



EUROPEAN UNION

EU EXTERNAL INVESTMENT PLAN

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EXAMPLES OF ELIGIBLE OPERATIONS – Eastern Partnership countries

The External Investment Plan builds on the European Commission's experience in implementing regional investment facilities. Since 2008, the Neighbourhood Investment Facility has used EUR 2 billion grants to leverage more than EUR 16 billion from partner International Financial Institutions.

These are examples of projects already supported by the EU, which will be stepped up with the help of the External Investment Plan



EFSE (NEIGHBOURHOOD WINDOW OF THE EUROPEAN FUND FOR SOUTH EAST EUROPE)

The Fund promotes economic development and prosperity through the sustainable provision of additional development finance, notably to micro and small enterprises (MSEs) and to private households, via qualified local financial institutions. Specifically, the fund aims to: (i) attract private sector capital to the Fund and thereby leverage investments into the region for the development of the private sector, in particular, micro and small enterprises, housing, and; (ii) support beneficiary countries in their progress towards a market economy, in particular through the creation of a competitive sector. The majority of EFSE loans have been extended to commercial banks, followed by microfinance banks and microcredit organisations. By June 2017, the EFSE had disbursed a total amount of EUR 1,727.6 million, to 168,330 end-borrowers in the Eastern Partnership countries.

EU contribution:	EUR 5,1 million
Total investment:	EUR 271 million
Lead financial institution:	KfW
Countries:	Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine



DCFTA DIRECT FINANCE FACILITY

The facility combines loans with EU grants to support direct SME financing in Georgia, Moldova and Ukraine. It seeks to improve access to finance by providing guarantee schemes and technical assistance to increase the number of viable projects carried out by SMEs. The objectives of the facility are: (i) to improve SMEs' access to finance and mitigate the shortage of long-term financing; (ii) to provide long-term local currency financing, thereby reducing SMEs' currency risk; (iii) to help SMEs identify quality capital investment projects and assist in successful implementation, to improve their governance structure and introduce them to best practices, and; (iv) to help develop local financial markets in view of sustainable and market-based principles. The facility targets, among others, SMEs in the agribusiness, manufacturing and services, property and tourism, and ITC sectors.

EU contribution:	EUR 10,22 million
Total investment:	EUR 90 million
Lead financial institution:	EBRD
Countries:	Georgia, Moldova, Ukraine



SME FINANCE FACILITY – PHASE II

The main objective of the SME Finance Facility for Ukraine is to improve access to finance for SMEs in the country in local currency, especially for micro, small and medium-sized enterprises (MSMEs) that are not earning foreign currency and cannot afford the high costs of borrowing. The programme aims to support financial intermediaries' confidence to extend financing to SMEs, including micro-enterprises, following the financial crisis; enhance the capacity of financial intermediaries to assess and monitor the related risks and manage their SME financing; strengthen and deepen SME credit markets in local currency and expand financing options available to the real economy; promote the continued development of market-based financial institutions and contribute to institution building.

EU contribution:	EUR 15.4 million
Total investment:	EUR 170 million
Lead financial institution:	EBRD, EIB and KfW
Country:	Ukraine



EASTERN EUROPE ENERGY EFFICIENCY AND ENVIRONMENT PARTNERSHIP – ESP

The ESP is a EUR 180 million multi-donor fund initiated during the Swedish Presidency of the European Union in 2009 to encourage municipal investments in energy efficiency and environmental projects in the Eastern Partnership region. The ESP merges financial contributions from the European Union and a group of 21 nations, including countries which are benefiting from the fund. The contributions are used as grants to support municipal sector projects. The projects approved for implementation in Ukraine have shown that the ESP grants can leverage on average investment volumes that are five times the size of the committed grants. The grant allocations are flexible and recognise priorities of each recipient country with the overall aim to reduce energy use, pollution and greenhouse gas emissions. The fund also supports policy dialogue and regulatory reform.

EU contribution:	EUR 89 million
Total investment:	approximately EUR 700 million
Lead financial institution:	EBRD
Countries:	Ukraine, Georgia, Moldova, Armenia, Azerbaijan, Belarus