

TRUST FUNDS IN ACTION

OVERVIEW

ECONOMIC RESILIENCE INITIATIVE FUND

FEMIP TRUST FUND

WATER SECTOR FUND

LUXEMBOURG-EIB CLIMATE FINANCE PLATFORM

EASTERN PARTNERSHIP TECHNICAL ASSISTANCE TRUST FUND

EU-AFRICA INFRASTRUCTURE TRUST FUND



WORKING WITH PARTNERS

The European Investment Bank is committed to promoting sustainable development outside the European Union and to the Sustainable Development Goals. The best way to meet these objectives is to work with partners.

Resources for development finance are limited. One way the EIB maximises its use of limited resources is through trust funds created with the European Commission and EU Member States.



OUR FOCUS OUTSIDE THE EUROPEAN UNION

Climate action

Vital infrastructure

Regional integration

Helping companies of all sizes

The EIB is cooperating with photographers Yann Arthus-Bertrand and Philippe Bourseiller to draw attention to one of our most critical resources – water. This is a photo of Lake Natron, a soda lake at the foot of the Ol Doinyo Lengai volcano in Tanzania. Flamingos are alone in being able to survive in this environment.

Photo: Philippe Bourseiller

WHY TRUST FUNDS?

A cornerstone of the EIB's mission is to provide investments that attract further investments from other institutions or organisations. Our participation helps a project obtain the total financing it needs. Our trust funds play a vital role in meeting this goal. Trust funds enable us to make projects more bankable and sustainable by adding capacity and expertise through technical assistance that covers the lifecycle of the project.

Trust funds help donors make a sustained difference to people's lives in developing countries.

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

- improve project quality and impact
- share expertise and experience, making future projects more successful
- assist the EU's goal of boosting emerging economies

TRUST FUNDS FOR 75 COUNTRIES

The EIB oversees six trust funds that have supported projects in 75 countries. The sizes range from €2 million for the Water Sector Fund to €815 million for the EU-Africa Infrastructure Trust Fund. Their core ethos is the same: to help donors meet their development goals and improve lives for millions of people around the world.

IN FIGURES

Our donors are **24 EU countries**
and the **European Commission**

€1.1 billion raised for trust funds

€1 billion allocated to projects

227 operations

Over **€20 billion** in investment mobilised

| DONORS | DONOR PLEDGES |
|----------------|------------------------|
| BULGARIA | €130 million |
| CROATIA | OPERATIONS APPROVED |
| ITALY | |
| LITHUANIA | |
| LUXEMBOURG | |
| POLAND | |
| SLOVAKIA | |
| SLOVENIA | |
| UNITED KINGDOM | |

ELIGIBLE COUNTRIES



EXPECTED IMPACT

161 000 jobs supported

Loans approved for **3 150 businesses**

New university facilities for **6 600 students**

The Economic Resilience Initiative (ERI) is a key part of the European Union's joint response to forced displacement and to migration from the war in Syria. ERI supports public and private investments that help societies and economies handle the challenges related to large movements of people. ERI supports long-term, sustainable development projects in countries that are prone to shocks from extreme weather, migration and economic or political instability.

The Economic Resilience Initiative Fund makes economies more inclusive, especially for women and young people, and helps countries and regions become more resilient to sudden shocks. ERI covers Europe's Southern Neighbourhood and the Western Balkans. It was established in 2017 and is financed by nine EU Member States.

FOCUS

Private sector development
Small business growth and jobs
Solid waste management
Sustainable transport
and urban development
Energy efficiency

PROJECT HIGHLIGHTS

The ERI Fund is helping North African start-ups and entrepreneurs get off the ground by investing in Sawari Ventures North Africa 1. Sawari Ventures provides seed capital to small and medium-sized companies. It raised \$50 million in additional capital after the ERI Fund contributed \$11.3 million. Investments by the fund are expected **to help 300 companies and support 5 000 jobs.**

The ERI Fund is financing an urban development project that will clean up the river Lana in Albania's capital Tirana and develop urban spaces in the surrounding area. ERI Fund donors **provided a €2.4 million investment** grant to the project, which is expected **to help around 65 000 residents.**

* 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.

