



The External Investment Plan

"A game changer for development cooperation in the mutual benefit of the EU and our partner countries."

4th Workshop with Private Sector in the framework of the Policy Forum on Development (PFD)

Brussels, 21 March 2017



The External Investment Plan

- Key objectives: Contributing to the attainment of Sustainable Development Goals and addressing root causes of migration
- How: Long-term and integrated framework to boost investments in Africa and EU Neighbourhood...
- ...to bring in the private sector and support infrastructure in riskier environments as a key factor for decent job creation

EIP> Internal and External Policy Coherence

Addis Ababa Action Agenda on Financing for Development

SUSTAINABLE DEVELOPMENT GOALS



European Neighbourhood Policy
JOIN(2015)50F

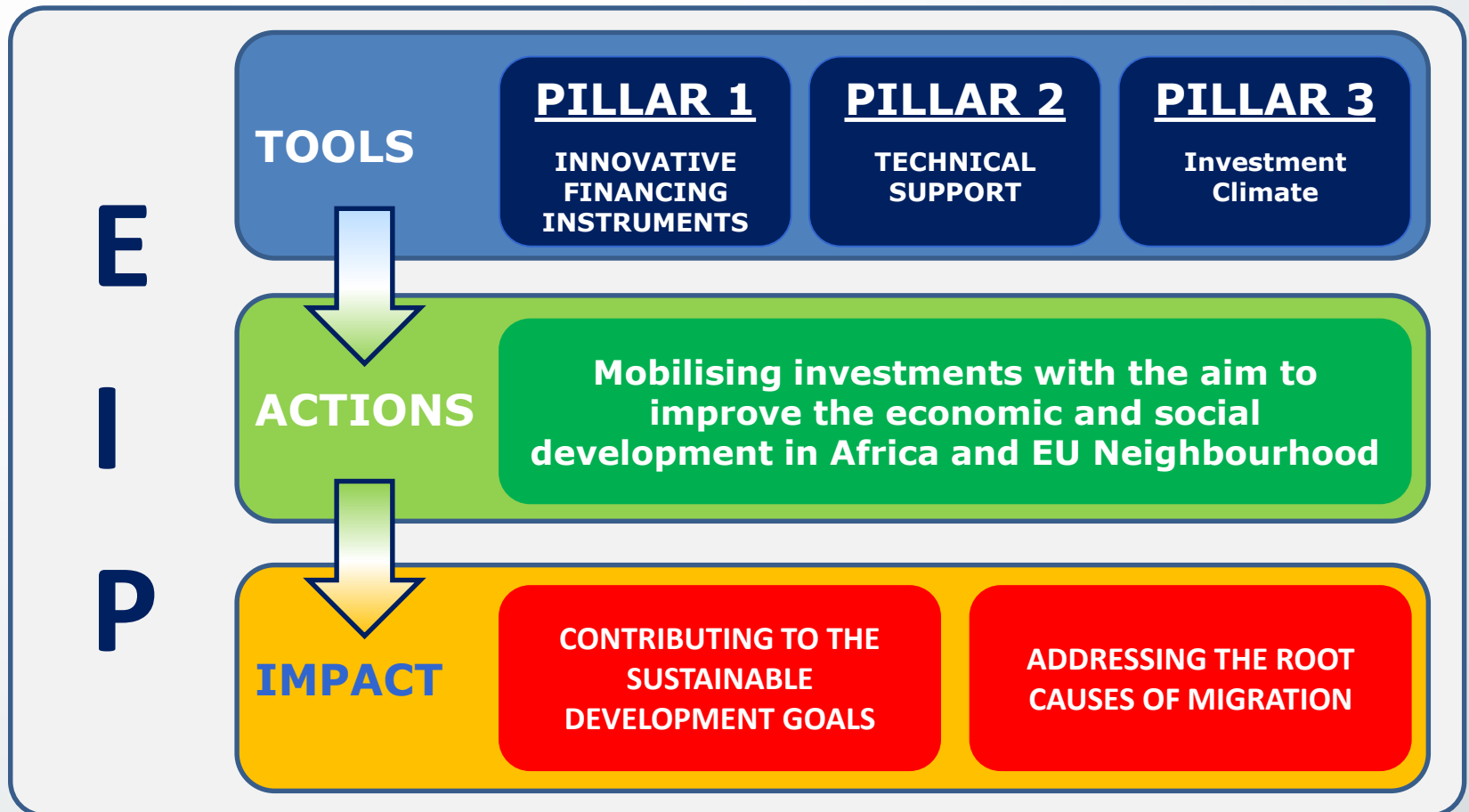
Paris Agreement on climate change – cop 21
COM(2015)81F/2

