The EU’s External Investment Plan: first projects in Africa and the Neighbourhood

Yesterday’s decision is a major milestone towards delivering investments in Africa and the Neighbourhood through the EU’s External Investment Plan (EIP), which is expected to leverage €44 billion of investments through an EU contribution worth €4.1 billion. The EIP aims to promote inclusive growth, job creation and sustainable development and in this way to tackle some of the root causes of irregular migration.

One of the new programmes for example will benefit people who currently have difficulty borrowing money at affordable rates, such as internally displaced people, refugees or returnees. Another programme will enable over 25,000 small businesses to access mobile accounts and long-term credit, in order to support the financial inclusion driven by diasporas, migrants’ families and returnees.

High Representative/Vice-President Federica **Mogherini** said: *“The EU’s External Investment Plan has already started to bring real benefits to the people in our partner countries. These guarantee programmes for sustainable investment give now access to affordable loans to people who have been forced to flee their country and those who have recently returned home to rebuild their lives: to start small businesses or to have access to new technologies. This plan is about building a new present for many people and for their countries, it is about changing lives, now and for good.”*

Commissioner for International Cooperation and Development Neven **Mimica** added: *“We are on the right track towards achieving our commitment under the External Investment Plan: Since its launch last September, we have mobilised €800 million in guarantees and €1.6 billion in blending, which will overall translate into over €22 billion public and private investments. This will support much needed investment in sustainable development and decent job creation particularly in Africa.”*

Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes **Hahn** said: *“We want to see the new EU guarantees that we have announced yesterday translate into concrete, innovative and sustainable projects on the ground, making a real change for the people. More prosperity in the EU’s immediate neighbourhood is not only good for our European economies and businesses. It is a long-term investment in the stability and security of our partners in the neighbourhood and for Europe”*

The External Investment Plan’s financial pillar consists of two parts:

- **Guarantee Fund** (for a total of €1.5 billion by 2020): On 10 July, the EU allocated **€800 million** from the Guarantee of the European Fund for Sustainable Development. This is expected to **leverage €8-9 billion** of

public and private investments. The guarantees will cover operations in several areas: financing for small businesses, including ones involved in agriculture; sustainable cities; sustainable energy and connectivity; and access to the internet and digital services.
- **Blending Facilities** (for a total of €2.6 billion by 2020): Since 2017, the EU has made available a total of **€1.6 billion** for interventions mixing EU grants with loans (so-called blending). This will help to **leverage up to €14.6 billion in investments**. These programmes will cover areas such as transport, energy, environment, agriculture, urban development sectors and also improve access to finance for local micro, small and medium enterprises.

The EIP is also open for contributions from other donors, including EU Member States, third countries as well as private philanthropic actors. Discussions with such potential donors have proved the innovative, attractive and ambitious approach of the EIP. In this vein, the EU also welcomed the first major contribution from the Bill & Melinda Gates Foundation, of around **€53 million** ($62 million). This will attract further investment to incentivise research and innovation in e-health in less developed and fragile environments.

The decision of 10 July was taken by the Strategic Board of the European Fund for Sustainable Development. The Board comprises representatives of EU Member States, the European Parliament (as observer), the European Commission (who chairs the meeting), the European External Action Service and the European Investment Bank. Partner countries and regional stakeholders can also join as observers.

Background

European Commission President Jean-Claude Juncker first proposed the EU External Investment Plan in 2016, and it was formally launched in 2017. It builds on the successful experience of the "Juncker Plan", which already triggered hundreds of billions of investments within Europe. Adapted to the specificities of the EU's partner countries in Africa and the EU Neighbourhood, it aims to promote inclusive growth, job creation and sustainable development, and in this way tackle some of the root causes of irregular migration.

The plan consists of three pillars: The **financial pillar**, with its European Fund for Sustainable Development worth €4.1 billion; **technical assistance** to help beneficiaries to develop financially attractive and viable projects; as well as **policy dialogue**, to help improve the investment climate and business environment in our partner countries.

