



Most developing countries are facing rapid population growth, leading to an increase in demand for modern infrastructure and better living standards that often cannot be met by the current level of investment. When faced with conflicts, natural disasters or pandemics, developing countries are at even higher risk of humanitarian and economic tragedy. The COVID-19 pandemic has exacerbated inequalities around the world. The United Nations Development Programme estimates that more than 1 billion people will be in extreme poverty by 2030.

At least €2 trillion of additional annual investment is needed to achieve the UN Sustainable Development Goals and the climate objectives of the Paris Agreement. The European Investment Bank, together with the international community, other financial institutions and partners, contributes to protecting the most vulnerable populations.

The development of climate-resilient infrastructure and support for local economies is crucial to creating sustainable and inclusive growth and generating employment opportunities in the developing world.

Climate action is a key area of investment for the EIB in developing countries. Many regions around the globe are facing issues such as rising sea levels, coastal erosion, wildfires and storms. According to the International Monetary Fund, climate change is considerably lowering the world's gross domestic product, especially in disadvantaged regions and vulnerable countries in Asia and Africa. Even if we manage to limit the global temperature increase to 2°C by 2050, at least 570 cities and some 800 million people worldwide will be exposed to rising sea levels and more frequent and destructive storms. The dangers will increase as temperatures climb. Some small island states and coastal communities might simply cease to exist.

The European Union plays an essential role in climate action, diplomacy, the promotion of human rights, trade, development and humanitarian aid. It is the largest single donor of development assistance. Together, the European Union and its members provide more than half of official development assistance globally.

As the financial arm of the European Union, the European Investment Bank is the natural tool for implementing European external investment policy. EIB projects also support the UN Sustainable Development Goals. EIB lending accounts for close to 30% of the EU institutions' official development assistance.

This contribution makes a huge difference to millions of people's livelihoods around the world.



“The right to development is the measure of the respect of all other human rights. That should be our aim: a situation in which all individuals are enabled to maximise their potential, and to contribute to the evolution of society as a whole.”

Kofi Annan, seventh Secretary-General of the United Nations.

EIB support for development

OVERVIEW

2021

FACTS AND FIGURES

The EIB is one of the world's largest multilateral development banks. It has financed investment outside the European Union for more than 50 years. The EIB is active in 160 countries, including enlargement and European Free Trade Association (EFTA) countries, Eastern and Mediterranean neighbours, African, Caribbean and Pacific (ACP) countries, Overseas Countries and Territories (OCT) and South Africa, as well as countries in Asia, Central Asia and Latin America. Over the last ten years, EIB financing beyond the European Union has totalled €78 billion, including €26.6 billion to Africa.

In 2020 alone, the EIB provided €9.3 billion of financing in developing and emerging countries outside the European Union, equal to about 13% of our activity. 71% of the EIB's 2020 financing in sub-Saharan Africa benefits least developed countries (LDCs) or fragile states. This is up from 53% in 2019.

The 27 EIB offices located in Africa, Latin America and Asia help the Bank to deliver on its mission outside Europe.

Most of the projects we support are co-financed with other development finance institutions such as the World Bank, the European Bank for Reconstruction and Development (EBRD), Germany's development bank KfW, Agence Française de Développement, Asian Development Bank, African Development Bank and the Inter-American Development Bank, among others.

These projects aim to develop industry, innovation and infrastructure, with the ultimate goal of addressing imbalances and promoting a stable economy. EIB projects create jobs, generate cheaper and cleaner energy, and bring about greater gender equality and regional integration.

Thanks to the projects financed by the EIB outside the European Union in 2020:

- **45 000 farmers** will benefit from improved irrigation
- **336 000 households** will be connected to the electricity network
- **4 million** hours of travel per year will be saved thanks to improved roads
- **843 000 people** will face reduced risk of flooding
- **More than 6 million people** will benefit from safe drinking water
- **400 000 people** will be less exposed to drought risk



Lake Turkana Wind Power.

EIB PRIORITIES BEYOND THE EUROPEAN UNION

Climate

Climate change can bring significant disruption to less advanced economies. For this reason, the EIB has committed to dedicating at least 35% of its loans outside Europe to projects that have a climate security component. From 2016 to 2020, 36% of our lending in developing countries was for climate action.

The EIB doubled its climate adaptation finance in developing countries from €326 million in 2019 to €643 million in 2020.

