

AfDB-EIB Indicative Joint Action Plan for 2020-22

1. Context and Background

The African Development Bank Group (AfDB) and the European Investment Bank (EIB) have a long history of cooperation. This is framed by our relationship as Multilateral Development Banks, and has been further refined through a Memorandum of Understanding on an Enhanced Strategic Partnership (signed in 2005 between the EIB, the AfDB and the European Commission), and a Procedural Framework for co-financed public sector projects (signed in 2017 between the AfDB and the EIB).

Over the past 5 years, the shared portfolio of the two institutions has grown to EUR 3.4 billion, leveraging a total investment of just under EUR 10.2 billion for 26 projects across the continent¹.

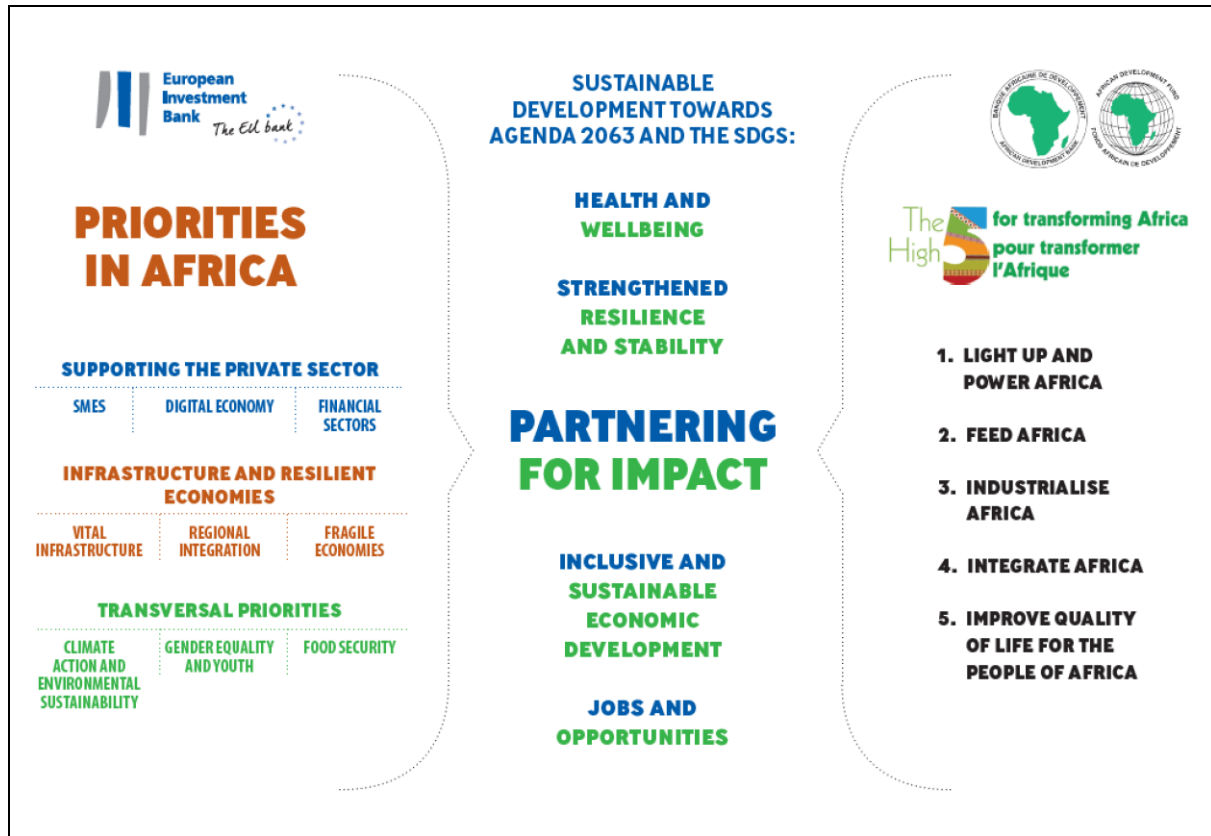
Both institutions are committed to implementing the Sustainable Development Goals (SDGs), the African Union Agenda 63 and the Paris Agreement climate goals, which require leveraging all sources of finance and expertise – domestic and international – in a complementary fashion. Importantly, both institutions share a commitment to the mutual reliance approach which entails an exchange of expertise based on comparative advantage.

