

TRUST FUNDS IN ACTION



European
Investment
Bank

The EU bank



The European Investment Bank (EIB) is a global development bank. It supports investments in developing countries that help the well-being of people. Our work also helps the fight against COVID-19 and the recovery from the pandemic. By backing projects that make a big difference in daily lives and choosing outstanding partners, we consolidate the support that we provide and help attain the United Nations' Sustainable Development Goals.



WORKING WITH PARTNERS

AREAS OF INVESTMENT

climate action
vital infrastructure
regional integration
companies of all sizes

Because financing for development is limited, we use trust funds to boost available resources. Our trust funds are agreements in which a donor transfers money to the EIB to help a third party. The Bank collects money for trust funds and then uses this money to provide grants, loan guarantees and technical assistance to projects in dozens of countries around the world.

The EIB manages nine trust funds financed by EU countries, the European Commission and the United Kingdom. Many countries in Europe have seen for themselves that the EIB's trust funds are an ideal way to form lasting partnerships with the developing world. We hope to expand these partnerships to include other governments, philanthropists and foundations. By working with more partners, we help create a better world.



KEY FIGURES

Our donors: **24 EU countries**,
the **United Kingdom**
and the **European
Commission**

€1.1 billion raised

€905 million in financing
approved

263 operations

Over **€22 billion** in investment
mobilised

The Dadaab Somali refugee camp is thought to be the largest in the world.
Dadaab, North Eastern Province, Kenya.
Photo: Yann Arthus-Bertrand



MAKING PROJECTS MORE SUCCESSFUL

EIB projects are designed to attract more investment from other financial institutions and organisations. Our trust funds enable us to make projects more sustainable and mobilise additional financing from other investors. We improve projects by increasing clients' knowledge and expertise as we provide them with technical assistance throughout the project's lifecycle. We also blend grants with loans and offer financial instruments to catalyse even more support. Our trust funds bring in more financing because the EIB's involvement reduces the risks involved in the project. This is important because it is often hard to find financing for big or innovative, and seemingly risky, projects in the developing world.

When the EIB and trust fund partners work together, we:

- improve the quality and impact of projects
- share expertise and experience, making future projects more successful
- help the European Union meet its goal of boosting developing countries

ACROSS THE WORLD

The EIB's trust funds have supported projects in 75 countries. Their sizes range from €3.3 million for the Water Sector Fund to €813 million for the EU-Africa Infrastructure Trust Fund.





**WE ARE
ALWAYS READY
TO DISCUSS
NEW FUNDS WITH
EXISTING
OR NEW PARTNERS.**

MANAGEMENT OF TRUST FUNDS

The Partnership Platform for Funds, or PPF, is the Bank's framework for managing donor funds. Launched in 2017, it streamlines and standardises our procedures on issues such as governance arrangements, fee calculations and reporting standards, and acts as an "umbrella" for the different individual trust funds it encompasses. The funds under the PPF are the Economic Resilience Initiative Fund, the City Climate Finance Gap Fund (Gap Fund), the Financial Inclusion Fund, the International Climate Initiative Fund (IKI Fund), the Luxembourg-EIB Climate Finance Platform and the Water Sector Fund.

These funds are set up by the EIB in close collaboration with donors. The aim is to identify important projects around the world and meet global challenges head-on. Projects can include public sector economic and social infrastructure, private sector development, and climate change mitigation and adaptation. The funds are designed to be focused but flexible, meaning that we can tackle challenges in a specific sector, as is the case with the Water Sector Fund, or cover several sectors with a range of financing options, as with the Economic Resilience Initiative Fund.

DONORS

BULGARIA

CROATIA

ITALY

LITHUANIA

LUXEMBOURG

POLAND

SLOVAKIA

SLOVENIA

UNITED KINGDOM

DONOR PLEDGES

€111.45 million

OPERATIONS APPROVED

8

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



ELIGIBLE COUNTRIES



* The EIB's negotiations for an agreement with Libya are on hold. Following EU sanctions in November 2011, the EIB suspended all activity in Syria.

