

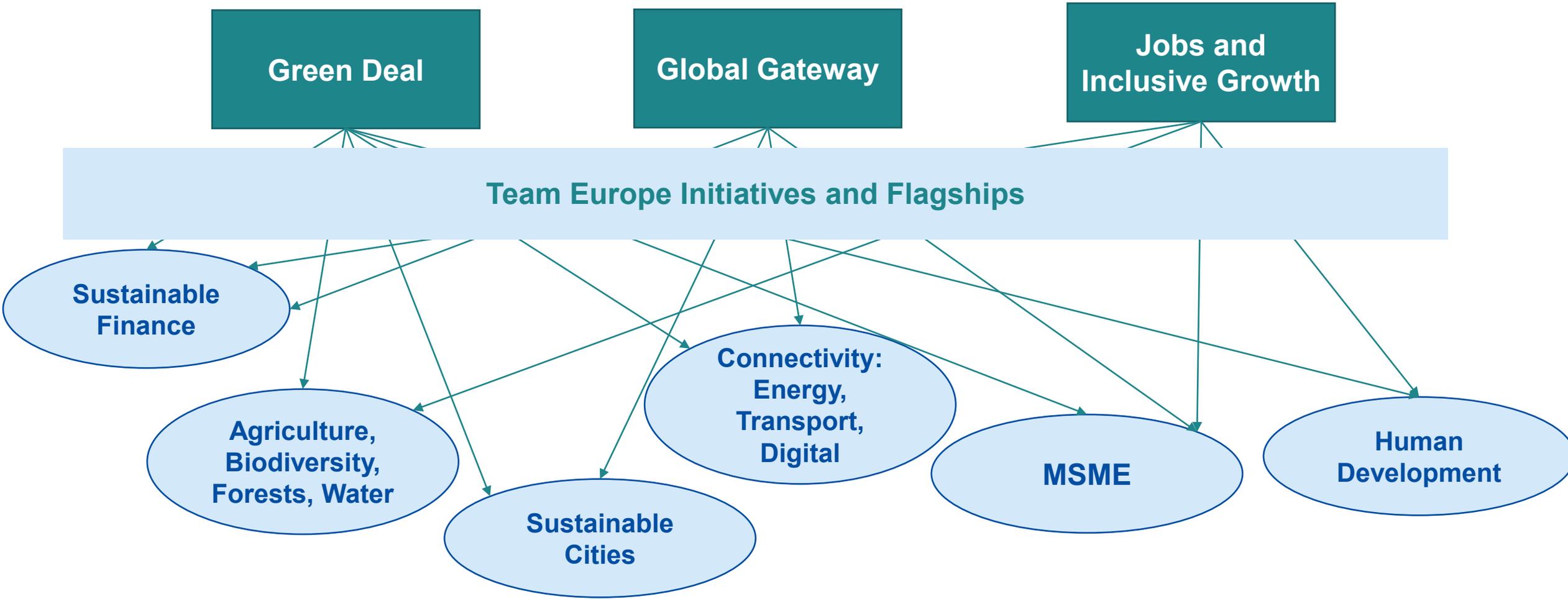


EFSD+ INTPA-NEAR Environment and Climate Change Week

March 29th, 2023

EFSD+ Strategic Areas for Investments

Green Deal priority in all investment windows



EFSD+ toolbox for INTPA regions

<u>Blending</u>	<u>EIB-dedicated EFSD+ guarantee</u>	<u>EFSD+ open architecture guarantees</u>
<p><u>AIP</u>: EUR 390 ml of EU contributions</p> <p><u>LACIF</u>: EUR 100 ml of EU contributions</p> <p><u>APIF</u>: EUR 110 ml of EU contributions</p> <p><u>Thematic</u>: EUR 150 ml of EU Contributions (Multi-)annual fin. decisions</p>	<p>EUR 8.552 bn of guarantee cover (to be used by 2028)</p> <p>EUR 2.775 bn of loans signed as of end-2022</p> <p>9% provisioning, built over 2021-27</p>	<p>EUR 6.05 bn of guarantee cover approved for allocation to 40 programmes</p> <p>50% provisioning, built over 2021-27</p>
<p>One overall EFSD+ Results Measurement Framework, developed in dialogue with the implementing partners, to guide the design of the blending and budgetary guarantee operations, thus ensuring sound contracting as a basis for the associated reporting and continuous monitoring.</p>		

