



**European
Investment
Bank**

The EU bank



EIB Operations Outside the EU

Blending and the Private Sector

Jackie Church

Policy Officer

Policies outside the EU, Brussels Office



Blending and the private sector

- 1. EIB overview, priorities and products**
- 2. EIB support to local private sector development outside EU**
- 3. Blending and the private sector: opportunities for EU companies and investors**
- 4. Internationalisation of EU companies**



1. EIB overview, priorities and products

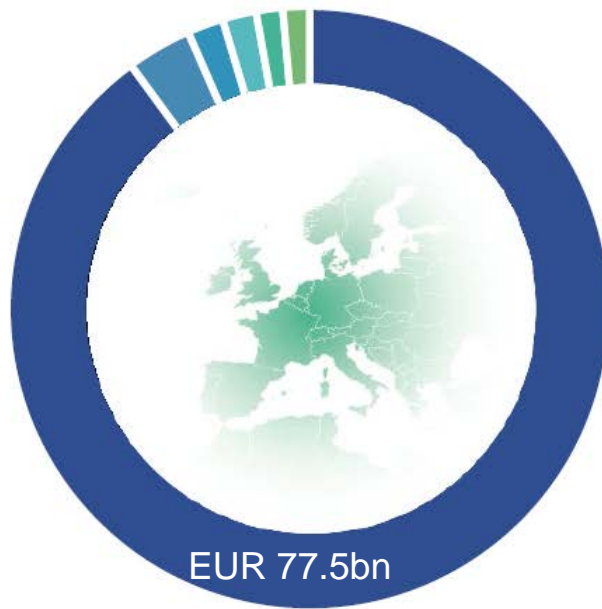


EIB overview



- EIB shareholders are the 28 EU Member States
- Largest multilateral lender and borrower in the world
- Around 400 projects annually in more than 160 countries
- Around 10% of financing is for projects outside the EU

Overall EIB financing volume and geographies in 2015



European Union: EUR 69.7bn

Enlargement and EFTA: EUR 2.7bn

Eastern Neighbours: EUR 1.5bn

Mediterranean Countries: EUR 1.4bn

Asia, Central Asia & Latin America: EUR 1.1bn

Africa, Caribbean and Pacific & Republic of South Africa: EUR 1.1bn

- EIB financing is in support of EU priority objectives:



ENVIRONMENT

EUR 19.6bn*



INFRASTRUCTURE

EUR 18.9bn*



INNOVATION

EUR 18.7bn*



SME

EUR 29.2bn*

*2015 EIB financing volume

- Climate action is a horizontal objective, i.e. it is integrated in the other priority objectives