DONORS

| | |
|---------------------|----------------|
| AUSTRIA | LUXEMBOURG |
| BELGIUM | MALTA |
| CYPRUS | NETHERLANDS |
| EUROPEAN COMMISSION | PORTUGAL |
| FINLAND | ROMANIA |
| FRANCE | SLOVENIA |
| GERMANY | SPAIN |
| GREECE | SWEDEN |
| IRELAND | UNITED KINGDOM |
| ITALY | |

DONOR PLEDGES

€67 million

OPERATIONS APPROVED

84

ELIGIBLE COUNTRIES



EXPECTED IMPACT

123 000 jobs sustained
in SMEs, microenterprises
and mid-cap companies

Improved sanitation
for **1.2 million**
people

Clean energy for
260 000
households

The FEMIP Trust Fund addresses funding gaps in Europe's Southern Neighbourhood. The fund also offers enhanced support through CAMENA, a dedicated climate action envelope.

This fund complements the EIB's activities in the Mediterranean region by supporting technical assistance, regional studies and targeted risk capital operations for innovative companies.

FOCUS

Small businesses

Infrastructure

Environment

Research and development,
skills, innovation

PROJECT HIGHLIGHTS

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 has strengthened the funding structure and encouraged institutions to lend more money to microenterprises, cooperatives, **social economy enterprises** and **economic initiatives** led by non-governmental organisations.

The FEMIP Trust Fund provided **€2.1 million for technical assistance** that helped support a road modernisation project in Tunisia. The technical assistance strengthened Tunisia's management capabilities for road projects and gave the authorities more knowledge to improve conditions of travel to the country's main cities and reduce congestion and accidents.

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SECTORS

Renewable energy
and energy efficiency

Sustainable transport
and urban development

Solid waste management

Forestry and land use

Research, development and
innovation

DONOR

UNITED KINGDOM

DONOR PLEDGES

£15 million

OPERATIONS APPROVED

14

EXPECTED IMPACT

Safe drinking water for more
than a million people

Reduction in carbon
emissions

More investment
in climate action

CAMENA (Climate Action in the Middle East and North Africa) is a climate action envelope within the FEMIP Trust Fund, financed by the UK Department for International Development (DFID).

CAMENA's grants help the Mediterranean region tackle climate change, with a view to making public and private sector projects more bankable for the EIB and other investors. It 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

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

PROJECT HIGHLIGHTS

CAMENA is helping Alexandria, Egypt's second largest city, upgrade wastewater treatment for around 1.5 million people. The EIB approved a loan and grant package for this project, which is **reducing sewage discharges** into the sea and cutting methane emissions.

In 2016, a €280 000 CAMENA grant supported a study targeting projects to reduce greenhouse gas emissions in Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia. Completed in 2018, **the study identified 34 projects**. Three projects were selected as potential investment opportunities: **social housing** in Morocco, **a water pumping station** in Jordan, and **small-scale solar power facility** in Tunisia.



DONOR

THE NETHERLANDS

DONOR PLEDGES

€2 million

**FINANCING
APPROVED**

€850 000

**OPERATIONS
APPROVED**

2

The Water Sector Fund was established by the EIB and the Dutch government. It supports water projects in low and lower-middle income countries. Public authorities in these countries often have limited finances and do not have the capacity to build water projects adequately. Many residents in these regions do not have basic sanitation or sustainable water supplies. By addressing funding shortfalls, this trust fund's grants and technical assistance help countries plan innovative water projects and improve water management.

The Water Sector Fund focuses on medium-sized and large urban areas with over 100 000 people, as well as clusters of smaller cities. The fund addresses Sustainable Development Goal 6: clean water and sanitation.

EXPECTED IMPACT

Safe and clean water for hundreds of thousands of people

Improved sanitation services



FOCUS

Better water infrastructure

Innovative water projects

Better water management
systems

PROJECT HIGHLIGHTS

The Water Sector Fund will finance 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 straining water and sanitation services. The city of Terá lacks access to safe and 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, safe water to 250 000 people**.

