

The role of infrastructure under the EU-Africa strategy



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Paolo Ciccarelli
Head of Unit, DG DEVCO C.5
Cities, Local Authorities, Digitalisation, Infrastructure



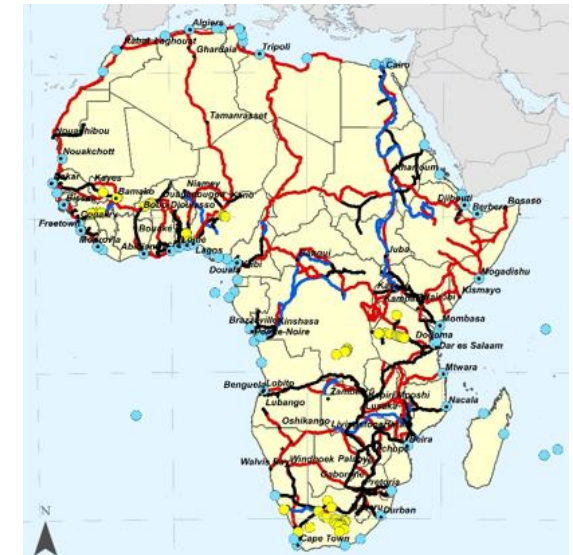
Overview of Presentation

- 1. The new role of transport connectivity/infrastructure under the 2019 EU-Africa Strategy**
- 2. The new approach under the Neighbourhood, Development and International Cooperation Instrument (NDICI) – “Policy First”**
- 3. Team Europe Approach & NDICI – towards implementation**
- 4. Financing Modalities and engaging the private sector**



The new role of transport connectivity/infrastructure in the 2019 EU-Africa Strategy

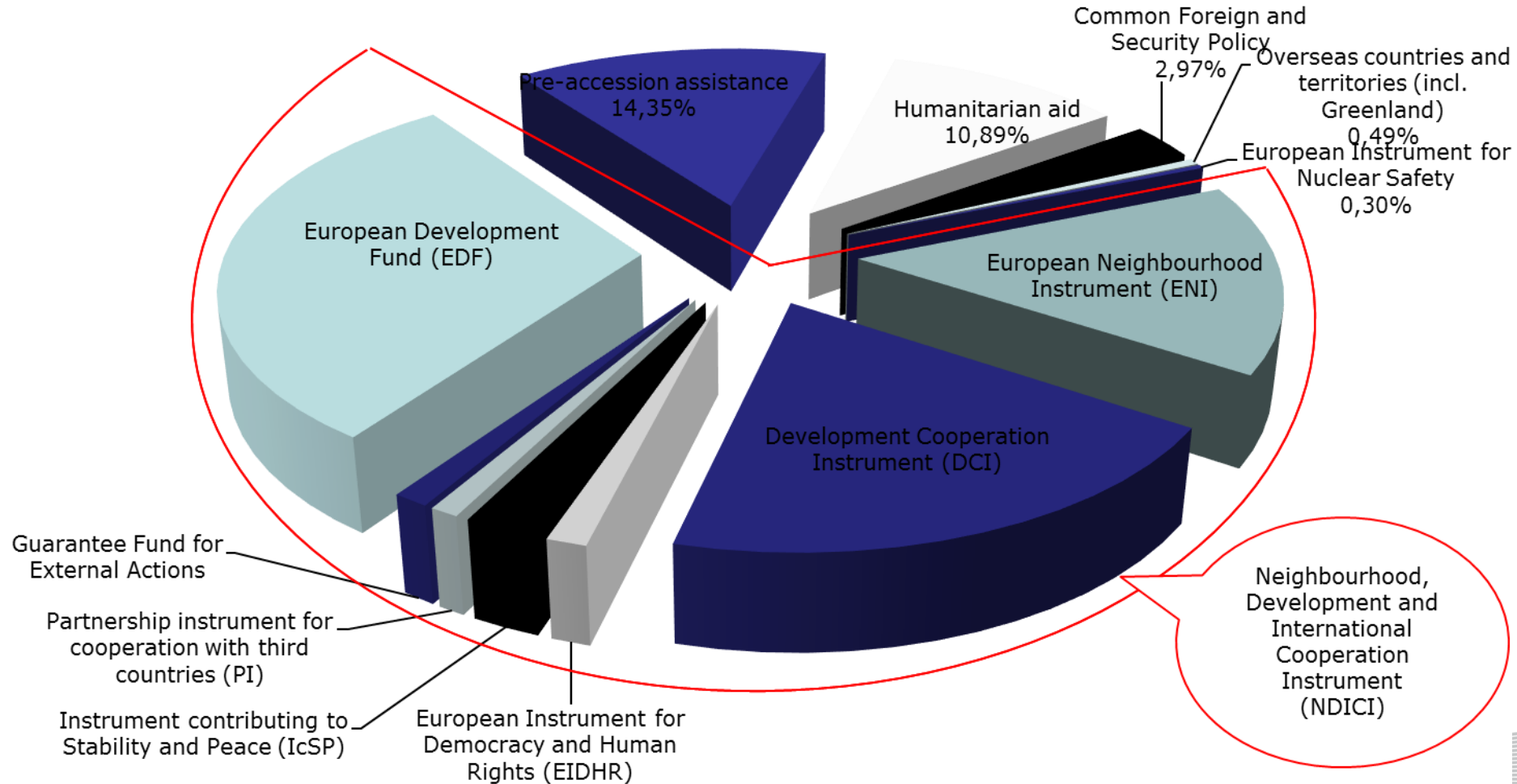
- **New EU-Africa Strategy** (March 2020, EC/EEAS JOINT COMMUNICATION, Towards a comprehensive Strategy with Africa)
 - > Key role of Transport and Connectivity for Trade & AfCFTA operationalisation
 - Connectivity, Post Covid Recovery
 - Jobs&Growth
- **Green Deal & Transformative actions**
 - > climate ambitions, resilience, greening infrastructure
- **Results of the EU Africa Task Force on Connectivity**
 - ✓ Promotion of G20 Quality Infrastructure Principles
 - ✓ Strategic Corridor approach
 - ✓ Improvement of investment and financial instruments
 - ✓ Blending as a default option
 - ✓ Promote engagement of private sector