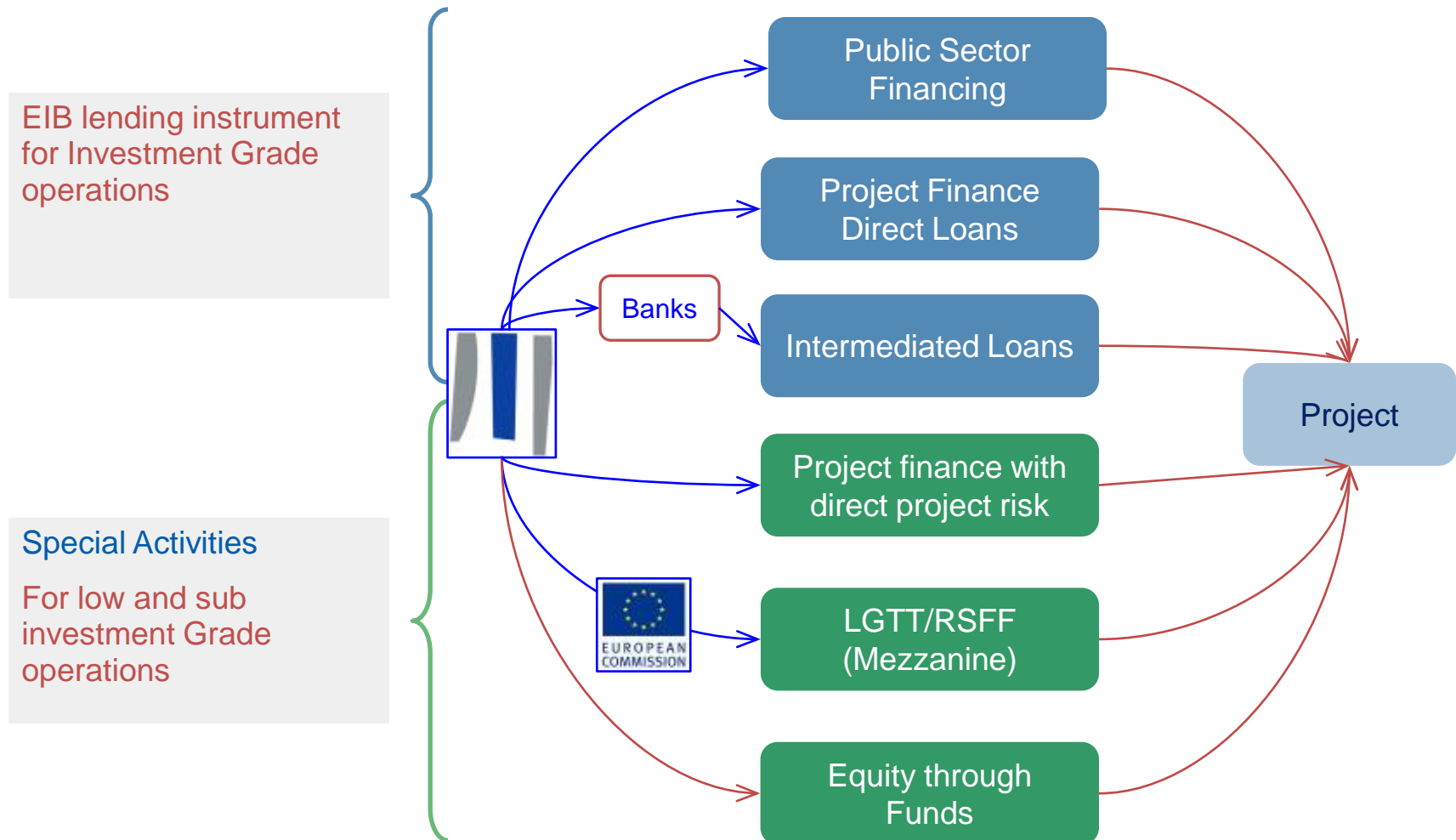
Products

LENDING	BLENDING	ADVISING
Loans Guarantees Equity	Combine EIB finance with third party concessional funds to improve affordability and fund projects of higher risk profile to support innovation.	Sector studies Project Preparation & Implementation PPPs
Mobilising finance for long-term growth		



EIB Financing Instruments

- The EIB has an extensive range of instruments to finance public and private sectors at investment and sub-investment grades of risk to its disposal