EFSD+ toolbox for NEAR regions

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<p><u>NIP</u>: EUR 491m of EU contributions approved in 2021-22</p> <p><u>WBIF</u>: EUR 1.8bn of EU grants approved since late 2020</p> <p>(Multi-)annual fin. decisions</p>	<p>EUR 18.1bn of guarantee cover (to be used by 2028)</p> <p>EUR 1.82bn of loans signed as of end-2022</p> <p>9% provisioning, built over 2021-27</p>	<p>EUR 2.4bn of guarantee cover approved so far for allocation to 27 programmes</p> <p>50% provisioning, built over 2021-27</p>
<p>One overall EFSD+ Results Measurement Framework, developed in dialogue with the implementing partners, to guide the design of the blending and budgetary guarantee operations, thus ensuring sound contracting as a basis for the associated reporting and continuous monitoring.</p>		

Blending Platforms

TA grants, Investment Grants, Financial Instruments (*full amount committed, no contingent liability*): the most concessional tools under EFSD+

Helping to make projects economically viable or improve quality/impact

Geos/DELs: pipeline formation; contracting; monitoring

NEAR.A5/INTPA E4: coordination of technical assessment (Geos INTPA) and consultation with MS

Examples:

EDFI ElectriFI - ...

EIB – Aqaba-Amman Water Desalination & Conveyance (EUR 49m IG, EUR 1.2m TA)

Implementation of EFSD+ EIB Window 1 (NEAR regions)

(sovereign & non-commercial sub-sovereign, investment period until end-2028)

Initial indicative regional ceilings for NEAR regions:

Western Balkans	up to EUR 4,489,000,000
Turkey	up to EUR 333,000,000
Eastern Neighbourhood	up to EUR 4,889,000,000
Southern Neighbourhood	up to EUR 8,461,000,000

So far, ~ EUR 1.8 billion of operations signed by EIB in NEAR regions

Examples:

- Corridor X Railways Framework Loan (Serbia, €550m)
- Aqaba-Amman Water Desalination & Conveyance (Jordan, €200m)
- Strengthening Tunisia Food Resilience (€150m for silos & grain)
- Moldova Roads IV (€150m)

EFSD+ EIB Window 1 – INTPA - €8,6B → up to €86B

(sovereign & non-commercial sub-sovereign, investment period until end-2028)

Initial indicative regional ceilings for INTPA regions:

Western Africa	up to EUR 2,986,000,000
East and Central Africa	up to EUR 1,925,000,000
Southern Africa and Indian Ocean	up to EUR 1,166,000,000
Asia and the Pacific	up to EUR 1,768,000,000
Americas and the Caribbean	up to EUR 707,000,000

So far, ~ EUR 2.775 billion of operations signed by EIB in INTPA regions with EFSD+ guarantee under IW1 until end 2022

Examples:

- Sao Tome Water Supply (€8.44m)
- CHAD: Modernisation du Réseau Routier (€141.2m)
- Dakar Public Transport Network Restructuring (Senegal €166.9m)
- Congo Digital Transformation (€26m)
- Argentina Transmission Networks (€100m)

