



European External Investment Plan

An overview

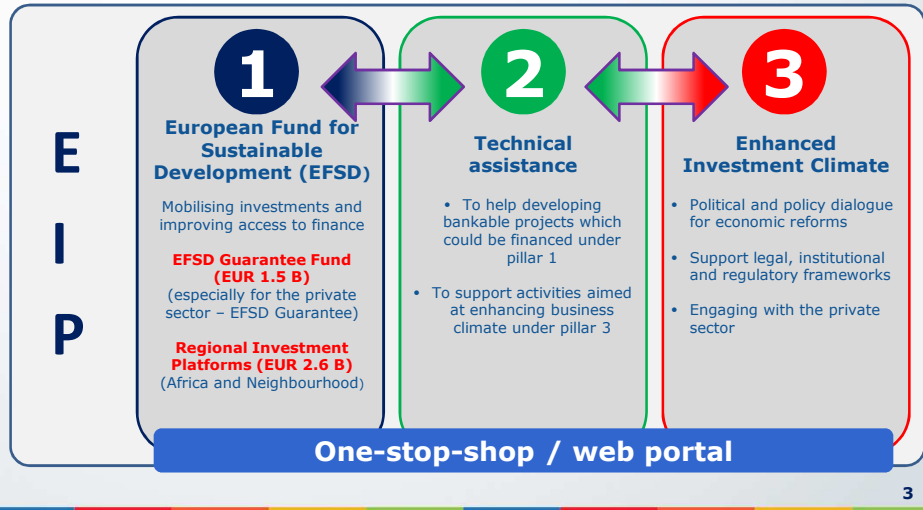


Highlights

- **Why:** To contribute to the attainment of the Sustainable Development Goals and addressing root causes of migration
- **What:** An integrated and holistic approach to boost sustainable growth and decent **job** creation
- **How:** Supporting private (notably SMEs) and public (enabling infrastructure) **investments** in riskier countries or sectors
- **Where:** Africa and EU Neighborhood
- **When:** EU Regulation approved in September. Launched in November (EU-AU Summit)



3 Pillars Structure



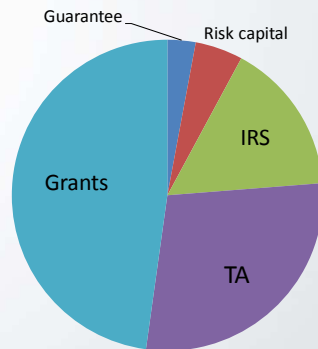
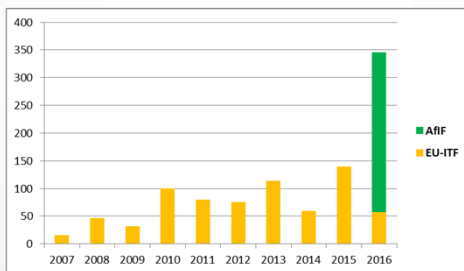
Key Innovations

- **Integrated approach – Seizing Synergies**
 - Coordinating finance, TA and multi-stakeholder political and policy dialogue for promoting sustainable investments in our partner countries
- **EFSD Guarantee – Innovative instrument, providing more funds and more flexibility**
 - Leveraging additional financing
 - Mitigating risks
 - Crowding-in private investment



EIP - Pillar 1

EFSD - Investment Platforms *building on our blending experience*



EU Contribution
EUR 1.0 BN-112 projects

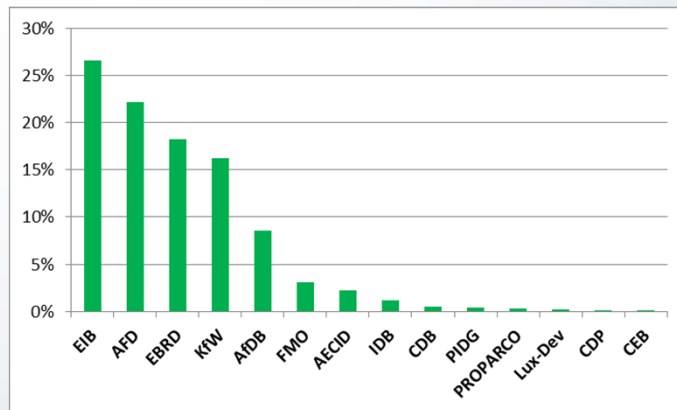
EFIs financing
EUR 3.8BN

Total investment
EUR 11.9BN



Partner Development Finance Institutions

EU Contribution (%)



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The new EFSD guarantee

- It serves as a **risk mitigation mechanism** to stimulate investments in Africa and the Neighbourhood
- It provides **guarantee capacity for credit enhancement** - 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
- Will be cushioned by a **guarantee fund** (*cash liquidity*).