The primary objective of the AfDB is to contribute to the sustainable economic development and social progress of its African member States, as guided by the Sustainable Development Goals (SDGs); the African Union's Agenda 2063; the AfDB's Ten Year Strategy 2013-2022; and its High 5 priorities - Light up and Power Africa, Feed Africa, Industrialize Africa, Integrate Africa and Improve the Lives of Africans. (Fig. 1).

The EIB focuses on vital infrastructure and private sector development as its core priorities in Africa. Its activities are carried out in line with the policy priorities of the European Union ("policy first") and along the lines of the EU-Africa Strategy. The EIB's work is driven by EIB's commitment to increase its climate- and environmental sustainability-related support to reach 50% of its operations in 2025, and to support EUR 1 trillion of investments in climate action and environmental sustainability between 2021-2030. EIB's work is also underpinned by the Sustainable Development Goals and a focus on migration/forced displacement. The EIB's EUR 3 billion of new investment in Africa in 2019 builds on 57 years of engagement across 52 African countries.

¹ Signature volume during 5-year period 2016-2020

Figure 1: Partnering for Impact: The shared objectives of the AfDB’s High 5 agenda and the EIB’s Priorities in Africa.



1. The Objectives of the Action Plan

The purpose of the present Action Plan is to further develop our shared pipeline, increasing both the number of operations and the total volume of our shared portfolio; to better coordinate our investments and activities; and to share and learn across our mutual priority sectors.

The development of the Action Plan coincides with the rapidly evolving context of the COVID 19 pandemic which is creating social and economic challenges of historic proportions. In the Africa Economic Outlook supplement (July 7 2020), Africa’s GDP has been revised downward to -3.4% in 2020 and measures will be needed in order to respond to and adapt to the crisis for the foreseeable future. All actions proposed herein are affected by this to some extent. The commitment of both institutions to rapidly identify and deploy appropriate COVID-19 responses which are coherent, comprehensive and complementary, will be required.

Both institutions affirm their interest in working together to meet the public and private investment needs in Africa. Throughout our work, we recognise a number of **cross-cutting challenges**, as follows:

- Both institutions understand that all our interventions are now informed by the reality of the **COVID-19 crisis**, necessitating an emergency short-term crisis response as well as appropriate measures to address the longer-term economic impacts;
- **Collaboration on region-specific initiatives** supporting sustainable economic growth and security in regions facing particular challenges such as the Sahel and Horn of Africa;
- Supporting the entry into force of the **Africa Continental Free Trade Area (AfCFTA)**;
- Understanding the **results and impacts** of our investments; and
- **Active engagement at country and regional level**, between the AfDB's network of country offices and the EIB's 9 Africa offices, is essential for successful implementation of this Action Plan. Many areas of cooperation are centralised with our respective headquarters in Abidjan and Luxembourg, but our offices across the continent have an essential role to play.

Both institutions agree to collaborate under the following **priority themes**:

1. **Climate action and environmental sustainability** (EU's Green Deal for Africa, AfDB climate action agenda, initiatives such as Desert to Power);
2. Transformative large-scale quality **infrastructure** investment;
3. **Information and Communication Technology (ICT)** infrastructure and services;
4. **Financial inclusion** with a gender lens aimed at the empowerment of girls and women;
5. **Education and training** to equip people – particularly youth – with the skills for the 21st century labour market (creation of decent jobs, inclusive employment and sustainable growth, particularly for Africa's youth);
6. **Health sector**, responding to COVID-19 and more generally exploring opportunities to cooperate in healthcare infra and pharma.

