

Daily News 23 / 11 / 2017

rescEU: a new European system to tackle natural disasters

Today the European Commission has revealed ambitious new plans to strengthen Europe's ability to deal with natural disasters. The proposal is a central part of President **Juncker**'s agenda of a [Europe that protects](#). The initiative comes in light of more complex and frequent natural disasters that have seriously affected many European countries over recent years. A key part of the proposal is the creation of **rescEU**, a reserve at European level of civil protection capabilities such as aerial forest fighting planes, special water pumps, urban search and rescue and field hospitals and emergency medical teams. These will complement national assets and will be managed by the European Commission in order to support countries hit by disasters such as floods, forest fires, earthquakes and epidemics. Alone in 2017, over 200 people were killed by natural disasters in Europe and over one million hectares of forest have been destroyed. President Jean-Claude **Juncker** said: *"Europe can't be on the side-lines when our Member States suffer from natural disasters and need help. No country in Europe is immune to natural disasters which have sadly become the new normal. When a disaster strikes, I want the European Union to offer more than condolences. Europe is a continent of solidarity and we must be better prepared than before, and faster in helping our Member States on the frontline."* *"The tragedies of last summer and the past few years have shown that our current disaster response system has reached its limits in its existing voluntary format. The challenges we face have evolved, and so must we. It is a matter of solidarity and shared responsibility at all levels. This is what European citizens expect from us and I now look to European governments and the European Parliament to embrace this proposal,"* said **Christos Stylianides**, Commissioner for Humanitarian Aid and Crisis Management. The Commission proposal focuses on two complementary strands of action, targeting a stronger collective response at European level and improved prevention and preparedness capacities: 1) Strengthening European response capacities: rescEU and 2) Stepping up disaster prevention and preparedness. Finally, the proposal will streamline and simplify administrative procedures in order to reduce the time needed to deploy life-saving assistance. Find out more information in our full [press release](#), [Q&A MEMO](#) and [factsheet](#). The press conference of Commissioner Stylianides is available [here](#). Stock [photos](#) and [video](#) of the EU Emergency Response Centre and civil protection activities are also available. (for more information: Carlos Martin Ruiz De Gordejuela – Tel.: +32 229 65322; Daniel Puglisi – Tel.: +32 229 69140)

EU-Switzerland relations: President Juncker in Bern to continue good cooperation

Today President **Juncker** met Ms Doris Leuthard, President of the Swiss Confederation as well as Mr Alain Berset, Vice-President of the Swiss Confederation and Mr Ignazio Cassis, Federal Councillor in charge of Foreign

Affairs, in Bern, where discussions focussed on EU-Swiss cooperation in a number of areas as well as the importance of the institutional framework agreement for the future of EU-Swiss relations. *“J’aime bien les choses qui vont ensemble: l’Europe et la Suisse”* President **Juncker** said, *“la Suisse fait partie de l’histoire et de la culture européenne”*. With regards to the framework agreement, President **Juncker** added that *“Switzerland is an important partner for the EU. We are moving in the right direction. In Spring, we want to agree on this ‘Freundschaftsvertrag’ (‘Friendship Treaty’)”*, underlining that the agreement will be on the agenda when he meets with President Leuthard in April next year. The EU and Switzerland signed an agreement to link their emissions trading systems. The link will allow participants in the EU’s Emissions Trading System (EU ETS) to use allowances from the Swiss system for compliance, and vice versa. This is the first agreement of this kind for the EU and between two Parties to the Paris Agreement on climate change. The EU ETS is the largest cap-and-trade system in the world and the cornerstone of the EU climate policy. Linking compatible emissions trading systems with each other is a long-term goal for the EU, as it expands opportunities for cutting emissions and thereby reduces the cost of fighting climate change. Second, the Commission has proposed to the Council to update some provisions relating to the existing agreement with Switzerland on insurance. The aim is to bring the [1991 EU/Switzerland agreement on non-life insurance](#) into line with EU and Swiss rules that have since come into force. Non-life insurance products include car, travel or house insurance. The current agreement already allows EU insurers to apply EU solvency rules to their non-life-insurance branches in Switzerland. Reciprocally, Swiss insurers can currently apply Swiss solvency rules to their non-life branches in the EU. This update brings legal certainty to businesses and supervisors and ensures that both EU and Swiss insurers continue to benefit from the agreement, as it allows them to comply with only one set of rules. President **Juncker** and President Leuthard held a press conference at 11:30 CET, which can be followed on [EbS+](#). (For more information: Mina Andreeva – Tel.: +32 229 91382; Anna-Kaisa Itkonen – Tel.: +32 229 56186; Vanessa Mock – Tel.: +32 229 56194; Nicole Bockstaller – Tel.: +32 229 52589; Letizia Lupini – Tel.: +32 229 51958)

