

## PRESS RELEASE

# AECID, AFD, CDP and KfW together for the creation of a new European Strategic Cooperation Framework

*The joint declaration signed today is the first pillar of the European finance platform, which aims at improving aid effectiveness and leverage on collective resources to deliver on the SDGs, drawing on the strengths and diversity of all its actors*

ROME, ITALY; October 20th 2021 – Spanish Agency AECID, France public AFD, Italian Financial Institution CDP and Germany's state-owned KfW signed today the Joint Declaration on a European Strategic Cooperation Framework. This signature echoes the new European multiannual financial framework for 2021-2027, and particularly the new Neighbourhood, Development and International Cooperation Instrument (NDICI) - Global Europe.

AECID, AFD, CDP and KfW share the vision of a truly joined-up **European development finance system** with an efficient and comprehensive architecture. This partnership draws on the strengths and diversity of all its actors and “delivers as one” for an increased impact towards the SDGs.

Following the Summit on the Financing of African Economies in Paris, these four Institutions are setting up an innovative finance platform to support a more efficient and comprehensive European financial architecture for development along two main pillars:

- i) A Joint Declaration on a European Strategic Cooperation Framework as signed today, ruling the relationships between the existing members and those which could join the initiative;
- ii) A Co-financing Agreement, framing common technical and financial operations, to be signed in 2022, serving as legal basis for future co-financings.

Today these Institutions established the first pillar of this European finance platform by signing the JOINT DECLARATION ON A EUROPEAN STRATEGIC COOPERATION FRAMEWORK (JD). It embodies a commitment for a stronger cooperation at strategic and institutional levels to increase knowledge sharing, identify common priorities and enhance European coordination. In line with the “Working better together”<sup>1</sup> and “Team Europe”<sup>2</sup> approach promoted by the European Commission and its Member States. The four Institutions have decided to strengthen their existing cooperation by pooling respective resources for increased impacts; better voicing their positions based on their strengths and expertise and thus facilitating synergies; contributing to improve the visibility of EU development cooperation.

The Institutions have agreed on three key principles for this renewed partnership:

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<sup>1</sup> The concept of working better together emphasizes the opportunity for increased influence and impact by means of systematic and strategic collaboration between development actors.

<sup>2</sup> Team Europe consists of the European Union, the EU Member States — including their implementing agencies and public development banks —, as well as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

(i) **Team Europe approach and shared strategic vision:** the Institutions support the “Team Europe approach”, a concept born in April 2020 as the EU's global response to the Covid-19 pandemic and incorporated into the European external action policies, in order to improve the coherence and coordination of efforts between the different European actors involved in external action. The Team Europe approach should ensure the pooling of the resources of the EU actors of international cooperation in a coordinated and coherent way, to achieve the Sustainable Development Goals (SDGs), and also to help strengthen the voice of European development finance actors.

ii) **Mutual trust, transparency and visibility:** the Institutions have identified common priority areas and countries for their cooperation within the NDICI framework. They endeavor to exchange information on project pipelines to contribute to greater European visibility in cooperation and coordination with the EU.

iii) **Pragmatism and best efforts:** the Institutions wish to make their best effort to promote a strong and pragmatic European partnership.

To achieve these objectives, the four Institutions work on common projects to be implemented starting 2022 through the second pillar, the Co-financing Agreement. The partners prioritize so far Sub-Saharan Africa, as major geographic focus, and several sectors as energy (including renewable) or mobility.

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## About the signing Institutions

As part of the global coalition of 450 Public Development Banks launched at the Finance in Common Summit (FiCS) in November 2020, the E-PDBs and finance institutions already share several common operational experiences at national and regional levels. This includes several cooperation which involve EU funding, such as the PROMOGED project in Senegal (waste management) involving AECID and AFD, Fondo MiVivienda (credit line to a PDB for social housing) in Peru involving AFD and KfW, InclusiFI guarantee (financial inclusion) involving CDP and AECID, cofinancings on regional programs such as the Covenant of Mayors, EUROCLIMA+ (climate change), but also without EU funding, for example support to the Brazilian PDB BDMG involving AFD and CDP.

**AECID** - the Spanish Agency for International Development Cooperation (AECID) is the main management body of the Spanish Cooperation, aimed at poverty reduction and sustainable human development. Its strategic roadmap, in line with Agenda 2030, is the 5th Master Plan for Spanish Cooperation, based on a human rights approach; it pays special attention to three cross-cutting issues: gender, environmental quality and respect for cultural diversity. AECID's toolbox includes technical, cultural and financial cooperation, managed through FONPRODE (Fondo para la Promoción del Desarrollo). Launched in 2011, it includes grants and loans, and implements both debt and equity operations. <https://www.aecid.es/>

**AFD** - AFD is a French public industrial and commercial entity established in 1941 and governed by the laws of France and committed to reducing poverty, fostering economic development and social progress, and contributing to protecting global public goods in the countries where it is authorized to alleviate poverty and support economic growth in both developing and emerging countries. In Latin America and the Caribbean, AFD pursues a strategy of green and inclusive growth in the emerging and developing countries, which preserves the environment and reduces social inequality. In fragile and less developed countries, AFD contributes to the development of social cohesion, good governance and greater regional balance. [www.afd.fr](http://www.afd.fr)

**CDP** – Cassa Depositi e Prestiti (CDP) is the Italian Financial Institution for International Development Cooperation, entrusted by Law n. 125/2014 on “General discipline on International Development Cooperation”, and also acts as the Italian National Promotional Institution supporting, inter alia, innovation, development and internationalization of enterprises. With a mission to promote, pursue and invest in sectors

and geographies targeted by the International Cooperation as developing countries and emerging economies to achieve sustainable and inclusive growth in line with the 2030 Agenda Sustainable Development Goals, CDP aims at fostering economic and social development, climate change, poverty reduction and shared prosperity and acts as a catalyst of public resources and private capital. [www.cdp.it](http://www.cdp.it)

**KfW** – KfW in its capacity as Germany’s state-owned financial institution, has been promoting development cooperation on behalf of the German Federal Government, in particular the Federal Ministry for Economic Cooperation and Development (BMZ) as well as other donors such as the European Commission since 1961. KfW finances and supports projects that, amongst others, involve public sector players in developing countries and emerging economies. KfW’s goal is to help partner countries fight poverty, maintain peace and protect both the environment and the climate. [www.kfw.de](http://www.kfw.de)

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