2. Legal status of the Action Plan

The Action Plan is of a non-binding nature, and any specific joint activities requiring financial or other resources or commitments will be detailed in separate written agreements between the Parties in accordance with their respective rules and regulations. All sharing of information is subject to ensuring compliance with any duty of confidentiality prevailing on either Party.

3. Monitoring Progress

The overall implementation of the joint action plan will fall under the responsibility of the following focal points:

- For AfDB: the Director, Resource Mobilisation and Partnerships Division; and the Director, Co-Financing and Syndications Division
- For EIB: the Director, Secretariat General; and the Director with responsibility for Africa in the Operations Directorate-General.

For the institutional level activities, there are some proposed progress markers which will be monitored on an ongoing basis in order to measure the added value of the action plan over the next

two years. This will inform both institutions in how to improve the plan during and beyond this timeframe.

For the specific thematic and sector-level cooperation, the number of operations on which we are cooperating, and ultimately the number and volume of projects which we sign and disburse, will be carefully monitored.

4. 2020-2022 Indicative Joint Action Plan – Institutional Level Cooperation

The Indicative Joint Action Plan remains a “living” document against which the focal points will organise regular annual calls to review progress and report to our respective institutions on progress achieved. In order to meet the objectives of this overall plan, a series of Action Points are proposed at **institutional level**, and covering **specific themes and sectors**.

The table below outlines how our institutional- level cooperation should be structured and organised.

Areas for Institutional Level Cooperation in 2020-2022		
Areas for cooperation	Action Point	Possible Progress Markers
Institutional Relationship and Dialogue	<ul style="list-style-type: none"> - High level meetings - Regular operational meeting to discuss pipeline, analyse areas of shared strategic direction/interest, policy dialogue, review of cooperation - Regional meetings to deepen the dialogue for the opportunities, challenges and circumstances of North, South, East, West and Central Africa - Working-level calls at Division / sector level to advance cooperation on specific operations, and facilitate more effective cooperation and information sharing across different clients and sectors 	<p>1 high level (vice-president) meeting per year</p> <p># coordination meetings held</p> <p># regional and sector meetings reported</p> <p># projects in shared portfolio and pipeline</p> <p>Annual pipeline meeting</p>
Visibility and communication	<ul style="list-style-type: none"> - Regular webinars EIB-AfDB - Communication – both internally and externally – of our common portfolio and examples of cooperation 	<p># of webinars held</p> <p># of communications materials developed</p>

<p>Events</p>	<p>Actively involving one another in key events as a way to increase institutional cooperation and knowledge sharing:</p> <ul style="list-style-type: none"> - AfDB Annual Meetings - EIB Africa Day - EIB Institute October Days for Sustainable Development - EIB Civil Society Day - AfDB Civil Society Forum - Africa Investment Forum - African Energy Market Place - EIB MED conference on the Mediterranean Region - International events which may afford valuable opportunities for us to highlight our joint work on climate action and environmental sustainability, such as the United Nations Climate and Biodiversity COP meetings. 	<p># of events attended and hosted</p>
<p>Coordinated and complementary resource mobilization including co-financing and EC blending platform</p>	<ul style="list-style-type: none"> - Closer cooperation and sharing of pipeline for European Commission financing, including joint preparation for EC Technical Assessment Meetings (TAMs). - Across all sectors and themes, particular attention to be paid to ensuring complementary use of Technical Assistance resources, including sharing of studies and avoidance of duplication of efforts 	<p># of joint preparations for TAMs</p> <p># examples of complementary use of TA and other resources</p>
<p>Procurement</p>	<ul style="list-style-type: none"> - Maintenance of the interinstitutional coordination on Procurement, via the MDBs' Head of Procurement Working Group and via bilateral collaboration between EIB Procurement Office and the AfDB Procurement Office. - Thematic / sector-specific technical workshops to ensure continuing implementation of the 2017 Procedural Framework focusing on procurement 	<p># of joint procurement workshops held</p>
<p>Knowledge exchange</p>	<ul style="list-style-type: none"> - Continued knowledge exchange via other MDB working groups including the ICP (on infrastructure) and the MDB Platform for Economic Migration and Forced Displacement - Sharing methodologies for results and impact measurement - Exchanges on economic and financial sector analysis. - Sharing methodologies for results and impact measurement 	<p># examples of knowledge exchange</p>

