

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](#)