME - including Cameroon since 1 March 2016 as the first sub-Saharan African country followed by Nigeria. COSME countries - contributing to the COSME budget and benefiting from full membership in the Network - are Albania, Armenia, Iceland, Moldova, Montenegro, the Republic of Macedonia, Serbia and Turkey.

Organisational structure inside and outside the EU

Inside the EU and COSME countries, the host organisations apply as a consortium in a certain region and consist of several network partners, which as a consortium deliver the full range of the Network’s services in a defined geographical region, which ensures proximity to local SMEs. Those network partners receive between 40-60 percent of co-funding from the EU budget.

Outside the EU in all other countries participating in the Network, partners are called ‘Business Cooperation Centres’ (BCCs) and they also organise in regional or national consortia. They apply via a call for expressions of interest and participate on a win-win basis, i.e. they have to prove their own funding as they do not receive EU funding - because COSME is not allowed to fund outside the EU. The Network’s third country partners presently are:64

- **Europe**: Belarus, Georgia, Norway, Russia, Switzerland and Ukraine
- **Asia**: China, India, Indonesia, Israel, Japan, Jordan, Singapore, South Korea, Taiwan and Vietnam
- **America**: Argentina (AI IV, ELAN), Brazil (AI IV & 5.0, ELAN), Canada, Chile (ELAN), México (AI IV, ELAN), Paraguay (AI IV), Peru (AI IV & 5.0, ELAN) and the US
- **Africa**: Cameroon, Egypt (EuroMed Invest), Nigeria, South Africa and Tunisia (EuroMed Invest)
- **Oceania**: New Zealand

BCCs can be SME organisations, national development or innovation agencies, research organisations or foundations, business and technology transfer support units of higher education institutions (e.g. universities), FDI and/or export promotion agencies, and EU-funded organisations (e.g. SME centres) or European bilateral chambers (e.g. EBTC).

Additionally, there are sector groups, which are groups of network partners that are working together to achieve specific needs of their clients operating in a particular sector: Aeronautics & Space; Agrofood; Automotive, Transport & Logistics; BioChemTech; Creative Industries; Environment; Healthcare; ICT Industry & Services, Intelligent Energy; Maritime Industries & Services Materials; Nano- and Microtechnologies; Services & Retail, Sustainable Construction, Textiles & Fashion; Tourism & Cultural Heritage; and Woman Entrepreneurship.66

---

64 Some of the countries are also eligible under EuroMed Invest and AL-INVEST (AI).
66 Enterprise Europe Network website: sector groups.
The Network offers a number of network services for SMEs, which differ however between a) consortia in the EU and in COSME countries providing the full range of services and b) consortia in third countries providing a more limited range of services:

In the present financing period EU or COSME country consortia provide i) international partnership services, including business cooperation, technology transfer, innovation/research projects, and related activities, such as matchmaking events, technology brokerage and company missions, ii) information and advisory services, including on EU policies/legislation/programmes, innovation support services: Horizon 2020: services for beneficiaries of the SME instrument; innovation management; intellectual property rights (IPRs), access to international markets and finance, Horizon 2020 participation, SME instrument, and resource efficiency, and iii) feedback from SMEs concerning EU initiatives, EU legislation. Particular the feedback service is useful for European policy makers, as the Network’s outreach towards SMEs is “enormous” and therefore sometimes more useful than public consultations to be better able to factor in SME needs and concerns, as interviewees had expressed.

Third country consortia (BCCs) provide i) international partnership services, including business cooperation, technology transfer, innovation/research projects, and related activities, such as matchmaking events, technology brokerage and company missions, and ii) international market access information, so market knowledge for European SMEs wishing to expand their business to the target country. For countries participating in Horizon 2020: Services for beneficiaries of the SME Instrument; Innovation Management.

All network services though need to have a European dimension and provide EU added value to the network clients. This stresses the EU’s commercial interest with this, which should however take aspects of social and environmental sustainability into account, which are currently left to be taken care of by the Network partners. This could be considered as a hands-off approach by the EC in terms of the lack of criteria of sustainability. However, the Network itself, according to stakeholders, considers having a clear commitment to sustainability being a long-term project (already in its 2nd term of 7 years), reinforcing local business intermediaries through capacity building and through helping to establish long-term relationships between companies. Additionally, it pays special attention to environmentally-friendly technology transfer. Amongst other things, it has three Sector Groups devoted to this task (‘Environment’, ‘Intelligent energy’ and ‘Sustainable constructions’), which contribute to the EU 2020 climate targets. Such climate related activities represent more than a quarter of the Network’s activities, as reported by interviewees.

Further, those Network services need to be offered free of charge to SMEs from EU member states, from COSME countries and also to all other network partners. This in turn raises the question of providing the wrong incentives to companies as they might be more inclined to make use of those services that are free of charge regardless whether they are willing, likely or even able to internationalise. However, it does facilitate to address businesses that do not have the financial capacity to benefit from such services otherwise, which could have positive effects on the overall business activities from both a development cooperation and commercial perspective.

Who manages, finances, drives the agenda? Institutional & financial aspects

The Network’s second phase from 2015-2021 is co-financed under COSME with approximately €53 million per year implemented by the Executive Agency for Small and Medium-sized Enterprises (EASME) and managed by DG GROW. The COSME programme is running from 2014 to 2020 with a budget of €2.3

---

billion to support SMEs by i) facilitating access to finance, ii) supporting internationalisation and access to markets, iii) creating an environment favourable to competitiveness, and iv) encouraging an entrepreneurial culture. It therefore implements the Small Business Act (SBA) reflecting the “Commission’s political will to recognise the central role of SMEs in the EU economy”.68

Until the end of 2014, network partners in the EU member states and in countries participating in the EU’s CIP were co-funded by the EU’s CIP programme. The remaining funding for these partner organisations was provided by co-financing bodies at local, regional and national level. BCCs in third countries, such as China, India, Russia, Brazil, the US, Japan and Chile, participated in the network on a self-financing basis, which remains the case for the current phase of the Network and its BCCs.

This urges the consortia in third countries to set up a financially viable structure, which is able to deliver the Network’s reduced set of services, as defined for these countries. While more than half of all BCCs have a budget provided by own organisations, other BCCs might (partially) rely only on financial support awarded by regional or national institutions. Providing own funding is for BCCs however a major challenge, as involved stakeholders have reported, and potentially represents an obstacle many potential BCCs are not able to overcome. This is one of the explanatory factors for the limited number of applications from consortia in countries outside the EU and COSME and only two sub-Saharan African countries so far.

