



The EU's External Investment Plan

*A game changer to mobilise the public and private sector
for development cooperation.*

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DG NEAR- European Commission



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Pillar 1



European Fund
for Sustainable
Development
(EFSD)

Pillar 2



Technical
Assistance

Pillar 3



Policy Dialogue
/ Reforms

Funding investments:

Blending - Eur 2.6B

New EFSD Guarantee –
Eur 1.5B

Develop sustainable
and bankable projects

Assist regulation and
policy making

Improve investment
climate and business
environment

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Commission

EU NEIGHBOURS SOUTH

EU NEIGHBOURS EAST



EUROPEAN NEIGHBOURHOOD POLICY PARTNERS

- SOUTH
- EAST

** This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.*

*** EU cooperation with Syria is currently suspended due to the political situation; however, since in principle Syria is eligible for cooperation under the ENI, activities may be taken up again once the situation improves.*



State of Play November 2018: approved EFSD contributions, EUR bn.

Region/Platform	Blending		Guarantee	Total
	Sub-Saharan Africa (AIP)	Neighbourhood region (NIP)	AIP + NIP	AIP + NIP
Approved EU Contributions	1.5	0.6	1.5	3.6
Leveraged investment	9.7	8.1	18.7	36.5
# Projects/Guarantee tools	40 Projects	33 Projects	30 Guarantees	73 projects + 30 Guarantees
Budget (2017-2020)	2.6		1.5	4.1

AIP: Africa Investment Platform – Sub Saharan Africa
NIP: Neighbourhood Investment Platform

The EFSD Guarantee

A risk mitigation mechanism

to stimulate investments
in Africa and in the
Neighbourhood

Guarantee which will
ultimately benefit
the final investments and
allow risk sharing
with other investors,
notably private actors



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

EFSD Guarantee Features

Off-Take & Performance Risks

Support off-taker commitments in large RE projects with first loss guarantee. Guarantees are tailor made to address the specific transaction risk perceived by private sector investor.

Country Risk / Political Risk Guarantees

Complement project risk coverage where national ECAs or MIGA may not be applicable, insufficient for program risks or too expensive

Technology risk

As a potential example- supporting the property and construction markets to move towards mainstreaming energy efficiency technologies, measures and practices in new buildings and building retrofits.

Market risks


As a potential example- guarantee to support net metering in Tunisia for projects less than 1MW. New contractual mechanisms to promote distributed energy generation are currently untested.



- **Sustainable Energy and Sustainable Connectivity**
- **Micro, Small and Medium Enterprises (MSMEs) Financing**
- **Sustainable Agriculture, Rural Entrepreneurs and Agroindustry**
- **Sustainable Cities**
- **Digitalisation for Sustainable Development**

...and cross-cutting objectives: local currency financing, focus on fragile states etc.

Window: Sustainable Energy and Sustainable Connectivity

 Limiting temperature rise to 2c requires \$3.5 trillion in investments p.a. until 2050.

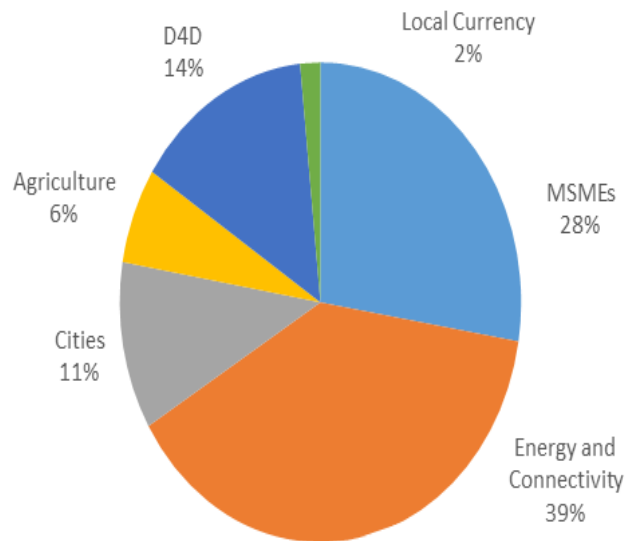
 Guarantees to address and mitigate key risks that currently deter private sector participation.

 Guarantees to promote new financing tools such as energy performance contracting for energy efficiency.