2. EIB support to local private sector development outside the EU

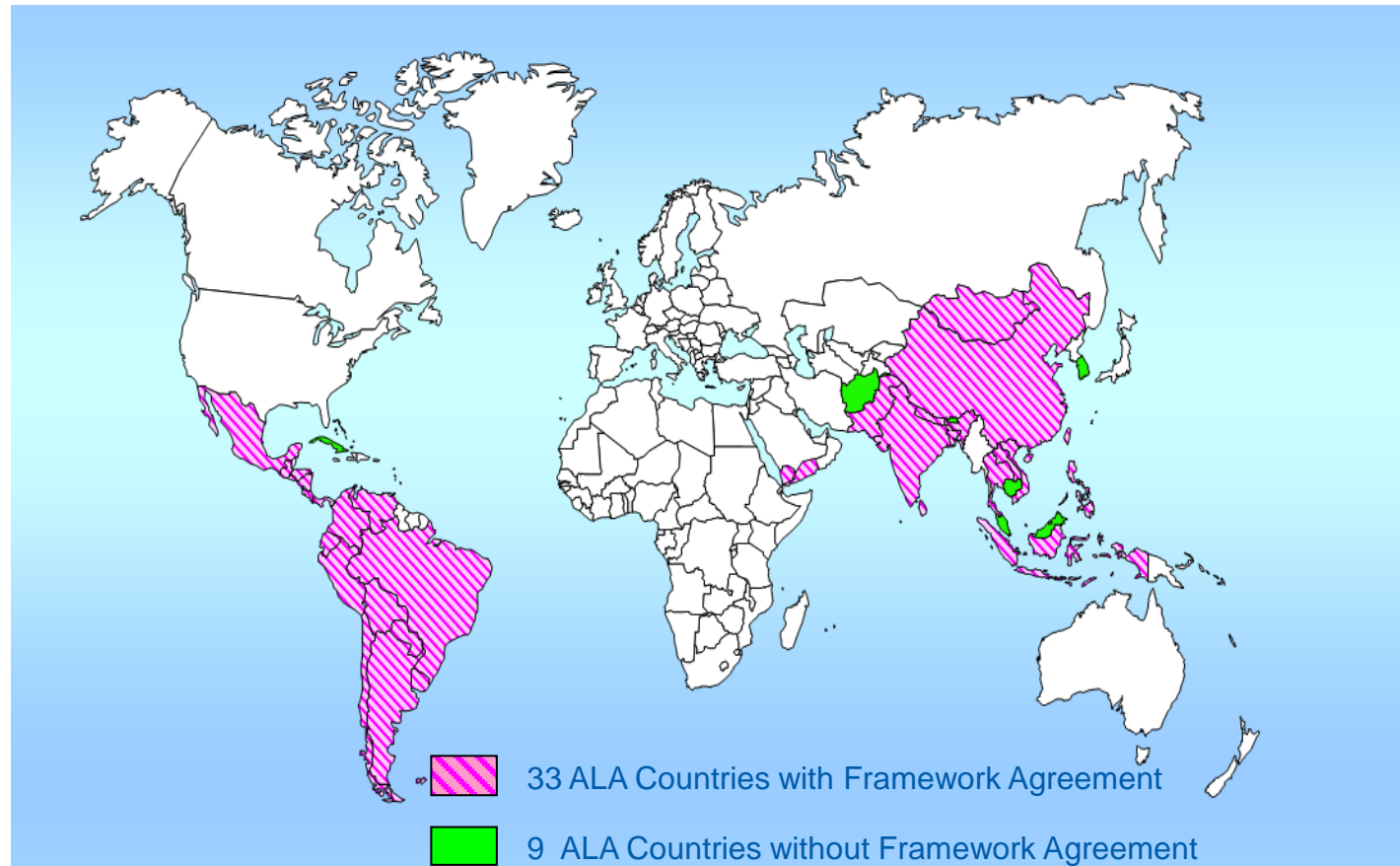
Legend:

- Eastern Neighbours with Framework Agreement
- Southern Neighbours with Framework Agreement
- Central Asian countries with Framework Agreement
- Countries with Framework Agreement under negotiations
- Currently not eligible for EIB financing
- European Union Countries
- ★ Capitals

**Support to implementation of EU external policy,
promote sustainable growth and employment**



Asia and Latin America (ALA)



- **Climate change mitigation and adaptation**
 - **social and economic infrastructure**
 - **local private sector development**



Africa, Caribbean and Pacific States (ACP)