One distinctive feature of the EIB when operating outside the European Union is that it applies the same environmental and social principles and quality standards as for lending within Europe.

Enhancing gender equality

Gender equality and women's economic empowerment drive inclusive and sustainable development. The EIB works to protect the rights of women and to invest in female entrepreneurship.

At the end of 2019, the EIB launched **SheInvest**, an initiative to boost gender equality in Africa. One year later, at the end of 2020, the EIB reached its target to mobilise **€1 billion** of investment that can benefit millions of women across Africa by granting them better access to finance and by making sustainable infrastructure services and products work for them. Through SheInvest, the EIB puts particular emphasis on projects that deliver innovative digital solutions and financial products for women and girls, who are often excluded from such services. SheInvest also focuses on climate and gender-responsive infrastructure projects, which can enhance women's access to water, clean, reliable and affordable energy, and sustainable public transport.

The EIB is looking closely at how to track its results and measure its impact on gender equality. To this end, the EIB uses the **2X challenge criteria**, which have been jointly adopted by a group of 15 development finance institutions (DFIs), to define what to count as financing for gender equality outside the European Union. The criteria focus on women's entrepreneurship, leadership, quality employment and consumption (access to products and services that can close a gender gap). The EIB uses similar criteria for its operations inside the European Union. The EIB was **the first multilateral development bank to join the 2X community of practice** and to formally adopt the 2X challenge criteria, which are increasingly becoming industry standard criteria for gender lens investing in the financial sector.



2x Challenge - Off-grid solar company PEG Ghana.



Health and response to the COVID-19 pandemic

Through its work, the EIB helps reduce healthcare inequalities and social exclusion, particularly by supporting underserved or sparsely populated regions. Sanitation and healthcare infrastructure projects such as the Lake Victoria Water and Sanitation Programme and Santé Maroc are just some examples of the Bank's activities in this sector.

To respond to the coronavirus pandemic outside the European Union, the EIB Group has further increased its healthcare financing. It has committed to providing up to **€6.54 billion** (as of March 2021) for urgent healthcare investment and private sector support, as part of the Team Europe response deployed by the European Commission (see [here](#) for updates).

The EIB teamed up with the European Commission to **provide €500 million for COVAX**, the initiative aimed at providing equitable access to COVID-19 vaccines. This involved a €400 million EIB loan backed by the Commission as well as a €100 million Commission grant. The EIB is also supporting national distribution systems for the vaccines.

The EIB also signed a memorandum of understanding with the World Health Organization (WHO) to work on various health-related issues. With the kENUP Foundation, a non-profit public benefit foundation supporting research-based innovation in the wider health industries for societal benefit, the EIB has launched a **scheme to scale up local production** of drug components in Africa.

The EIB Group will provide **€1.7 billion** to support the social and economic recovery of the Western Balkans from the COVID-19 pandemic, as a contribution to the **€3.3 billion** EU package for the region (as of March 2021).

We also work closely with key partners such as **UN-Habitat** to strengthen public health, supply of essential equipment, training and hygiene investment in countries most vulnerable to the COVID-19 pandemic.

Financing resilient strategic infrastructure

In transport infrastructure, the Bank focuses on projects offering lower carbon transport alternatives that provide increased capacity, reduce travel times and improve connectivity for both people and goods.

The EIB's support for energy infrastructure is twofold: more renewable energy and higher energy efficiency. This helps reduce energy consumption and diversify energy resources, and provides energy customers with more supplier options.

Enhancing social infrastructure, particularly healthcare, housing and education, is important to improving people's lives and developing a well-educated and skilled workforce that can create and seize growth opportunities. That is why the Bank also invests in these sectors.

Urban infrastructure such as local transport, water, wastewater and solid waste management is indispensable for the development of smart cities. Modern telecommunication and internet infrastructure contributes to economic development and better education standards, particularly in rural areas, thus strengthening competitiveness and employability.

Supporting economic resilience, growth and jobs

The EIB set up the Economic Resilience Initiative (ERI) to support countries of origin, transit and destination of migrants in North Africa, the Middle East and the Western Balkans. Likewise, the ACP Migration Package supports such countries in sub-Saharan Africa.