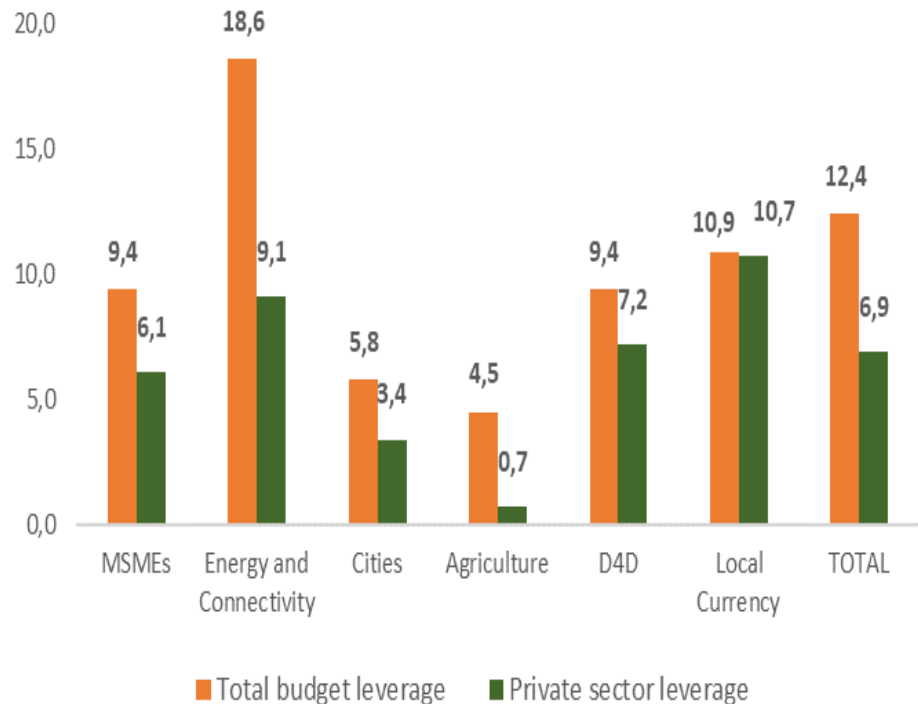


Energy: Largest window with highest private sector leverage

Distribution of proposed EFSD Guarantee allocations per Investment Window



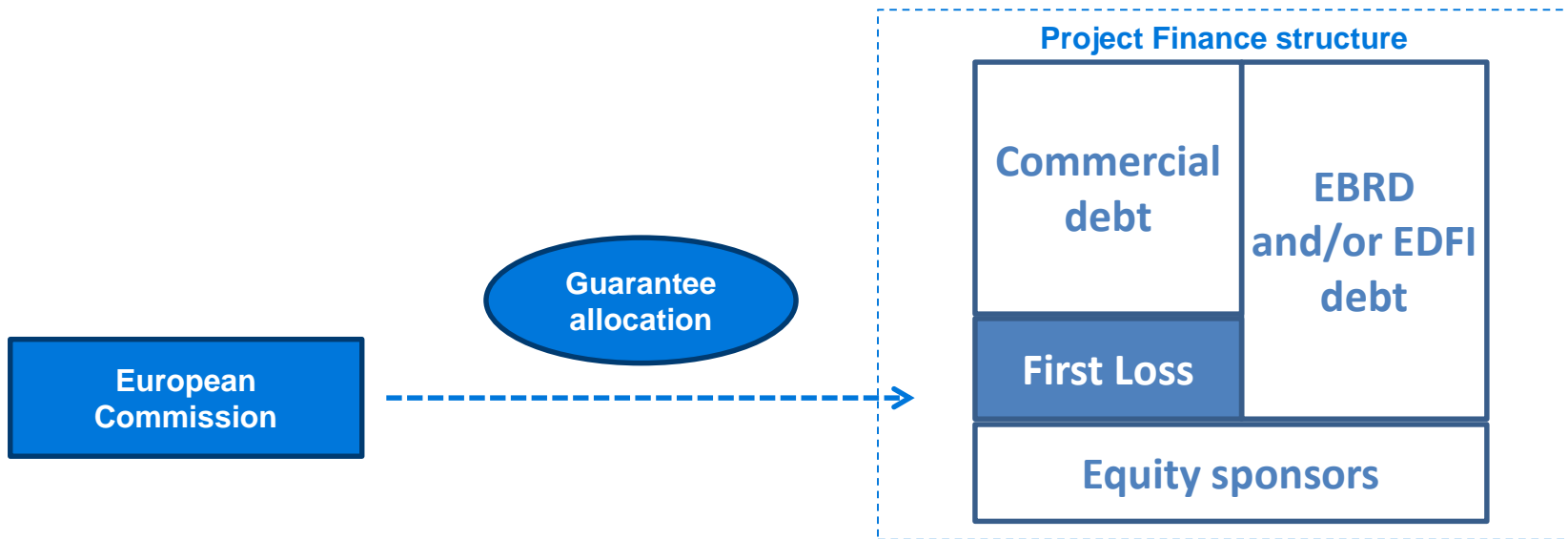
Guarantee Leverage per Investment Window