Commission diagnoses the state of health in the EU

“Spending only 3% of our health budgets on prevention, compared with 80% on the treatment of diseases, is simply not enough. We need better access to primary care so that the emergency room isn’t people’s first port of call. And we need to enshrine health promotion and disease prevention into all policy sectors to improve people’s health and reduce pressure on health systems. These are just a few of the diagnoses coming out from our 2017 State of Health in the EU report. By offering comprehensive data and insights, we aim to support national health authorities in tackling the challenges and in making the right policy and investment choices. I hope they will make good use of it”, said Vytenis **Andriukaitis**, Commissioner for Health and Food Safety. Only by rethinking our health systems can we ensure that they remain fit-for-purpose and provide patient-centred care. This is what the 28 Country

Health Profiles published today by the Commission, along with the Companion Report suggest. The country-specific reports provide an in-depth analysis of EU Member States' health systems. They look at the health of the population and important risk factors, as well as at the effectiveness, accessibility and resilience of health systems in each EU member state. A press release is available online in [all languages](#). Follow the press conference with Commissioner Andriukaitis live [here](#). The **28 Country Health Profiles**, the Companion Report and more background information can be found [here](#). (For more information: Anca Paduraru – Tel.: +32 229 91269; Aikaterini Apostola – Tel.: +32 229 87624)

5th Eastern Partnership Summit takes place in Brussels with a focus on delivering tangible results to citizens

On Friday 24 November, the [5th Eastern Partnership Summit](#) will take place in Brussels. The President of the European Commission, Jean-Claude **Juncker**, and the President of the European Council, Donald Tusk, will represent the European Union alongside Heads of State or Government from the EU Member States and the six Eastern partner countries, namely [Armenia](#), [Azerbaijan](#), [Belarus](#), [Georgia](#), the [Republic of Moldova](#) and [Ukraine](#). High Representative/Vice-President Federica **Mogherini** and Commissioners Johannes **Hahn** and Cecilia **Malmström** will also participate. The Summit will be a key moment for the leaders to reflect on a number of significant achievements that have been accomplished since the last Eastern Partnership (EaP) Summit in Riga in May 2015: Association Agreements including Deep and Comprehensive Free Trade Areas have entered into force with [Georgia](#), the [Republic of Moldova](#) and [Ukraine](#); citizens of Georgia, Moldova (since April 2014) and Ukraine can now travel without a visa to the Schengen area for short-stays; trade between the EU and the region has increased significantly; the EU has ramped up its support to [civil society](#) and engagement with [young people](#), has helped to improve the [business](#) and [media](#) environments in the region, has broadened the [digital landscape](#) in the partner countries, and has increased the number of opportunities for citizens of the European Union and of the region to travel, research or study abroad. At the Summit, leaders will endorse the [20 deliverables for 2020](#) (full document [here](#)), which constitutes a clear work plan for the future across the four priority areas: stronger economies; stronger governance; stronger connectivity; and stronger societies. The leaders will endorse a revised multilateral institutional set-up for the Eastern Partnership, providing for stronger political guidance and a more results-oriented approach to our cooperation. A number of bilateral agreements are also expected to be taken forward in the margins of the Summit. President **Juncker** will, together with President Tusk and the Prime Minister of Estonia, Jüri Ratas, hold a joint press conference at 15:30. Arrival doorsteps are scheduled from 8:15. Coverage of the Summit will be available on [EbS](#) (stockshot selection [here](#)). Factsheets on the [20 deliverables for 2020](#), on the EU's relations with each of the 6 partner countries ([Armenia](#), [Azerbaijan](#), [Belarus](#), [Georgia](#), [Moldova](#), [Ukraine](#)), [debunking common EaP myths](#), and on each of the Summit's side events are available on the [Summit website](#). (For more information: Margaritis Schinas –

Tel.: +32 229 60524; Maja Kocijančič – Tel.: +32 229 86570; Adam Kaznowski – Tel.: +32 229 89359; Alceo Smerilli – Tel.: +32 229 64887)