** This shall not be construed as recognition of a state of Palestine and is without prejudice to the positions of each EU country.

*** This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

EXPECTED IMPACT

211 000 jobs supported

Loans for **11 000 small businesses**

Clean water and sanitation for 10.8 million people

Electricity for 310 000 homes

FOCUS

Private-sector development
Small businesses and jobs
Solid waste management
Sustainable transport and urban development
Energy efficiency

The Economic Resilience Initiative (ERI) is a key part of the European Union's work in strengthening economies and addressing problems raised by migration and forced displacement in Europe's Southern Neighbourhood and the Western Balkans. It also funds projects that help societies recover from economic downturns, and lends support to countries prone to shocks such as flooding or droughts, migration, and economic or political instability.

The Economic Resilience Initiative Fund is part of the ERI. It aims to make countries more inclusive by offering grants and financial instruments for infrastructure projects of economic and social benefit, while also helping women and young people find jobs. The fund also assists countries and regions in preparing for sudden economic or environmental shocks. It was established in 2017 and is financed by eight EU countries and the United Kingdom.

PROJECT EXAMPLES

The EIB is lending €30 million to UniCredit Bank Serbia to help it offer small loans to businesses wishing to improve gender equality, youth employment and social inclusion. This is the first private-sector impact finance operation in the Western Balkans under the ERI. The ERI Fund is offering a €4 million grant for the project to distribute financial rewards to companies meeting specific targets for employing women, young people, refugees, minorities, people with disabilities and other groups that have trouble finding jobs. The operation will support around 4 000 jobs in Serbia.

In two operations under the ERI Risk Capital Facility, the EIB is investing €20 million in the Amethis MENA Fund and US\$20.5 million in the Foursan Capital Partners Fund. These two equity funds offer loans to businesses based in North Africa and the Levant, with a particular but not exclusive focus on Morocco and Jordan. They concentrate on companies often overlooked by the financial sector, with small businesses in these regions frequently struggling to secure loans. The two funds are expected to create a combined total of almost 2 000 jobs.

DONORS

AUSTRIA

LUXEMBOURG

BELGIUM

MALTA

CYPRUS

THE NETHERLANDS

EUROPEAN
COMMISSION

ROMANIA

FINLAND

PORTUGAL

FRANCE

SLOVENIA

GERMANY

SPAIN

GREECE

SWEDEN

IRELAND

UNITED KINGDOM

ITALY

DONOR PLEDGES

€68 million

OPERATIONS APPROVED

85

* Libya is also eligible if a Framework Agreement with the country is signed. Syria was eligible until the EU implemented sanctions in November 2011, suspending all EIB loan disbursements and technical advisory contracts.

ELIGIBLE COUNTRIES

Cross-border or regional projects are also eligible



EXPECTED IMPACT

123 000 jobs supported in small businesses, microenterprises and mid-cap companies

Improved sanitation for **1.2 million people**

Clean energy for **260 000 households**

The Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Trust Fund supports economic development in Europe’s Southern Neighbourhood. The fund offers grants and technical assistance and can support riskier operations by innovative entrepreneurs. It includes a programme called CAMENA, or Climate Action in the Middle East and North Africa, which is a special funding envelope offering grants for climate action, as well as the Gaza Envelope, which enhances FEMIP Trust Fund activities in the Gaza Strip.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED

<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 
<p>10 REDUCED INEQUALITIES</p> 	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 

FOCUS

- Small businesses
- Infrastructure
- Environment
- Research and development, skills, innovation

PROJECT EXAMPLES

CoopMed is a €2 million pilot project consisting of small private-sector investments. It provides stable long-term financing, mainly in the form of subordinated loans, to microfinance institutions and other financial intermediaries in Lebanon. The project helps to provide more loans to microenterprises, cooperatives, social enterprises and economic initiatives led by non-governmental organisations.