The Economic Resilience Initiative came to life in 2016 at the request of EU leaders. It substantially increased EIB financing in the Western Balkans and Europe's Southern Neighbourhood, adding **€6 billion** to the **€7.5 billion** originally planned. By March 2021, 94% of the target amount has been approved, some **€5.7 billion** for 60 projects.

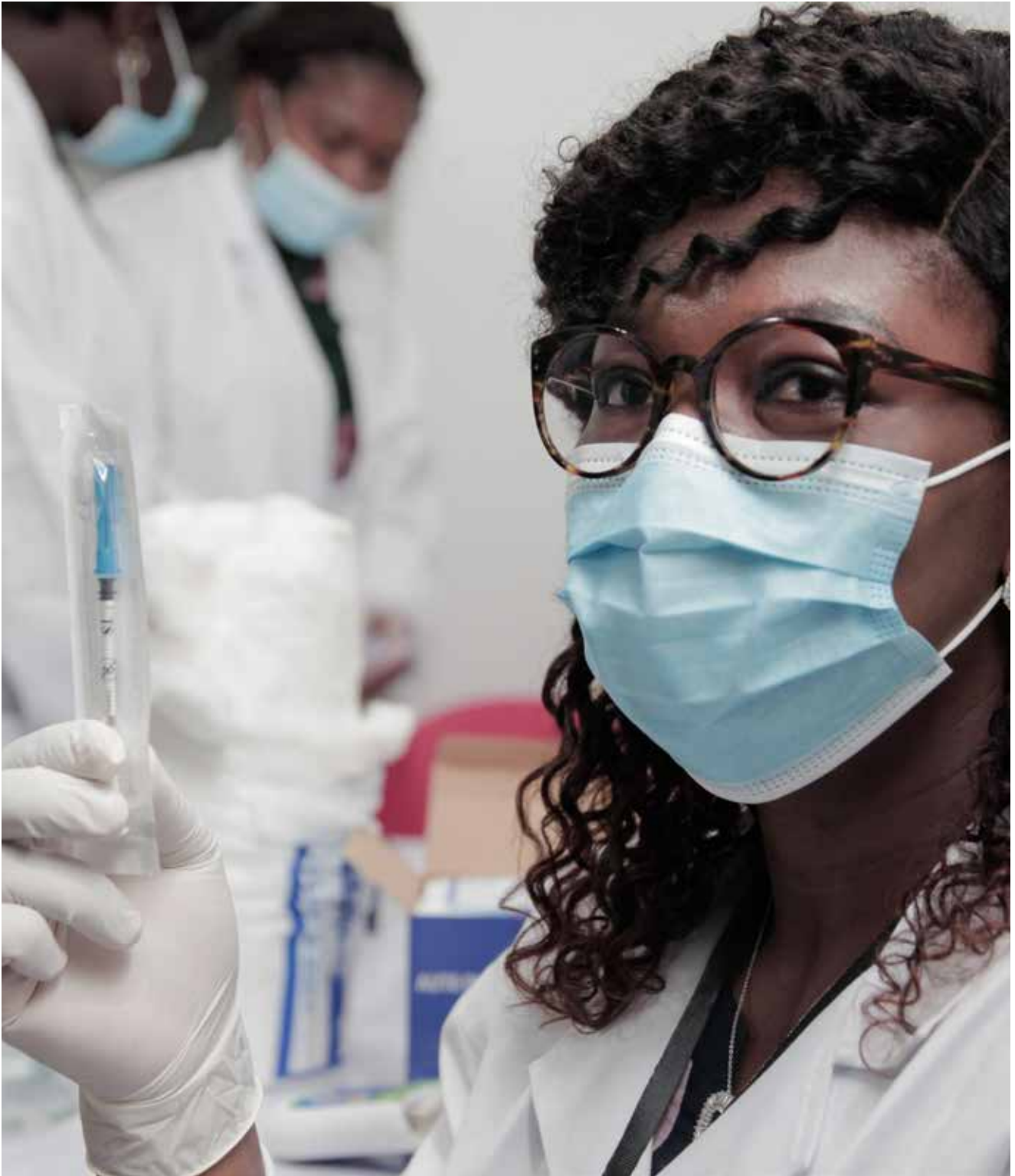
The initiative combines support for the private sector, particularly for young people and women, with more investment in water, health and education. According to EIB estimates, the initiative will trigger around **€15 billion** in additional investment. Current projects under the Economic Resilience Initiative should create around 8 800 new permanent jobs, **bring safer water to 4.5 million people and improve sanitation for a further 6.5 million people.**

Also set up in 2016, the ACP Migration Package offers financing to address various challenges faced by poorer communities in Africa, including migration. It seeks to improve the availability of much needed longer-term funding in local currencies to micro firms and small and medium-sized enterprises (SMEs), and supports additional migration-focused lending. By the end of 2020, a total of **€635 million** had been signed under this package.

