



## PRESS RELEASE

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### **EUROPEAN FINANCING PARTNERS replenished with €230 million**

**The European Investment Bank (EIB) and the European Development Finance Institutions (EDFI) today agreed to replenish the co-financed facility EUROPEAN FINANCING PARTNERS with €230 million to finance private sector investments in Africa, the Caribbean and the Pacific (ACP).**

EDFI members and the EIB signed a new Master Investment Agreement for EUROPEAN FINANCING PARTNERS S.A. (EFP) today at a meeting in Cologne, committing an additional €230 million to the investment matching facility. The funding will be provided by the Cotonou Investment Facility through the EIB (€100 million) and by following EDFI members (€130 million): BIO (Belgium), CDC (United Kingdom), COFIDES (Spain), DEG (Germany), FINNFUND (Finland), FMO (the Netherlands), IFU (Denmark), NORFUND (Norway), OeEB (Austria), PROPARCO (France), Sifem (Switzerland) and SWEDFUND (Sweden).

The EFP initiative was created in 2003 with the double aim of promoting sustainable development of the private sector in ACP States and strengthening co-operation between eligible European Development Finance Institutions and the EIB. EFP is a Luxembourg-based investment company and has since approved financing to 25 private sector enterprises in Africa, the Caribbean and the Pacific at a total amount of €280 million.

An evaluation of EFP undertaken by the Operations Evaluation Department of the EIB in 2008/2009 concludes that "the EFP initiative is clearly in line with European development cooperation policies and with a number of joint statements on aid harmonisation put forward by the international community. It has also been a concrete step forward in implementing the Framework Agreement on financial co-operation and exchange of services signed by the European Partners in 2003. This evaluation has highlighted that, while sharing the common objectives of EFP, its members participate with their own institutional agendas: larger partners focus on financial leverage and risk sharing while smaller partners focus on the exchange of experience and best practices. These diverse strategic objectives are not only coherent with the objectives of the EFP, but greatly contribute to achieve them. Through its operation, the EFP has proved to be an effective and efficient instrument in strengthening co-operation among partners. Furthermore, overall the partners feel satisfied with the experience and provide concrete examples of reinforced co-operation."

EFP has financed projects in 11 ACP countries in the following sectors: Agribusiness, Banking, Communication, Health, Hotels, Housing, Industry, Infrastructure, Power and Air Transport.

The EIB's Vice President responsible for lending operations in the ACPs, Plutarchos Sakellaris and the Chairman of EDFI, Luc Rigouzzo, expressed their commitment to the EFP initiative at the signing ceremony in Cologne. VP Sakellaris said, "We at the EIB have been encouraged by the manner in which the EFP initiative has been utilised to date to fund private sector projects in the ACP regions which foster economic growth and lead to an overall reduction in poverty. These are precisely the lending objectives of the EIB in the ACPs and we are delighted to show our support for this European collaborative initiative with a further injection of capital of EUR 100 m."

Luc Rigouzzo said that "EFP has contributed to increasing the visibility of European development cooperation. Extensive harmonisation of guidelines, procedures and processes among the partners, enabling them to delegate tasks to the institutions in charge of the individual projects, has made EFP a very efficient vehicle for co-financing, which is being closely watched by other institutions considering establishing a similar platform."



## NOTE TO THE EDITOR

The European Investment Bank has been an active development partner in many African, Caribbean and Pacific countries since 1963. Since the inception of its successive development mandates in these regions the EIB has lent EUR 12.2bn in favour of almost 1200 projects in 92 different countries.

EIB lending in the ACP regions is an integral part of the European Union financial support package under the ACP-EU Cotonou Partnership Agreement. The Agreement was concluded in June 2000 and will run for 20 years, with Financial Protocols defined for each successive five to six-year period. In the ACPs, the EIB concentrates its efforts on fostering private sector-led initiatives that promote economic growth and help to reduce poverty. The Bank also supports public sector projects that are critical for private sector development and the creation of a competitive business environment.

Since 2003, the EIB has managed the ACP Investment Facility (IF) on behalf of the EU Member States under the European Development Fund. The IF, a EUR 3.137bn risk-bearing revolving fund, was established to support investment in private businesses and commercially-run public sector companies (including revenue-generating infrastructure). The IF is currently in its second financial protocol, covering the period 2008-2013. The IF is supplemented by up to EUR 2bn from the Bank's own resources for the same period, which is covered by a guarantee from the Member States.

South Africa is one of the ACP countries but receives EIB funding under a separate mandate. In October 2007, the EIB signed a Declaration of Intent with the Government of the Republic of South Africa, pledging financial support to the country until 2013. From 2008 to 2013, the EIB will lend up to EUR 900m to South Africa. The EIB cooperates with the South African authorities, public agencies, private enterprises and the financial sector to focus investment on infrastructure projects of public interest and support for the private sector.

**For further information about the EIB's activities in ACP, please contact Una Clifford, tel. +352-4379-83326, [u.clifford@eib.org](mailto:u.clifford@eib.org); or visit <http://www.eib.org/lending/acp>.**

EDFI, the Association of European Development Finance Institutions, is a group of sixteen bilateral European development finance institutions, whose members provide long term finance for private sector enterprises in developing and reforming economies. The main objectives of EDFI, which was founded in Brussels in 1992, are to foster cooperation among its members and to strengthen links between these and EU institutions. At the end of 2008, the total investment portfolio of EDFI members was €17 billion, of which €4 billion was invested in ACP. The EDFI members invested €1.4 billion in ACP in 2008.

The EDFI members are: AWS, Austria - BIO, Belgium - CDC, United Kingdom - COFIDES, Spain - DEG, Germany - FINNFUND, Finland - FMO, Holland - IFU/IØ, Denmark - NORFUND, Norway - OeEB, Austria - PROPARCO, France - SBI/BMI, Belgium - Sifem, Switzerland - SIMEST, Italy - SOFID, Portugal - SWEDFUND, Sweden

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