

The EU commits an additional EUR 103m in ElectriFI and AgriFI, the two EU-funded blending programmes to further support early-stage private sector development in 4 specific countries and the African Caribbean and Pacific region.

[Brussels, 10 March 2022] In the context of the 7th EU-Africa Business Forum 2022, the European Union (EU), the Organisation of the African Caribbean and Pacific States (OACPS), the Dutch Entrepreneurial and Development Bank (FMO) representing also the other members of European Development Finance Institutions (EDFI) renewed their strong commitment to support high-risk, early-stage private sector development in the area of small-scale sustainable agriculture and renewable energy by signing for an additional EUR103m.

As a result of the signing on the eve of the EU-Africa Summit, the AgriFI and ElectriFI facilities, which are largely funded by the European Union, now represent a total of EUR 400m, which will enable an extra EUR 800m to be leveraged from other investors.

The EUR 103m of European Union additional financing will be deployed in Ghana, Tanzania, Sri Lanka, Kenya and across the ACP states through dedicated country (and regional) windows. The aim is to provide financing (in the form of debt and equity) adapted to those specific markets and to support EU and OACPS' local development strategies and programmes.

The high-level signing ceremony and launch event took place on 16 February and counted with the participation of two Directors and one Head of Unit from the European Commission DG INTPA (Carla Montesi, Jean-Louis Ville and Hans-Christian Stausboll), the Assistant General Secretary of the Secretariat of the Organisation of African, Caribbean and Pacific States (Escipion Joaquin Oliveira Gomez), FMO's Director Partnerships for Impact (Idsert Boersma), and EDFI Management Company's CIO (Dominiek Deconinck).

Speaking at the event, Carla Montesi, Director for EU Green Deal and the Digital Agenda at the Directorate General for International Partnerships said:

“The private sector is an essential partner in the fight against poverty and in achieving sustainable development. The European Union is delivering on the Green



Deal and Global Gateway strategies by investing in the EDFI AgriFI and ElectriFI facilities that provide much needed early-stage risk capital to agri-SMEs involving small holder farmers and renewable energy companies focusing on rural and underserved areas. These facilities are playing a key role in improving smallholders’ livelihoods and closing the gap on the 840 million people currently in the world without access to electricity. “

Also speaking at the event was Escipion J. Olivera Gomez, Assistant Secretary General for the Organisation of African, Caribbean and Pacific States who said:

“The new AgriFI support to the ACP region is part of a critical package of measures designed to enhance financial inclusion across our members, who need support in the area of agricultural value chains competitiveness. This is why the AgriFI ACP window will focus on 11 value chains including cocoa, cashew, coffee, cassava, coconuts, kava, sugar, rum, livestock and maize. “

On behalf of FMO and the EDFIs, Idsert Boersma, Director for Partnerships and impact said:

“FMO and the European DFIs require EU’s blending resources to allow AgriFI and ElectriFI to invest in early-stage high-risk small and medium companies that generate jobs and trailblaze innovative solution to green the economy in emerging market. This is a concrete step under the EU Global Gateway initiative to mobilize more private investors”.

By scaling up the AgriFI facility, total investments are expected to contribute to ambitious impact targets. In particular, the facility aims to reach more than 100 thousand smallholders, to contribute to the production of at least 600 thousand tons of food and to allow smallholder farmers to sustainably cultivate some 300 thousand ha. Additionally, by enhancing the ElectriFI facility, total investments currently aim to provide 23 million people with energy access.

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Background

Country and regional windows offer dedicated funding for selected areas and are developed in close collaboration with EU Delegations and host governments.

- **The AgriFI-Ghana Country Window of EUR 10m** is part of a holistic strategy by the Government of Ghana and the EU to support the modernisation of Ghanaian agri-food systems in the five northern regions and beyond with an overall focus on seven high potential crops.

- **The AgriFI-Tanzania Country Window of EUR 12m** is highly tailored by the EU Delegation based on recommendations from the government to focus on value nationally important value chains such as tea, coffee and horticulture.
- **The AgriFI-Sri Lanka Window of EUR 8m** is part of a larger EU action to support the agriculture sector and will provide access to finance for agri-food businesses with a focus on organic agriculture and the development of the cold chain and food processing, thereby contributing to the reduction of food waste and post-harvest losses.
- **The AgriFI-ACP Regional Window of EUR 50m** aims to provide long-term financing to exemplary projects in the member countries of the Organisation of African, Caribbean and Pacific States (OACPS), with an emphasis on women and youth, to participate fully in the transformation and modernisation of the agricultural sector and contribute to the preparedness of the sector to the impacts of climate change.
- Finally, **ElectriFI EUR 23m top up to the existing Kenya Window** is expected to help bring renewable energy to at least 8 million people. It will support Kenya's electricity grid, and increase access to sustainable, modern and affordable electricity for rural and peri-urban households and small businesses. This top up will make Kenya the largest country window within ElectriFI.

About EDFI AgriFI and EDFI ElectriFI

EDFI AgriFI, the EU Agriculture Financing Initiative, is an impact investment facility funded by the European Union, with a mandate to unlock, accelerate and leverage investments with a value chain approach in developing countries, focusing on smallholder's inclusiveness and/or agri-business medium, small and micro enterprises (MSME).

EDFI ElectriFI, is an EU-funded impact investment facility, financing in early-stage private companies and projects, focusing on new/improved electricity connections as well as on generation capacity from sustainable energy sources in emerging markets.

AgriFI and ElectriFI are managed by EDFI Management Company on behalf of the 15 European Development Finance Institutions (DFI). The EIB and AFD are also members of the Investment Committees.

www.agrifi.eu

www.electrifi.eu

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