In terms of institutional factors on the implementation side, the level of business organisation in the country seems pertinent, as BCCs are normally SME organisations, national development or innovation agencies, research organisations or foundations, business and technology transfer support units of higher education institutions (e.g. universities), FDI and/or export promotion agencies, and EU-funded organisations (e.g. SME centres) or European bilateral chambers. In countries where there is a low level of such organisation of the private sector in terms of associations or unions, the threshold seems to be much higher to be able to set up a consortium of BCCs. As reported by interviewees, this is another factor for sub-Saharan African countries making it difficult to apply as a BCC.

**Implementation, impact & challenges**

**In its implementation the Network 2015-2021 has a number of changes to its previous phase:** now other service providers, such as clusters, public authorities, other public or private SME support service providers or incubators, can also access the Network’s know-how, if that eventually benefits SMEs. Consortia are now better connected to other regional business support providers, and all member states and network countries contributing to the Horizon 2020 budget now offer the new innovation services to their client SMEs.

**Collaboration with other instruments**

Furthermore, network partners are now encouraged to increasingly collaborate with the EU regional programmes and to collaborate with other EU SME support programmes in third countries, as interviewees pointed out. Thereby, they can inform the client SMEs about other project or business opportunities (e.g. Gateway projects or ELAN in Latin America under the Partnership Instrument) and collaborate with these projects in e.g. organising matchmaking events in third countries, as the case for EuroMed Invest and its implementing agency ANIMA also being an associated member of the Enterprise Europe Network. Cross-collaboration between instruments could therefore increase the likelihood of positive spillovers for development, as criteria of sustainability or development are absent from the Network but, in terms of mandate and overall objectives, feature more prominently in other programmes.

68 COSME leaflet.
Measurement
According to COSME Art. 7, the “Call for Expressions of Interest” for 2015-2021 seeks to establish BCCs in third countries to cooperate with the Network based on common interests and mutual benefit in order to facilitate business, technology and research partnerships between European and third country SMEs. As a result, the ultimate outcomes are concluded partnership agreements stemming from a variety of activities and outputs, each one having performance indicators (see Table 2). Box 3 summarises the evaluation of the first phase of the Network.

While the Enterprise Europe Network is a purely commercially-oriented international platform supporting primarily the private sector in Europe, Box 4 provides an example of such a commercial EU instrument in Latin America, called the ELAN programme. This also has commercial objectives but is being managed by DG DEVCO on behalf of the Commission’s Foreign Policy Instruments (FPI) unit. Hence, one would imagine that more attention is devoted to development outcomes, achieving a win-win situation, as coined by the EC.

Table 2: Performance indicators of output and outcome

<table>
<thead>
<tr>
<th>Activity(ies)</th>
<th>Output(s)</th>
<th>Outcome(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-border partnering activities for business cooperation, technology transfer, innovation and research:</td>
<td>Brokerage events/company missions organised</td>
<td>Partnership Agreements:</td>
</tr>
<tr>
<td>▪ (Co-)organisation of brokerage events &amp; company missions</td>
<td>SMEs in brokerage events/company missions</td>
<td>• Partnership Agreements Commercial</td>
</tr>
<tr>
<td>▪ Generation and dissemination of partnership proposals</td>
<td>Meetings at brokerage events/company missions</td>
<td>• Partnership Agreements Technological</td>
</tr>
<tr>
<td></td>
<td>Partnership proposals produced</td>
<td>• Partnership Agreements Research</td>
</tr>
<tr>
<td></td>
<td>Expressions of interest received</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expressions of interest made</td>
<td></td>
</tr>
<tr>
<td>Support and information activities (related to the partnership process)</td>
<td>Answered enquiries from EU Network partners</td>
<td></td>
</tr>
<tr>
<td>Promotion of the Network’s services and communication activities</td>
<td>SMEs registered in official Enterprise Europe Network client database</td>
<td></td>
</tr>
<tr>
<td>Network building and reinforcing the Network</td>
<td>Active contributions to Network activities</td>
<td></td>
</tr>
</tbody>
</table>

Source: COSME - Call for Expressions of Interest - COS-Art-7-001 - 2015/2020

---

69 It should be noted that for matchmaking activities, ELAN closely cooperates with the BCCs of the Enterprise Europe Network in the respective countries.

70 Klaus Rudischhauser, Deputy Director General DG DEVCO at the 2014 EU Development Days: Development Assistance is a win-win situation for Europe. 8 September 2014 on Euractiv.
Box 3: Evaluation - Results and impact of the first phase of the Network 2008-2014

According to its final evaluation carried out by the Technopolis Group, the network’s clients between 2008 and 2014 grew considerably more in terms of turnover (3.7 percent) and employment (2.9 percent) than non-client SMEs with a turnover growth of only 0.6 percent and a slightly decreasing employment rate (-0.2%). It has reached 2.6 million European SMEs (10 percent of all), and on a yearly average had 246,000 participants at local or regional events, had 23,500 clients at brokerage events and company missions, and helped to conclude 2,000 partnership agreements between companies from different countries. Alone the BCCs in 2013-2014 contributed to 93 commercial, 78 technology and 30 research partnership agreements of their SME clients with the SME clients of the Network partners in the EU Member States and the CIP countries. They contributed 1,563 partnership proposals to the Network’s "Partnership Opportunities Database" and stood for 11,138 pre-arranged and informal B2B/matchmaking meetings. How sustainable the resulting partnership agreements are however cannot be said and it also does not allow draw conclusions on positive or negative effects on third countries’ businesses, environmental or social factors.

With regard to the network’s effectiveness, the evaluation found that clients are generally happy with the different services provided and consider business cooperation services as the most important services, followed by accessing information on internationalisation beyond the EU. Innovation and transfer of technology and knowledge were found to be more effective than others, as expressed by clients. These services as well as the ‘no wrong door’ principle are associated with larger marginal effects meaning that “they add more to companies in terms of turnover and employment than the other services”. The final evaluation also finds that “if efficiency is defined as ‘the ratio of useful output to total input per service’, internationalisation beyond the EU and the “no wrong door” principle appear to be very efficient, while services related to business cooperation and information services are the least efficient services”. Efficiency is only measured in economic terms and does not give a broader impact picture.

Based on the findings amongst others, the evaluation team recommended that the Network should therefore maintain the first stage’s set of services but that its geographical scope should be extended to further countries outside the EU. At the same time it should increase synergies with the European Structural and Investment Funds (ESIF) and increase the consistency and quality of the network’s monitoring systems. Here one idea, the authors of this paper propose, would be to pay greater attention to monitoring beyond pure economic or quantitative terms.

Further the evaluation recommended that improvement should take place with regard to the quality of the networks consultations and “their added value for the EC and be more transparent about the impacts of the Network Consultations on legislation”. Another recommendation stated the visibility of the Network should be improved while “the Network seems to have found an efficient way of communicating the policies of the EC”. However, “almost half of the SMEs interviewed explicitly or implicitly state that they are not interested in learning more about the policies of the European Commission”.