The new EFSD guarantee

Total guarantee capacity: EUR 1.5 billion, backed by EUR 750m EU budget funds

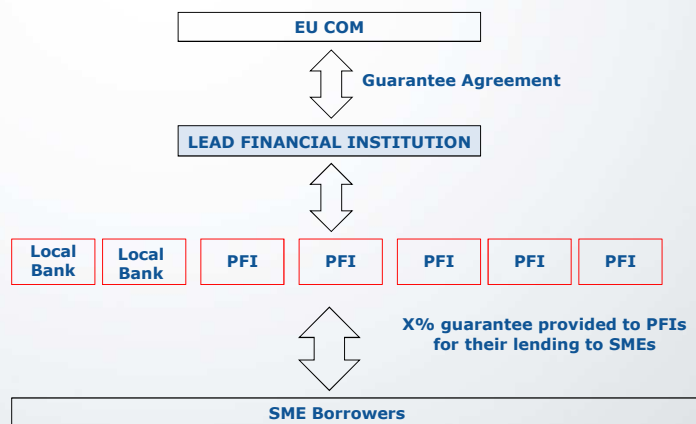
- ❑ Each lead FI will submit proposals for one or more Investment Programmes under an investment window
- ❑ A "guarantee product" will cover directly or indirectly (through local banks/financial intermediaries) final PS beneficiaries

INVESTMENT WINDOWS

1. Renewable energy
2. SMEs
3. Cities
4. Digitalisation
5. Agriculture

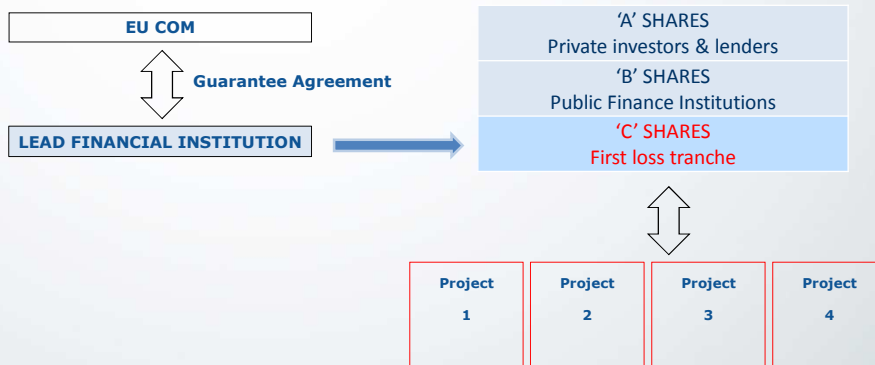


Guarantee to support SME lending

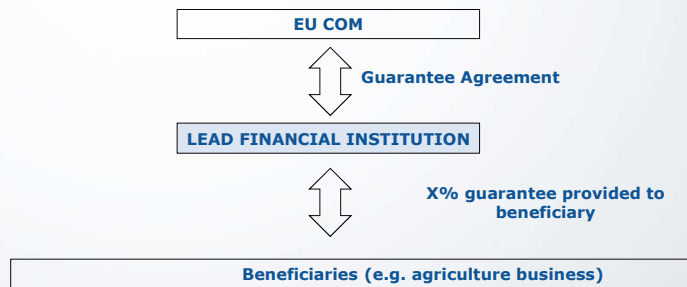




Guarantee to support Investments Funds



Direct guarantees to beneficiaries





EIP - Pillar 2



Technical Assistance

- For **preparation/implementation** of bankable projects
- Support to developing effective institutions and legal frameworks with the objective of **improving the investment climate**
- Support to **public-private dialogue**, involving business fora, investment/export promotion agencies
- Promoting access to finance, skills, business development services, market information for **SMEs**



EIP > Pillar 3



Promoting a conducive investment climate





A concrete multi-level approach

Structured dialogue with business

Nat. and EU private sector, partner countries, AUC, RECs, ACP, IFIs, Policy Forum on Development, EU Business Fora, EBOs

Policy and political dialogue with partner countries

EU Delegations, MS representations

Country level, sector, value chains analysis

EU Delegations, HQ for thematic, partner countries, AUC, RECs, ACP, IO, IFIs

Coherence and complementarity

EU Delegations, HQ, MS, partner countries

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How can stakeholders engage ?

- **Through eligible Intermediary Financial Organisations**
 - EU development finance institutions: EIB, KfW, AFD, EDFIs,...
 - African Development Bank
 - Eligible international finance institutions
- **One-stop-shop and web portal**
 - A single & simple entry point for businesses, investors and partners
 - Enhancing accessibility, transparency and efficiency
 - https://ec.europa.eu/commission/external-investment-plan_en
- **Structured dialogue**
 - Identifying key constraints to investment with businesses – at country, sector and strategic level – facilitated by the EU and its Delegations
 - Boosting action to remove constraints through policy dialogue and financial support (loans, grants, equity, technical assistance, ...)

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Your feedback on

- The concept of this initiative
- The potential interest of private investors in Zambia
- Any TA needs and support aimed at facilitating dialogue with GRZ and improving business climate

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LEVERAGE
Partner FI
funds

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