EU New Partnership Framework with third countries under the European Agenda for
migration - COM(2016)385F

Agenda for Change
COM(2011)637F

New proposed European Consensus on Development

EIP > Rationale and Effectiveness



EIP > 3 Pillar Structure

E
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P

1

European Fund for Sustainable Development (EFSD)

Mobilising investments and improving access to finance

EFSD Guarantee Fund
(especially for the private sector – EFSD Guarantee)

Regional Investment Platforms (Africa and the EU Neighbourhood)

2

Technical assistance

• Helping local authorities and companies to develop sustainable and bankable projects

• Improving the regulatory and policy environment

3

Enhanced Investment Climate

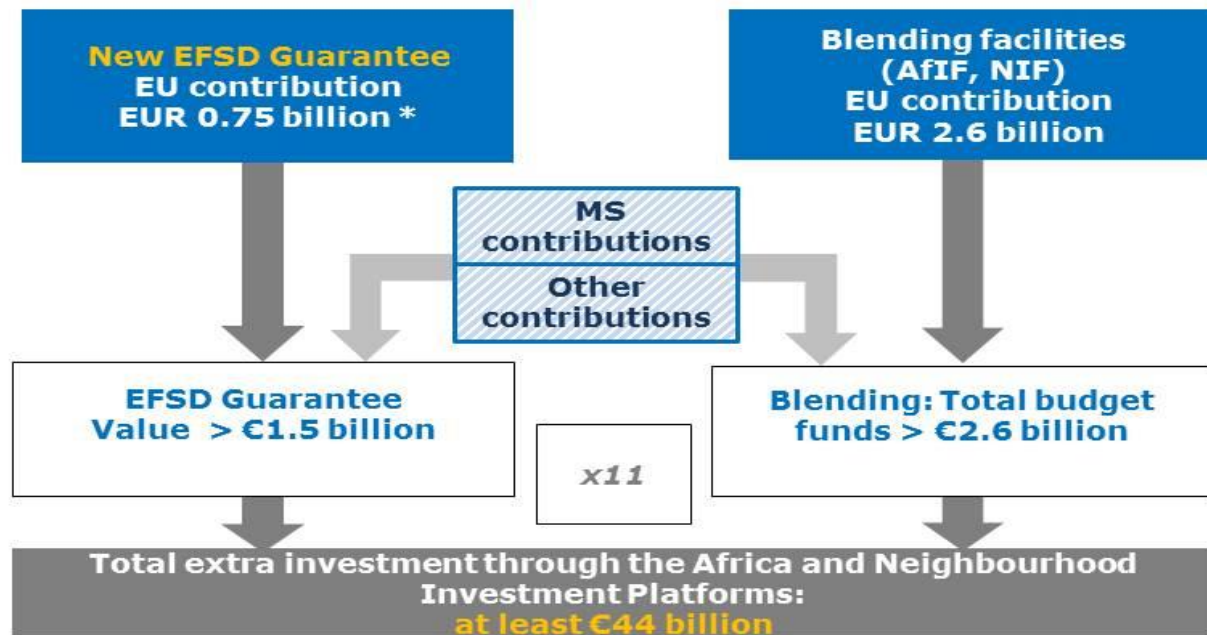
- Political and policy dialogue
- Cooperation programmes
- Analysis on investment constraints
- Coherence with EU, MS and other partners interventions & policies

one-stop-shop

EIP> Pillar 1> resources from EU and leverage

NEW PARTNERSHIP FRAMEWORK – EXTERNAL INVESTMENT PLAN

European Fund for Sustainable Development (EFSD)



* Plus a EUR 0.75 billion contingent liability.



EIP> Pillar 1> management and structure of the EFSD

STRATEGIC BOARD

European Commission, HRVP Representative, EU Member States, EIB

+ IFIs, partner countries, European Parliament as observers (where appropriate)

OPERATIONAL BOARD

EU Commission, EEAS & EU Member States

**AFRICA
INVESTMENT
PLATFORM**

**NEIGHBORHOOD
INVESTMENT
PLATFORM**

SECRETARIAT

**Web Portal
(one-stop-shop)**

External Expertise

**Commission
Services**



EIP > Pillar 1 > EFSD BOARDS DUTIES

"shall advise the Commission on the strategic orientations and priorities of the EFSD guarantee investments including indicative and thematic coverage for investment windows"... "shall also support overall coordination, complementarity and coherence between the" regional investment platforms, the three pillars, the Union's efforts on migration and EIB's operations