Box 4: The case of the ELAN programme

The ELAN programme, **European and Latin America Business Services and Innovation Network**, aims to “to increase and diversify the EU economic presence in Latin America, by meeting the Latin American demand for knowledge and innovative technology". It is split into two projects with very specific objectives:

1. **ELANBiz**: European and Latin American Business Services
2. **ELAN network**: European and Latin American Technology based Business Networks

The **ELAN Business Services** programme aims to increase and diversify the EU SMEs presence in strategic Latin America countries by supplying up-to-date and specialised information through a website platform for those EU SMEs that want to do business in Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico and Peru. **AESA** represents the leading firm of the consortium that deals with the COMPONENT 1: European and Latin America Business Services” of the ELAN programme.

The **ELAN network** brings together key European and Latin American research and innovation (R&I) actors to allow for the exchange of knowledge and technology transfer between EU and Latin American firms. This shall additionally “foster the competitiveness of SMEs and an equitable and sustainable socio-economic development". It organises networking events to generate Technology Based Business Opportunities (TBBOs) in the EU and the same seven Latin American countries, as in ELAN Business Services.

**Institutional and financial setup**

ELANnet is a EuropeAid grant project funded by the European Commission and carried out by a consortium, lead by TECNALIA, consisting of 31 key R&I actors from Europe and Latin America. The project started in January 2015 and will last for three years with a budget of €11 million (2015-2017). This is entirely funded by ICI+, followed by the Partnership Instrument (PI), which is one of the Foreign Policy Instruments (FPI), and managed by DG DEVCO but co-managed with DG TRADE, GROW and the EU delegations (EUDs), as expressed by EC staff. The PI shall “offer a different approach to established models of development cooperation by promoting policy cooperation with countries of strategic interest to the EU".

The ELAN programme formerly being under ICI+ is now under the PI, which followed the EU’s Instrument for Cooperation with Industrialised Countries (ICI) that promoted cooperation with 17 industrialised and other high-income countries and territories in North America, Asia-Pacific, and the Gulf region. The ICI+ added non-ACP developing countries to the ICI, thus, aiming to strengthen the EU relationships with strategic developing country partners in the pursuit of EU own and global interests. This however may raise the question of why DEVCO staff manages mainly EU beneficial activities but could also be understood as an excellent opportunity to increase sustainability and development cooperation thinking in programmes deemed to rather serve EU (commercial) interests.

**Implementation**

Within the ELAN network component, the grant contract has been awarded in December 2014 with a grant amount of €5.5 million with action taking place in the EU28, Norway, Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico and Peru in order to achieve the “creation of a European and Latin American self-sustainable innovative cooperation Network (ELAN) of R&I actors and industry partners to foster co-generated, TBBOs". Though primary objectives seem benefit mainly European actors, there seems to be great potential for positive impact on (business) development in Latin America. It needs to be recognised however that similar services are also provided by AL-INVEST and the Enterprise Europe Network, which relates to the issue of overlapping services in those support programmes.

---

71 ELAN Network [website](#): About us.
72 ELAN Business Services: What is ELAN?
73 ELANbiz [partners](#).
74 ELAN Network [website](#): About us.
75 TECNALIA [news](#) on ELAN. 2015.08.06.
76 EC Service for Foreign Policy Instruments (FPI): PI - What we do?
77 EC [Service](#) for Foreign Policy Instruments (FPI): ICI.
78 EU-Indonesia Business Network [website](#): About the EU ICI+ Programme.
3. Analysis of development and commercial matchmaking

3.1. Objectives and underlying rationale

The rationale of the instruments’ objectives in general corresponds with the overall policy context, in which the instruments are operationalised (see Table 3). Looking at the stated objectives of the instruments, which have been looked at in the previous section, overall it seems that the primary objectives are in line with overarching EU policies as well as with specific regional strategies. Both AL INVEST and EuroMed Invest additionally are in line and were even ahead of the private sector communication in 2014 in terms of using development cooperation funding to engage the private sector for development. The objectives change however according to (policy) context and time, so according to specific global or regional developments.

At the same time, the economic situation both inside and outside the EU, as well as the respective approach to development cooperation, impact on how the objectives are formulated and expressed. Interestingly, sometimes the objectives seem to be ambiguous in the sense that implicitly also own economic interests can be recognised but are not (any longer) clearly spelled out, as it is the case for AL-INVEST for instance, where the mutual interest component got lost. Implicitly however, AL-INVEST IV generally aims amongst others at “the exchange of innovations, knowledge and economic relations with their European counterpart companies”, which intentionally allows EU companies to commercially benefit from partnering with businesses in Latin America in the context of development cooperation. The more development cooperation type of support focuses on classical PSD activities, such as capacity development, institutional support and the overall business environment amongst others (Byiers and Rosengren, 2012).

Table 3: The policy context that instruments address and operate in

<table>
<thead>
<tr>
<th>Development instruments</th>
<th>Economic diplomacy instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EuroMed Invest</strong></td>
<td><strong>ELAN</strong></td>
</tr>
<tr>
<td><strong>AL INVEST</strong></td>
<td><strong>Enterprise Europe Network</strong></td>
</tr>
<tr>
<td><strong>Overall policy context</strong></td>
<td><strong>Agenda for Change (2011)</strong></td>
</tr>
<tr>
<td><strong>EUROMED Partnership, ENP (2004), Small Business Act</strong></td>
<td><strong>Europe 2020, Horizon 2020</strong></td>
</tr>
<tr>
<td><strong>Policy Instrument</strong></td>
<td><strong>External projection of Europe 2020 strategy, EU’s economic diplomacy</strong></td>
</tr>
<tr>
<td><strong>Horizon 2020 (SME Instrument)</strong></td>
<td><strong>DG GROWTH industry COM (2014) 014</strong></td>
</tr>
<tr>
<td><strong>EC Communication</strong></td>
<td></td>
</tr>
<tr>
<td><strong>DG DEVCO private sector COM (2014) 263</strong></td>
<td></td>
</tr>
<tr>
<td><strong>DG Growth industry COM (2014) 014</strong></td>
<td></td>
</tr>
</tbody>
</table>

79 EC Communication COM(2014)263 - “A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries”.
80 EC Communication COM(2014)014 - “For a European Industrial Renaissance”.
The EuroMed Invest case in the SouthMed seems to be different from other development contexts elsewhere. This is mainly due to a different understanding and application of development cooperation being much more about economic issues related to investments, job creation and an enabling business environment. The DG NEAR objectives in the SouthMed are different from those set out by DG DEVCO despite both having a development mandate and ODA funding to operate. This is supported when looking at the new ENP adopted in November 2015, which provides greater scope for partners on an equal footing based on three key principles: stabilisation, differentiation and mutual ownership. It is also considered to be less politicised, less normative and less ambitious, so the EU basically giving up on their previous approaches in the light of the recent regional developments including the Arab Spring and little progress achieved for various other related reasons (Schumacher, 2016).

