

Press release – EU plan to tackle root causes of migration should focus on the poor, MEPs say – Committee on Foreign Affairs – Committee on Development – Committee on Budgets

An EU scheme to mobilise €44 billion in private sector investment in Africa and the EU's neighbourhood should focus on the poor, said committee MEPs on Monday.

The MEPs, on the Foreign Affairs, Development and Budget committees, suggested changes to draft operating rules for the European Fund for Sustainable Development (EFSD).

As part of the [European External Investment Plan](#), the EFSD would encourage €44 billion in private investments in fragile states by offering a combination of grants, loans and financial guarantees worth of €3.3 billion to boost jobs, growth and stability, thus addressing the root causes of migration.

Key points

MEPs propose, inter alia that:

- the EFSD should focus on reducing poverty and supporting micro-, small and medium-sized companies as well as climate change efforts and strengthening the rule of law and human rights,

Quotes

“The EFSD should be an innovative financial instrument that attracts investments into the private sector in least developed countries. I hope this would bring growth and stimulate further development of these countries“, said co-rapporteur Eduard Kukan (EPP, SK).

“We need ensure that the EFSD really improves the lives of people in the least developed countries and helps achieve the Sustainable Development Goals. It must help to create decent jobs, and provide additional finance for local companies“, said Doru-Claudian Frunzulica (S&D, RO).

“I believe we can create a powerful tool that helps the poorest and proves that the private sector is a key partner in development“, said co-rapporteur Eider Rubial Gardiazabal (S&D, ES).

The changes to the draft operating rules were backed by 75 votes to 9 with 5 abstentions.

Next steps

Since the Council agreed its negotiating position in December 2016, Parliament will start talks with it on the final shape of the scheme if there is no objection at the April plenary session in Brussels.

Note to editors

EFSD resources come from the mid-term review of the MFF 2014-2020 and the European Development Fund (EDF) reserve. The new fund will be composed of two regional platforms: one for Africa and the other for the EU Neighbourhood (south and east). It will function as a “one stop shop”, offering access to existing EU blending facilities, coupled with a new, additional guarantee for public and private investors. The EFSD Guarantee is expected to have a cash provision of €750 million including €350 million from the EU budget and €400 million from the EDF. The EFSD will also combine resources from two existing blending facilities – €2.6 billion from the Neighbourhood Investment Facility and Africa Investment Facility.