



## PRESS RELEASE

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### EUROPEAN DEVELOPMENT FINANCE INSTITUTIONS JOIN FORCES TO FIGHT CLIMATE CHANGE

**Agence Française de Développement, the European Investment Bank and eleven members of the Association of European Development Finance Institutions (EDFI) for private sector investments in developing and reforming economies, have agreed to jointly finance climate change and climate efficiency projects. The institutions have agreed to establish the Interact Climate Change Facility to enhance combined climate action initiatives.**

The Interact Climate Change Facility (ICCF) will fund private sector operations, proposed by any of the EDFI shareholders. ICCF will finance up to 75% of a project proposal with a maximum of €45 million, while the remaining part will be financed by the proposing EDFI member. The total finance capacity of this initiative will be €400 million, with €300 million provided by ICCF and €100 million directly by the EDFI members.

This joint venture builds on the on-going cooperation by European development finance institutions through European Financing Partners. Created in 2003, by the European Investment Bank and EDFI members, this initiative has double aim of promoting sustainable development of the private sector in ACP States and strengthening co-operation between eligible European Development Finance Institutions being BIO (Belgium), CDC (United Kingdom), COFIDES (Spain), DEG (Germany), FINNFUND (Finland), FMO (the Netherlands), IFU/IØ (Denmark), Norfund (Norway), OeEB (Austria), PROPARCO (France), SIFEM (Switzerland), SWEDFUND (Sweden) and the European Investment Bank. European Financing Partners has so far provided 29 private sector projects in Africa, the Caribbean and the Pacific with €392 million.

The Interact Climate Change Facility will invest in climate friendly private sector projects in poor countries. It demonstrates the financial attractiveness of climate-friendly projects in developing countries and will catalyse long-term investments. This approach will promote the use of clean technology as an integral part of economic development. The facility contributes to sustainable economic development by providing long-term financing for renewable energy and energy efficiency projects in poor countries suffering from energy shortages.

Dov Zerah, Director General of AFD said: “This initiative shows the strong commitment of AFD’s group regarding fight against climate change. Involving Private sector is key to answer to this 21<sup>st</sup> century challenge. AFD is proud to manage to mobilize all its instruments in this field in support of all partners of this initiative”.

Plutarchos Sakellaris, European Investment Bank Vice President for Africa, Caribbean and the Pacific said, “Working together with our European partners will enable a more effective contribution to crucial climate action initiatives in developing countries. The European Investment Bank recognises the important role to be played by European development finance institutions supporting low carbon growth”.

Nanno Kleiterp Chairman of EDFI said: “This laudable initiative shows the strong cooperation between the members of EDFI and European institutions. It will contribute significantly to a better climate and a more sustainable economy and allows poor people to build better lives.”



## NOTE TO THE EDITOR

The funding of ICCF will be provided by AFD with up to €100 mln, the Cotonou Investment Facility through the EIB with up to €50 million and by eleven EDFI members with together up to €150 mln million: BIO (Belgium), CDC (United Kingdom), COFIDES (Spain), DEG (Germany), FINNFUND (Finland), FMO (the Netherlands), Norfund (Norway), OeEB (Austria), PROPARCO (France), SIFEM (Switzerland) and SWEDFUND (Sweden).

AFD, Agence Française de Développement, is a public development finance institution that has worked to fight poverty and support economic growth in developing countries and the French Overseas Communities for almost 70 years. AFD executes the French government's development aid policies.

Through offices in more than fifty countries and nine French Overseas Communities, AFD provides financing and support for projects that improve people's living conditions, promote economic growth and protect the planet: schooling, maternal healthcare, help for farmers and small business, water supply, preservation of tropical forests, and fighting climate change, among other concerns.

In 2010, AFD committed more than €7 billion to financing aid activities in developing and emerging countries and the French Overseas Communities, for which more than €2.8 billion were dedicated to projects contributing to mitigate GHG emission (more than 4 million tons per year) and adapt economies of countries to the future impact of climate change.

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The European Investment Bank has been an active development partner in many African, Caribbean and Pacific countries since 1963. Since the inception of its successive development mandates in these regions the EIB has lent EUR 14.2bn in favour of almost 1260 projects in 92 different countries. The European Investment Bank provided EUR 20.5 billion for climate action projects in 2010, including, EUR 6.1 billion for renewable energy and 2.3 billion for energy efficiency

**For further information about the European Investment Bank's climate action and ACP activities, please contact Richard Willis, tel. +352-4379-82155, [willis@eib.org](mailto:willis@eib.org); or visit <http://www.eib.org/lending/acp>.**

EDFI, the Association of European Development Finance Institutions, is a group of fifteen bilateral European development finance institutions, whose members provide long term finance for private sector enterprises in developing and reforming economies. The main objectives of EDFI, which was founded in Brussels in 1992, are to foster cooperation among its members and to strengthen links between these and EU institutions. At the end of 2009, the total investment portfolio of EDFI members was €18.5 billion, of which €5 billion was invested in ACP. The EDFI members invested €1.4 billion in ACP in 2009.

The EDFI members are: BIO, Belgium - CDC, United Kingdom - COFIDES, Spain - DEG, Germany - FINNFUND, Finland - FMO, Netherlands - IFU/IØ, Denmark - NORFUND, Norway - OeEB, Austria - PROPARCO, France - SBI/BMI, Belgium - Sifem, Switzerland - SIMEST, Italy - SOFID, Portugal - SWEDFUND, Sweden

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