Selection of Energy Sector Guarantee Proposals

Neighbourhood	Framework to scale up renewable energy investments	EBRD/ EDFI
Neighbourhood	Energy efficiency and sustainable cities in the Neighbourhood	EBRD
Sub-Saharan Africa	DESCOs Financing Programme	AfDB
Sub-Saharan Africa	European Guarantee for Renewable Energy	AFD/ EIB/ CDP/ KfW

Framework to Scale up Renewable Energy Investments



- The Guarantee is entirely focused on mobilising commercial banks / co-investors, crowding-in private sector for direct lending via project finance structures.
- The Guarantee will cover **the first losses only for commercial lenders**; and EBRD and EDFI will take on full repayment risk.

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

Support Pillar 3 – POLICY DIALOGUE

Market intelligence, Investment
Climate Analysis, Dialogue

Government Reforms

Capacity building and value chains
upgrading

Pillar 2 - TA

Investment pre-identification phase

Investment preparation

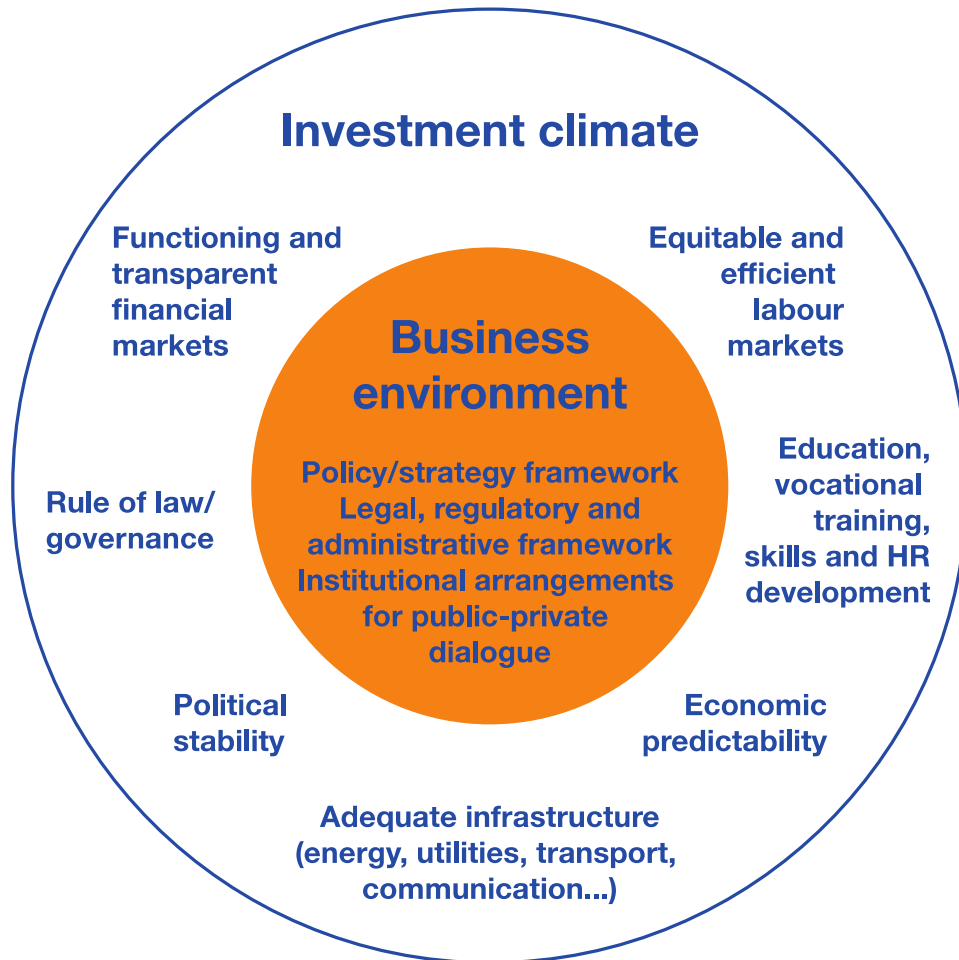
Investment phase

Support Pillar 1 - INVESTMENTS



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Pillar 3: Promoting a conducive investment climate