The European Union's External Investment Plan: green light for the first five investment areas

The European Commission has defined concrete areas of investments for its External Investment Plan. The new plan will mobilise €44 billion of sustainable investment for Africa and the EU Neighbourhood countries. The European Commission singles out five areas of investment, so-called "investment windows", in which the first actions of the External Investment Plan (EIP) will be implemented. These investment areas are crucial for the sustainable development in countries in Africa and the EU Neighbourhood countries. The High Representative/ Vice-President Federica **Mogherini** said: *"The European External Investment Plan is the largest ever investment programme for Africa. Today, only four per cent of global foreign direct investment goes to Africa. With the European External Investment Plan, we can raise at least €44 billion in private investment by 2020, notably for the most fragile parts of the continent. I hope and I expect that others will join this effort. This is a strong signal of the strengthened partnership with Africa as we are heading towards the AU/EU Summit next week"*. Commissioner for International Cooperation and Development Neven **Mimica** added: *"With today's decision we are setting the agenda for sustainable investments. Unlocking the potential of sustainable energy, promoting digitalisation for development or supporting micro, small and medium sized enterprises will help us to create sustainable development and reduce poverty, for the benefit of all."* Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes **Hahn** commented: *"The investment windows represent real opportunity for many people and businesses in partner countries and in the European Union. Involving the private sector and securing the most conducive environment for it to flourish will contribute to sustainable growth, which is what we aim for. The External Investment Plan will bring tangible results for citizens across our Neighbourhood and beyond, contribute to job creation and greater competitiveness, stronger economy, governance, connectivity, and a stronger society."* The five investment windows include: "Sustainable Energy and Connectivity", "Micro, Small and Medium Sized Enterprises (MSMEs) Financing", "Sustainable Agriculture, Rural Entrepreneurs and Agribusiness", "Sustainable Cities" and "Digital for Development". Read the full press release [here](#). (For more information: Carlos Martin Ruiz De Gordejuela – Tel.: +32 229 65322; Christina Wunder – Tel.: +32 229 92256)

Commission welcomes agreement with Parliament and Council on simplifying environmental reporting

Last night, the negotiators of the Commission, the European Parliament and the Council reached a provisional agreement to update the rules on environmental reporting, including on waste and climate change. The Commission is monitoring the implementation of EU legislation in the EU Member States to ensure that the laws achieve their intended objectives and that all countries of the EU respect the rules that have been agreed. The most common way of doing this is through reporting and monitoring. Yesterday's

agreement updates the rules on reporting under the [Standardised Reporting Directive](#) and ensures legal clarity. It is part of the Juncker Commission's Better Regulation policy, which aims to improve implementation of EU rules, simplify them and reduce burden for public administrations. Commissioner **Vella** said: *"Today's technologies give us many opportunities to make reporting requirements in environmental laws quicker, simpler and more effective. The rapid agreement on simplified environmental reporting testifies to the common commitment of the Commission, Parliament and Council to harnessing these opportunities for better regulation and increased transparency. This will benefit everybody involved or interested in the environment. It's a good example of how better regulation helps us uphold our high environmental standards and meet our evidence-based policy objectives, and informing citizens better."* The agreement also marks the first deliverable of the REFIT streamlining exercise on environmental obligations in the EU, as proposed in [the Action Plan to streamline environmental reporting](#) adopted earlier this year and will help reduce an administrative burden estimated at around €22 million annually. Following the provisional agreement reached the Commission looks forward to the formal adoption, which should take place at the same time as the Circular Economy waste package. (For more information: Enrico Brivio – Tel.: + 32 229 56172; Iris Petsa – Tel.: +32 229 93321)

Mergers: Commission clears acquisition of Intertoys by Apollo Management

The European Commission has approved, under the EU Merger Regulation, the acquisition of sole control over Intertoys Group of the Netherlands, by Apollo Management of the US. Intertoys Group is active in the retail sale of a broad range of toys via both stores and online websites in the Netherlands, Germany, Luxemburg and Belgium. Apollo Management is a private equity investment fund with a diverse portfolio, including the Walz Group, active in the sale of baby products. The Commission concluded that the proposed acquisition would raise no competition concerns because of the limited overlap between the companies' activities. The operation was examined under the simplified merger review procedure. More information will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.8683](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

Commissioner Bieńkowska at SME Assembly 2017 in Tallinn as SME recovery gathers speed