A €2 million FEMIP Trust Fund initiative is helping microfinance institutions across the Middle East and North Africa provide more loans to vulnerable people. The programme targets the unemployed, the self-employed, young people and migrants, and aims to provide training so that people can start their own businesses and join the formal economy. The programme was launched in 2019 and microfinance institutions in Lebanon and Jordan have already started helping more clients.

SECTORS

Renewable energy
and energy efficiency

Sustainable transport
and urban development

Solid waste management

Forestry and land use

Research, development
and innovation

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



DONOR

UNITED KINGDOM

DONOR PLEDGES

£15 million

**OPERATIONS
APPROVED**

15

EXPECTED IMPACT

Improved water and sanitation
More climate friendly rail projects

Reduction in carbon emissions
More investment in climate action

CAMENA – Climate Action in the Middle East and North Africa

CAMENA is a climate action envelope in the FEMIP Trust Fund, financed by the United Kingdom’s Department for International Development.

CAMENA offers grants to the public and private sectors in the Mediterranean region to help tackle climate change. The aim is to help projects secure loans from the EIB and other investors. CAMENA offers technical assistance for climate risk and vulnerability assessments, feasibility studies, environmental and social impact assessments and capacity building. Equity investments are also possible.

FOCUS

Long-term development
Environment and society
Resilience to climate change
Economic growth
Lower greenhouse gas emissions

PROJECT EXAMPLES

CAMENA is helping Alexandria, Egypt’s second largest city, upgrade wastewater treatment, benefiting around 1.5 million people. The EIB approved a loan and grant package for this project which reduces sewage discharge into the sea and cuts methane emissions.

Under the CAMENA envelope, a €495 000 grant is helping to identify how modern rail technology and solar energy can extend Tunisia’s rail network while making it cleaner and more efficient. This project will reduce emissions by encouraging people to use more trains and fewer cars and by moving freight from trucks to trains. It will also make trains available to more rural populations and marginalised groups, meaning people can find better jobs and get improved social services.



DONOR
THE NETHERLANDS

FINANCING APPROVED
€1.15 million

DONOR PLEDGES
€3.3 million

PROJECTS APPROVED
3

The Water Sector Fund was developed by the EIB and the Dutch government. It supports projects in cities with more than 100 000 people and in clusters of smaller cities. It works in low and lower-middle income countries. Public authorities in these countries often have limited finances and lack the capacity to develop water projects adequately. Some of these regions' residents do not have access to basic sanitation or clean water. This trust fund provides grants and early-phase technical assistance. These help countries plan modern and innovative water projects and improve water management. Following the COVID-19 crisis, new projects are being developed and may involve other instruments, such as risk-sharing and first-loss components, in addition to technical assistance.


IMPACT

Clean water for hundreds of thousands of people

Improved sanitation services

SUSTAINABLE DEVELOPMENT GOAL SUPPORTED





A fisherman on the lake formed by a hydroelectric dam on the Lefini River.
Imboulou dam lake, Republic of Congo.
Photo: Yann Arthus-Bertrand

FOCUS

Water infrastructure for
underserved households

Innovative water projects

Water management

PROJECT EXAMPLES

The fund will pay for a €350 000 feasibility study for a clean water project in the Tillabéri region in western Niger. Niger faces increased risks from climate change through erratic rainfall, longer droughts and shorter wet seasons. The population is growing rapidly and the movement of people to urban areas is placing a strain on water and sanitation services. The city of Terá lacks access to clean water and the region suffers from chronic water shortages. The study will assess whether it is possible to connect Terá's water systems to a treatment plant in Gotheye using a 106-kilometre pipeline. This project would bring clean water to 250 000 people.

The fund is also financing two studies in Malawi. The first focuses on the water supply in Liwonde and Balaka, two secondary cities in the south. Many people in Malawi are moving to urban areas, and clean water is at a premium. Liwonde's current system treats river water at a conventional plant and then distributes it through reservoirs. This €495 000 study will assess the impacts of the expansion of the water supply for the cities and the installation of sophisticated pumping systems, with the goal of providing an additional 70 000 people with clean water. The second study aims to develop a water pumping system that would run on renewable energy. Traditional pumping systems run on fossil fuels, so the use of renewable energy for these systems is attracting a great deal of interest across Africa. This €250 000 feasibility study will focus specifically on pumping water from Lake Malawi to Lilongwe using renewable energy.