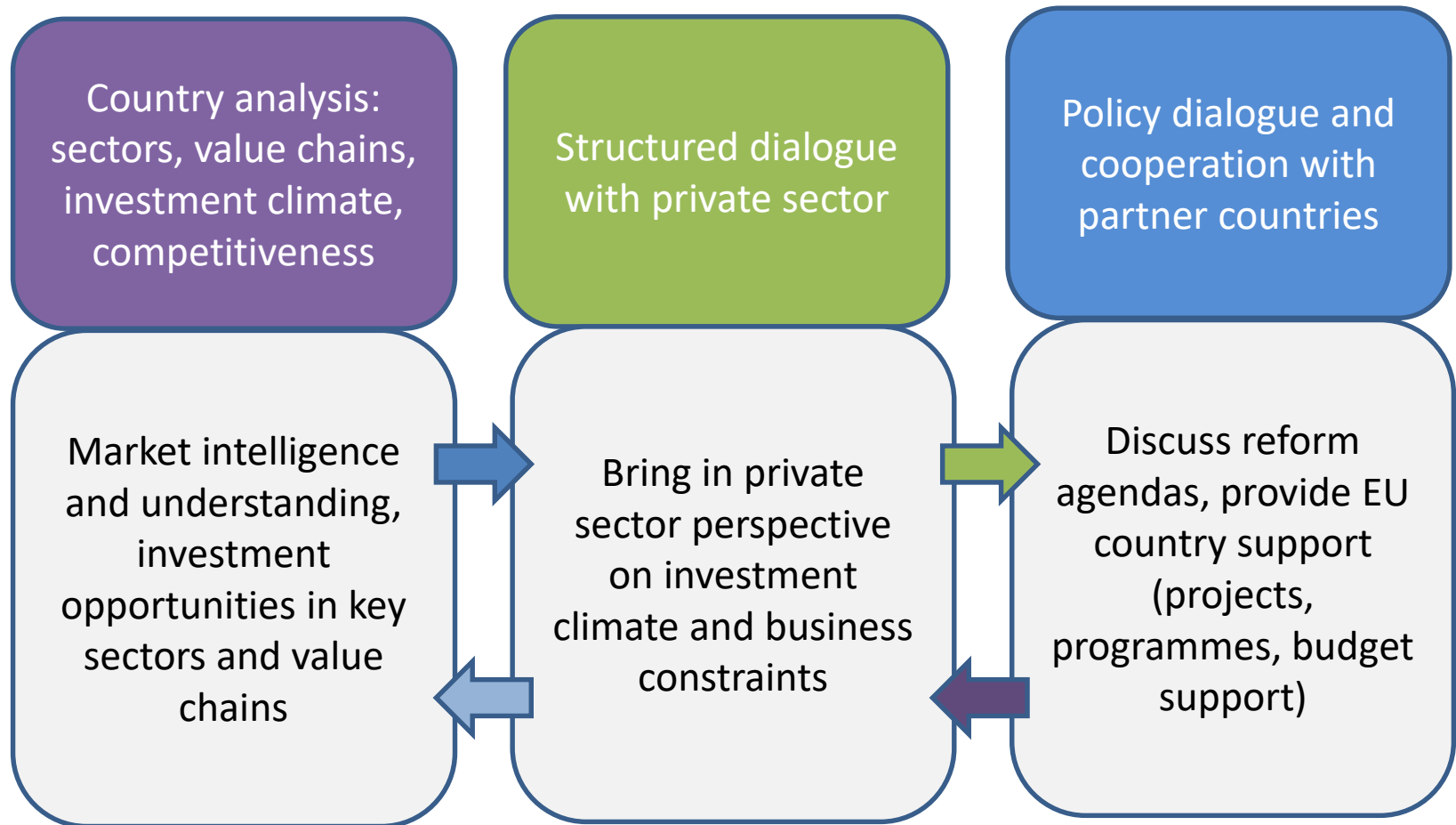


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Through a structured dialogue process



The EIP – How can businesses engage?

1. Through partner IFIs - benefits of EU guarantee passed on to end-borrower:

- Corporates – contact directly partner international financial institutions
- MSMEs – via local private banks
- Start-ups – via investment funds and VC firms

2. In the dialogue on investment climate

- Help identifying key constraints to investment – led by EU Delegations

3. Through the One-stop-shop

- Web form to enter your ideas - for investors and promoters
- Enhancing accessibility



EU External Investment Plan

Investing together in creating jobs and development

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Related events

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Questions and answers

Latest



What is the External Investment Plan



Mobilising finance



Stepping up technical support



Improving the investment climate



Projects financed so far



How you can engage

https://ec.europa.eu/commission/external-investment-plan_en





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Thank you!