The agreement on first guarantee programmes concerns the EIP's financial pillar, and paves the way for signing the first contracts for guarantee agreements with eligible partner financial institutions already in the second half of 2018. These institutions will then use EU guarantees to finance new development projects and attract additional private investments.

The guarantees lower some specific risks of investing in projects in the EU's partner countries in Africa and in the EU’s Neighbourhood. This will help to bring private investment in areas where public development assistance on its own would not have been sufficient to get projects off the ground, as well as where investments would not have taken place otherwise, or where they would not have done so at the same scale – what is known as additionality.

For More Information

Questions & Answers MEMO about the EU External Investment Plan

Detailed information on the twelve guarantee tools for investment products approved yesterday

EIP/EFSD Operational Report 2017

External Investment Plan webpage and One-stop-shop

Introductory statement for ECON scrutiny session on Level 2 measures under the EU Benchmarks Regulation

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ECB publishes indicative calendars for the Eurosystem’s regular tender operations and reserve maintenance periods in 2019

PRESS RELEASE

11 July 2018

- ECB publishes indicative tender calendar for 2019
- ECB publishes indicative reserve maintenance period calendar for 2019

The European Central Bank (ECB) is today publishing the indicative calendar for the Eurosystem’s regular tender operations and the indicative calendar for the Eurosystem’s reserve maintenance periods for 2019.

The indicative calendar for the Eurosystem’s regular tender operations includes only main refinancing operations (MROs) and three-month longer-term refinancing operations (three-month LTROs). It does not include any supplementary or ad hoc operations which may be carried out in 2019. The calendar can be downloaded from the ECB’s website.

The indicative calendar for the Eurosystem’s reserve maintenance periods takes into account the calendar for Governing Council meetings in 2019, as well as the calendar for regular tender operations.

Indicative calendar for reserve maintenance periods in 2019:

MP	Relevant Governing Council meeting	Start of maintenance period	End of maintenance period	Reserve base data for credit institutions reporting monthly	Reserve base data for credit institutions reporting quarterly	Length of the maintenance period (days)
1	24 January 2019	30 January 2019	12 March 2019	November 2018	September 2018	42
2	07 March 2019	13 March 2019	16 April 2019	January 2019	December 2018	35
3	10 April 2019	17 April 2019	11 June 2019	February 2019	December 2018	56
4	06 June 2019	12 June 2019	30 July 2019	April 2019	March 2019	49
5	25 July 2019	31 July 2019	17 September 2019	May 2019	March 2019	49
6	12 September 2019	18 September 2019	29 October 2019	July 2019	June 2019	42
7	24 October 2019	30 October 2019	17 December 2019	August 2019	June 2019	49
8	12 December 2019	18 December 2019	28 January 2020	October 2019	September 2019	42

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Introductory statement for ECON scrutiny session on Level 2 measures under the EU Benchmarks Regulation

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Remarks by Vice-President Dombrovskis at the College readout: Commission supports normalisation in Greece through activation of post-programme framework

Good afternoon, ladies and gentlemen.

The College has just concluded its weekly meeting. The main focus of our meeting today was Greece. So Commissioner Moscovici and I will go into the details in a moment.

On other subjects: First Vice-President Timmermans introduced the discussion on the 2019 Commission Work Programme. As we stand now, the Juncker Commission has delivered 100% of what we committed to do under our 10 policy priorities of 2014. And we even went beyond this with 49 new sectoral proposals under the next EU long-term budget, which we rolled-out in June and presented to EU Leaders at the European Council two weeks ago. The focus now is on delivery. There are 290 legislative files pending in the European Parliament and the Council. So we must focus on the implementation of legislation that has been agreed and adopted. Our number one goal here is for the Parliament and the Council to adopt as many pending legislative files as possible before the European elections in May next year. In his State of the Union speech on 12 September, President Juncker will provide an update on where we are on the outstanding legislative files.