Boosting investment for the Sustainable Development Goals – Sustainability Awareness Bonds

Harnessing financial support from global investors and capital markets is essential to achieving the Sustainable Development Goals and improving people's daily lives. The United Nations estimates that **\$6 trillion** of new annual investment is needed to achieve the Sustainable Development Goals.

The EIB issued its first Sustainability Awareness Bond in 2018 with a **€500 million** transaction. The bond supports sustainable finance and builds on the EIB's pioneering role unlocking investment through green bonds. Initially, the Sustainability Awareness Bonds focused on investment in water supply, sanitation and flood protection. Now they also cover other sectors such as health and education, biodiversity and ecosystems.



A nurse holding a COVID-19 vaccine – COVAX initiative.

PROJECT HIGHLIGHTS

Santé Maroc

The **Santé Maroc** project is an ambitious hospital reconstruction, rehabilitation and equipment programme covering 16 hospitals, as an integral part of the Moroccan Ministry of Health's hospital reform initiative. The EIB financed €70 million out of a total budget of €141 million. The programme will upgrade the quality of buildings and equipment and therefore improve the quality of healthcare in Morocco.

Climate action in Peru

The EIB provided a **\$100 million framework loan** to Peru's development bank, Corporación Financiera de Desarrollo S.A. (COFIDE), to finance small businesses and climate action investment projects, primarily in the renewable energy and energy efficiency sectors. In addition, through Latin America Investment Facility (LAIF) funds, technical assistance will be provided to strengthen COFIDE's environmental and social risk management systems, thus enabling private investment in the sustainable energy sector in Peru.

Healthcare infrastructure in Georgia

The EIB invested €100 million to upgrade and modernise **key healthcare infrastructure in Georgia**, provide professional training to new medical staff, and finance the procurement of essential medical equipment for the country's healthcare system and vaccines during the COVID-19 pandemic. The EIB loan guaranteed by the European Union will enable the Government of Georgia to modernise seven major hospitals across the country:

Central Republican Hospital, Children's Infectious Diseases Hospital, Lisi Hospital, Rukhi Hospital, Batumi Republican Hospital, Tbilisi University Clinic and Tbilisi Centre for AIDS and Infectious Diseases.

Desalination plant in Israel

The EIB is supporting the construction and operation of a **seawater desalination plant** using reverse osmosis technology in Sorek, Israel. With a capacity of 200 million m³ per annum, Sorek II will become one of the largest desalination plants in the world. The project marks a milestone in the desalination industry with cutting-edge technology to improve energy consumption and carbon emissions. Through the financing of this project, the EIB is supporting high-priority water supply infrastructure in one of the world's most water-stressed regions. It will make it possible to meet growing domestic demand while increasing regional water transfers.

Solar power and flood protection in Burkina Faso

The EIB provided a €38.5 million financial and technical support package to transform **renewable power generation in Burkina Faso** and better protect its capital city from future flooding. This support for clean energy and climate adaptation will improve access to energy in the country and help address public health challenges and economic risks caused by extreme weather. The EIB's support will help expand the capacity of the Sonabel solar plant from 37 MW to 50 MW.



Flood in Cotonou, Benin.



Cambodia agriculture.

Water supply and irrigation in rural Cambodia

The EIB will invest €80 million in the **Irrigated Agriculture Improvement Project (IAIP)** to modernise water supply infrastructure and irrigation systems in several provinces across Cambodia. Approximately 200 000 people in five provinces with 51 000 ha of arable land will benefit from the EIB support. The EIB will collaborate with the Asian Development Bank, the Royal Government of Cambodia and the European Union to reduce rural poverty and contribute to sustainable agricultural practices and food security. The IAIP will improve the efficiency of irrigation systems, increasing the resilience of Cambodian agriculture to climate change.

