



The EU's External Investment Plan

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We continue implementing policies

- ✓ **Addis Ababa Action Agenda** on Financing for Development
- ✓ The 2017 **European Consensus on Development**
- ✓ **Global Strategy** for the EU Foreign and Security Policy
- ✓ EU Communication "The **Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries**"
- ✓ Revised joint priorities for cooperation under the **European Neighbourhood Policy**
- ✓ EU Communication "For a renewed impetus of the **Africa-EU Partnership**"



What are the EIP goals?



Contribute to
Sustainable
Development



Improve
Investment
climate



Encourage private
Investments



Tackle root
causes of
migration



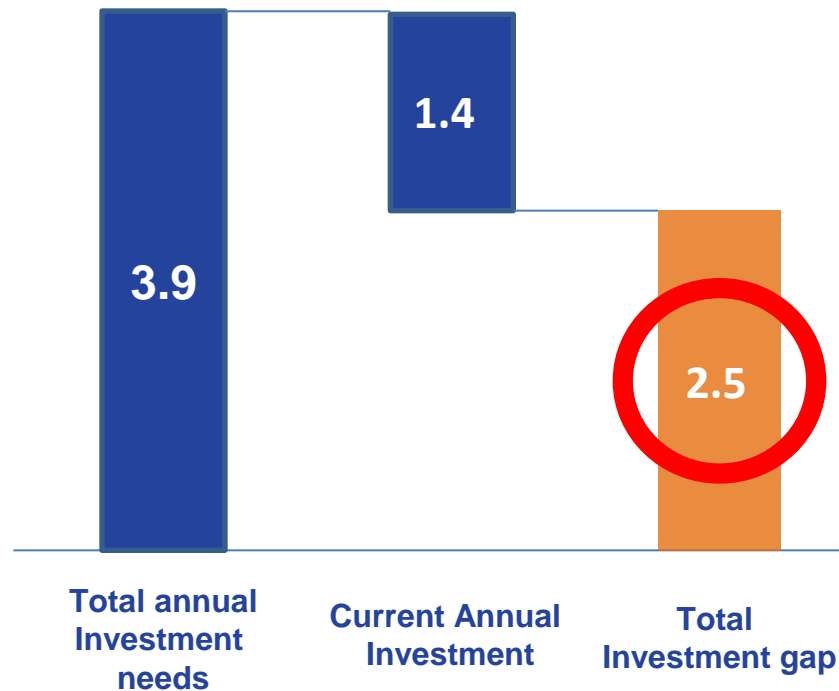
Focus on
jobs and
growth



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Why we act?

Estimated global investment gap in key SDG sectors, 2015-30 Trillions of USD, annual average



Source: World Economic Forum (2015)



Estimates of Annual Incremental Investment Needs for Africa to Achieve the SDGs



**\$ 210 Billion
per year**



Source: UNCTAD (2014)

Where we act?



How we act? The Three Pillar Approach



European Fund for Sustainable Development (EFSD)

- New guarantee to reduce risk
- Blending loans and grants
 - Africa Investment Platform
 - EU Neighbourhood Investment Platform



Technical Assistance

- Support local authorities and companies preparing bankable projects
- Improving the investment climate in close engagement with the Private Sector



Investment Climate

- Structured dialogue with business
- Market Intelligence & Analytics
- Policy and political dialogue
 - EU Cooperation

A one-stop-shop for public and private investors

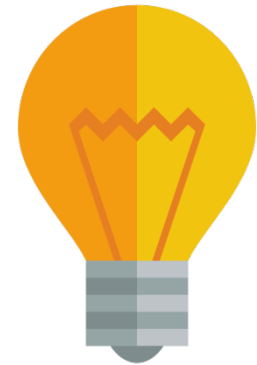
What is new?



**Integrated
3-pillar
approach**



**EFSD
Guarantee**



**One-stop-shop
for public and
private
investors**

[illegible]

The EFSD Guarantee

A risk mitigation mechanism

to stimulate investments in
Africa and in the
Neighbourhood



Will leverage additional
financing, in particular from
the **private sector**
(crowding in), by reducing
the risk associated with
specific operations

A **guarantee capacity for
credit
enhancement** will ultimately
benefit
the final investments and
allow risk sharing
with other investors,
notably private actors



Will **provide liquidity**
from its guarantee
fund (liquidity cushion)



The EFSD Guarantee

Investment Windows – Suggested areas

- 1. Sustainable Energy and Connectivity**
- 2. Micro, Small and Medium Sized Enterprises (MSMEs) Financing**
- 3. Sustainable Agriculture, Rural Entrepreneurs and Agribusiness**
- 4. Sustainable Cities**
- 5. Digital for Development**

