



Brussels, 15.4.2019
C(2019) 2780 final

COMMISSION DECISION

of 15.4.2019

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)¹, 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, and in particular Article 219(5) thereof,

Whereas:

- (1) In the framework of the External Investment Plan (EIP), Regulation (EU) 2017/1601² 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. 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) 7269³ 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, which foresees a contribution set at EUR 400 million to the EFSD Guarantee Fund to be financed from the 11th European Development Fund.
- (3) Pursuant to Article 9(4) of Regulation (EU) 2017/1601, the Commission adopted Commission Decision C(2017) 7899⁴ 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 portfolios of investment projects to be implemented by eligible counterparts in the targeted sectors.

¹ OJ L 249, 27.9.2017, p. 1.

² 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).

³ 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.

⁴ 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.

- (4) The Commission adopted Commission Decision C(2017) 8728 of 13.12.2017 and Commission Decision C(2018) 7788 of 27.11.2018⁵ on the Financing of the Guarantee Fund of the European Fund for Sustainable Development for 2017 and 2018, which foresees the total EU contribution to the Guarantee Fund of the European Fund for Sustainable Development for the amount of EUR 645,7 million⁶.
- (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 adopted Commission Decision C(2018) 8804 of 13.12.2018 on the approval of the conclusion of EFSD guarantee agreements with selected eligible counterparts under the EFSD Guarantee following the favourable opinion by the EFSD Joint Operational Board given on 20 June 2018.
- (7) 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) 2018/1046⁷ 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.
- (8) 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.
- (9) 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.
- (10) The guarantee tools have been given a favourable opinion by the EFSD Joint Operational Board on 13 November 2018.
- (11) The Commission should approve the guarantee tools as set out in the Annex to this Decision.

⁵ 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. C(2018) 7788 final - Commission Decision of 28.11.2018 on the Financing of the Guarantee Fund of the European Fund for Sustainable Development for 2018.

⁶ The amount includes USD 50 million of the contribution from Bill and Melinda Gates Foundation. The prevailing EUR/USD exchange rate will be established on the day of the payment from the Bill and Melinda Gates Foundation.

⁷ 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) 2017/1601⁸ and in line with the Annex to this Decision, the following EFSD guarantee agreements with the following entities:

- (a) Agence Française de Développement (AFD) and European Investment Bank (EIB) and Cassa Depositi e Prestiti (CDP) and Kreditanstalt für Wiederaufbau (KfW) the guarantee agreement concerning European Guarantee for Renewable Energy and De-Risking Investments in Sustainable Energy
- (b) Agencia Española de Cooperación Internacional para el Desarrollo (AECID) and Compañía Española de Financiación del Desarrollo (COFIDES) the guarantee agreement concerning Renewable Energy Support Programme for Mainly Rural Areas in Sub-Saharan Africa
- (c) European Investment Bank (EIB) the guarantee agreement concerning MSME Investment Platform - Investing in start-ups and venture capital, and developing sustainable innovative ecosystems
- (d) Agence Française de Développement (AFD) the guarantee agreement concerning FISEA+ SMEs and Agribusiness Investment Guarantee - Catalysing investment and support for small and medium-sized businesses in riskier environments
- (e) the African Development Bank (AfDB) the guarantee agreement concerning Social Impact Fund for Africa (SIFA) - Investing in digital innovation projects with a high social impact
- (f) Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO) the guarantee agreement concerning Ventures Programme - Empowering entrepreneurs for sustainable development
- (g) European Investment Bank (EIB) the guarantee agreement concerning Sustainable Cities Investment Fund Platform - Creating resilient and climate-friendly urban infrastructure
- (h) Kreditanstalt für Wiederaufbau (KfW) the guarantee agreement concerning TCX Concessional and Collateral Facility

⁸ 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).

- (i) the African Development Bank (AfDB) the guarantee agreement concerning AFDB proposal for the local currency - Unlocking investment for local banks, small businesses, and sustainable energy, and developing capital markets
- (j) Agencia Española de Cooperación Internacional para el Desarrollo (AECID) and Compañía Española de Financiación del Desarrollo (COFIDES) and Cassa Depositi e Prestiti (CDP) the guarantee agreement concerning InclusiFI - Financial inclusion driven by diasporas
- (k) European Bank for Reconstruction and Development (EBRD) the guarantee agreement concerning Financial Inclusion in the Neighbourhood - catalysing investment in and support for local businesses in riskier environments
- (l) European Investment Bank (EIB) the guarantee agreement concerning SME Access to Finance Initiative
- (m) the African Development Bank (AfDB) 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 Joint SME Guarantees for Inclusive Growth and Job Creation
- (n) International Finance Corporation (IFC) the guarantee agreement concerning Small Loans and Guarantee Program - catalysing investment in and support for local businesses in riskier environments
- (o) the African Development Bank (AfDB) the guarantee agreement concerning Archipelagos - One Platform for Africa - Supporting African SMEs throughout their lifecycle and developing capital markets
- (p) Agence Française de Développement (AFD) the guarantee agreement concerning European Guarantee to Increase - Local Governments' Access to Financing - Developing urban infrastructure and services in African cities
- (q) Agence Française de Développement (AFD) the guarantee agreement concerning Agricultural and rural finance - catalysing investment in and support for local agricultural businesses in riskier environments.

Done at Brussels, 15.4.2019

For the Commission
Neven MIMICA
Member of the Commission