Commissioner Elżbieta **Bieńkowska**, responsible for Internal Market, Industry, Entrepreneurship and SMEs, delivered a keynote speech this morning at the [SME Assembly](#) in Tallinn, along with Urve Palo, Estonian Minister of Entrepreneurship and Information Technology. The Commissioner shared with the audience the Commission's initiatives to address the needs of innovative start-ups, support young entrepreneurs, and make access to finance more efficient for companies to scale up. The SME Assembly is part of the [European SME Week](#), a pan-European campaign with events and awards, such as the European Enterprise Promotion Awards, aiming to promote entrepreneurship in Europe. 2017's edition was emboldened by the encouraging results published in the [Annual report on EU SMEs](#) today. The report clearly shows the European

SMEs are recovering from the crisis, which benefits the whole EU economy. In fact, 2016 was the third consecutive year where there was a steady increase in EU SME employment and value added. Most importantly, in 2016, EU SME employment exceeded the 2008 level for the first time since the 2008/2009 economic and financial crisis. More information [here](#). (For more information: Lucia Caudet – Tel.: + 32 229 56182; Maud Noyon – Tel.: +32 229 80379; Victoria von Hammerstein – Tel.: +32 229 55040)

ANNOUNCEMENTS

European innovation in focus: Vice-President Ansip visits world-leading research hub in Leuven

Today European Commission Vice-President **Ansip**, in charge of the Digital Single Market, and Belgian Deputy Prime Minister De Croo, responsible for the Digital Agenda, will visit [imec](#) – a world-leading research and innovation hub in nanoelectronics and digital technologies based in Leuven, Belgium. On this occasion, results of EU investments in research and innovation will be presented, such as microchips used for better diagnosis and health monitoring. Imec has been participating in EU projects since its creation in 1984. Imec is involved in [ECSEL](#), a European initiative representing EUR 1.2 billion of EU investment for the period 2014-2020, to be leveraged by an equal amount from participating states and twice as much from industry (a total of EUR 4.8 billion). EU's research and innovation projects and [electronics strategy](#) have contributed to imec's success, based on cross-border cooperation, scientific excellence and collaboration with the industry and SMEs. A wide range of applications has benefitted from imec's solutions, including in computing, health, energy, security, communications, and transport. Vice-President **Ansip** said: "I would like to see more centres like imec across Europe. Imec not only provides innovative solutions to improve people's lives, it also creates jobs. For that to happen, we need to continue investing in research and innovation, and invest even more. We also need to make progress towards a Digital Single Market – and I am pleased to have Belgium's strong support." Follow Vice-President **Ansip**'s visit via [@Ansip_EU](#). Further information and full programme are available [here](#). Photo and video footage will be available on [EBS](#). (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Inga Höglund – Tel.: +32 229 50698)

Vice-President Katainen in Finland

European Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, will visit Finland on Thursday 23 and Friday 24 November. On Thursday, Vice-President **Katainen** will participate in a discussion on the Future of Europe in Helsinki with Members of the Finnish Parliament. He will also attend a [Citizens' Dialogue](#) on the goals and achievements of the Investment Plan for Europe and the Future of Europe at the Aalto University, together with Mr. Jussi Nykänen, founding partner of Social Impact Fund [EPIQUS](#), representatives of the Student Union and professors of the University. The event will be streamed live on [YouTube](#) with English interpretation from 13.30 – 15.00 CET. Twitter hashtags of the

dialogue are [#EUdialogues](#) [#FutureofEurope](#) [#investEU](#). On Friday 24 November, the Vice-President will give the opening speech at the [Finland100 leadership seminar](#) in Kuopio, organised by the Savo Vocational College. He will also meet with the Mayor of Kuopio, Mr. Jarmo Pirhonen. At the Kuopio Lyceum, he will participate in a second [Citizens' Dialogue](#) on the Future of Europe, together with Mr. Pietu Heiskanen, President of the Union of Upper Secondary School Students. You can watch the event live on [YouTube](#) in Finnish from 11.00 to 12.00 CET. (For more information contact Johannes Bahrke – Tel.: +32 229 58615; Siobhán Millbright – Tel.: +32 229 57361)

[Upcoming events](#) of the European Commission (ex-Top News)

[Commission diagnoses the state of health in the EU](#)

Only by rethinking our health systems can we ensure that they remain fit-for-purpose and provide patient-centred care. This is what the 28 Country Health Profiles published today by the Commission, along with the Companion Report suggest. The reports provide an in-depth analysis of EU Member States' health systems. They look at the health of the population and important risk factors, as well as at the effectiveness, accessibility and resilience of health systems in each EU member state. The reports clearly reflect shared objectives across the member states, and reveal potential areas where the Commission can encourage mutual learning and exchange of good practices.