Sustainable Energy and Sustainable Connectivity



Guarantees covering fully or partially the offtake agreements



Guarantees to support energy performance contracting



Guarantees to promote the development of capital markets, such as green bonds



Credit enhancement for investment funds



Pillar 2: Technical Assistance in support of Pillars 1 and 3

Support Pillar 3

Market intelligence, Investment
Climate Analysis, Dialogue

Government Reforms

Capacity building and value
chains upgrading

Pillar 2

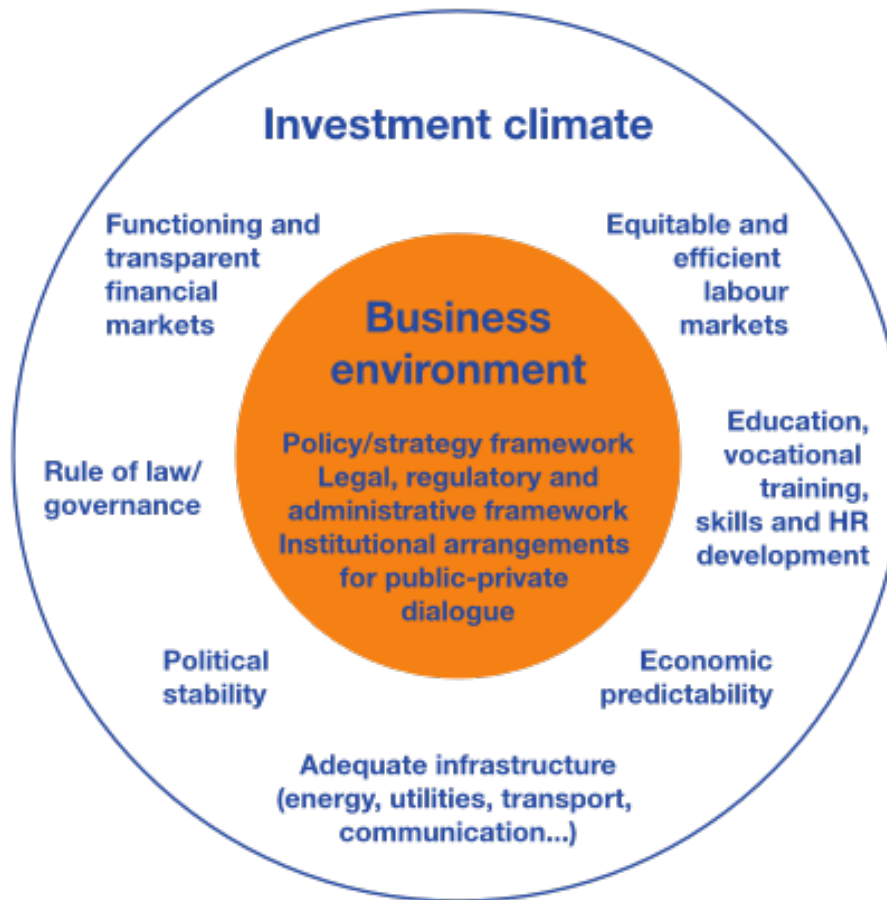
Investment pre-identification phase

Investment preparation

Investment phase

Support Pillar 1

Pillar 3: Promoting a conducive investment climate

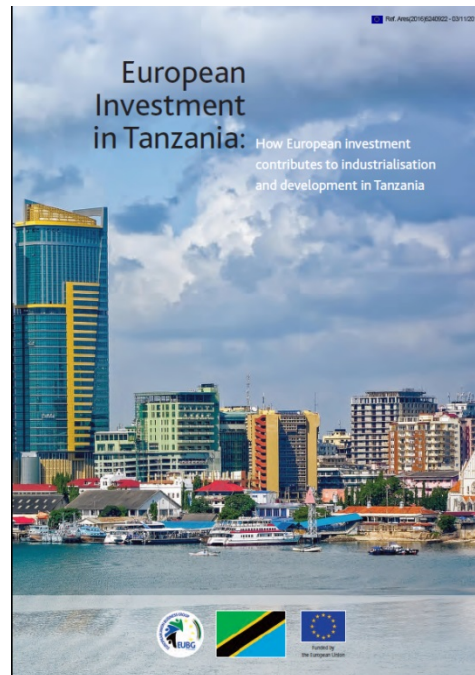


Case studies in supporting EU-Africa business cooperation

Supporting Public-Private dialogue in Ethiopia



EU Business Group in Tanzania



Joint Declaration on Enhanced Energy Cooperation





The EIP – How can businesses access?

✓ For Funding – through International financial institutions

Micro Small Medium Enterprises/ Cooperatives

- Local Financial Institutions benefit from risk sharing
- Single entry point

Start-ups

- Investment funds
- Venture capital supported by EIP

Large Companies

- Development Financial Institutions
- Private banks
- Risk sharing Instruments

Summary

- ✓ Integrated three-pillar approach
– Seizing Synergies
- ✓ Enhancing Transparency
Accessibility and Efficiency
- ✓ EFSD Guarantee – innovative
instrument, providing more funds
and more flexibility