



EIB in Africa, the Caribbean and Pacific, and overseas territories



Achievements so far and the Way forward



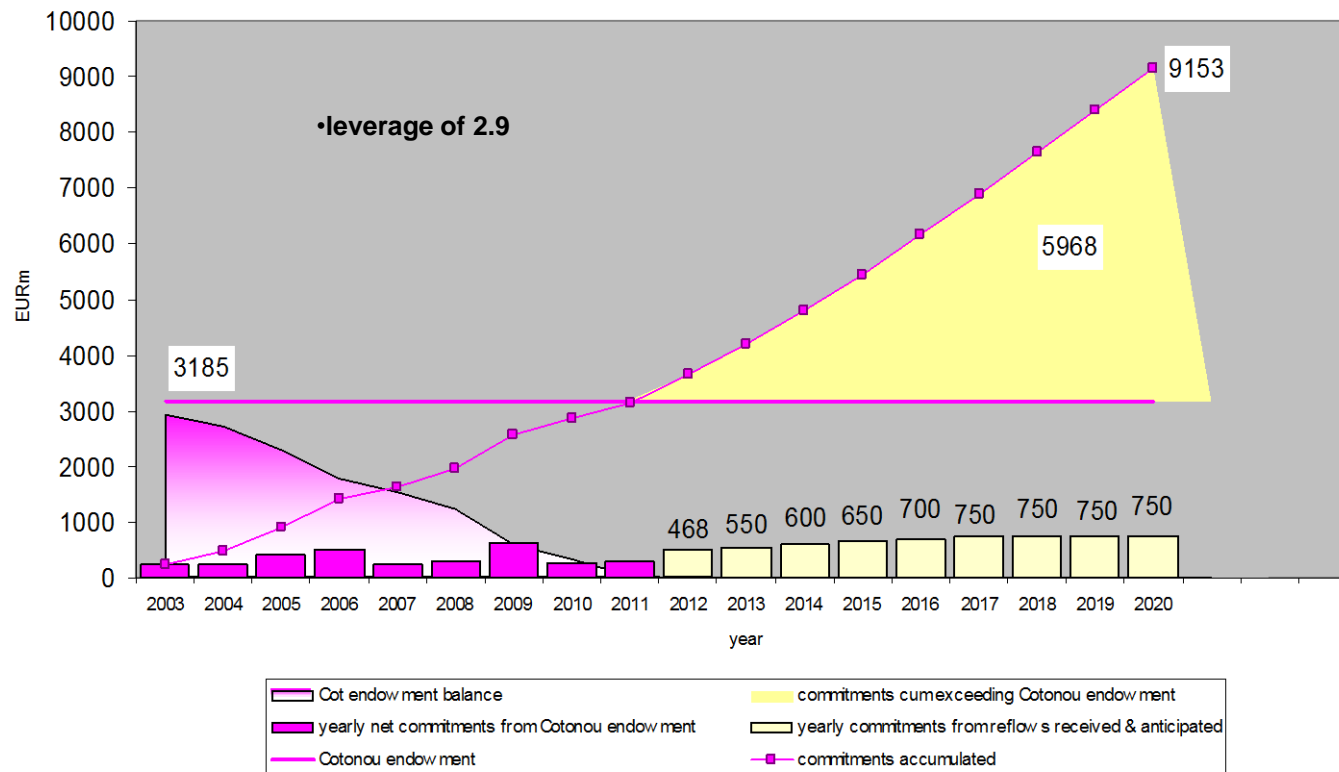
Luxembourg, 8 July 2015
Heike Rüttgers, Head of Mandate Management, ACP Investment Facility



➤ The advantage

- The lifespan of twenty years without commitment deadlines for capital under the subsequent 9th, 10th and 11th EDF allows for continued IF lending due to revolving mechanism.
- The principle of anticipation creates recycling effect.

IF commitment funding from reflows: leverage effect



EIB Activity in ACP / OCT + South Africa (2012-2014)



2014

- **EUR 1 125m** total financing and **EUR 620m** disbursements
- **EUR 66.2m** (grant funding for TA + Interest Rate Subsidies)

EUR m Signatures Year	ACP/OCT Investment Facility (IF)	ACP/OCT Own Resources (OR)	ACP Third Party Funds-ITF	South Africa (OR)	Total	Disbursements (All Mandates)
2012	355	289	---	100	744	529
2013	472	241	---	260	973	466
2014*	661	264	25	175	1 125	620
2014 BP Target	650	133		175	958	530
(% BP Target)	102%	198%		100%	(117%)	(117%)
* (of which SSA)	(624)	(244)	(25)	(175)	(1 068)	(606)

□ Countries of projects (2014-Activity only):

