ACP Business-friendly: Supporting value chains through inclusive policies, investment promotion and alliances

Meso level









Funded by







## The Programme

The "ACP Business-Friendly: Supporting value chains through inclusive policies, investment promotion and alliances" is an Intra-ACP action funded by the European Union and the Organisation of African, Caribbean and Pacific States (OACPS) through a EUR 34.7 million contribution. The United Nations Industrial Development Organization (UNIDO) has been entrusted to implement a EUR 8 million share until the end of the year 2024.

The specific objective of the Programme is to support business-friendly and inclusive national and regional policies and strengthen productive capacities and value chains.

This Programme is designed to achieve two key outcomes of:

- Adopting and implementing business-friendly, inclusive and responsible national policies and legal frameworks.
- Strengthening productive, processing, promoting and marketing capabilities and value chains.

The meso-level is being implemented by UNIDO and is geared towards capacity building of Investment Promotion Institutions (IPIs) for a better investment promotion and facilitation support to domestic and foreign investors. Its implementation will be undertaken in close synergy and coordination with two other implementing partners, the World Bank Group (WBG) and the International Trade Centre (ITC). The WBG addresses the policy and investment climate reform dimensions of the Programme (the macro-level) whereas ITC works at the micro-level to upgrade smallcall private sector actors in defined value chains. The meso-level component both feeds into and receives information from the macro and the micro-levels thereby augmenting the overall impact of the intervention compared to a stand-alone intervention.

The action will be carried out in member states of the Organisation of African, Caribbean and Pacific States (OACPS) through policy-level (macro dimension), institutional-level (meso dimension) and firm-level (micro dimension) country engagements. The Programme will also make regional level interventions working closely with Regional Economic Communities (RECs) as well as regional public and private sector organizations. A rapid response window provides the framework for ad-hoc interventions based on specific requests.

The Programme will follow a 3+1 tiered approach (regional, macro, meso and micro-level interventions) to leverage value chains in order to improve the ability of firms to compete, grow and prosper in domestic, regional and international markets, thus generating inclusive and sustainable jobs and economic growth:

**dacro** level



The ACP investment climate is enhanced through improved policies, strategies, regulations, and administrative environments are informed by strengthened diagnostics on growth, investment and competitive markets.

**Jeso** 



Intermediary organizations and business membership networks are leveraged to strengthen investment promotion capabilities, business support programs, marketing, monitoring, and partnerships.

**Micro** level



Productive and commercial value chains alliances are facilitated and firm-level support to formal and informal businesses is provided through capacity building and training in order to strengthen and diversify productive and value addition capabilities.

# UNIDO's meso level approach

UNIDO is implementing the meso-level component of the Programme. UNIDO's investment promotion interventions are aimed to facilitate the process of identifying, mobilizing capital, knowledge and technological resources for a more targeted investment development impact.

While Programme actions are primarily undertaken at the intervention country level, the regional character of the Programme creates opportunities to activate powerful drivers for best-practice, knowledge-exchange actions, serving to increase and amplify the value capture and impact at the wider ACP region.

## The meso-level support covers the following countries:



### Technical assistance interventions include:







Capacity building initiatives to Investment Promotion Institutions (IPIs) aimed to enhance the provision and efficacy of investor services at different levels Undertaking of a more effective investment targeting and promotion effort driven by evidencebased policy advocacy Improve monitoring of Foreign Direct Investment (FDI) activity and impact



## UNIDO's approach in investment promotion involves the following key elements:



## Enabling Investment Promotion Institutions (IPIs) to carry out practical investment appraisals

Providing promotion support to stakeholders to facilitate access to finance, including attracting FDI. UNIDO empowers IPIs to identify, develop and promote specific investment opportunities augmenting respective portfolios. Such empowerment is based on UNIDO's genuine investment opportunity and project profiling methodology as well as the Computer Model for Feasibility Analysis and Reporting (COMFAR) as one of UNIDO's flagship investment appraisal and feasibility assessment tools.



## Enabling IPIs to enhance their research, monitoring and policy advocacy capacities

Assisting institutional partners to leverage firm-level investor survey data for the creation of business intelligence that supports policy reform initiatives at the national and regional level for the stimulation of intra-regional trade and investments (foreign and domestic). Empirical evidence is crucial to assess and measure the qualitative impact of FDI in the host economy, inter alia, through the creation of decent and value-adding jobs, through the enhancement of the skills of the labour force, through the boosting of competitiveness of domestic firms and facilitated access to markets.



## Strengthening IPIs to provide clustering and networking support within value chains

UNIDO supports the strengthening of investment after-care functions and business linkages support. In particular, FDI aftercare capacity building support puts emphasis on facilitating within-country foreign buyer-supplier linkages as a means to facilitate the transfer of technology and know-how. Selected IPIs will receive support in setting up functions of UNIDO's Subcontracting and Partnership Exchange (SPX) Programme approach.

# Meso-level intervention logic

Meso-level objective: An enhanced ACP investment climate that generates new investments, expands existing investments and enhances the ability to compete, grow and prosper in domestic, regional and international markets.