Vytenis **Andriukaitis**, Commissioner for Health and Food Safety, said: *"Spending only 3% of our health budgets on prevention, compared with 80% on the treatment of diseases, is simply not enough. We need better access to primary care so that the emergency room isn't people's first port of call. And we need to enshrine health promotion and disease prevention into all policy sectors to improve people's health and reduce pressure on health systems. These are just a few of the diagnoses coming out from our 2017 State of Health in the EU report. By offering comprehensive data and insights, we aim to support national health authorities in tackling the challenges and in making the right policy and investment choices. I hope they will make good use of it."*

A lack of context-sensitive, comprehensive analysis has long been identified as a major obstacle for health policy makers. To fill this knowledge gap, this month the Commission completed the first [two-year cycle of the State of Health](#) in the EU.

Key findings

The Country Health Profiles were prepared in cooperation with the [OECD](#) and the [European Observatory on Health Systems and Policies](#). Five cross-cutting

conclusions come forward in the Companion Report:

- Health promotion and disease prevention pave the way for a more effective and efficient health system. Aside from the unbalanced investments in prevention, social inequalities need to be tackled, as illustrated by the differences in cancer screening or physical activity between people with higher and lower income and education.
- Strong primary care efficiently guides patients through the health system and helps avoid wasteful spending. 27% visit an emergency department because of inadequate primary care. Only 14 EU countries require primary care referral for consulting a specialist; 9 other countries have financial incentives for referrals.
- Integrated care ensures that a patient receives joined-up care. It avoids the situation we currently see in nearly all EU countries, where care is fragmented and patients have to search their way through a maze of care facilities.
- Proactive health workforce planning and forecasting make health systems resilient to future evolutions. The EU has 18 million healthcare professionals, and another 1.8 million jobs will be created by 2025. Health authorities need to prepare their workforce for upcoming changes: an ageing population and multimorbidity, the need for sound recruitment policies, new skills, and technical innovation.
- Patients should be at the centre of the next generation of better health data for policy and practice. The digital transformation of health and care helps capture real-world outcomes and experiences that matter to patients, with great potential for strengthening the effectiveness of health systems.

Next steps

Following the presentation to Health Ministries of all EU countries, national authorities can further discuss these reports with the experts of the OECD and the European Observatory on Health Systems and Policies. The voluntary exchanges will be able to take place from the beginning of 2018 and help Ministries to better understand the main challenges and develop the appropriate policy responses.

More information:

- The 28 Country Health Profiles, the Companion Report and more background information can be found [here](#).
- Follow us on Twitter: [@V_Andriukaitis](#) [@EU_Health](#)

[The European Union's External](#)

Investment Plan: green light for the first five investment areas

The European Commission singles out five areas of investment, so-called “investment windows”, in which the first actions of the External Investment Plan (EIP) will be implemented. These investment areas are crucial for the sustainable development in countries in Africa and the EU Neighbourhood countries.

The High Representative/ Vice-President Federica **Mogherini** said: *“The European External Investment Plan is the largest ever investment programme for Africa. Today, only four per cent of global foreign direct investment goes to Africa. With the European External Investment Plan, we can raise at least €44 billion in private investment by 2020, notably for the most fragile parts of the continent. I hope and I expect that others will join this effort. This is a strong signal of the strengthened partnership with Africa as we are heading towards the AU/EU Summit next week.”*

Commissioner for International Cooperation and Development Neven **Mimica** added: *“With today’s decision we are setting the agenda for sustainable investments. Unlocking the potential of sustainable energy, promoting digitalisation for development or supporting micro, small and medium sized enterprises will help us to create sustainable development and reduce poverty, for the benefit of all.”*

Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes **Hahn** commented: *“The investment windows represent real opportunity for many people and businesses in partner countries and in the European Union. Involving the private sector and securing the most conducive environment for it to flourish will contribute to sustainable growth, which is what we aim for. The External Investment Plan will bring tangible results for citizens across our Neighbourhood and beyond, contribute to job creation and greater competitiveness, stronger economy, governance, connectivity, and a stronger society.”*