In the case of Latin America and AL-INVEST primary objectives changed from mutual interest more towards traditional development cooperation, where benefits for European SMEs are only an afterthought - this seems to go in the opposite direction of broader thinking and policies that are about aligning commercial and development interests. This was mainly due to the DCI coming into existence for 2007-2013 combining a number of geographical and thematic instruments into a single instrument that influenced the way development cooperation has been understood in Latin America and hence AL-INVEST. Article 6 of the regulation establishing the DCI specifies that "Community assistance to Latin America shall support actions consistent with Article 5 and with the overall purpose and scope, objectives and general principles of this Regulation", so “the primary and overarching objective of cooperation under this Regulation shall be the eradication of poverty in partner countries and regions in the context of sustainable development” (Article 2).

Additionally, as the EU by then wanted to give greater autonomy to developing countries and increase the ownership of instruments they benefit from, responsibilities for the programme’s implementation were shifted to BSOs in Latin America involving both challenges - related to traction in Europe, project management and EU-Latin American project coordination - and opportunities related to more ownership, skills development and being able to better take into account local needs, business demands and context. Looking across development and commercial instruments, the above findings seem to suggest that the objectives and the means to achieve them partially overlap when they cover the same countries, as is the case for the Enterprise Europe Network and EuroMed Invest and also for ELAN and AL-INVEST. While offering the prospect of synergies, there is also a risk of duplication and replication of services and ultimately that SMEs both in the SouthMed but also in Latin America could be confused about when to use which instruments and why but also about which instruments have greater benefits for them and the region. Ultimately, picking one of the offered services could be based on financial incentive structures coming with the instrument, so a company might opt for that instrument that is either free of any cost or even covering costs to participate, as in EuroMed Invest or AL-INVEST. In theory though there seems to be a division in Latin America, as ELAN targets EU firms and AL-INVEST 5.0 mainly Latin American ones.

Another interesting finding is that the considered instruments - explicitly at least - are set up to serve their respective overall objectives, which means that e.g. AL INVEST does development, while the Enterprise Europe Network for instance pursues pure commercial objectives. However, there are recent examples on the EU level, which have pure commercial objectives but explicitly include aspects of sustainability, such as the EU trade strategy called Trade for All. For EuroMed Invest this seems slightly different, as development cooperation is understood rather in economic cooperation terms, so it was well ahead of the private sector communication in 2014 using ODA funding for private sector development support for many years already.

In a nutshell, institutional mandates and objectives as well as policy strategies/instruments behind do drive the overall direction and objectives of the instruments. Implicitly however, commercial and development cooperation objectives often overlap and are influenced and altered by both policy and (regional) context developments.

3.2. Financial and institutional implications for the instrument’s implementation

The cases outlined indicate that the European Commission funds and manages a number of different matchmaking services across several of it’s DGs with an institutional division of labour that can be identified - DG DEVCO to do development and DG GROW to do EU private sector support with pure commercial objectives. The historical development of the programmes illustrates how their objectives and mandates have evolved according to changing institutional ‘anchorage’.

On the one hand, the institutional mandate and policies influence the way instruments are set up and which objectives are pursued, as has been the case for AL-INVEST and the DCI coming into existence. On the other hand, the respective context and situation, in which instruments are deployed and projects take place, may be even more important and with greater impact on the spirit, in which cooperation takes place and how the institutional mandate develops. This is irrespective of whether the instruments are seen to be part of economic or development cooperation.

The cases also indicate that particular attention must be paid to the areas in which objectives may overlap. DG NEAR, despite having a ‘development mandate’ even seems to have an ambiguous mandate in the sense that the ENP is cross-cutting and interdisciplinary, so tackles both development in the broader sense and rather commercial objectives. However, these objectives can also be argued to reinforce each other. Following from this, DG NEAR seems to understand development cooperation more through a commercial lens, and despite the fact of using development cooperation funding. Table 4 provides an overview of how institutional mandates and financial instruments come together.

Ensuring coherence across the institutional mandates has been a priority of the Juncker Commission. To benefit from the growth taking place outside Europe, the EU foreign policy’s economic diplomacy instruments - the EEN under DG GROW and ELAN under the PI - aim to actively support the European economy. To be able to leverage these instruments HR/VP Mogherini82 however reaffirmed: “we need to make sure that we all push in the same direction – all Commission’s DGs, all EU institutions, all Member States.”

Additionally, the College of Commissioners has been structured according to several working groups including one on ‘Europe in the World’ comprising High-Representative/Vice-President (HR/VP) of the Commission and Head of the European External Action Service (EEAS), Federica Mogherini, Commissioner for Trade, Cecilia Malmstroem, Commissioner for International Cooperation and Development, Neven Mimica, Commissioner for Humanitarian Aid and Crisis Management, Christos Stylianides, and Commissioner for European Neighbourhood Policy and Enlargement Negotiations, Johannes Hahn.83

---

82 Speech delivered at a Business Europe event on 3 March 2016.
In a nutshell, there seems to be an institutional division of labour leaving development cooperation to DG DEVCO and commercial approaches to DG GROW or the FPI. Despite the programmes’ historical developments shaping their objectives and mandates according to changing institutional ‘anchorage’, the respective context and situation, in which instruments are deployed seems more important and with greater impact on the spirit, in which cooperation takes place and how the institutional mandate develops.

3.3. Matchmaking under development cooperation or commercial funding

With regard to funding for those instruments, projects taking place under DEVCO funding are more likely to have a stronger focus on development objectives, as shown by AL-INVEST IV and now also 5.0 - even if understood in more classical-type of PSD activities.\(^{84}\) Using ODA funding for economic cooperation in the case of EuroMed Invest reflects a more advanced and mature EU approach to the SouthMed and North Africa understanding the merits of economic cooperation for regional development promotion. It seems though that also EU commercial funding is slowly targeting sub-Saharan African countries, such as the recent Network’s news on Cameroon and Nigeria, even if they do not receive financial support.