## Theme 1

Informed FDI monitoring by Investment Promotion Agencies (IPAs) and other institutional stakeholders

#### Workstream 1.1 Workstream 1.2 Workstream 1.3 Collecting and analyzing firm-level data on FDI Investment promotion Evidence-based structure, performance. strategy development policy advocacy impact and perceptions IPAs' and IPIs' Support public-FDI investor surveys private dialogue diagnostic and needs in selected countries assessment and capacity (PPD) at the national building support and regional level Data analysis with Support in investment Strengthen emphasis on practical promotion and policy reform use by IPAs and IPIs investment targeting recommendations strategies based on empirical evidence National and regional dissemination

## Theme 2

Improved investment promotion practices and enhanced inter-institutional coordination

Workstream 2.1		Workstream 2.2		Workstream 2.3	
Investment facilitation, after- care and FDI-SME linkages		Investment opportunity development and targeting		Improvement of investment- related business environment through quality systems and conformity assessment	
	Strengthening IPAs' aftercare service provision	S	ldentify and promote enterprise and sectoral investment opportunities (greenfield and joint ventures)		Identification of meso-level quality infrastructure (QI) and conformity assessment requirements
	Strengthening FDI- SME linkages/ UNIDO Subcontracting Partnership Exchange (SPX) Programme	PA	Investment feasibility assessments through UNIDO's COMFAR Tool	<b>₹</b>	Prioritization of public, private investments in QI and conformity assessment bodies

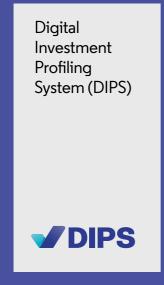
# Explore ACP investment locations at your fingertips

UNIDO is developing the Invest-in-ACP Investment Promotion Portal which provides investment location information including investment project opportunities, ACP country and regional level institutional partners, value chain and sectoral details and information on industrial parks and sites.





The Digital Investment Profiling System (DIPS) constitutes the back-end of the Invest-in-ACP Portal. It serves as a web application for IPAs and IPIs for the management of investment profiling data including Investment Opportunity Profiles (IOPs) as well as business intelligence on existing investors in the country.





## Beneficiaries

ACP countries ACP regional economic communities

National investment promotion agencies (IPAs) and institutions (IPIs)

ACP national investment climate reform bodies

Regional private sector development organizations and associations

ACP agriculture value chain actors and SMEs

<u>Through the meso-level intervention of the Programme, some key outcomes across</u> all countries will be:

10+

million USD of new investments generated

550

investment projects identified and promoted (of which 150 linked to femaleowned businesses or entrepreneurs)

200

staff from IPIs trained (of which minimum 60 will be women) 20

international investment forums or international twinning activities organized (virtual/physical)

300

B2Bs between investors and investees facilitated

FDI

databases updated and digitized in each of the 8 priority countries

## **Testimonials**



Biviana Riveiro Disla Executive Director ProDominicana

With UNIDO as a strategic ally, our main focus is to continuously monitor the data corresponding to Foreign Direct Investment (FDI) in the Dominican Republic to provide better services to both our clients established in the country, as well as our current and potential clients and investors. As an institution, we are proud to be part of this strategic project that aligns with the goals of our organization which involves the training of internal talent in new trends and digital processes that without a doubt, will impact as better services on our investors.



Moses Ikiara
Managing Director
Kenya Investment Authority

KenInvest is confident that the project will improve its ability to monitor FDI and its various impact channels necessary to achieve national and regional level SDGs.

Besides the monitoring aspects to better understand FDI impact on Kenya's development objectives, KenInvest stands ready to continue our close partnership with UNIDO to also identify concrete investment project opportunities and to promote them to potential foreign investors through UNIDO's online software solutions.



Clarence M Hoot
Managing Director
PNG Investment Promotion
Authority

The IPA PNG acknowledges the significance of the UNIDO ACP Project in relation to its core programmes and activities of investment promotion, facilitation and research and information. Among other benefits, we note the high impact of having the FDI Business Directory that will serve as a robust database for inter-institutional coordination for informed FDI monitoring and promotion practices. Equally important is UNIDO's technical support in investment opportunity development and promotion, which greatly enhances PNG IPA's endeavours in promoting PNG and the Pacific region for investment. Hence we reaffirm our commitment to this Project and we are hopeful that UNIDO's continued technical support and valuable advice will be very useful for us to successfully fulfill our role as national investment promotion agency as well as a key player in investment mobilization in the Pacific region".



rince January 2021, by leveraging the best fit-for-virtual learning design, UNIDO successfully delivered high-impact 64 training initiatives for capacity building and technical advisory sessions with 316 participants from IPAs and IPIs. The webinars form part of UNIDO's extensive technical and advisory support earmarked to investment promotion institutions which dovetails into specific work of identifying, formulating, and promoting bankable investment opportunities at the host country level. Digital solutions and methodologies serve to augment efficiency and regional-level scalability enabling IPAs to do networking and to digitally manage the entire workflow of investment profiling and promotion. As of September 2021, the staff from 7 IPAs received training in Investment Profiling Methodology, with 4 country profiling campaign started by the end of June 2021. Resulting from this fruitful collaboration, 159 profiles were uploaded on DIPS from which 151 summary sheets were generated.

UNIDO is also engaging with private sector entities in the 8 ACP interventions countries to support their respective role in national investment mobilization with focus on sectoral and value chain interventions.







# Our partners

















# At a glance

Implementing Agency



Co-implementing Agencies





**Budget** 

8

million EUR allocated to UNIDO Duration

2019 2024

#### Funded by







For any query, please contact investmentportal@unido.org

Department of Digitalization,
Technology and Innovation (DTI)
Vienna International Centre,
P.O. Box 300, 1400 Vienna, Austria
Email: dti@unido.org
www.hub.unido.org

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