The Luxembourg-EIB Climate Finance Platform (LCFP) is a joint initiative of the Luxembourg government and the EIB. It supports climate change mitigation and adaptation projects around the world using innovative, high-impact financing solutions. The LCFP strengthens its impact by attracting private-sector investors through reduced risks.

Investments tackle sustainable land use and land restoration, energy efficiency and renewable energy, climate resilience data and engineering solutions, and off-grid electricity for households and small businesses in more rural or remote areas.

DONOR

LUXEMBOURG

**OPERATIONS
APPROVED**

4

DONOR PLEDGES

€70 million

FOCUS

Climate change mitigation
and adaptation

EXPECTED IMPACT

Energy savings

Reduced emissions

Restoration of degraded
**land, and sustainable
forestry and
agriculture**

Technologies for **climate
adaptation and
resilience**

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



PROJECT HIGHLIGHTS

A new approach to climate resilience

The EIB and the LCFP both invested in the Climate Resilience and Adaptation and Technology Transfer Facility, or CRAFT Fund, the first commercial investment vehicle to focus on expanding the availability of technologies and solutions for climate adaptation and resilience. The EIB is investing €30 million in the CRAFT Fund, and there is a €5 million contribution from the LCFP. By investing in the junior tranche of the fund, the LCFP is lowering the risk for other investors that participate.

Droughts, wildfires and mass flooding are nothing new, but climate change is increasing the frequency and intensity of these natural disasters. New technologies and solutions can reduce the damage from climate change and protect poorer communities, but this requires significant investment. The CRAFT Fund is looking to support eight to twelve innovative companies in the fields of climate intelligence and climate solutions. Intelligence is used to assess the increased risks from more volatile weather patterns, such as floods and drought. Climate solutions are centred on ensuring that resources such as drinking water are managed more effectively and not wasted.



ELIGIBLE COUNTRIES



EXPECTED IMPACT

118 000 people employed in construction each year

Safe drinking water for over **66 700 people**

More than **2.4 million people** with more reliable and cleaner energy

DONORS

AUSTRIA

FRANCE

GERMANY

LATVIA

LITHUANIA

POLAND

SWEDEN

UNITED KINGDOM

GEORGIA

ARMENIA

AZERBAIJAN

OPERATIONS APPROVED

35

DONOR PLEDGES

€40.4 million

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED

6

CLEAN WATER AND SANITATION



8

DECENT WORK AND ECONOMIC GROWTH



9

INDUSTRY INNOVATION AND INFRASTRUCTURE



13

CLIMATE ACTION



FOCUS

Private sector and small businesses

Urban development and transport

Renewable energy and energy efficiency

Water and environmental infrastructure

Climate change mitigation and adaptation

The Eastern Partnership Technical Assistance Trust Fund (EPTATF) provides expertise and boosts the capacity of clients to complete projects in the public and private sectors.

PROJECT HIGHLIGHTS

Moldova is prone to natural disasters, including drought, floods, severe weather, earthquakes and landslides. The EIB helped Moldova develop a plan to reduce the risks posed by these disasters. EPTATF approved €1.9 million to draw up a flood management plan for the whole country. The programme will improve Moldova's flood defences and protect people's livelihoods.

The conflict in eastern Ukraine has caused 130 000 people to leave their homes, placing a heavy burden on schools, hospitals and other infrastructure. The EIB and its partners are providing €200 million in loans to restore public infrastructure and create jobs in five oblasts (provinces) in eastern Ukraine. EPTATF approved €500 000 for technical assistance that will improve local authorities' knowledge about infrastructure planning and help them work more closely with their communities.



