

Press release

## **Proparco launches its new 2023-2027 strategy: “Acting together for greater impact”**

Paris, 27 March 2023 - Proparco, a key stakeholder in the development sector, dedicated to private sector financing for over 45 years, currently operates in a complex international environment whose fragile equilibrium was once again severely disrupted in 2022. This context increases the need for urgent action and a clear vision of longer-term challenges. It also provides an opportunity for Proparco to thoroughly re-examine its own role and to forge a new strategic vision for the next five years underpinned by a single watchword: “Acting together for greater impact”.

In a world having to contend with increasing levels of macroeconomic and geopolitical conflict, private sector development finance institutions (DFIs) are ideally positioned to gauge the day-to-day resilience challenges facing their partners and clients. Actors in the private sector grappling with economic and social realities in their own countries, operate in a context rendered even more fraught by the Covid-19 pandemic, marked by growing inequalities and, as the war in Ukraine rages on, by food security challenges amidst the intensifying climate and biodiversity crises. Proparco is firmly convinced that the private sector has a key role to play in meeting these challenges and in achieving the Sustainable Development Goals.

When it was designing its new strategy, Proparco wanted **to focus its action where it is differently needed. Two dimensions underpin this approach: strategic** objectives and client-focused operating arrangements.

### **A COMMITMENT FOCUSED ON THREE CLEAR STRATEGIC OBJECTIVES...**

Proparco, a subsidiary of Agence française de développement (AFD), structures its action around a shared vision of three key challenges, broken down in the new strategy as follows:

- **Acting for a more sustainable and resilient economy**  
Enabling private sector actors to access economic opportunities and strengthening the resilience of local economic systems in the most vulnerable African economies and regions.

- **Acting for our planet**

Targeting our financing to have a greater impact on climate change mitigation and adaptation and on protecting biodiversity by helping our clients with their own climate transition.

- **Acting for greater equality**

Helping to reduce inequalities to support a more just transition and reduce socio-territorial, gender and socio-economic inequalities.

## ...UNDERPINNED BY A DIFFERENTIATED APPROACH FOR DEALING WITH DIFFERENT COMPLEX SITUATIONS

**The major realignment proposed by Proparco's new "Acting together for greater impact" strategy will be achieved by readapting methods.** Together with each of its partners, Proparco is aiming to develop an adapted approach that will optimise target impacts.

### ENABLING

To finance innovation, help restructure different sectors, test new business models and make a more meaningful contribution in fragile environments.

### STRENGTHENING

To enhance impacts and make these the key focus of our analysis – beginning in the project selection phase – technical assistance will be offered to our clients on a more systematic basis, particularly in terms of building capacity to deal with social, environmental and governance issues.

### AMPLIFYING

To go further in the client relationship and provide customised support as part of a shared vision that maximises impacts in the interests of sustainable and inclusive growth.

### >>MOBILISING

To leverage private savings in pursuit of the Sustainable Development Goals by combining our resources in order to enable, strengthen and amplify projects with positive impacts: through greater use of risk sharing and blending arrangements, structuring and financial innovation support, and by harnessing our Anchor investor role.

With a view to maximising impacts, Proparco is combining an approach that is systematically adapted to the **specific needs of our clients, with consideration of specific circumstances on the ground.**

For example, within the scope of a geographical approach, the resilient economy objective will focus mainly on Africa and priority countries<sup>1</sup>. Strategy 2023-2027 reiterates the priority given to Africa with a target of 50% of Proparco's activity on the continent by 2025 and support for MSMEs already factored into the [Choose Africa](#) initiative. The other two objectives will be applied throughout Proparco's geographies according to circumstances on the ground: Proparco will leverage its network of 23 offices around the world – the connecting nodes for its

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<sup>1</sup> priority countries: least developed countries (OECD) and fragile and conflict-affected countries (World Bank)

Digital Africa subsidiary – together with cooperation with the AFD and Expertise France networks.

*“Crisis situations and tough conditions have created different types of needs but they have also generated new solutions and fresh energy. Proparco has become one of the most dynamic bilateral DFIs, with a footprint in 23 countries. The new strategy that I am spearheading along with all of the Proparco teams, reflects our new responsibility to make a long-term difference where the needs are greatest and our action is most relevant”,* explains Françoise Lombard, Chief Executive Officer, Proparco.

## USING IMPACTS TO MEASURE THE PERFORMANCE OF OUR ACTION

Striving for impact is a key component of the action of a DFI and of Proparco in particular, and this new strategy wishes to place a special emphasis on this dimension. Putting the focus firmly on action has meant re-examining the risk / profitability / impact relationship in order to strike a new balance.

Impacts will be identified and analysed at all stages of Proparco's relationship with its partners: from the outset in the project vetting phase using a sustainable development rating, in the project execution phase thanks to the provision of increasingly extensive, long-term technical assistance, and through to final evaluation based around expected impact assessment and monitoring of actual impacts. Therefore, project impacts will not be analysed merely in terms of the end-quantitative results of the partner's project, but will also factor in ESG criteria and capacity to make a difference over the long term.

## A BRIEF HISTORY OF PROPARCO SINCE 2017



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**About Proparco**

Proparco, a subsidiary of Agence Française de Développement Group, has been working with the private sector for over 45 years for a more just and sustainable world. With an international network of 23 local offices, Proparco works closely with its partners to build sustainable solutions in response to environmental and social challenges in Africa, the Middle East, Asia and Latin America. Proparco benefits from sector-based expertise as well as a wide range of financial solutions tailored to the different stages of business development, notably thanks to its Digital Africa subsidiary, and its Propulse technical assistance offering designed to scale up the impacts and performance of its partners.

For more information, go to: <http://www.proparco.fr/en> ; @Proparco ; [Linkedin](#)