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Web Portal
(one-stop-shop)
External Expertise
Commission Services

"supports the Commission in defining regional and sectorial investment goals, regional, sectorial and thematic investment windows, formulates opinion on the blending operation and discusses the use of the EFSD Guarantee in line with the investment windows to be defined"



AFRICA
INVESTMENT
PLATFORM

NEIGHBORHOOD
INVESTMENT
PLATFORM



Regional investment platforms as portfolio of investments in specific regions, countries or sectors



EIP> Pillar 1> Investment window and the EFSD Guarantee

- **Investment windows to be set-up**
 - COM taking into account SB/MS/EIB opinion and advice
 - Targeted area for intervention (geographical or sectorial)
 - Selection of the criteria, requirements and conditions
- **Proposed Investment Programmes (under each window)**
 - Submitted by eligible counterpart, to be approved by COM, taking into account EIB and MS opinion in OB
 - Project portfolio or individual projects (exceptional)
 - Guarantee instruments
- **Guarantee Agreements**
 - Detailed rules on the provision of the EU Guarantee
 - Remuneration of the guarantee (market distortion to be avoided)
 - Requirements for the use of the EU Guarantee
 - Provisions and procedures regarding the recovery of claims

EU Blending Expertise: Energy in Africa

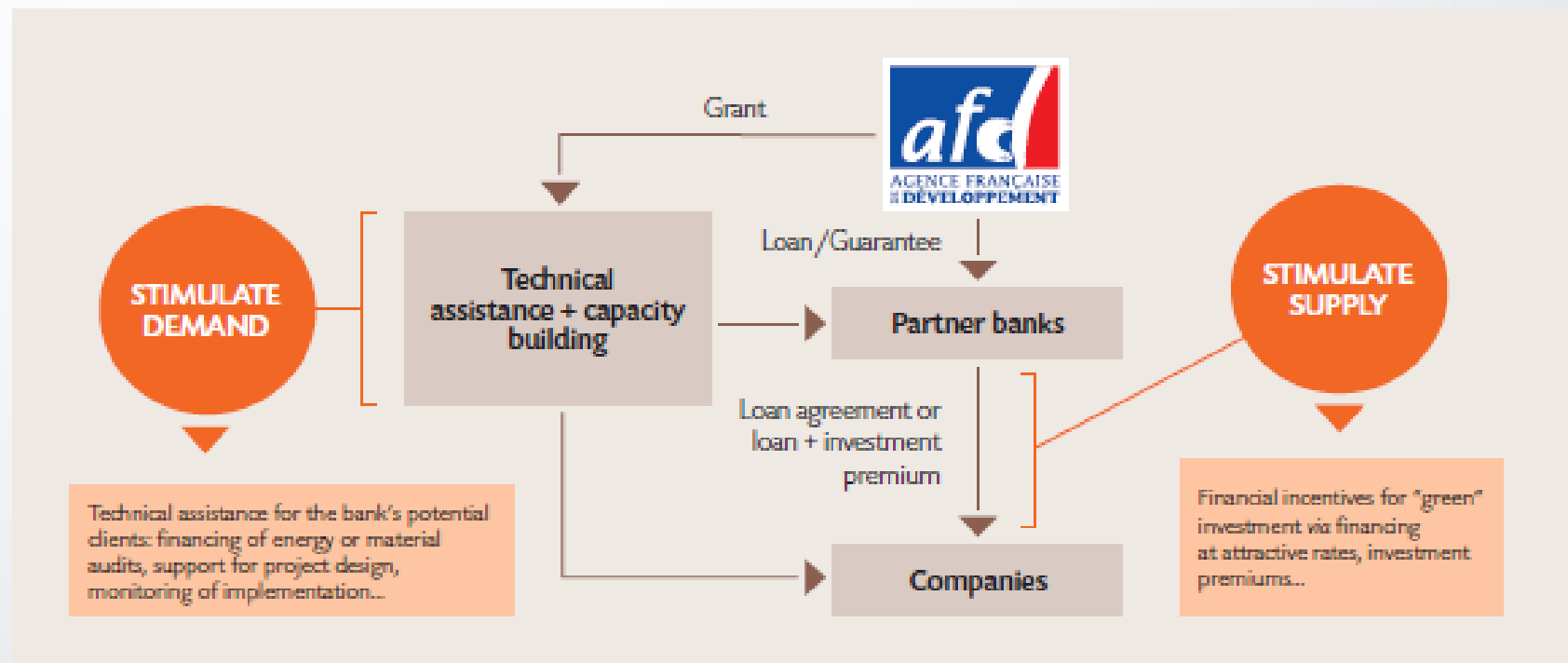
SUNREF

Investment grant and
technical assistance



- Sustainable Use of Natural Resources and Energy Finance (SUNREF) encouraging banks to finance 'green' investments
- Credit lines for private sector through local banks