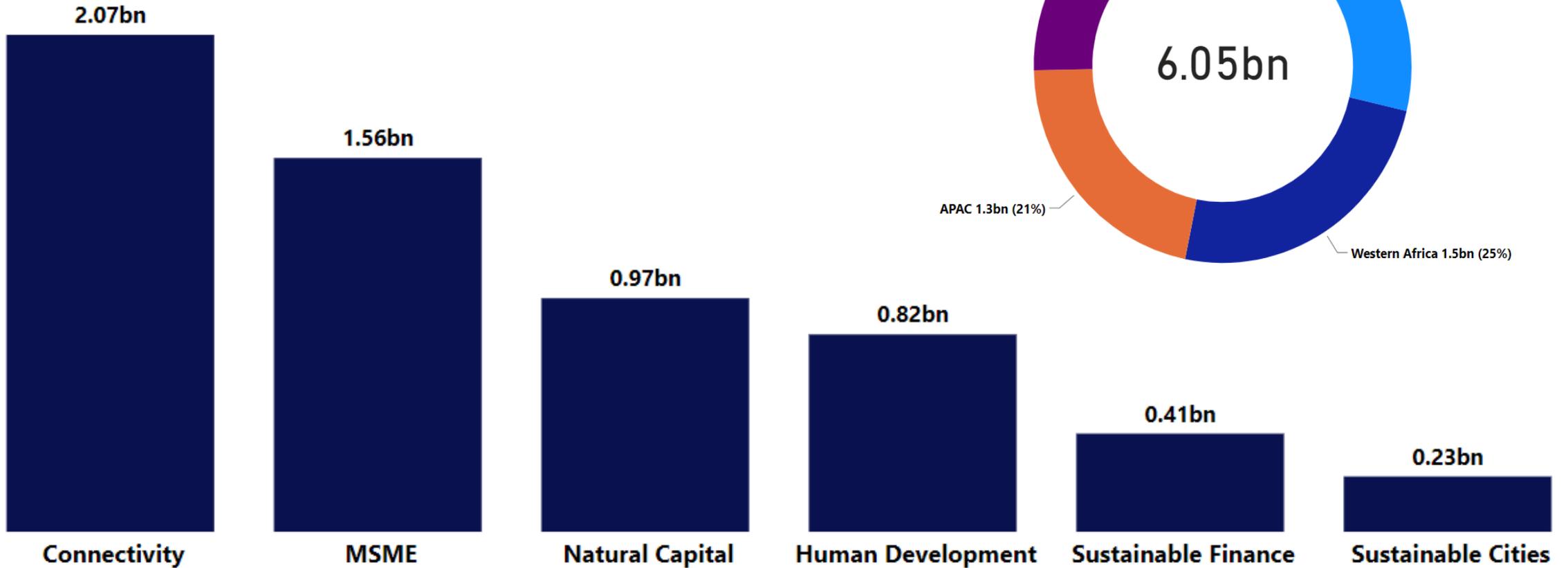
EFSD active guarantees - €1.4 billion → €14 billion

Selected guarantees (PIPs)	Climate/Environment Areas, selected projects	Guarantee amount and Investment mobilisation potential – INTPA, NEAR
FMO Venture	Energy Access, Agritech - Easy Solar (Sierra L., Liberia); Farmerline (Ghana)	€40 million → €200m - €400m
FMO NASIRA	Sustainable Agriculture - Equity Bank Kenya	€100 million → €500m - €1 billion
AFD/PROPARCO AgreenFI	Sustainable Agriculture	€160 million → €500m - €1.6 billion
IFC Small Loan Guarantee Programme	SMEs including climate focus SMEs	€58 million → €250m - €600m
KFW - African Energy Guarantee Facility (AEGF)	Renewable Energy	€46m → €200m - €460m
AECID/COFIDES - RE Energy in rural areas in Africa	Renewable Energy	€20m → €100m - €200m

EFSD+ open architecture: DG INTPA regional and thematic distribution

→ *capacity to finance €60B*

Proposed Guarantee Volume (up to, EUR, INTPA regions)



DG NEAR - Endorsed Proposals by Investment Window

	NEAR Majority (15 PIPs)	INTPA Majority (12 PIPs)	TOTAL Allocated Amounts
	Allocated Amounts	Allocated Amounts	
Connectivity	634.500.000 €	12.000.000 €	646.500.000 €
MSMEs	593.250.000 €	137.000.000 €	730.250.000 €
Natural Capital	-	7.500.000 €	7.500.000 €
Sustainable Cities	360.000.000 €	100.000.000 €	460.000.000 €
Sustainable Finance	65.000.000 €	312.000.000 €	377.000.000 €
Human Development	-	2.750.000 €	2.750.000 €
Multi-IW	190.000.000 €	-	190.000.000 €
NEAR TOTAL	1.842.750.000 €	571.250.000 €	2.414.000.000 €

-> CAVEAT: Several proposals are multi-window – NEAR has assigned them to one specific window, based on the prevalent sector of intervention.

-> An Agri component is included within some of the MSME PIPs.

