

The EU's External Investment Plan

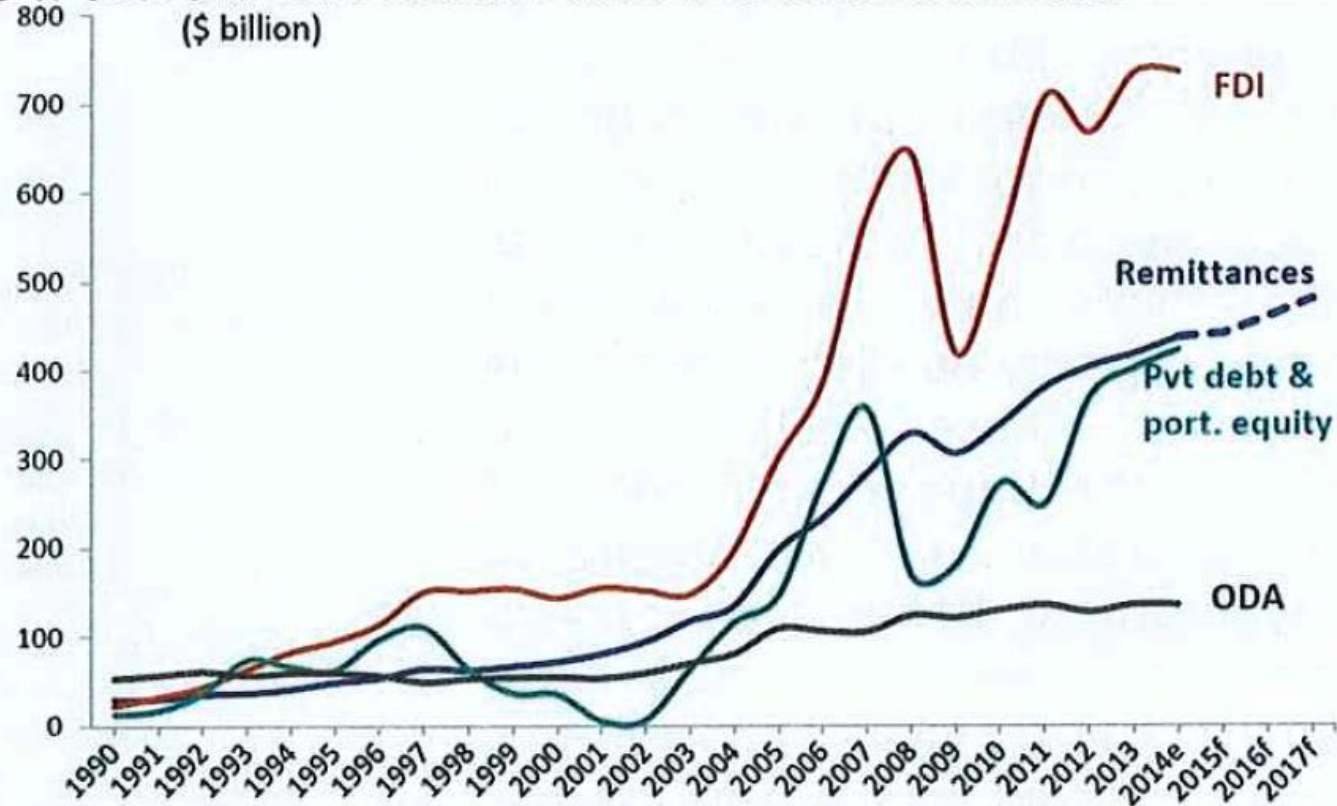


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Why focus on investment?

Figure 1: ODA and other resource flows to developing countries



Sources: World Bank Staff calculations, World Development Indicators, OECD. Private debt includes portfolio investment bonds, and commercial banks and other lending.

The EU External Investment Plan boosts the role of investment in development cooperation



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

EUR 1.5bn 2019-2020 (Africa & EU Neighbourhood)
=> EUR []bn 2021-2027 (globally)**

EIP's Objective: To create investment cases in emerging and frontier markets

Priority Areas



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

Future sectors: local currency financing, human capital,...

EIP's Objective: To create investment cases in emerging and frontier markets

A highly flexible guarantee product



- **First-/ second-/ third- loss guarantees**
 - **Credit enhancement**
 - **Junior equity**
 - **Securitisation**
 - **Specific risk cover (PPAs, construction phase, etc.)**
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- **Focus on private (co-) investors**

EIP's Objective: To create investment cases in emerging and frontier markets

For example, EIP offers the following support to investors and entrepreneurs:



- **Via local partner banks, provide lending to women entrepreneurs, young people and very small enterprises**
- **Provide equity and venture capital to African entrepreneurs**



- **De-risk renewable energy projects to make them viable even in difficult market environments**
- **By backstopping power purchase agreements and by supporting private co-financiers**



- **Support municipal PPPs**
- **Help finance digital infrastructure and digital platforms**
- **Etc.**

How to benefit from EIP?



In partnership with financial institutions