- Supporting local capacities to appraise and finance energy efficiency and renewable energy projects
- Total project volume: approx. € 180 million
 - 2014: € 80 million (Kenya, Tanzania, Uganda)
 - 2016: € 98 million (Nigeria, Ghana)
- EU grant contribution: € 4.1 million + €16 million
- Financial institution: AFD

Snapshot: SUNREF – encourage banks to finance "green" investments



OTHER EU Blending Expertise (outside Facilities): Experience in Africa

MOBISOL Solar Home Systems in Tanzania

Partial Guarantee



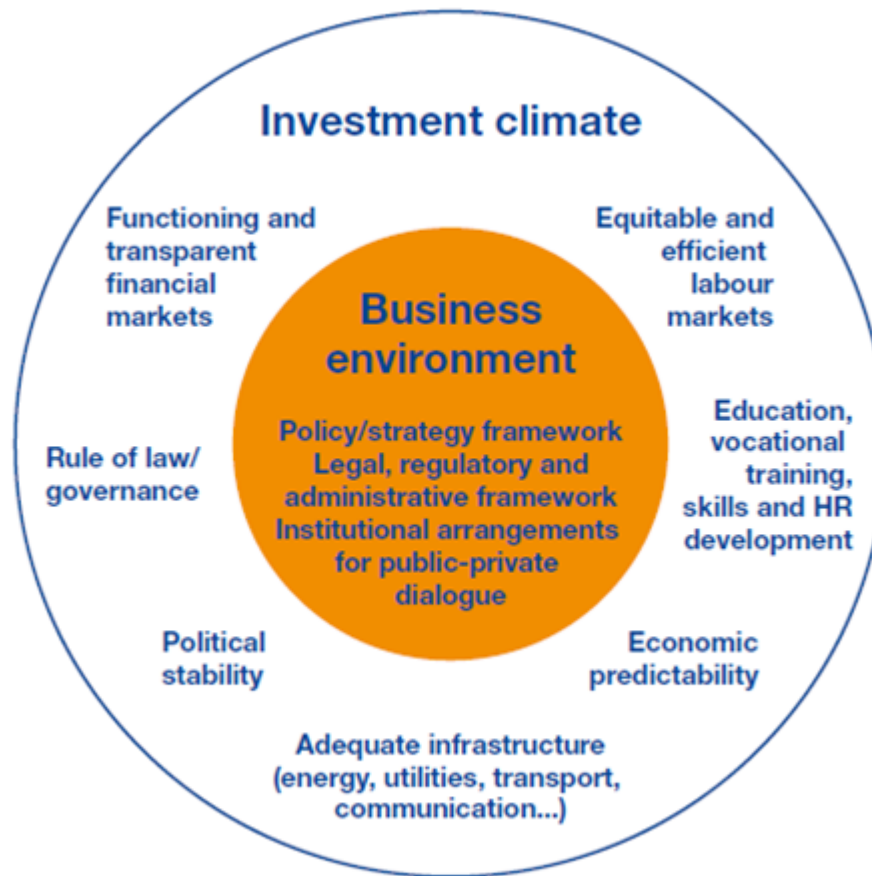
- Lead Finance Institution: DEG and European Financing Partners
- Total Investment: € 11 million (financed by DEG and European Financing Partners)
- Support by EU: Partial Guarantee of € 4.3 million (40%) on risk capital and convertible loan
- Achievements to date: Access to energy for more than 40,000 households
- More info: <http://www.plugintheworld.com/mobisol/>



EIP> Pillar 2> Technical Assistance

- **TA for project preparation can be requested and financed under pillar 1 at project and/or investment window level**
- **TA to improve the business and investment climate to be financed via cooperation programmes under pillar 3, managed by COM/EEAS and coordinated through EU Delegations at country level**

EIP> Pillar 3> promoting a conducive investment climate



EIP > Pillar 3 > a concrete multi-level approach

Policy and political dialogue with partner countries

- Enable business to operate formally, increase the level of investment and innovation, encourage the creation of jobs
- Reducing business costs
- Reducing risks and uncertainty
- Addressing anti-competitive behaviour and opening up markets