EFSD+ proposals targeting EIP flagships

EIP priorities

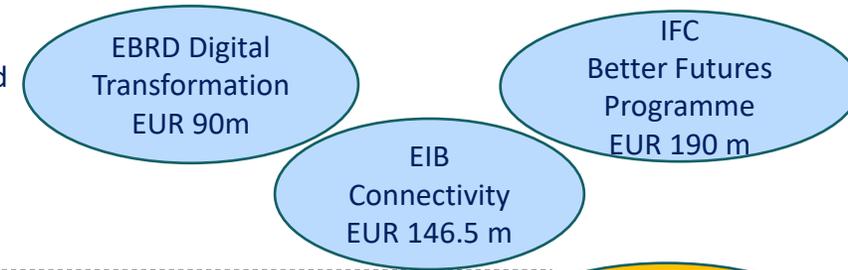
Examples of potential EIP country flagships

EFSD+ samples of proposals (NEAR allocations)

Digital Transformation

- Digital corridors
- Innovation, Science and technology
- Broadband connectivity

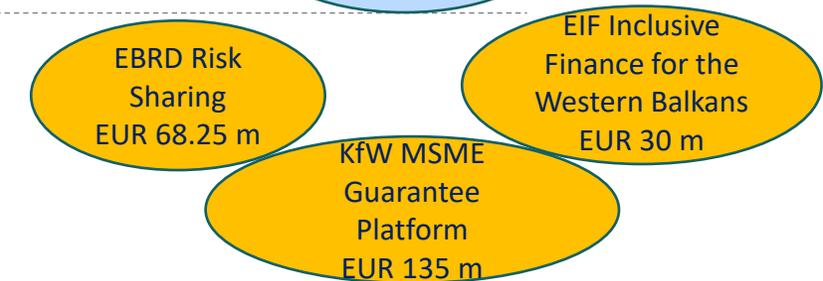
- Black Sea Digital Cable – Georgia
- Armenia Flagship 3 - Investing in digital transformation, innovation, science and technology
- Ukraine Flagship 4 - Modernising public IT infrastructure
- Tunisia Flagship 7 Programme de modernisation des établissements scolaires
- Western Balkans FLAGSHIP 8 – Digital Infrastructure



Supporting Innovative and Competitive Economy

- Access to Finance
- MSME Finance
- Economic Recovery

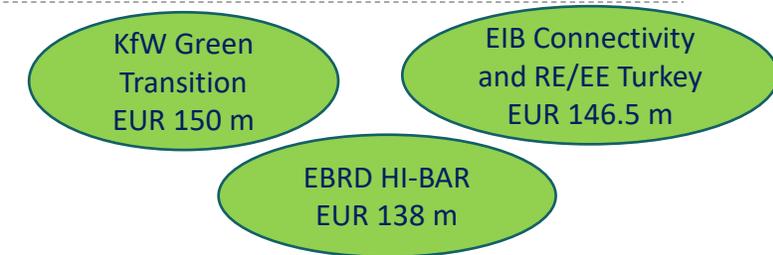
- Armenia Flagship 1 - Supporting an innovative and competitive economy: direct support to 30 000 SMEs
- Azerbaijan Flagship 3 - Supporting an innovative and competitive economy
- Georgia Flagship 3 - Economic Recovery – Supporting 80,000 SMEs
- Morocco Flagship 6 - Inclusive economies
- Western Balkans Flagship 10 – Youth Guarantee



Energy Transition and Climate Action

- Energy distribution and storage
- Energy Efficiency/Hydrogen
- Decarbonisation

- Western Balkans – Energy Package
- Azerbaijan Flagship 1 - Green connectivity: supporting the green port of Baku
- Ukraine Flagship 5 - Increasing energy efficiency – and support for renewable hydrogen
- Jordan Flagship 10 – Energy Transition and Energy Security
- Western Balkans Flagship 5 – Transition from Coal