Kenya, Liberia, Ghana, Nigeria, Mozambique, Botswana, Zambia, Tanzania, Uganda, **Guinea**, Niger, Burkina Faso, **Burundi**, Regional East-Africa, Regional West Africa, Regional Africa, Regional Caribbean and Regional Southern Africa + South Africa



Results 2003- 2014



12 years down the road *(as of 30 June 2015):*

 **ACP: Total net signatures of +/- EUR 8.0bn**

-EUR 4.8bn under IF and EUR 3.2bn under OR
-EUR 1.7bn for South Africa
TOTAL DISBURSEMENTS: EUR 5.6bn

Operations in **62 countries** or **regional groupings (10)**

SECTOR SPLIT:

Infrastructure	40% (23% energy)
Financial Sector	46% (22% credit lines)
Industry	12%
Other Sectors (Health, Tourism, Agriculture etc.)	2%

65 % of the ACP portfolio invested directly to
private sector projects

11th EDF: Impact Financing Envelope (EUR 500m)

- Areas of focus:
 - Social & demographic challenges:
 - Unemployment, in particular in rural areas and among women and youth, food security, social and financial exclusion, migration, post-conflict / post-disaster recovery, access to healthcare, access to education and training etc.
 - Environmental challenges:
 - climate action (including access to renewable energy and energy efficiency), forestry issues, waste management, preservation of biodiversity, water supply etc.
- Four financing instruments are proposed:

Social Impact Equity Funds

Risk-sharing Facilitating Instruments

Loans to Financial Intermediaries

Direct Financing



Impact Financing Envelope (€ 500m)

Results to date



- Approvals: **102.25m** (20% of the envelope)
of which
 - Signatures: **68.25m**
 - ✓ *2 social impact investment funds: **Novastar, Energy Access Fund***
 - ✓ *Intermediated lending: **Caribbean and Pacific Microfinance Facility***
 - ✓ *Direct equity investment in **TCX***

- Pipeline 2015-2016: 164.25m

Sectoral Approach 2015-2017



In terms of sectors, the strategy has different levels of priority, with two key focus areas:

<p>KEY FOCUS</p>	<p>Infrastructure:</p> <ul style="list-style-type: none"> • Infrastructure with a regional focus, notably projects consistent with the PIDA (Programme for Infrastructure Development in Africa) Priority Action Plan • projects with a pro-poor focus • projects which promote sustainable economic growth, <p>in any of the following sectors: energy, water and sanitation, transport and telecommunications.</p>	<p>Financial sector:</p> <ul style="list-style-type: none"> • channelling finance to SMEs and micro-enterprises, with the aim of stimulating job creation and private sector growth and supporting the development of local financial markets • credit lines, also in local currency, to selected local financial intermediaries • private equity funds targeting SMEs and microfinance • risk capital (direct equity, quasi equity) and risk-sharing instruments such as guarantees. 	
<p>OVERALL GOAL</p>	<p>Across all sectors, Climate Action investment is important for the region given that many ACP states are highly vulnerable to a changing climate. Supporting adaptation initiatives and mitigating the impact of climate change through the promotion of low-carbon transport and energy, increasing climate resilience and promoting renewable energy sources and energy efficiency are over-arching priorities of EIB lending.</p>		
<p>OTHER PRIORITIES</p>	<p>Agriculture and food security projects have a high multiplier effect in terms of development impact and are a priority sector in the Agenda for Change</p>	<p>Corporate Lending / Industry, which directly supports private sector activities.</p>	<p>Health, especially in the countries most affected by the Ebola virus, in the Sub-Saharan Africa and any other region, if potentially affected by epidemics.</p>
<p>OTHER SECTORS</p>	<p>Affordable and Social Housing, Education, Mineral Resources, Tourism.</p>		



New features of the BP 2015-2017



- ❑ Introduction of a Conflict Sensitivity Approach
- ❑ Use of the new EIB Own Risk Facilities in ACP / OCT
- ❑ Internationalisation of European companies
- ❑ More Cooperation with Export Credit Agencies and Prime Banks → guarantees notably for Project Finance deals

- ❑ Sectoral approach:
 - ✓ **Health**, as a response from the EIB to the **Ebola** crisis
 - ✓ **Water** projects coupled systematically with a sanitation component, where feasible
 - ✓ **Urban Infrastructure**: becomes as important as Water and Transport
 - ✓ **ICT**: more emphasis put on broadband connectivity
 - ✓ **Credit Lines**: Demonstration of added value of intermediated loans