We also discussed trade. Commissioner Malmström presented the state of play of the EU-US trade relations and relations with China in light of the upcoming Summit. And as already announced, next week President Juncker will sign an ambitious EU-Japan trade agreement.

I would also like to mention that as part of the External Investment Plan, yesterday the EU gave its green light to a package of financial guarantee programmes worth around €800 million. This will help to leverage an estimated

€8-9 billion in public and private investment in Africa and the Neighbourhood. To recall, the Plan is expected to leverage €44 billion of investments through an EU contribution worth €4.1 billion.

And the College also decided the appointment of the new Director-General for DG Budget, Gert-Jan Koopman following Nadia Calviño's departure to the Spanish Government. And we also decided to appoint the third female Deputy Secretary-General, Céline Gauer. This brings the Juncker Commission's share of female senior managers from 11% to 37%, so we are approaching our 40% target.

And now on Greece. As you know, following the agreement in the Eurogroup last month, the Greek programme will be brought to its successful conclusion on 20 August. This is a significant date for Greece and for Europe. And today the European Commission has taken an important step in securing a post-programme cooperation with Greece.

We have decided to launch – in agreement with the Greek government – enhanced surveillance for Greece as of the 21^{st} of August. So, one could say that we are entering a "normalisation" period for Greece. Let me explain briefly what enhanced surveillance entails.

After exiting the programme, Greece will become subject to the European fiscal and macroeconomic policy coordination cycle – the European Semester – as all other EU members. And, as you know, all euro area Member States have to submit their draft budget plans to the Commission by 15 October. All EU countries are also screened for possible macroeconomic imbalances. Each spring, in May, they receive country specific recommendations on the fiscal and reform path to follow.

So becoming part of "normality", is in itself a positive and healthy development for Greece.

At the same time, as stated by the Eurogroup, we should help Greece to ensure policy continuation. In other words, to deliver the reforms that have been agreed and to continue prudent fiscal and macroeconomic policies. After eight years under programmes, Greece needs to capitalise on the progress it has made, and so that the efforts of the Greek people are not in vain.

The "normalisation", amongst other things, means that Greece will need to finance itself from markets. The substantial disbursement and debt measures agreed by the Eurogroup ensure that Greece can return to markets gradually. But it is important to use this time to build confidence with markets, investors and companies. For this, policy stability and predictability are needed.

At the same time, this is the way to attract more investment and ensure sustainable growth in Greece, which will bring new jobs and lead to better living and social conditions for the Greek people. This approach is important because Greece still faces many significant challenges: decreasing but still high unemployment, very high public debt, very high level of non-performing loans, still relatively weak competitiveness, and a business environment that leaves much room for improvement.

These challenges have been systematically addressed during the programme. Yet, as anywhere else, reforms take time to be fully implemented and bear fruit. Several of the agreed reforms are still work in progress. This includes implementing specific actions in the areas of fiscal policy, financial stability, social welfare, labour and product markets, and public administration.

So given these significant challenges, and the need to ensure the continuity and completion of the reforms agreed under the ESM programme the College has taken today’s decision.

The enhanced surveillance adopted today will allow for closer dialogue with Greece and more frequent reporting on economic, financial and policy developments in the country. Of course, we will align this enhanced surveillance with the European Semester process. And when time comes, the enhanced surveillance will shift into regular post-programme surveillance. As for all former programme countries, it will remain in place until the majority – or 75% – of loans have been repaid.

Finally, we will also continue to provide technical support to Greece in its reform efforts. To give an example, last month, the Commission signed a new support plan for 32 reform projects in Greece. The plan includes: supporting reforms of the judiciary system, further improving tax collection, establishing a Hellenic Development bank to promote investment, and strengthening the capacity of the Greek administration to provide social services.

To conclude, the “enhanced surveillance” does not imply any new conditionality or obligations. Only those reforms that have been agreed under the ESM programme must be implemented.

Thank you. And now I pass the floor to Pierre.