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**The External Investment Plan (EIP) – Key features and opportunities
in Nigeria**

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I am very happy to be back in Nigeria to participate in this Panel and to give some remarks about the EU's External Investment Plan.

The first thing to do is to explain why; why is the EU embarking on this initiative? To answer I will just mention the ambitious Sustainable Development Goals (SDGs) 2030 set by the UN: to end extreme poverty in all forms, protect the planet and ensure prosperity for all. The European Union is firmly committed to these goals.

To achieve them we need to invest. Heavily. In transport and energy infrastructure, water and sanitation, health, education. The World Economic Forum has estimated that the global investment gap to achieve these goals is 2.5 trillion USD per year. We are no longer talking billions here, we are talking trillions. We, EU and development partners, can do our part with the traditional sources of aid. But obviously, this will not be enough. If we want to get there, we need to mobilise private investment.

That's where the EIP comes about. Launched in 2017 the EIP is a flexible mechanism to use our public resources to leverage private investment in Africa and the EU neighbourhood region. For the period 2018-2020 we have allocated 4.1 bn euro to the EIP with the expectation that it will leverage more than 44 bn euro of investment. Not any investment, let me stress this. We focus on those areas difficult to reach by the private sector but key for sustainable development: MSMEs, renewable energy, agribusiness, urban infrastructure; and at the same time, we pay special attention to the inclusion of women and youth.

EIP funding works in 2 ways: 1- grants which we blend with loans to make investment projects viable (what we call “blending operations”), and 2 – guarantees to de-risk private sector lending into priority areas. In both cases (blending and guarantees), we go hand in hand with our partners the international financial institutions, mostly European and multilateral development banks. In any case, the EU funding ensures that investments can go ahead, i.e. without EU support these investments would be difficult to materialise.

Funds are only one part of the whole equation. As you know, much more investment is attracted to places where conditions are right. What we call the investment climate. On this, the EU can also help. We provide extensive technical assistance to improve investment climate in Africa (roughly 5.1-bn euro for the period 2014-17). We also maintain a regular dialogue with our partner Governments and the private sector in these countries, through our network of Delegations, to ensure we tackle the key constraints.

And the EIP is already delivering. As of today it has approved 73 blending operations and 12 guarantees, with an EU contribution of 2.5 bn euro expected to leverage 24-bn euro in investment. We are on track to achieve the goals I mentioned before.

Based on these early results the EIP has ambitious plans for the future, with a substantial increase in funding, and its global expansion to other regions of the world.

Quickly turning our attention to Nigeria.

I can say that Nigeria is a priority country for the EIP. It couldn't be otherwise. The biggest country in Africa in economic and population terms, with vibrant private and financial sectors but still with very significant pockets of poverty and exclusion. And, as you are aware,

gradually coming out of a recession that has exposed even more the need to diversify the economy away from oil.

This is the right context for the EIP to operate. And the EIP elements are also present.

Funding is starting to flow. We have 4 ongoing blending operations supporting the energy sector (SUNREF, NAPTIN, support to Distribution Companies and ELECTRIFI), and 4 more are in the pipeline for the coming year. In all the EU contribution to these investment projects is approximately 100-mn euro.

We have approved guarantees that are applicable to Nigeria. Tomorrow we will analyse some of them more in detail with prospective beneficiaries.

Together with the Government we run a large programme of technical assistance to improve economic conditions in the country. In key topics such as energy sector regulations, improvement of agribusiness value chains, public finance management or export quality standards.

And to complete the picture, we have a solid high-level dialogue with the Government in many domains but more in particular on trade and economic issues. With the just launched European Business Organisation, we will reinforce this dialogue with the Government and with the private sector.

In summary:

Funding, technical assistance, investment climate improvement through policy dialogue. These are the three Pillars of the EIP and they are very much at play in Nigeria. Now we have to connect these dots by bringing together the key players: you the private sector, the

government and our partners the international financial institutions.
This is a challenging task, but a worthy one.

I thank you for your attention and I will be happy to take your
questions at the panel.