Resource Efficiency

- Waste management
- Water management
- Smart cities

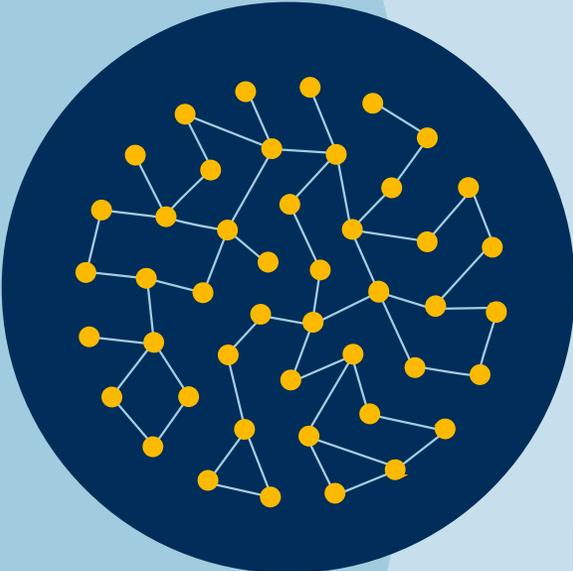
- Georgia Flagship 6: Energy efficiency in residential buildings
- Jordan Desalination Plant – Aqaba/Amman
- Egypt Flagship 11 - Resource Efficiency including water and waste management, and biodiversity
- Azerbaijan Flagship 11 – Smart and Greener Cities
- Morocco Flagship 11 – Support to Water Utilities



EFSD+ - Environment and Climate areas

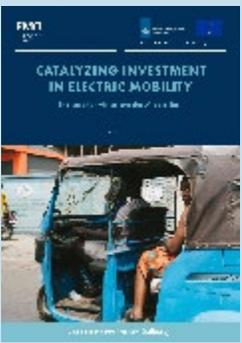
	Examples of PIPs Selected by the Board
Climate mitigation and adaptation	Climate Action Investment Fund
Sustainable Agriculture	AGRI3 Fund,
Biodiversity and Forests	DFCD Aya, Carbon Sinks
Water and Oceans	ACTIAM, UNCDF, Urban Water Catalyst Fund, Resilient Cities
Circular Economy	Transformational Value-Chains
Transversal	Global Green Bond Initiative

TA EXAMPLE – FMO VENTURES: COMMUNITY ENGAGEMENT



Component 1c: Community Engagement					
Company	Country	Project name	Status	Value (EUR)	Duration
EC funded portfolio				97,996	
AfriLabs	Africa	Innovation Hubs Report 2021	Completed	20,000	Oct 2021 - March 2022
AfricArena	Africa & MENA	AfricArena partnership	Ongoing	17,996	Mar 2022 - Feb 2023
CFF	Africa & MENA	CFF convening	Ongoing	30,000	May 2022 - Dec 2022
VC4A	Africa & MENA	AESIS convening	Ongoing	30,000	Sept 2022 - Jan 2023
Pipeline 2022				90,000	
Afrilabs	Africa & MENA	Afrilabs partnership	Pipeline	30,000	Oct 2022 - Oct 2023
ESG for fund managers	Africa & MENA	TBD	Pipeline	30,000	TBD
Carbon credits	Africa & MENA	TBD	Pipeline	30,000	TBD
Dutch Govt Funded				226,000	
AgFunder	Africa	AgFunder Africa site	Ongoing	50,000	Sept 2021 - Nov 2022
Accion Venture Lab	Global	CEO Forum and Summit	Ongoing	150,000	2019 - Dec 2022
ERM	Global	VC ES Guidelines Report	Completed	26,000	
Accion	Global	VC CG Guidelines Report	Completed		

Supporting partners to share knowledge, promote best practices, and help advance the ventures industry across frontier markets



Co-produced a report on the electric mobility investment opportunities for African and the Middle East



Supported the launch and development of AgFunder / AFN Africa agri-business industry platform to promote and share investable opportunities and market trends



Partnering with AfricArena on their series of summits across Africa and new AfricArise program to support early-stage ventures in seeking capital and scaling



Role and contribution of NEAR Delegations and next steps

Policy Dialogue
with IFIs and
Beneficiaries



Discuss Pipeline for
EFSD and EFSD+
Matching Flagships

Communication
and Visibility

Next Steps

- Start of negotiations Guarantee Agreements - February 2023
- Signature Agreements – during 2023
- New outreach missions – during 2023



European
Commission



Q&A

Annex – further details

EFSD+ Guarantee Policy First

Art. 31 of the NDICI-GE Regulation, the EFSD+ sets the overall priorities to be addressed by EFSD+

- *...sustainable and inclusive economic, environmental and social development, transition into sustainable value-added economy and a stable investment environment.*
- *Promote socio-economic and environmental resilience in partner countries...*
- *Contribute to the reduction of socio-economic inequalities, sustainable and inclusive growth,...*
- *Special attention to countries identified as experiencing fragility or conflict, Least Developed Countries,...*