The new approach under the Neighbourhood, Development and International Cooperation Instrument (NDICI) – “Policy First”

- **Policy driven approach to infrastructure vs opportunistic approach**
- **“Geographisation”**
- **Simplification of the financial architecture into one financial package**
 - EU external financial instruments (EDF part of the EU budget)
 - EFSD+
 - External Action Guarantee

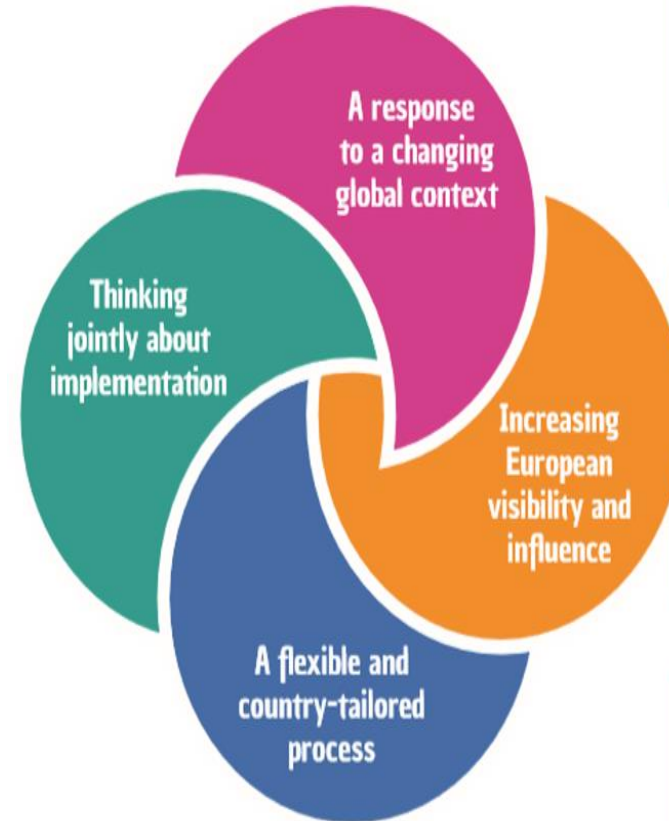
NDICI: Rationalisation and “policy first”