5. 2020-2022 Indicative Joint Action Plan – Thematic and Sector Level

To complement the strategic level action plan and building upon the actions discussed during the EIB mission to Abidjan in February 2020, the below table captures the more specific thematic activities and initiatives which those relevant teams will continue to collaborate on. It is beyond the scope of this agreement to set and monitor specific performance indicators for these initiatives, however, during the regular strategic level coordination meetings, the thematic teams will be invited to present updates. As an immediate next step, contact points should be defined for each of these areas of cooperation.

Specific Thematic-level Cooperation 2020-2022	
Covid-19 Crisis Response	<ul style="list-style-type: none"> - As both institutions develop and deploy emergency response measures in Africa, we will ensure that these efforts are coordinated, so as to work shoulder to shoulder to meet the short and medium-term challenges of dealing with this crisis.
Gender	<ul style="list-style-type: none"> - EIB to consider becoming an investor in the Africa Guarantee Facility in order to support AFAWA - Create alignment and coordination on the respective Technical Assistance efforts to foster gender finance - Consider results-based loans with a gender focus - Consider joint work on the context of refugee and IDP camps, potentially in clean cooking, financial inclusion and labour market integration.
Health Sector	<ul style="list-style-type: none"> - EIB to approach AfDB to cooperate on the EU Malaria Fund; - Exploration of opportunities to cooperate arising from the healthcare infrastructure/Pharmaceutical Industries development strategy which the AfDB is currently undertaking; - Coordinate health resilience operations in the context of the COVID-19 response but also more generally on primary healthcare and the development and manufacturing of health-related products in/for Africa.
Information and Communication Technology (ICT):	<ul style="list-style-type: none"> - EIB to support project preparation and downstream project co-financing - AfDB and EIB collaborate to support e-Government projects and programmes in Regional Member Countries - Post COVID-19 - AfDB and EIB work on ICT for Development along with the AfDB's ICT Strategy, which focuses on 1) Connectivity infrastructure; 2) Digital Economy; 3) Digital Government; 4) Support development of Technology Parks; and 5) Support government actions on key enablers.

<p>Desert to Power initiative:</p>	<ul style="list-style-type: none"> - EIB to contribute expertise to the AfDB's Desert to Power team, strengthening the work on project pipeline screening and project preparation - EIB to seek to mobilise EU grant funds for a Sahel-specific workstream in RenewAfrica for upstream and project preparation work - EIB to share the outcome of a study undertaken with the International Solar Alliance on off-grid domestic devices and seek basis for collaboration with AfDB - AfDB and EIB to work on the Food-Water-Energy nexus.
<p>Climate Action:</p>	<ul style="list-style-type: none"> - Continued cooperation and exchange on issues related to climate action and alignment with the Paris Agreement, both bilaterally as well as through the ongoing collaborative efforts between the multilateral development banks - Collaboration on identifying, preparing and ultimately implementing projects which contribute to African countries' NDCs (Nationally Determined Contributions under the Paris Agreement), including the mobilisation of external climate finance - Explore the possibility of joint work on the Great Green Wall initiative - Potential collaboration on mapping areas and people at risk of displacement due to extreme weather events / slow-onset climate change.
<p>Financial Sector, including Access to finance for SMEs and job creation:</p>	<ul style="list-style-type: none"> - Continued cooperation under the Boost Africa programme; - Cooperation in the context of Making Finance Work for Africa (MFW4A) - Areas of collaboration to explore; venture capital, social impact fund and direct equity; - Both teams will look at past joint work on Nigerian Institutional invest Fund and explore ways of replicating in other countries.
<p>Youth and economic empowerment</p>	<ul style="list-style-type: none"> - MDB Platform for Economic Migration and Forced Displacement, including entrepreneurship and innovation.