Strategic Policy Documents:

- Geographic strategic documents for Africa, Latin America Caribbean and Asia-Pacific
- The EU New Agenda for the Mediterranean and the relevant Economic and Investment Plan
- Joint Communication on Eastern Partnership policy beyond 2020 and the relevant Economic and Investment Plan
- Economic and Investment Plan for the Western Balkans

Signed Guarantees

Name	Partner FI	Volume (EUR Million)
Nasira	FMO	100
Ventures	FMO	40
Archipelagos	CDP	30
RECIDE	AECID	100
AEGF	KfW	46
Boosting Investments in Renewable Energy	EBRD	50
SME Access to Finance	EIB	100
European Health Platform – including COVAX I	EIB	458
EU Municipal, Infrastructure and Industrial Resilience Programme	EBRD	100
EGRE NS	AFD-CDP	62
Inclusifi	CDP-AECID	60
Agreenfi	AFD & Proparco	160
Local Currency Lending, (with TCX)	KfW	165
Renewable Energy in rural areas in Africa	Cofides AECID	20
Small Loan Guarantee Programme	IFC	58
Total		1549

Company		FMO investment	
(Sub)sector	Commercial & Industrial Solar	Investment Date	September 2022
Countries of operations	Mali, Burkina Faso, Senegal	Instrument	Convertible Note
		Amount¹⁾	EUR 3,000,000
Business model & technology	SolarX is a commercial and industrial (“C&I”) solar rooftop business active in Mali, Burkina Faso, and Senegal, offering affordable, clean, and reliable power assets with attractive economics to customers that rely on high cost diesel-powered gensets and/or an unreliable grid.	Ownership %	N/A
		Other large investors	Energy Access Ventures Fund
		Board representation	No



