



Brussels, 13.12.2018  
C(2018) 8804 final

## **COMMISSION DECISION**

**of 13.12.2018**

**on the approval of the conclusion of EFSD guarantee agreements with selected eligible counterparts under the EFSD Guarantee**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD)<sup>1</sup>, the EFSD Guarantee and the EFSD Guarantee Fund, and in particular Article 13 thereof,

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union<sup>2</sup>, and in particular Article 219(5) thereof,

Whereas:

- (1) In the framework of the External Investment Plan (EIP), Regulation (EU) 2017/1601<sup>3</sup> has established the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund. The EFSD shall support financing and investment operations in partner countries in Africa and the European Neighbourhood. It is composed of regional investment platforms established on the basis of the working methods, procedures and structures of the existing external blending facilities of the Union, which combine their blending operations and the EFSD Guarantee. Pursuant to Article 14 of Regulation (EU) 2017/1601, the EFSD Guarantee Fund should constitute a liquidity cushion from which the eligible counterparts should be paid in the event of a call on the EFSD Guarantee.
- (2) The Commission adopted Commission Decision C(2017) 7269<sup>4</sup> of 27.10.2017 on the individual measure for a contribution to the EFSD Guarantee Fund to be financed from the 11<sup>th</sup> European Development Fund, which foresees a contribution set at EUR 400 million to the EFSD Guarantee Fund to be financed from the 11<sup>th</sup> European Development Fund.
- (3) Pursuant to Article 9(4) of Regulation (EU) 2017/1601, the Commission adopted Commission Decision C(2017) 7899<sup>5</sup> of 23.11.2017 on the establishment of the Investment Windows of the EFSD Guarantee. The decision sets out the objectives of each investment window and, as such, of the support by the EFSD Guarantee to

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<sup>1</sup> OJ L 249, 27.9.2017, p. 1.

<sup>2</sup> OJ L 193, 30.7.2018, p. 1–222.

<sup>3</sup> Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund (OJ L249, 27.9.2017, p. 1).

<sup>4</sup> C(2017) 7269 final - Commission Decision of 27.10.2017 on the individual measure for a contribution to the EFSD Guarantee Fund to be financed from the 11th European Development Fund.

<sup>5</sup> C(2017) 7899 final - Commission Decision of 23.11.2017 on the establishment of the Investment Windows of the European Fund for Sustainable Development Guarantee.

portfolios of investment to be implemented by the eligible counterparts in the targeted sectors.

- (4) The Commission adopted Commission Decision C(2017) 8728<sup>6</sup> of 13.12.2017 on the Financing of the Guarantee Fund of the European Fund for Sustainable Development for 2017, which foresees the EU contribution to the Guarantee Fund of the European Fund for Sustainable Development for the amount of EUR 425 million, including EUR 150 million transferred from the EDF into the general budget of the Union by Decision C(2017) 7269.
- (5) Pursuant to Article 13 of Regulation (EU) 2017/1601, the implementation of the EFSD is subject to the conclusion of EFSD guarantee agreements by the Commission with eligible counterparts.
- (6) The Commission is to ensure a level of protection of the financial interests of the Union with regard to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of Regulation (EU, Euratom) 2018/1046<sup>7</sup> as foreseen in Article 11(2) of Regulation (EU) 2017/1601. In accordance with Article 11(3) of Regulation (EU) 2017/1601, the Commission is to select the eligible counterparts pursuant to Article 154 of Regulation (EU, Euratom) 2018/1046.
- (7) The authorising officer responsible should be authorised to conclude by delegation EFSD guarantee agreements with eligible counterparts as provided for in Article 13 of Regulation (EU) 2017/1601. In exercising the delegation, the authorising officer responsible should act in accordance with Article 13 of Regulation (EU) 2017/1601 and in line with the Annex to this Decision. Such guarantee agreements should include, in line with Article 13(3) of Regulation (EU) 2017/1601, *inter alia*, detailed rules on the provision of the EFSD Guarantee.
- (8) For the guarantee tools set out in the Annex, the overarching objective, in line with Article 3(1) of Regulation (EU) 2017/1601, is to support investments and increased access to financing, primarily in Africa and the European Neighbourhood, in order to foster sustainable and inclusive economic and social development and promote the socioeconomic resilience of partner countries, with a particular focus on sustainable and inclusive growth, on the creation of decent jobs, on gender equality and the empowerment of women and young people, and on socioeconomic sectors and micro, small and medium-sized enterprises, while maximising additionality, delivering innovative products and crowding in private sector funds.
- (9) The guarantee tools have been given a favourable opinion by the EFSD Joint Operational Board.
- (10) The Commission should approve the guarantee tools as set out in the Annex to this Decision.