The five investment windows include:

- “Sustainable Energy and Connectivity” – to attract investments in renewable energy, energy efficiency and transport.
- “Micro, Small and Medium Sized Enterprises (MSMEs) Financing” – to improve MSME’s access to finance. Such businesses are the main employers in Africa and the EU Neighbourhood, and offer important and more sustainable alternatives to the informal economy.
- “Sustainable Agriculture, Rural Entrepreneurs and Agribusiness” – to provide better access to finance for smallholders, cooperatives and micro, small and medium sized enterprises agribusiness, allowing to address food security issues.
- “Sustainable Cities” – to mobilise investments in sustainable urban development of municipal infrastructure, including urban mobility,

water, sanitation, waste management, renewable energy services.

- “Digital for Development” – to promote investments in innovative digital solutions for local needs, financial inclusion and decent job creation.

Background

As a next step, the European Commission will invite eligible financial institutions, for example development banks, to present their concrete proposals for investment programmes within these five areas. After an [assessment by the Commission](#) and independent experts, a number of selected financial institutions will be entrusted with managing these investment programmes. The first agreements with such financial institutions are expected to be signed in the first half of 2018.

Businesses and organisations, who would like to benefit from support under the EIP, will then be able to contact these financial institutions with their project proposals. A dedicated EIP secretariat and a web portal will help to guide interested businesses.

Projects have to have a clear sustainable development objective and contribute to economic and social development, with a focus on sustainability and job creation, particularly for youth and women. Investment proposals should provide adequate risk sharing, be economically and financially viable, as well as socially and environmentally sustainable. They have to address market failures or sub-optimal investment situations and must not distort market competition.

For More Information

[EIP Website with email address \(once approved\) – The Manual \(once approved\) will be available on the EIP Website](#)

[Q&A about the European External Investment Plan](#)

[Press release on the formal adoption of the EIP](#)

[More details on pillar assessment](#)

Questions and answers about the European External Investment Plan

Some of the main challenges for developing countries remain achieving inclusive and sustainable growth and creating jobs. The investment climate and the overall policy environment in the EU Neighbourhood and in Africa are not always supportive of private sector investment. This is particularly evident in fragile, conflict- and violence-affected countries, some of which

are important countries from where irregular migrants originate.

Foreign Direct Investment (FDI) and other private financial flows have declined across developing countries since the 2008 financial crisis. In 2012, only 6% (€ 34.6 billion) of total global FDI to developing countries went to countries on the fragile states list. This was an average investment of €27 per capita compared to an average of €128 per capita in other developing countries. Among those on the fragile states list, the majority of FDI is attracted by resources-rich countries, with 72% concentrated in ten countries in 2012. This clearly marks a gap in investment and the added-value targeted action by the European Union can have.

What is new about the EU External Investment Plan?

The EIP goes beyond classical development assistance to support sustainable investments in an integrated way. Its innovative and holistic approach complements the toolbox of our development cooperation and increases its impact on the ground. It will attract private investors where viable business proposals meet sustainable development needs, and where limited public funds can attract private money. It will bridge blending, technical assistance and strategic policy and political dialogue in order to improve investment climate and business environment. In addition, to help investors and entrepreneurs access the new products, a one-stop-shop web portal is being set up by the EIP Secretariat.

How does it work?

The integrated approach of the EIP will work by combining three pillars:

Pillar 1: The EIP will make use of a new generation of financial instruments, such as guarantees, risk sharing instruments, as well as the blending of grants and loans for sustainable development projects. The newly created European Fund for Sustainable Development (EFSD) will help to leverage additional financing for development, notably from the private sector. By offering an innovative new EFSD guarantee, we will encourage investors to engage in Africa and the EU Neighbourhood, where they would not usually go, for example in contexts that are more risky than others. Investments will mainly be targeted to improve economic and social infrastructure and proximity services, and to provide support to SMEs, microfinance and job creation projects.

Pillar 2: Through its substantial technical assistance, the EU will support local authorities, as well as micro, small and medium companies or cooperatives in defining better and viable projects. Stepped up technical assistance linked to concrete innovative financial instruments and projects will result in more successful projects, which would have much greater impact on development.

Pillar 3: The EU will step up structured political and private sector dialogue with partner countries and other stakeholders. This will help improve the investment climate and business environment.