---

\(^{84}\) This type of approach focuses particularly on the enhancement of the investment climate and productive capacity, that is “development co-operation that addresses the improvement of policies and institutions, market functioning and enterprise capacity in order to increase the participation of the local private sector—particularly SMEs—in the economy of a developing country” (OECD, 2016).
### Table 4: Overview of financial instruments and institutional mandates behind the cases

<table>
<thead>
<tr>
<th>Case</th>
<th>Financial Instrument/Institutional mandate</th>
</tr>
</thead>
</table>
| *EuroMed Invest* | Funded under the European Neighbourhood Instrument (ENI) and managed by DG NEAR  
- Clear focus on promoting “economic integration and democratic reform” while building “on common interests and on values — democracy, the rule of law, respect for human rights, and social cohesion”  
- Focus on European dimension and interests  
- The institutional mandates have been modified under the Juncker Commission, where the newly created DG NEAR gives a sense of shifting priorities where officials have been realigned within the DGs. While the EEAS remains home to the political desks covering the Neighbourhood, the officials responsible for implementing funding have been transferred from DG DEVCO to DG NEAR (Neighbourhood Policy and Enlargement Negotiations) |
| *AL-INVEST* | Development Cooperation Instrument (DCI) managed by DG DEVCO  
- Predominantly development objectives behind the programme as the mutual interest element of previous stages has disappeared  
- It seems there is a clear division of work, AL-INVEST to do development cooperation while DG Growth and its Enterprise Europe Network or other initiatives, such as ELAN, look at commercial aspects of EU-Latin American cooperation  
- Finding complementarity to other initiatives, such as the Partnership Instrument (PI), supervised and funded by EEAS under the Foreign Policy Instruments (FPI) but managed by DG DEVCO staff  
- AL-INVEST 5.0 now cooperates with other instruments that are more commercial, such as the Enterprise Europe Network, COSME, the cluster initiative, IPR helpdesks and also ELAN, which reflects the change over the last eight years of a more integrated approach  
- Trade promotion however is considered only as an afterthought in AL-INVEST, according to its legal basis (DG DEVCO and poverty reduction) |
| *Enterprise Europe Network* | Co-financed under the EU Competitiveness of Enterprises and SMEs (COSME) programme, managed by DG GROW  
- Set up to to help European businesses to innovate, increase their competitiveness and thereby expanding their business internationally both inside the EU and outside to capture growth taking place outside Europe  
- The Network is one of the EU’s key instruments to boost growth and jobs  
- Outside the EU/COSME the Network participating partners are called BCCs and they also organise in regional or national consortia applying via a call for expressions of interest and participate on a win-win basis, i.e. they have to prove their own funding as they do not receive EU funding - because COSME is not allowed to fund outside the EU |
| *ELAN* | Financed under the Partnership Instrument (PI) and managed by DG DEVCO (co-managed with DG TRADE, DG GROW and EU delegations)  
- The PI shall serve as a different approach to established models of development cooperation to promote policy cooperation with countries of strategic EU interests  
- Aims to “to increase and diversify the EU economic presence in Latin America, by meeting the Latin American demand for knowledge and innovative technology” |
One could argue that DEVCO funding increases the likelihood that greater attention is paid to local needs, demands and finally benefits. Under other public or commercial funding, both ELAN and the EEN focus more on the European dimension, visibility and strategic and economic interests. It should be noted however that both do not explicitly include any sustainability or development criteria.

The Enterprise Europe Network even seems to welcome that anything benefiting the European dimension of enterprise internationalisation is welcome, while passing on responsibilities for any kind of sustainability criteria to their network partners inside the EU and COSME countries and to BCCs in third countries. As some of the activities of different instruments overlap, they could be organised in a more coherent approach at the EU level to increase synergies. Since there also is an institutional division in terms of funding, this could be a further opportunity to merge resources for providing similar services under one programme/instrument.

Interviewees expressed that there are considerations to operate the matchmaking services under one single framework, so the Enterprise Europe Network could take over the B2B components from ELAN, EuroMed Invest and/or AL-INVEST. Those in turn could then concentrate on more development cooperation-type of activities, such as seminars, training and capacity development. For EuroMed Invest for instance this would mean to do shift towards more classical PSD activities and away from a more mature understanding of development cooperation currently applied with ODA funding. Doing so would potentially make the Enterprise Europe Network the unique contact point for SME internationalisation in all countries but would raise questions about aspects of sustainability being further marginalised.

Sustainability or development criteria under commercial funding do not play any role in the Enterprise Europe Network, as firms are struggling to stay in business, as interviewees expressed, and they do not care about criteria but rather want commercial support. Matchmaking would therefore take place under the premise to support local firms in their endeavour to internationalise and match them with EU businesses. The underlying rationale could be that any investment is better than none.

The current set-up of multiple activities available under both programmes - in North Africa under the Enterprise Europe Network and EuroMed Invest in some countries - can lead local businesses being confused or unaware about what is available and how and when to use which instruments. As expressed by involved stakeholders, it can also lead to cherry picking, so that business use some services under the one while benefiting from other services in another programme depending on costs or no costs involved or even financial benefits, such as travel reimbursements etc.

3.4. Differences between using DEVCO and commercial support and how that translates on the ground

From the above cases, it is difficult to identify a major difference between using development cooperation and other financial support except for EU interests attached to the funding, main beneficiaries as well as technical support coming with it, as in the case of AL-INVEST for instance. It rather seems that the rationale rests primarily on an institutional division of labour, so each institution is developing its own tools according to its mandate - DG GROW in the case of the Enterprise Europe Network and DG DEVCO in the case of AL-INVEST for instance. While the institutional rationale can be legitimate and expected, it must be questioned, in particular if the EU is committed to developing a more coherent approach to private sector support and to create synergies between instruments, building on both commercial and development objectives.
Both EuroMed Invest and the third stage of AL-INVEST make a case for the EU being outspoken about own interests and objectives attached to either of the funding, as it facilitates the regional cooperation where both sides know what they can expect from the other. It helps to not only increase legitimacy but also acceptance among local enterprises and policy makers.

In terms of actual implementation, one could have expected that the matchmaking support under development cooperation has certain criteria attached that companies need to fulfill in order to benefit from the programme. The same holds true for results or impact measurement, as this is not or only partially part of the instruments’ processes.

Beneficials have expressed that the Enterprise Europe Network is particularly useful because of its broader contact base and that it has advantages over EuroMed Invest for businesses that want to engage with European companies. EuroMed Invest contrarily is considered particularly useful for capacity development, ad-hoc trainings or seminars and skills development for investment promotion agencies, SME organisations or business associations that want to increase their usefulness for local SMEs and firms.