Team Europe Approach & NDICI – towards implementation

Team Europe

- more emphasis on EU interests including its industry
- coordination and cooperation of all main EU stakeholders
- Joint programming as the preferred approach



In times of increasing international competition and uncertainty over a rules-based, multilateral system, the EU and Member States need to work more coordinated and coherently to complement their traditional development cooperation with a wider set of policies that are relevant for our partner countries.

Policy coherence and effective communications can raise the visibility of the European presence, supporting our influence in policy dialogue.

Joint programming's flexibility makes it the ideal tool for bringing all European policy commitments (global, European and bilateral) together in a single framework at country level.

Joint implementation places our collective country assistance in a more strategic framework. The EU and Member States, by bringing together their respective knowledge and resources, can explore concrete ways to pool them efficiently at country level.

Team Europe Approach & NDICI – towards implementation

Team Europe Initiatives

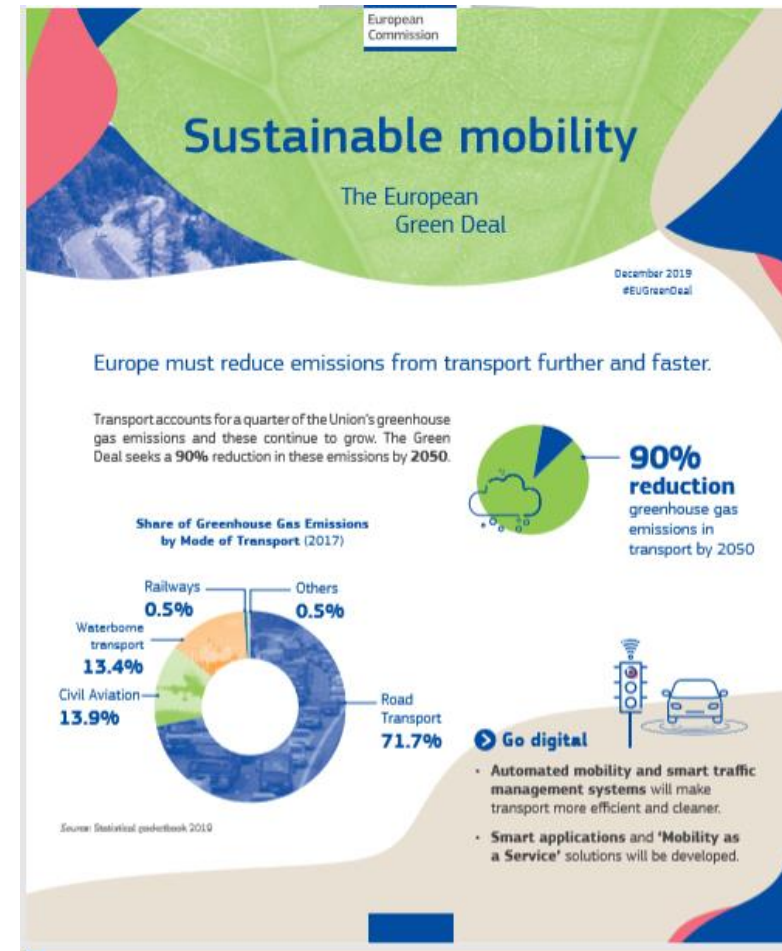
- Large-scale, transformational projects to make a discernible impact in the partner country.
- Focus on major strategic priority areas of the EU + in line with partner country needs and development plan.
- take into account the post-COVID recovery needs
- Designed, funded and implemented collectively with Member States/EIB/EBRD/ other finance institutions/agencies at country level.