FUNDS RAISED

€813 million

OPERATIONS APPROVED

123

DONORS

AUSTRIA

BELGIUM

EUROPEAN COMMISSION

FINLAND

FRANCE

GERMANY

GREECE

HUNGARY

ITALY

LUXEMBOURG

THE NETHERLANDS

PORTUGAL

SPAIN

UNITED KINGDOM

EXPECTED IMPACT

Electricity for **5.4 million homes**

12 000 kilometres of internet cables

Safe drinking water for **700 000 homes**

The EU-Africa Infrastructure Trust Fund (EU-AITF) provides grants for infrastructure projects in sub-Saharan Africa intended to reduce poverty and improve economic growth. The grants can support projects financed by the EIB as well as other investors.

EU-AITF has two main areas of activity. The €483 million regional envelope helps fund cross-border and national infrastructure projects in the energy, transport, water, and information and communications technology sectors. A separate €330 million envelope supports renewable energy and energy efficiency projects that are in line with the United Nation's Sustainable Energy for All initiative.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



PROJECT HIGHLIGHTS

For years, the residents of Mwanza in northern Tanzania have struggled to get regular access to clean water. In 2012, EU-AITF approved an interest rate subsidy and technical assistance grant to build a wastewater treatment plant for local residents. Today, many residents have clean water in their homes for the first time. A new public stairway has improved access to higher parts of the informal settlements, and a school has received new toilet blocks.

An EU-AITF grant for just under €10 million is helping to bring affordable solar power to remote villages in Togo. The Togo CIZO Pay-As-You-Go electrification programme aims to provide off-grid solar power in rural areas. Around 1.5 million Togolese will get electricity via 300 000 solar power systems, while health centres and irrigation systems will also be powered with clean energy.

FOCUS

Energy
Transport
Water
Information and
communication
technologies

FOCUS

Technical assistance and
capacity building for financial
institutions

Rural populations

Young entrepreneurs

Women business owners

The Financial Inclusion Fund was devised by the government of Luxembourg and launched in 2019 to help financial institutions in developing countries. It is designed to provide loans to microenterprises and other small businesses, focusing on women, young people and rural communities since these parts of society often have trouble taking out loans. In the future, this fund could be expanded to include financial instruments for microfinance institutions.

Eligible locations: this fund will support operations in least developed, low-income, lower and upper middle-income countries included on the OECD Development Assistance Committee's list of recipients of official development assistance.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



DONOR

LUXEMBOURG

DONOR PLEDGES

€4.5 million



HIGHLIGHTS

The EIB and Luxembourg have a long-standing partnership that aims to improve microfinance in developing countries. Since 2006, we have worked together on 67 technical assistance operations, with grants totalling €14.1 million.

These projects have a real impact on people's lives. This fund will enable us to provide more money and increase the capacity of local lending institutions, which means that more small businesses will receive loans and financial advice. This also means that poorer parts of society can start companies, take on more staff, provide for their families and lead happier and healthier lives.

A good example of this can be found in Burkina Faso, where the EIB and the Luxembourg government have supported ACEP, one of the larger microfinance institutions in the country. As a result, it has been able to offer more large and small loans to clients, helping them grow their businesses.



ELIGIBLE LOCATIONS:

This fund will support operations in **developing countries** included on the OECD Development Assistance Committee's list of recipients of official development assistance.



The International Climate Initiative (IKI) Fund gets its name and financing from the German International Climate Initiative (Internationale Klimaschutzinitiative, or IKI). It was launched in 2008 by BMU, the German Ministry for the Environment, Nature Conservation and Nuclear Safety. IKI provides grants for climate mitigation and adaptation in developing countries. The IKI Fund was launched in 2019.