3.5. Extending the scope of existing instruments for the whole of Africa

On the development cooperation side, extending the scope of a model, such as EuroMed Invest beyond the SouthMed might be a possibility and interviewees mentioned that there are discussions about an Africa Invest platform similar to that of EuroMed Invest. On the commercial side, the fact that the Enterprise Europe Network just recently welcomed Cameroon and Nigeria as the first sub-Saharan African countries to the Network and negotiations with Nigeria to also become a Network member are currently ongoing show the changing EU approach to SSA, which until recently has mainly been in the context of development cooperation. Another approach for the Enterprise Europe Network could be to also work through the EUDs and EU or national chambers of commerce and industry in Africa, which could increase the chances to reach more of those businesses that have ambitious and serious plans to foster EU-Africa business cooperation at the enterprise level.

Overall, sub-Saharan Africa increasingly attracts European companies due to its high growth rates despite still major challenges of high risk, political stability or a conducive, enabling environment. While growth rates are currently decreasing due to low commodity prices and less external demand by e.g. the Chinese, North Africa for instance with its comparatively strong industry and financial sector, could be positioned as the gateway to SSA, as expressed by interviewees familiar with the region and related EU policies. One opportunity to do so will be the new European Neighbourhood Policy, which could reconcile SSA as the neighbour to the neighbour (North Africa), where a similar model, such as EuroMed Invest, could be deployed, if, according to interviewees, problems such as EU administration of funding and budget management with other policy areas could be overcome.
However, to replicate models à la EuroMed Invest or AL-INVEST in Africa other issues raised earlier need to be overcome. These relate to the level of formalised business organisation and support within a country (chambers, investment promotion agencies, associations) as much as the ability and capacity to set up own funding structures that could sustain a BCC within the Enterprise Europe Network for example. Additionally, BCCs are expected to deliver the full range of services the Enterprise Europe Network offers outside EU and COSME countries, which places a high burden on the Network partners. Interviewees also noted that BCCs are expected to be responsive to emails and other requests and that non-compliance can eventually lead to an exclusion as a network member. Taking all these requirements for being a successful BCC into account might explain why there are not many BCCs outside the EU yet despite the wish to expand worldwide.

A successful expansion of the commercial Enterprise Europe Network into SSA is further closely linked to the ability to at the same time include aspects of development cooperation, such as providing technical assistance as well as criteria and principles that ensure that those businesses participate that have trickle down benefits to the population rather than attracting firms that would and already do internationalisation efforts and activities anyway. This relates to the instruments design and how to ensure that only those companies that participate are actually able to internationalise. Interviewees reported in that respect that successful internationalisation agreements are rare, as companies are not fit for purpose or at a much later stage in the internationalisation process already, so not really depending on Enterprise Europe Network services any more. Finding answers to these challenges can help to successfully extent the scope further.

The various sector groups of the Enterprise Europe Network might be particularly useful, as African countries could, depending on their national development plans and strategies, focus on particular sectors for which they could provide the Network’s services. Hence, depending on own priorities, Africa potentially could use commercial EU instruments to gain access to business and investment partners as well as technology and know-how. To support the idea of African BCCs focusing on particular sector groups in their service provision to SMEs, the Network might also re-consider their structures and allow for more flexibility for African Network Partners. This would be in line with bringing more sustainability into commercial approaches à la the EU trade and EU’s Global Strategy.

One way forward to support African countries to set up further BCCs would be to use EU funding or engage EU member states to provide (financial) support to business associations/BSOs or chambers of commerce and industry, so that they have the funding and capacity to qualify as BCC in the Enterprise Europe Network and provide the Network’s services to their local firms. Hence, development cooperation funding could serve to support local business organisations (BSOs/CoCI) in their capacity to provide internationalisation and matchmaking support to their businesses and the more commercial type of funding the Network could do the actual organisation of matchmaking, brokerage, partnering.
4. Conclusion

4.1. Lessons for policy makers to better align instruments

As both the cases and the analysis section have shown, EU matchmaking instruments are set up according to an institutional division of labour. They also seem to be in line with the institutional mandate and policy behind. So the instruments’ overall objectives are following the institutional and policy direction though implicitly lines between development cooperation and commercial objectives are increasingly blurred, as EU commercial goals do play a role in development cooperation matchmaking though to a varying extent depending on the instrument’s stage in time.

Despite the overall trend among EU member states and EU institutions to more and more include own commercial intentions in development cooperation approaches, AL-INVEST IV and now 5.0 in Latin America have moved the other way more towards a classical PSD-type of approach. Others, such as EuroMed Invest and AL-INVEST up until its third stage have even been ahead of EU policy using ODA funding to interpret development cooperation with the SouthMed or Latin America through an economic lens by fostering economic cooperation and business exchange with commercial benefits for both the EU and its respective counterparts.

While previously commercial matchmaking particularly focused on regions outside sub-Saharan Africa and only in North Africa it seemed legitimate to speak about own EU economic interests, DG GROW’s Enterprise Europe Network recently welcomed Cameroon and Nigeria exemplifying a potential changing mindset towards sub-Saharan Africa.

However, local and overall policy developments have influenced the way in which those EU matchmaking instruments are operated along three dimensions:
1. Technical design of the instruments, including objectives and instrument’s administration,
2. Geographical scope and priorities, and
3. Criteria and indicators used.

1. Technical design of the instruments, including objectives and instrument’s administration

Both development cooperation and commercial matchmaking instruments, which this paper has looked at, are aligned to the institutional mandates and policies of the responsible DG they emanate from, in terms of overall objectives and activities. The way matchmaking under the umbrella of development cooperation has been understood has differed throughout time and according to context and policy developments. This has affected both the actual activities as well as the specific goals the programmes at their different stages pursued.

The considered development cooperation matchmaking instruments have revealed that development cooperation is a broad term in the sense that its translation into practice can mean to apply a rather economic approach. This approach uses ODA funding to engage and support the private sector with the underlying rationale that economic activity will trigger investments and jobs that are ultimately able to raise incomes and prosperity. The instruments administration does play a key role to not only ensure smooth implementation but also to connect businesses from both sides effectively. Shifting responsibilities, as in the case of AL-INVEST, to Latin America made it more difficult to keep the attractiveness towards EU businesses.
The Enterprise Europe Network as a purely commercial matchmaking instrument however followed its main objective of promoting European SMEs through the creation of business opportunities within Europe and beyond. The Network’s matchmaking activities are quite similar to those under development cooperation but the instrument’s design with exclusively EU commercial objectives makes it more difficult for poorer countries with funding constraints and a less formalised structure of business organisation to participate in the Network.

2. Geographical scope and beneficiaries

EU matchmaking under the umbrella of development cooperation to a large extent depends on the scope it takes. This relates to eligible countries or regions as much as beneficiaries, that is what type of businesses, and from where, are targeted. In the case of EuroMed Invest and its predecessor, Invest in Med, both regions the EU and the SouthMed were supposed to benefit, which made the instrument successful and equally attractive to both regions’ private sectors - keeping in mind that the EU was outspoken and open about their own commercial and regional interests.

