

## **Press release**

Brussels, 29 January 2003

### **EIB, EDFI members, AfD and KfW sign 2° framework cooperation agreement**

Today, the European Investment Bank (EIB) and the bilateral development finance institutions of the EU Member States, which are united in the association EDFI, EUROPEAN DEVELOPMENT FINANCE INSTITUTIONS", together with AFD of France and KfW of Germany, signed a framework agreement for financial cooperation and exchange of services. The agreement details ways in which financial and non-financial cooperation can take place between the EIB, the fourteen EDFI members, AFD and KfW. The cooperation can take the form of mutual provision of financial support and exchange of services, expertise and network facilities. It comes in addition to an earlier Framework agreement on staff exchanges and secondment. The two Framework agreements aim at achieving a more efficient use of financial and non-financial resources in the countries and sectors where the signatories are active.

For the EIB the agreement comes at an appropriate moment in time as it prepares to get underway with the Investment Facility set up by the new ACP-EU Partnership Agreement, signed in Cotonou in June 2000, which will replace the current Lomé Convention. Under the Cotonou agreement the total financial aid available amounts to EUR 15.2 billion for five years. Of this amount EUR 11.3 billion is grant aid from the Commission under the European Development Fund, EUR 2.2 billion is managed by the EIB under the Investment Facility, replacing risk capital finance of the Lomé agreements, and up to EUR 1.7 billion is in the form of loans from the EIB's own resources. The Investment Facility is a revolving facility (loan amortizations and interest payments will be invested in new operations), aiming at supporting technically, environmentally, financially and economically sound projects in the private or the commercially run public sector. These sectors open up areas of mutual cooperation as EDFI members invest about 450 Mio euros per year in ACP countries.

EIB Vice President Michael G. Tutty said at the signing that "this Framework Agreement is important as it identifies different ways to develop financial cooperation on the basis of comparative advantages of the parties concerned and avoids duplication of resources in order to maximise the impact of all the Member States and the Union's activities in the countries and regions concerned". The other signatories to the Framework agreement were Chief executives of the EDFI members, AfD and KfW.