Structured dialogue with business

- United voice for the European and local private sector – advocacy, networking and exchange of information
- Informed policy dialogue on the business environment
- European Business fora - important partners in supporting partner country development and the internationalisation of European businesses

Country level, sector, value chains analysis

- Intelligence: regulatory environment, judicial security, contract enforcement, investment protection, skills, market intelligence, land tenure, access to finance, etc
- Broader investment climate (financial markets, rule of law, political stability, logistics, infrastructure, etc)
- Value Chain specific constraints

Coordination and coherence

- Different Aid modalities (project, budget support, sector approaches)
- Policy coherence for development
- Key role for EU Delegations, MS, partner countries
- Private sector

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5th EU-NIGERIA BUSINESS FORUM
Harnessing Nigeria's Potential for Economic Growth
Eko Hotel, Lagos. 10th-11th November 2016



EUROPEAN
BUSINESS FORUM

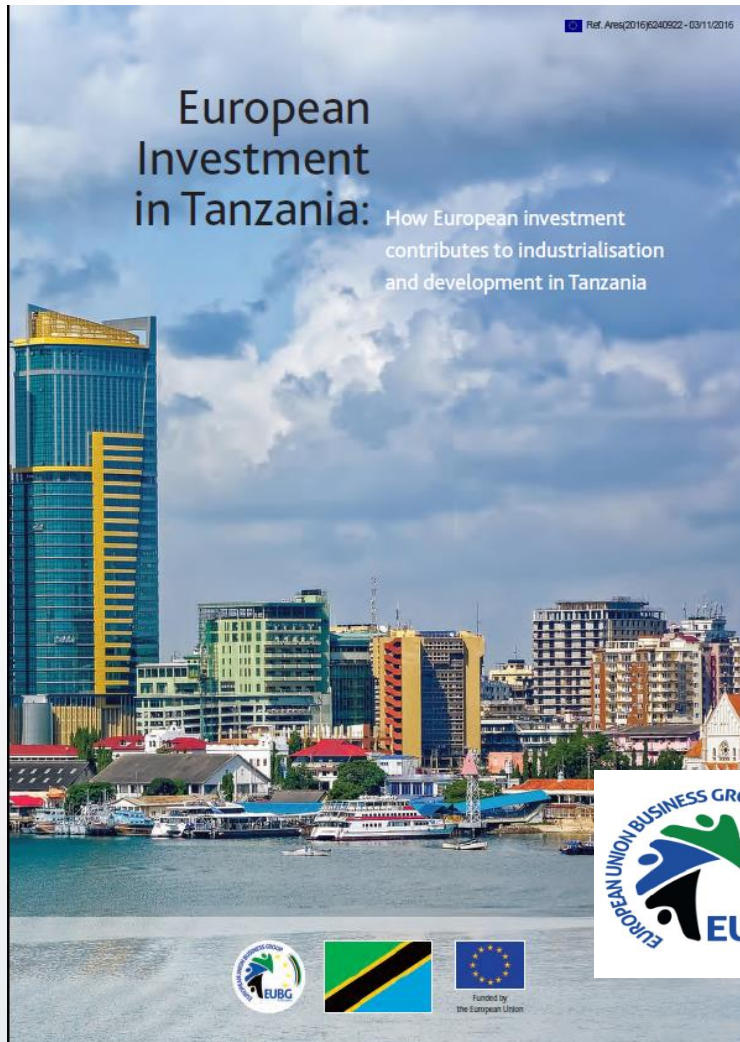


The European Business Forum
in Ethiopia

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EIP > Pillar 3 > a concrete multi-level approach

- Business organisations/chambers/groups in EU
- Business organisations/chambers/groups in 3rd countries

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- Enterprise Europe Network (EEN)
- Business Cooperation Centres in third countries (2015 - 2020) – Cameroon, Nigeria, Egypt, Jordan, Tunisia, South Africa...
- European Business Organisation Worldwide Network asbl
- Eurochambers



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EIP> Summary: Key Innovations

Integrated 3-pillar-approach, Seizing Synergies

Coordinating finance, TA and multi-stakeholder political and policy dialogue for promoting sustainable investments in our partner countries

One-stop-shop and web portal – Enhancing transparency, accessibility and efficiency

Giving a single & simple entry point for partners, investors and private sector

EFSD Guarantee – Innovative instrument, providing more funds

Leveraging additional financing - Mitigating risks - Crowding-in private investment



Thank you for your attention