The EU is a unique development and foreign policy actor, with over 50 EU Delegations on the ground in Africa and the European Neighbourhood. The EU already has dialogues with partner countries, addressing key issues like human rights, good governance, etc. With the EIP, we will more systematically address constraints to investments for sustainable development and business. This will also help ensure coherence with other external EU policies.

In the EU Neighbourhood, the EU will use the existing policy dialogue structures established under the Association Agreements or similar types of bilateral agreements to discuss the investment climate with the national authorities. These discussions will aim to promote policy reforms that contribute to a better investment climate for local and foreign investors. In parallel, the EU will also promote a stronger engagement with European businesses and strengthen local coordination mechanisms.

Where will the money come from? What is the funding for the EIP?

With a contribution of €4.1 billion from the European Commission, the EIP is expected to leverage more than €44 billion of investments by 2020. The funding instrument for the EIP is the European Fund for Sustainable Development (EFSD), which consists of (a) the EFSD Guarantee with a value of €1.5 billion and (b) €2.6 billion from the Blending facilities under the African Investment Facility (AfIF) and the Neighbourhood Investment Facility (NIF). The resources come from the EU budget and other sources, including the European Development Fund. The EFSD is open to contributions from EU Member States, EFTA countries and other partners. If the latter matched the EU contribution, we could leverage as much as €88 billion by 2020.

How did you get to the figure of €44 billion?

We expect our contribution of €4.1 billion to leverage a total of €44 billion. This is based on calculated assumptions and experience of the last ten years in [blending operations](#) in our partner countries. It also builds on the experience in Europe, acquired through the Investment Plan for Europe (the '[Juncker Plan](#)'). However, our estimate of the leverage factor in partner countries is more conservative and cautious than in Europe.

Do you expect Member States to contribute? How?

Yes, the fund is open to contributions from EU Member States, EFTA countries and other partners. If the latter matched the EU contribution, we could leverage as much as €88 billion. Member States could contribute to the EIP in the form of direct financial contributions or as a second-loss guarantee. This means that they would be relied upon only in the second stage if the EU Guarantee has been fully depleted.

Contributions from the Member States will benefit from the overall advantages of the EIP, including increased coherence, better access to sustainable finance, technical assistance and focussed effort to improve investment climate and business environment.

What is an "investment window" and which do you foresee?

Investment windows are targeted areas for investments, with an expected geographical and/or sectoral focus of activities.. The EIP aims to support areas where investment would not otherwise go. The first five investment windows are: “Sustainable Energy and Connectivity”, “Micro, Small and Medium Enterprises (MSMEs) Financing”, “Sustainable Agriculture, Rural entrepreneurs and Agribusiness”, “Sustainable Cities”, and “Digital for Development”. New investment windows may be established in the future.

What are the conditions to get support under the EIP?

Projects have to be made in Africa or the European Neighbourhood and have a clear sustainable development objective. They should contribute to economic and social development, with a focus on sustainability and job creation, particularly for youth and women. Investment proposals have to provide adequate risk sharing, be economically and financially viable, socially and environmentally sustainable, not distort market competition and address market failures or sub-optimal investment situations. Operations should be additional – i.e. financing would otherwise not be available, and market distortion and crowding out of commercial finance has to be avoided.

Who will be eligible to receive support through the EIP?

Commission funding from the EIP will be granted under specific investment window to eligible financial institutions [assessed by the Commission](#), for example development banks. Currently eligible financial institutions include: The European Investment Bank (EIB), The European Bank for Reconstruction and Development (EBRD), The African Development Bank (AfDB), Agence Française de Développement (AFD), Casa di Depositi e Prestiti (CDP), Compañía Española de Financiación del Desarrollo (COFIDES), Deutsche Investitions- und Entwicklungsgesellschaft (DEG), Kreditanstalt für Wiederaufbau (KfW), Agencia Española de Cooperación Internacional para el Desarrollo (AECID), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), Promotion et Participation pour la Coopération économique (PROPARCO).

Businesses who want to benefit from the EIP are then encouraged to contact the financial institutions managing the investment windows, to get informed about the available instruments for their project or if they are interested in investing.

How can an individual company submit a project?

A web portal and Secretariat specifically designed for the EIP will be operational once implementation begins and will provide a ‘one-stop-shop’ for all those interested in working with the EIP. Companies will also be able to request access to funding and a guarantee for an investment project directly with the EIP Secretariat, which will put the company in touch with an eligible financial institution. Should the project not qualify for the EFSD, the Secretariat will suggest to the company a list of relevant financial institutions, which are active in the respective region of interest.