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<sup>6</sup> C(2017) 8728 final - Commission Decision of 13.12.2017 on the Financing of the Guarantee Fund of the European Fund for Sustainable Development for 2017.

<sup>7</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (OJ L 193, 30.7.2018, p. 1).

HAS DECIDED AS FOLLOWS:

*Article 1*

***Adoption of the guarantee tools to be implemented and of their modalities***

The guarantee tools for investment under the EFSD Guarantee, as set out in the Annex attached, are hereby approved.

Budget-implementation tasks under indirect management may be entrusted to the entities identified in the Annex attached, subject to the conclusion of the relevant EFSD guarantee agreements.

*Article 2*

***Delegation to the authorising officer responsible***

The authorising officer responsible is hereby authorised to conclude, in accordance with Article 13 of Regulation (EU) 2017/1601<sup>8</sup> and in line with the Annex to this Decision, the following EFSD guarantee agreements with the following entities:

- (a) Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO) the guarantee agreement concerning NASIRA Risk-Sharing Facility - Financing for underserved entrepreneurs
- (b) Kreditanstalt für Wiederaufbau (KfW) the guarantee agreement concerning African Local Currency Bond Guarantee Programme (ALCBGP) - Developing local currency capital markets in Africa
- (c) Agence Française de Développement (AfD) the guarantee agreement concerning Africa GreenCo - Boosting green electricity generation and financing
- (d) the African Development Bank (AfDB) the guarantee agreement concerning Room2Run - Helping to raise up to EUR2 billion fresh investment for new sustainable energy projects and the guarantee agreement concerning Development of Strategic Cross-border Cooperation (DESCO) Financing Programme - Bringing 'rent-to-own' solar power kits to thousands of homes
- (e) European Bank for Reconstruction and Development (EBRD) the guarantee agreement concerning Sustainable Logistics and Interconnectivity Guarantee (SLIG) - Encouraging investment to make the transport industry greener and more sustainable and the guarantee agreement concerning Energy Efficiency and Sustainable Cities in EU Neighbourhood - for low-carbon industries, green buildings and sustainable urban development
- (f) European Bank for Reconstruction and Development (EBRD) and European Development Finance Institutions Management Company (EDFI MC), subject to the successful result of the pillar assessment of EDFI MC, the guarantee agreement concerning Framework to Scale-up renewable energy investments - more clean power generation thanks to more certainty for investors
- (g) Agencia Española de Cooperación Internacional para el Desarrollo (AECID) the guarantee agreement concerning Resilient City Development (RECIDE) - Making investment in urban infrastructure more compelling

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<sup>8</sup> Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund (OJ L249, 27.9.2017, p. 1).

- (h) European Investment Bank (EIB) the guarantee agreement concerning European Health Guarantee Platform for Africa - Improving healthcare with high-quality health screening labs
- (i) European Bank for Reconstruction and Development (EBRD) and European Investment Bank (EIB) the guarantee agreement concerning Digital Transformation Platform - Increasing the use of digital technologies, and widening rural access to broadband.

Done at Brussels, 13.12.2018

*For the Commission*  
*Neven Mimica*  
*Member of the Commission*