The same holds true for AL-INVEST until its third stage due to the mutual interest component that served well to generate value added for both sides. After the loss of that component accompanied by the shift of responsibilities to Latin American SME organisations, its traction in Europe reportedly decreased and made the cross-continent organisation more difficult. Additionally, a more limited target group of firms potentially can exclude businesses that might be better placed to internationalise and therefore would be of greater use to such services than smaller ones, whose prospect to enter European markets may be less.

The scope of EU commercial matchmaking in the form of the Enterprise Europe Network has been far larger than that of the development cooperation counterparts. Sub-Saharan Africa until recently though has not been part of the Network for reasons related to funding and level of business organisation. This relates to questions of the Network’s structure and whether same standards - BCCs need to provide own funding and all Network services - are able to be applied for countries with such diverse backgrounds and starting points, as EU countries compared to low- or middle-income countries in Africa for instance.

Following from this, it seems clear that both the instrument’s scope and its potential beneficiaries can be decisive factors for successful matchmaking and hence, policy makers should take factors, such as mutual interest and target audience, much more into account. The low rate of companies finally internationalising beyond the borders of the EU with the help of the Network shows the complexity involved in selecting and attracting the right type of firms.

3. Criteria and indicators

While the Enterprise Europe Network has legitimately a strong commercial orientation, the absence of any sort of sustainability criteria and the shifting of responsibilities for sustainability to the BCCs seems surprising. That many of the targeted businesses are first and foremost struggling with their firm to establish on the market and hence do not care about sustainability aspects, except for financial sustainability, is legitimate, however it should not mean that the Enterprise Europe Network and its BCCs are off the hook, as the Agenda 2030 and the principle of policy coherence for sustainable development strongly call for coherent action of all countries towards environmental and socially sustainable practice.
However, looking at EU development cooperation matchmaking does not provide a very different picture. Criteria for sustainable development are largely absent and indicators for success and measurement are mainly economic both for AL-INVEST and EuroMed Invest. Hence, the question how can the instruments make sure that they serve development cooperation objectives, which go beyond pure economic activity and increased investments, which undoubtedly are good for development and employment creation for instance. This however does not ensure that those investments reach those most in need and benefit not only a small business community without any trickle-down effects for the broader society.

Therefore, there is a need to more consistently include principles of development and sustainability across commercial and development cooperation matchmaking instruments that ensure three key factors amongst other things and which could be in line with the ‘principles for strengthening the role of the private sector in EU development cooperation’ and explicit ‘criteria for supporting private sector actors’ presented in the 2014 EC’s private sector communication (Byiers et al., 2014):

- **Inclusiveness**: benefits are shared more broadly beyond those directly involved in matchmaking activities
- **Sustainability**: matchmaking activities do not only do no harm to social and environmental aspects but more actively promote a green and socially-responsible business behaviour
- **Adequate results and measurement indicators**: activities need to be monitored not only in economic terms (agreements reached, number of participants and events organised etc.) but also related to aspects of prosperity and well-being (better and more jobs created, income increases, jobs moving from the informal to the formal sector, structural change etc.).

*Way forward along the three dimensions*

The implications for policy makers along those three dimensions should not be understood as a blueprint for future or current matchmaking instruments but rather as factors that should be taken into account to develop and further enhance the role such instruments can play in development cooperation. Simultaneously, these factors can help to increase the sustainability and positive spillovers for development of commercial matchmaking approaches, as they hardly take such criteria into account. Given that both the EU *Trade for All* strategy and the EU *Global Strategy* however do include aspects of sustainability and development cooperation, the absence of that in EU commercial matchmaking is surprising and thus one possible entry point to align the approaches.

With regard to the development of similar approaches in sub-Saharan Africa, thinking along those three lines - technical design, scope and criteria - can help to increase the benefits particularly of commercial instruments for reaching development cooperation objectives. This can take place without undermining the EU commercial interests. Similarly, EU development cooperation matchmaking instruments need to express openly which of their own commercial interests and objectives are pursued, which at the same time underlines the desire of a partnership of equals rather than a donor-recipient way of thinking and acting. The following section will therefore provide an outlook on EU’s approach towards sub-Saharan Africa.
4.2. EU approach towards sub-Saharan Africa

The research on EU matchmaking instruments seems to confirm a tendency that sub-Saharan Africa is still looked at from a purely development cooperation point of view leaving it to DG DEVCO as the main responsible actor on the EU level. Matchmaking in sub-Saharan Africa is largely absent and only recently experienced some movement with Cameroon and Nigeria joining the Enterprise Europe Network. Hopes that this will fundamentally change and more countries are able to participate in the Network are rather low due to funding constraints and the comparatively weak structure of how African businesses are organised in associations or supported by SME agencies.

Interestingly, in North Africa it seems legitimate for the European Commission to talk about EU own commercial interests openly and hence matchmaking managed by DG NEAR seems to be working well besides a number of other factors, e.g. EU firms benefit as much as the SouthMed counterparts. So, why not extend such a model under DG DEVCO for sub-Saharan Africa or at least for one of its regions, for instance, the East African Community (EAC) or the Economic Community of West African States (ECOWAS)? Why not replicate AL-INVEST’s third stage with a mutual interest component, which would strongly emphasise the ambition to have a relationship of equal partners?

Above cases show a number of lessons how this could be done but ultimately it also takes political decisions on how to allocate ODA funding. If it benefits both regions equally and EU and African businesses are able to do business, which triggers more economic activity, much needed investments into sub-Saharan Africa could be unlocked. Commercial approaches towards matchmaking could learn from development cooperation ones, such as EuroMed Invest and AL-Invest in the sense of providing the right incentive structure for businesses to benefit from such platforms. The low success rate of firms targeted vis-a-vis firms internationalising means that services need to be better aimed at those firms that have both the capacity and ability to do business abroad.

Future development cooperation matchmaking in sub-Saharan Africa could equally learn from other examples in terms of recognising mutual interests and thinking along the three dimensions of technical design, scope and criteria. Ultimately, there is a question of finding synergies and coherence among commercial and development cooperation approaches. There are good reasons for the Enterprise Europe Network to be taking over matchmaking activities from other instruments given it pays more attention to aspects of sustainability and development, while retaining its EU dimension, which as an EU instrument is only legitimate.