Drinking water supply and waste management in Senegal

The EIB is helping the Republic of Senegal to improve its **drinking water supply and integrated solid waste management**. This investment is part of the EIB's contribution to Team Europe and will help the country to cope with its rapid urbanisation and high population pressure in the midst of the COVID-19 pandemic.

Microfinance support for women in Dominican Republic

The **EIB and Banco de Ahorro y Crédito ADOPEM** have signed a loan in Dominican pesos worth €7 million to support micro-entrepreneurs. The loan will help to address the working capital and investment needs of businesses affected by the COVID-19 outbreak in the Dominican Republic, targeting women and very low-income borrowers in the country. The loan is part of the EIB's contribution to the Team Europe response to the COVID-19 crisis and will support gender equality and female entrepreneurship in Dominican Republic, whilst qualifying for the 2X challenge. The EIB loan to ADOPEM will support 27 000 loans, of which 18 000 will be provided to women borrowers.

BCS Group – Bandwidth and Cloud Services

A €15 million EIB loan to Bandwidth and Cloud Services Group is financing the deployment of fibre optic networks in Zambia, Uganda and in border towns of the Democratic Republic of the Congo. Thanks to this loan, these regions, which currently have limited broadband access, will receive fast and reliable internet.



COFIDE Climate Action FL.



RESOURCES

WEBPAGES

- [The EIB and development](#)
- [Tackling global challenges together](#)
- [EIB's regions of activities](#)
- [Microfinance across the globe](#)
- [Economic Resilience Initiative](#)
- [Human rights and the EIB](#)
- [EIB's Sustainability Awareness Bonds](#)
- [EIB COVID-19 page](#)

PUBLICATIONS

- [European Investment Bank around the World \(eib.org\)](#)
- [Global reach: The impact of the EIB beyond the European Union 2019](#)
- [Annual Report 2019 on EIB Activity in Africa, the Caribbean, the Pacific, and the Overseas Countries and Territories](#)
- [Africa's digital solutions to tackle COVID-19 \(eib.org\)](#)
- [EU-Africa Infrastructure Trust Fund Annual Report 2019 \(eib.org\)](#)
- [Banking in Africa: financing transformation amid uncertainty \(eib.org\)](#)
- [The impact of private sector projects in Africa: Studies from the EIB-GDN Programme, Cycle 2](#)
- [Resilient Africa: Opportunities for action](#)
- [The EIB in the Southern Neighbourhood](#)
- [The EIB in Asia and the Pacific](#)

BLOGS

- [Development solutions](#)
- [COVID-19 threatened Morocco's health system until financial help came from the EU bank \(eib.org\)](#)
- [Development Solutions: Big plans to cut microplastics \(eib.org\)](#)
- [Development Solutions: How to fight climate change with gender equality \(eib.org\)](#)
- [Development finance 2.0: digital solutions for developing countries \(eib.org\)](#)
- [Development Solutions: Credit where it's overdue \(eib.org\)](#)
- [Concrete steps for education investment in developing countries \(eib.org\)](#)
- [A deep dive into an impact investment in Kenya that promotes local handicrafts \(eib.org\)](#)
- [Georgian farmers get EU backing for a school project that scales up agriculture and education \(eib.org\)](#)
- [Does This Change Everything? The developing pandemic in the developing world](#)



VIDEOS

- **The EIB in numbers: improving lives around the world**
- **ShelInvest**
- **2X Challenge – Invest in women, invest in the world**
- **2x Challenge Financing for Women initiative - Food Concepts Plc (eib.org)**
- **A brighter life for Kenyan women (eib.org)**
- **Team Europe’s response to COVID-19 pandemic in Cambodia (eib.org)**
- **Digital transformation of postal services in Ukraine and the EU’s Eastern Neighbourhood (eib.org)**
- **Digital fight against COVID-19 in Africa (eib.org)**
- **An initiative to build economic resilience**
- **Supporting entrepreneurship in Jordan**
- **EIB supporting entrepreneurship – Microfund for Women**
- **EIB’s lead water engineer Caroline Ogutu on water projects and creative thinking in East Africa**
- **Clean water key for public health around Lake Victoria**
- **Microfinance in Mali: Opportunities for farmers and cooperatives**
- **Microfinance in Mali: Opportunities for women entrepreneurs**
- **Gambia renewable energy**

This overview, with links
to stories, brochures
and videos, is available at:

[https://www.eib.org/
development-overview](https://www.eib.org/development-overview)



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