The Water Sector Fund is financing a study to upgrade the water supply in Liwonde and Balaka, in southern Malawi. Like other countries in Africa, 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 treatment plant and then distributes it through reservoirs. This €495 000 study will assess the impacts of a large-scale expansion of water supplies for Liwonde and Balaka and the installation of more sophisticated pumping systems. The project could **provide clean water to 70 000 people who currently do not have it**.

The Luxembourg-EIB Climate Finance Platform (LCFP) is a joint initiative of the Luxembourg government and the European Investment Bank. It supports climate mitigation and adaptation projects around the world with innovative, high-impact financing solutions.

LCFP investments are tackling sustainable land use and land restoration, energy efficiency and renewable energy, climate resilience data and engineering solutions, and off-grid electricity generation for households and small businesses.

DONOR

LUXEMBOURG

DONOR PLEDGES

€30 million

**OPERATIONS
APPROVED**

4

**INVESTMENT
SUPPORTED**

Debt and equity funds, including
subordinated investment

Direct debt investments,
including mezzanine
and subordinated debt

EXPECTED IMPACT

Annual energy savings of **1913 GWh**

– enough to power

200 000 homes

Emissions reductions from

172 000 metric tonnes

of waste being recycled

Sustainable reforestation and conversion to

agricultural use of about **5 000 km²**

of degraded land



PROJECT HIGHLIGHTS

The EIB and the LCFP both invested in the Land Degradation Neutrality Fund, contributing €38 million and €5 million respectively. The \$300 million fund was set up by the UN Convention to Combat Desertification in response to worldwide land degradation. An estimated 30% of productive land is degraded. The fund supports projects like Ecotierra's Café Selva Norte in Peru. This \$12.7 million project aims **to restore 23 000 hectares of degraded land** and **improve the livelihoods of 2 400 coffee producers**.

The fund supports farmers such as Gilbert Carranza Barboza, who earns a living growing and selling coffee in Peru. "By being able to plant trees, we can regulate the temperature in our plantations, generate an adequate microclimate for coffee ripening, and at the same time contribute to the sustainability of the planet," he says. Since planting trees on his farm, Gilbert's annual production has increased five-fold. He now owns six hectares of land and produces high-quality organic coffee that sells at a premium. He is also preparing for the future and has begun teaching his two children about the benefits of agroforestry in the hope they will take over his business.

Gilbert Carranza Barboza
in his farm



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 |

| OPERATIONS APPROVED |
|------------------------|
| 33 |

| DONOR PLEDGES |
|---------------|
| €40.4 million |



The Eastern Partnership Technical Assistance Trust Fund (EPTATF) provides expertise and builds clients' capacities to complete projects in the public and private sectors.

FOCUS

- Private sector and small businesses
- Urban development and transport
- Renewable energy and energy efficiency
- Water and environmental infrastructure
- Climate change mitigation and adaptation

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 from 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 caused 130 000 people to leave their homes, placing a big 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 of eastern Ukraine's oblasts (regions). EPTATF approved **€500 000 for technical assistance** that will improve capacity building for local authorities and increase community engagement.



DONORS

AUSTRIA

BELGIUM

**EUROPEAN
COMMISSION**

FINLAND

FRANCE

GERMANY

GREECE

HUNGARY

ITALY

LUXEMBOURG

NETHERLANDS

PORTUGAL

SPAIN

UNITED KINGDOM

FUNDS RAISED

€815 million

OPERATIONS APPROVED

120

EXPECTED IMPACT

Over **4 million households**
receiving electricity

12 000 kilometres
of internet cables

Safe drinking water
for **700 000 households**

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

The 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. The €330 million Sustainable Energy for All envelope supports renewable energy and energy efficiency projects in line with the UN's SE4ALL initiative.

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**. In 2018, many residents had clean water in their home 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.

In 2013, the EU-AITF approved a €25 million equity contribution to build a wind farm in the region of Lake Turkana, in northern Kenya. This financing was crucial to complete the project. After almost a decade of planning and construction, the 160-square-kilometre windfarm started feeding power into the national grid. At full capacity, it will be able to power 250 000 homes. The project is the largest single private investment in Kenya's history.

FOCUS

Energy
Transport
Water
Information and
communication
technologies

European Investment Bank

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