4.3. Private sector engagement for development

The case of EU matchmaking services provided to the private sector is only one of many tools available to governments and public agencies to engage businesses for development. As much as it has promising examples, there are a number of challenges and opportunities to continue using them to contribute to international cooperation and development. The promotion of business cooperation between the EU and regional partners ultimately tries to achieve one simple thing: channeling investments to companies to grow and expand. Under commercial matchmaking the aim is to support EU businesses to benefit from growth potential outside Europe. Under development cooperation matchmaking, the commercial objective often is implicit there but is accompanied by the wish to provide business opportunities to third country firms, so that they become viable and competitive and can continue doing business with European counterparts.
The ultimate goal of investment promotion cannot only be done by bringing companies together that creates economic activity but also through a variety of instruments that exist beyond matchmaking (Grosse-Puppendahl et al., 2016). On the more commercial side, export and investment promotion agencies provide guarantees and funding to EU businesses to expand and trade internationally. On the development cooperation side, multilateral and regional development banks, blending facilities and other development agencies provide guarantees, subsidies and other risk mitigation instruments to channel investments into developing countries.

Future research ECDPM will be conducting over the next months will look into some of those instruments to better understand differences between commercial and development cooperation investment promotion, which criteria they have attached and how they could contribute even more to positive development outcomes.
References


Byiers, B., Krätke, F., Rosengren, A. 2014. EU engagement with the private sector for development: Setting up a one-stop-shop? ECDPM Briefing Note 69. Maastricht: ECDPM.


Annex

AL-INVEST IV evaluation results

With regard to the CAMC consortium and compared to previous AL-INVEST phases, the evaluation found that the “programme design managed to transfer more competences and responsibilities to this region” and 100 percent of resources were disbursed, which enabled support to almost 7,000 SMEs providing 13,000 different services. It was also found that overall the programme’s goals have been exceeded except for job creation. Furthermore, the indicators did not allow for measuring the programme’s contribution to social cohesion, which is one of the objectives of the fourth phase. Despite the fact that evaluators found that it lacked a regional dimension, they considered AL-INVEST to be a “trademark”.

With regard to the RA consortium, while resources were almost entirely disbursed, there were large differences between countries and the administrative procedures have not been very efficient. Although being one of the objectives, social cohesion was not monitored, which raises question about results measurement or indicators chosen. However, an increase of 29 percent in employment could be noted as a result of the programme’s activities. Importantly, the activities did not duplicate those of EU member states but the involvement of European partners was more limited than planned.

With regard to the MCV consortium, activities benefitted almost 30,000 SMEs with “an advantageous cost-benefit ratio of €660 per company”. While exceeding most of the goals, actions benefited 34,000 companies leading to a 21 percent increase of exports and 26 percent of employment in beneficiary SMEs. Surprisingly though, “neither the progress nor the achievements of the program goals have been monitored, leaving the contribution of each partner to the scope of the overall goals in very discretionary way”. However, the conducted activities by the MCV consortium were found to be in consistence with the EC development and other Community policies and the support to competitiveness will feature prominently in the EU’s regional support in the future “either through the EU and MERCOSUR Association Agreement (now under negotiation), the DCI or the Partnership Instrument (PI), where productivity will be one of the strategic axes”.

With regard to the the Coordination and Services Consortium supporting the three consortia in the programme’s implementation, the relevance of the objectives were found to be acceptable but the design had four weaknesses according to the evaluators, which also led to a slow start: i) sequencing of contract releases made it difficult to respond to all Latin American partners’ demands, ii) coordination difficulties, iii) lack of clear monitoring system, and iv) absence of Latin American-EU reciprocity. Despite adding to the complementarity observed at the level of each consortium with the co-organisation of business meetings with the Enterprise Europe Network and the Workshops of the DG Trade Export Helpdesk, “the transfer of knowledge from the companies and the intermediate organisations in Europe was limited”. It was also found that “the information in the AL INVEST IV website was limited and the weak participation of the European intermediate organisations limited the visibility gained by AL INVEST in the EU in previous phases”. Particularly the last point is important to take into account, as one of the success factors for AL INVEST III was the mutual interest component, which also made it attractive to EU firms.

Overall the evaluation concluded that “the actions performed are pertinent to the needs of the SMEs in the regions involved, as well as with the political and cooperation frameworks between the countries members of the consortium and the EU at a macro-regional, national, sub-regional and institutional level, especially with the Country Strategy Papers in each EU country”. However, it also concluded that the “design of decentralization and transfer of responsibility in AL INVEST IV had too many uncertainties at the
beginning”, which resulted in a slow process and “a learning curve of the new information compared with AL INVEST III, regarding rules, content and structure”. Because day-to-day activities faced problems due to not very flexible rules, it was at times easier to work with non-member institutions, which “had the negative effect of reducing the contacts Network, which was one of the great legacies of the previous AL INVEST phases”. This also led to coordination problems between the consortia and partners “expressed in the number of actions developed between the consortia, which were minimal”. Additionally, there was a lack of clear guidelines that could have ensured better regional coordination or sustainability of activities of intermediate organisations.
About ECDPM
ECDPM was established in 1986 as an independent foundation to improve European cooperation with the group of African, Caribbean and Pacific countries (ACP). Its main goal today is to broker effective partnerships between the European Union and the developing world, especially Africa. ECDPM promotes inclusive forms of development and cooperates with public and private sector organisations to better manage international relations. It also supports the reform of policies and institutions in both Europe and the developing world. One of ECDPM’s key strengths is its extensive network of relations in developing countries, including emerging economies. Among its partners are multilateral institutions, international centres of excellence and a broad range of state and non-state organisations.

Thematic priorities
ECDPM organises its work around four themes:

- Reconciling values and interests in the external action of the EU and other international players
- Promoting economic governance and trade for inclusive and sustainable growth
- Supporting societal dynamics of change related to democracy and governance in developing countries, particularly Africa
- Addressing food security as a global public good through information and support to regional integration, markets and agriculture

Approach
ECDPM is a “think and do tank”. It links policies and practice using a mix of roles and methods. ECDPM organises and facilitates policy dialogues, provides tailor-made analysis and advice, participates in South-North networks and does policy-oriented research with partners from the South.

ECDPM also assists with the implementation of policies and has a strong track record in evaluating policy impact. ECDPM’s activities are largely designed to support institutions in the developing world to define their own agendas. ECDPM brings a frank and independent perspective to its activities, entering partnerships with an open mind and a clear focus on results.

For more information please visit www.ecdpm.org

ECDPM Discussion Papers
ECDPM Discussion Papers present initial findings of work-in-progress at the Centre to facilitate meaningful and substantive exchange on key policy questions. The aim is to stimulate broader reflection and informed debate on EU external action, with a focus on relations with countries in the South.

In addition to structural support by ECDPM’s institutional partners Austria, Belgium, Denmark, Finland, Ireland, Luxembourg, The Netherlands, Portugal, Sweden, and Switzerland, this publication also benefits from funding from the Department for International Development (DFID), United Kingdom.