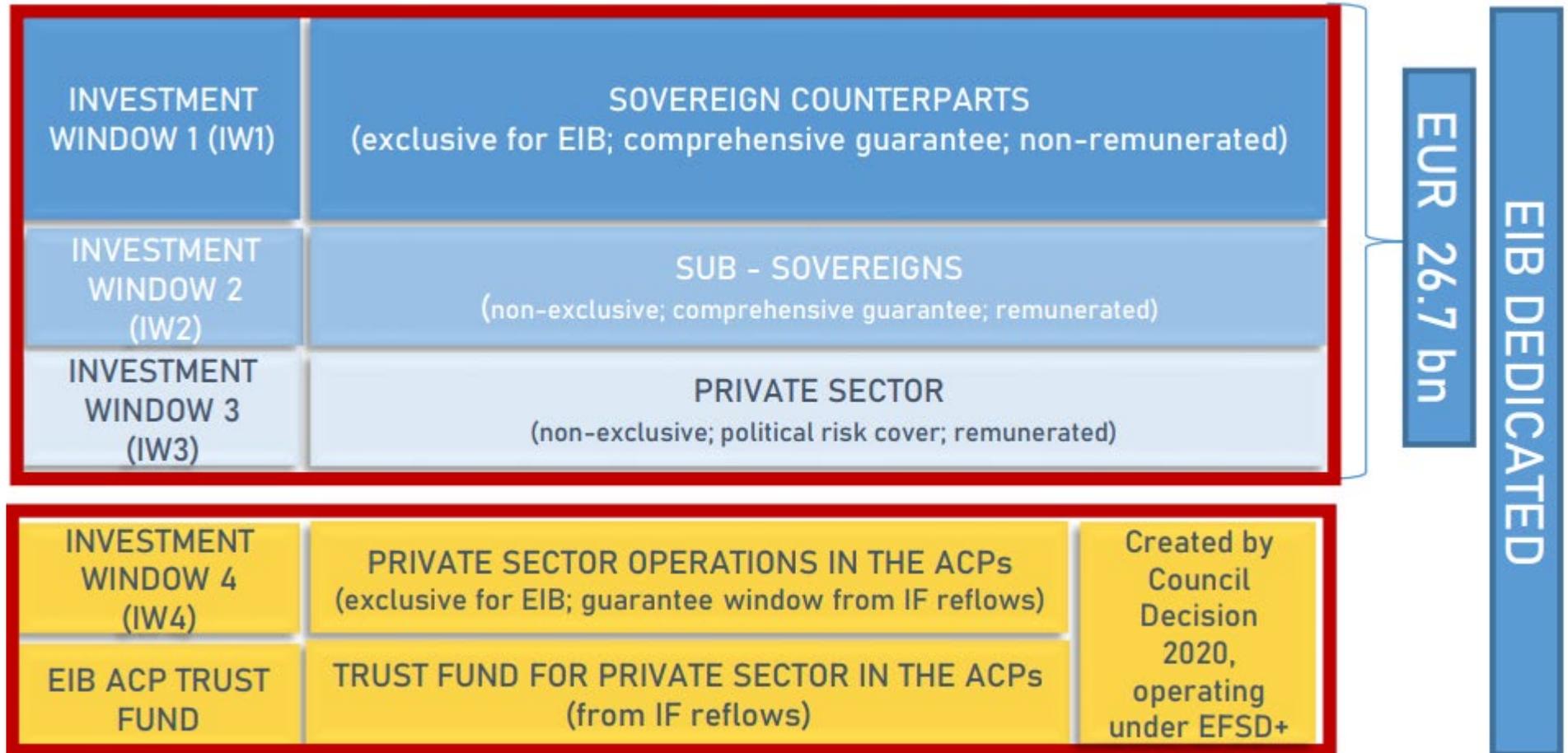
Investment rationale	
Fit strategy	The investment strongly fits FMO’s Ventures Program by providing access to energy in LDC’s alongside a trusted and partner Energy Access Ventures Fund (“EAVF”). The transaction perfectly links to FMO’s VP mandate as SolarX demonstrates the potential of being a frontrunner on reducing inequalities. Furthermore, Burkina Faso and Mali are considered Fragile States, and as part of the Sahel region, strategic focus countries for the European Commission, and a key focus for FMO’s 2030 strategy.
Impact	SolarX provides an essential service by offering reliable, cheap, and clean energy access to businesses, improving their productivity, and lowering costs (SolarX reduces energy costs by 14-16% versus the grid and 50-60% versus backup gensets).
Opportunity	The Company’s target markets constitute a large addressable market with high demand for reliable energy (i.e., electrification rates are very low in Mali (~18%) and Burkina Faso (~20%)).
TA/value add	FMO plans to support SolarX and its management in strengthening operational (i.e., leadership) and ESG capacities. Furthermore, SolarX will benefit from FMO’s network of traditional (NB)FIs for partnerships and VC / PE investors for future fund raising.



Company		FMO investment	
(Sub)sector	Agri Tech – Agribusiness Marketplace	Investment Date	May 2022
Countries of operations	Ghana	Instrument	Equity
		Amount	EUR 3,000,000
Business model & Technology	Farmerline is an Agritech company which employs a digital marketplace to provide smallholder farmers and small agribusinesses with quality inputs, market linkages, education on agricultural practices, and flexible financing. They have built a Farmer Management system called “Mergdata” which is also offered externally on a SaaS basis	Ownership %	9.8%
		Other large investors	Acumen Resilient Agriculture Fund, Oikocredit
		Board representation	Yes, FMO nominee
Investment rationale			
Fit strategy	Farmerline focusses on both the upstream and downstream side of the value chain, whereby its solutions allow farmers to increase their yield whilst at the same time reduce their inputs (hence footprint). Strengthening the livelihoods of smallholder farmers while improving their farming practices leveraging technology is at the core of FMO's Agri Tech strategy.		
Impact	Smallholder farmers in Ghana generally lack access to either inputs, markets, financing and education. The Farmerline proposition strengthens their livelihoods and improves the efficiency of Ghana's food system.		
Opportunity	Smallholders make up 80-95% of Ghana's agriculture sector and account for around 4mln households. The market potential for fertilizer is over USD 240mln and there is an estimated USD 1.6bln software market regarding farmer management solutions. Also, the output activities and the potential to expanding across the larger West African region provide for additional opportunities.		
TA/value add	FMO has only recently invested in Farmerline, but is actively supporting the founders on a range of issues around financing, network introductions, and operational scaling. Furthermore, general support is provided through our board nominee.		



I. EFSD+ EIB dedicated guarantees



EFSD+ toolbox for NEAR regions

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- Forest example?