This fund, which is open for contributions from other donors, offers technical and financial assistance, notably by funding partial portfolio guarantees. It helps clients improve projects so that they qualify for loans from the EIB and other lenders. The fund aims to reduce emissions and make countries less vulnerable to the damage caused by climate change.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



DONOR

GERMANY

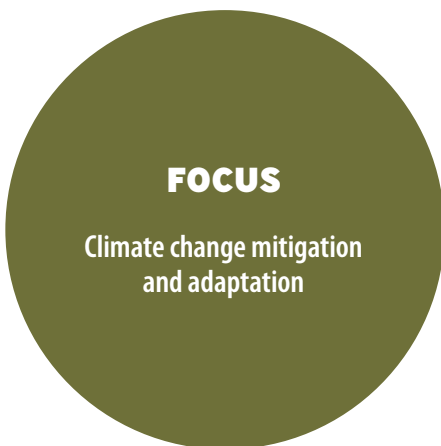
DONOR PLEDGES

€9 million

FUND HIGHLIGHTS

The fund, which finances projects in both the public and private sectors, is intended to reduce greenhouse gas emissions by encouraging new types of transport, renewable energy, energy efficiency and low-carbon technology.

The fund also aims to lower the risks posed by climate change in agriculture, water and wastewater systems, energy, transport, coastal areas and rivers.



The City Climate Finance Gap Fund, or Gap Fund, is an initiative implemented jointly by the EIB and Gesellschaft für internationale Zusammenarbeit, or GIZ, the German development bank. It offers technical assistance to improve urban planning and help cities attract funding for climate projects, primarily in rapidly growing regions of developing countries. Cities in developing countries are growing quickly as people move to urban areas to seek better lives and opportunities.

These cities are responsible for a large percentage of global CO₂ emissions. An estimated \$93 trillion of sustainable infrastructure needs to be built by 2030 to keep the increase in global temperatures below 1.5 degrees above pre-industrial levels. Up to \$4.5 trillion will be required just to prepare these types of projects. Cities in low- and middle-income countries often do not have the skills or funding to prepare and pay for these projects. The COVID-19 pandemic is making it even clearer that infectious diseases spread rapidly in poorly managed cities.

DONORS

GERMANY

LUXEMBOURG

TARGET VALUE OF PROJECTS TO BE SUPPORTED:

€4 billion

DONOR PLEDGES

**€55 million
(€23 million under
EIB management)**

FOCUS

Climate change mitigation in cities:
reducing emissions, energy efficiency, small-scale renewable energy, sustainable transport, water and wastewater management

Climate change adaptation in cities: improving water supply infrastructure and management and wastewater treatment, transport, public spaces and infrastructure.

ELIGIBLE LOCATIONS:

Cities in low- and middle-income ODA-DAC countries in East Asia and the Pacific, Europe and Central Asia, Latin America and the Caribbean, Middle East and North Africa, South Asia and sub-Saharan Africa.





SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



HIGHLIGHTS

The fund has two blocks. One will be managed by the EIB and GIZ, and the other by the World Bank. Both funding blocks will provide technical support to local authorities for climate action projects. Projects will receive technical assistance from one of the partners, depending on the type of work and the expertise required.

The Gap Fund has three major objectives:

- Building capacity to plan for low-carbon, climate-resilient development while also bringing good project ideas to a later stage in project preparation.
- Creating projects that are ready for later-stage technical assistance and capable of attracting more financing.
- Facilitating knowledge- and information-sharing on project preparation and promoting the standardisation of relevant tools and approaches.

The fund will improve liveability, air quality, health, the resilience of local communities, the inclusion of vulnerable parts of society, the circular economy and job creation. It will also enhance cooperation between cities and potential investors by promoting ambitious mitigation and resilience projects. Overall, it will significantly improve the lives of millions of people.

European Investment Bank

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The EIB is cooperating with photographers Yann Arthus-Bertrand and Philippe Bourseiller to draw attention to one of our most critical resources – water.

Photos credit: © EIB, Yann Arthus-Bertrand, Philippe Bourseiller, Shutterstock, Gettyimages - PICHA Stock.

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This large acacia tree on the banks of the river is considered sacred by locals.
Niger River, Mali.

Photo: Philippe Bourseiller