Boosting Connectivity: Strategic/regional corridors

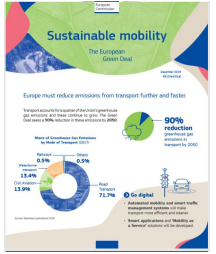
- Under the “**Policy First**” approach
- **Main goal** - enhance connectivity between Europe and Africa.
- **Identification of the key corridors** in Africa based on set of **strategic criteria** e.g. EU industry interest, trade volume, value chains, interconnecting infrastructure, ports operations, GDP etc.
- **Defining large** (flagship) projects under the Team Europe Initiative.

Towards Sustainable Mobility – transformational challenges and strategic approach

- Shift to **sustainable and smart mobility** as central element of the **European Green Deal**
- **Challenge:** Translation of Green Deal provisions to the external cooperation context
- **Change in paradigm** needed in the way sustainable mobility is planned towards Green & Sustainable & inclusive mobility



Towards Sustainable Mobility – transformational challenges and strategic approach



Transformative policy measures for sustainable mobility and strands of intervention:

1. Reducing transport emissions (noise, air) and related health impacts across all transport sectors – policy and climate commitments and do no harm principle
2. Ensuring the resilience of transport & mobility system (adaptation)
3. Shifting to more sustainable transport modes (multi-modal transport)
4. Enhancing efficiency of the transport and mobility system
5. Cities: offering sustainable urban mobility solutions
6. Promoting the uptake of clean vehicles, alternative fuels and the electrification with renewable energy wherever possible



Boosting climate compatible investments



Addressing inequalities



Important role for private sector

European External Investment Plan (EIP)

- Three pillars

- I. European Fund for Sustainable Development (EFSD)**

- Blending
- Guarantees

- II. Technical Assistance**

- III. Investment Climate**

Pillar I. EFSD - Blending funds distribution & the importance of transport (2019)

Progress since 2017 (when the EFSD started)

Overall

Targets by 2020

€4.1 billion



We aimed to allocate
€4.1 billion in EU funds...

€44 billion



...and to generate
10 times more in investment.

Results by end 2019

€4.6 billion



We had allocated
€4.6 billion in EU funds.

€47 billion



These funds should generate
10 times more in investment.

Blending

OVERALL (ALL REGIONS)

€3.1 billion

in
EU contributions
to blending
projects

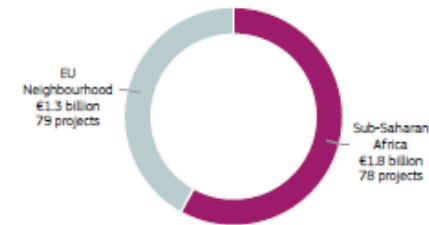
€29.5 billion

in
overall investment
expected to be
generated

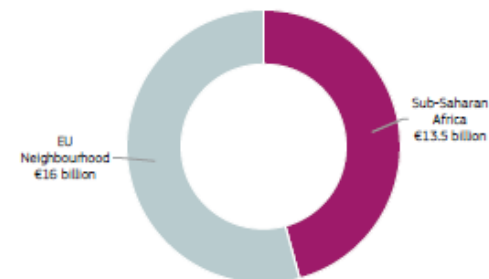
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projects
and project
continuations
approved

How much had we approved for projects,
including technical assistance, by the end of 2019?



How much overall investment will this generate?



Pillar II. Technical Assistance

Pillar III. Investment Climate

- Enabling **development banks** and **investors** to develop high-quality projects which the Plan can help to finance
- Enabling **governments** enact **reforms** to make their countries more attractive to investors
- Analysis of **investment barriers** in partner country
- Public-Private **sector policy** dialogue
- **Sectoral reform** support

Financing modalities and engaging the private sector in the new MFF

- **EFSD+:**

- **External Action Guarantee** (EUR 60bn) merging and replacing:

- ✓ EFSD Guarantee
 - ✓ the EFSD Guarantee Fund
 - ✓ the External Lending Mandate (ELM)
 - ✓ the Guarantee Fund for External Actions (GFEA)

- **Blending**

- **Traditional EU external action instruments**

- Budget support, TA, parallel co-financing, etc.
 - Fragile states

- **Trust Funds** (e.g EUTF - South Sudan Rural Development: feeder roads to strengthen the livelihoods and resilience of rural communities)

Thank you