Diversification of Countries



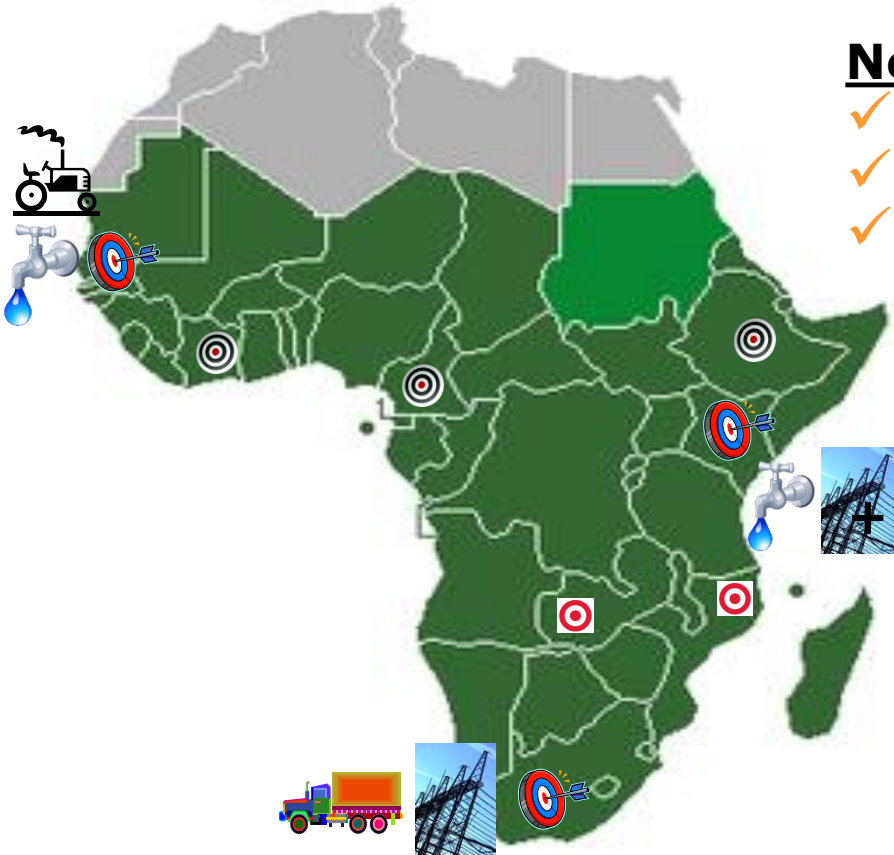
- ❑ Last BP → Concept of Diversification was introduced
- ❑ Measures already taken by the EIB in 2014:
 - First operations under Cotonou:
 - ✓ Signature in **Guinea** (Projet Energie Guinee) and **Burundi** (JIJI Mulembwe)
 - ✓ Approval in **Papua New Guinea** (PNG Rural Bridges)
- ❑ **PIPELINE:**
 - ✓ **Gabon** (last active signature dates from 10 years ago)
 - ✓ **Angola** (last active signature in 2007)
 - ✓ **Trinidad & Tobago** (last active signature 9 years ago)
 - ✓ **Comoros, Swaziland, Barbados, Timor-Leste and Tonga** (no active operations under Cotonou)
 - ✓ Countries where the EIB has been inactive due to article 96/97 measures:
Start of re-engagement in **Zimbabwe, Madagascar and Fiji** (after Q1 2015).
Identification of pipeline in **Guinea-Bissau**.
 - ✓ 44 Regional projects (covering more than one country)
- ❑ **Note: In 2011-2014, EIB signed operations in 10 countries outside the scope of the top-12 countries in terms of concentration.**



Additional Staff



Reinforcement of local presence - Locations



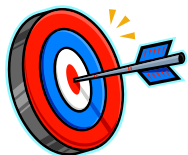
New EIB Regional Offices



- ✓ Cameroon (Yaoundé)
- ✓ Ethiopia (Addis Ababa)
- ✓ Ivory Coast (Abidjan)

New Satellites

- ✓ Mozambique (Maputo)
- ✓ Zambia (Lusaka)
- + Caribbean
- ✓ Barbados (Bridgetown)
- + Pacific
- ✓ Papua New Guinea (Port Moresby)



EIB sub-Saharan Regional Offices – 6 sector experts

Dakar (1 Water+1 Agriculture), Pretoria (1 Energy+1 Transport), Nairobi (1 Water and 1 Energy)



Operational Targets (ACP/OCT)



IF	2015	2016	2017
Approvals	750	770	820
Signatures	750	750	750
Disbursements	350	390	410

OR	2015	2016	2017
Approvals	400	400	400
Signatures	325	350	375
Disbursements	150	175	200

INVESTMENT FACILITY

Gradual ramp-up of IF lending volumes from the EUR 450m «traditional» target up to **EUR 750m** from 2015 onwards.

OWN RESOURCES

Under Cotonou III: EUR 2.5bn (7 years)

Average lending per year is in the order of EUR 350m



50 years **EIB** in the **ACP** countries

<http://www.eib.org/acp>