How can companies based in Africa and the Neighbourhood benefit? How can European companies benefit?

The EFSD support will be mostly implemented via eligible partner financial institutions (see above). The European Commission will consider project-based partnerships with private sector actors in Europe and in partner countries. Increasing the visibility of investment opportunities outside the EU, in cooperation with partner countries, will further benefit all involved.

Increased investment will be accompanied by focussed work to improve the business environment and investment climate in the partner countries, as well as significant technical assistance. This will create a “win-win” situation: for the local private sector to become more active and for European companies who wish to do business in developing and neighbourhood countries.

Direct interaction with companies and their associations will also be sought through dialogue to encourage more private sector engagement and market-based solutions in sustainable agriculture and agribusiness, sustainable energy, infrastructure and social sectors.

What kinds of projects will be funded under the EFSD Guarantee? Can you give examples?

The EFSD Guarantee can cover specific risks in investment projects and thus encourage investors to participate. For example, in renewable energy projects, the EFSD Guarantee can help to alleviate short-term liquidity problems and that way encourage investors to get on board.

A successful example of a project previously supported by the Commission in the energy sector is the Electrification Financing Initiative, or [ElectriFI](#). By addressing the lack of access to seed, mid- and long-term capital the project aims to facilitate access to reliable, affordable and sustainable electricity and energy services for populations in rural, underserved areas.

A similar project in the field of Small and Medium Enterprises is the SANAD Fund, which provides loans, subordinated debt, guarantees and equity financing to local partner institutions for on-lending to micro, small and medium enterprises (MSMEs) and thus fuels their growth in the Middle East and North Africa. As these enterprises account for 60% of GDP and 70% of employment, they are crucial to a vibrant economy and job market. In addition, a Technical Facility, which is co-financed by the EU with €2 million, offers capacity building and support to Private Finance Initiatives, hence increasing the sustainability of the overall approach.

The Boost Africa initiative uses a combination of investment tools, technical assistance and entrepreneur training to attract investors and develop an efficient entrepreneurial infrastructure by maximising the support to MSMEs at the earliest and riskiest stages of their development.

The EURIZ project helps the financially underserved MSME (green, agricultural, women-owned, start-ups and others) to receive loans for business development and sustainable jobs by providing guarantees.

The Green for Growth Fund (GGF) is a specialised fund initiated by EIB and KfW to promote energy efficiency and renewable energy investments in

Southeast Europe, Turkey, and the European Neighbourhood. GGF provides refinancing to financial institutions to enhance their participation in energy sectors and also makes direct investments in renewable energy projects. It also benefits from a technical assistance facility. The EU contribution is of €70 million in the form of equity.

The Climate Investor One is an investment fund managed by FMO and aiming to deliver sustainable energy at affordable prices in emerging markets. This fund supports energy projects from beginning to end, attempting to address current market failures and inefficiencies at every step of the project. The EU contribution is €30 million in the form of €25 million of risk capital and €5 million of reimbursable technical assistance.

The European Commission will build on and replicate positive examples like these with the help of the EIP. Projects under the EIP will focus on key sectors identified as essential in the creation of decent, sustainable jobs, the development of partners' economies, and their integration into the global economy. Examples of such sectors include renewable energy, projects that aim to fight climate change, and support to local Micro, Small and Medium Enterprises. Other sectors such as agriculture are also likely to be included.

How are you going to make sure that will actually translate into sustainable growth and decent jobs?

The European Commission will closely monitor the progress of the EIP. It will report annually to the European Parliament and the Council on the EIP financing and investment operations. A report will also be presented to the public and all relevant stakeholders, including civil society.

In line with EU transparency policies, eligible counterparts shall proactively and systematically make publicly available information relating to all financing and investment operations covered by the EIP, taking into account the protection of confidential and commercially sensitive information. The Commission will communicate with citizens and stakeholders by all means, including through its website and dedicated EIP web portal.

For More Information

[Press release on the establishment of the first five investment windows](#)

[Communication "Strengthening European Investments for jobs and growth: Towards a second phase of the European Fund for Strategic Investments and a new European External Investment Plan" \(14/09/2016\)](#)

[Press release on the proposal for a European External Investment Plan](#)

[Factsheet on the proposal for a European External Investment Plan](#)

Press release: Further changes needed to make Cohesion spending more results-oriented, say EU Auditors

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