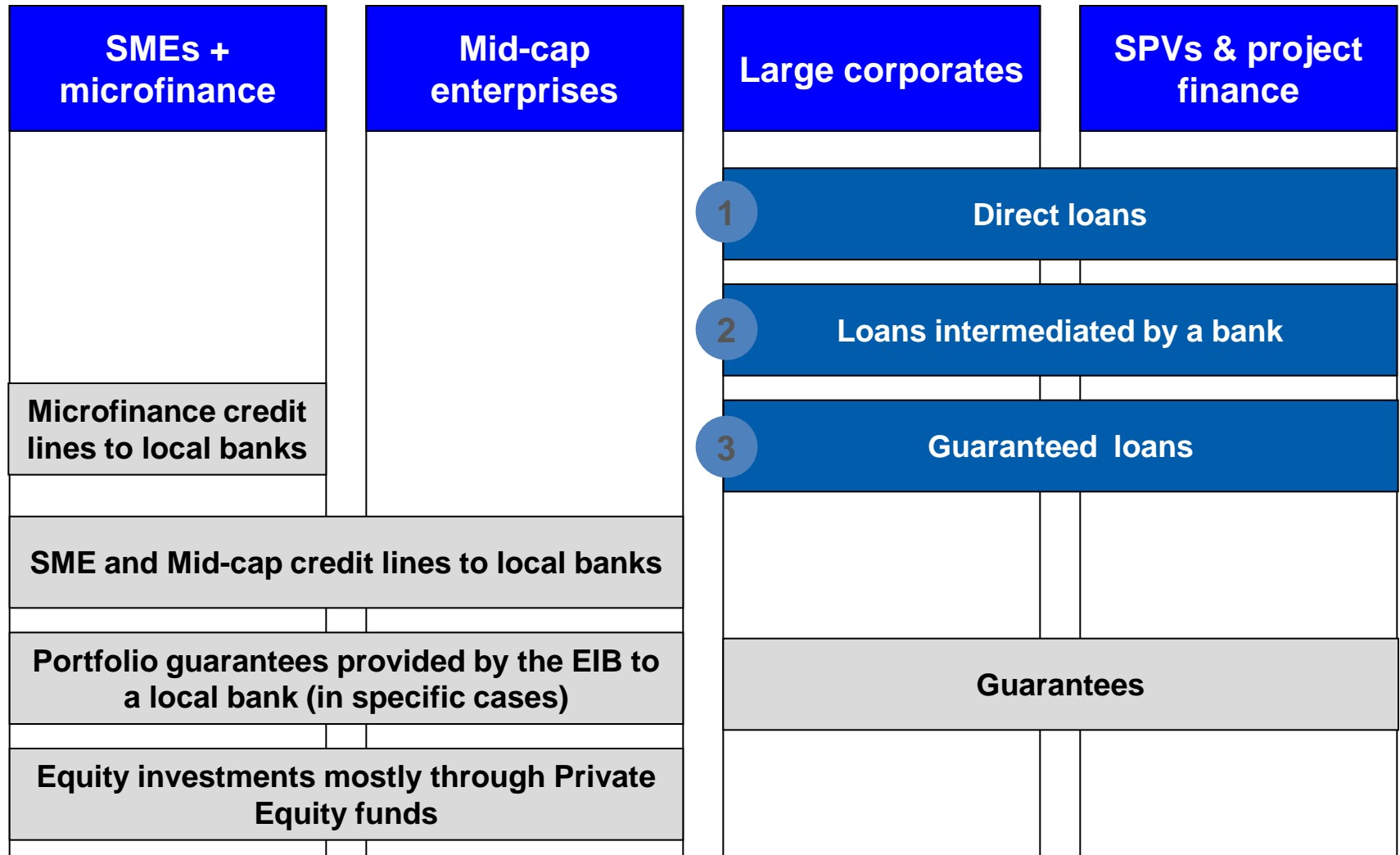


ACP:
oldest
external
mandate
entrusted to
EIB (since
1963)

- **Local private sector development: (core objective under Cotonou Agreement) and support to financial sector**
- **Infrastructure and industrial projects**



How does the EIB support private sector funding?





Direct financing

- Direct loan to companies that fulfill EIB eligibility criteria
 - For the company: credit-risk, compliance governance aspects
 - For the project: technical, economic, social, and environmental aspects
- The Results Measurement Framework (REM) also provides criteria for judging project impact



How does the EIB support the private sector ?



Indirect financing

- Lines of credit to financial intermediaries, targeting:
 - Smaller companies, generally SMEs
 - Smaller climate action projects (e.g. renewable energy)
- Projects appraised and monitored by intermediaries



How does the EIB support the private sector?



Microfinance

- EIB provides funding to local Microfinance institutions and investment vehicles for on-lending to microenterprises
- These microfinance institutions need to be regulated and comply with good lending principles
- Funding can be equity or debt
- EIB is often represented on the board of investment vehicles

Video available here:

<http://www.eib.org/infocentre/videotheque/eib-microfinance-in-east-africa.htm>



3. Blending and the private sector: opportunities for EU companies and investors



Kenya (20m EUR) and Uganda (40m EUR) Private Enterprise Finance Facility II

SMEs account
for 75% of all
jobs in Kenya

- Assistance to small businesses seeking to expand or invest in new activities
- Loans available for companies active in manufacturing, transport, tourism, agribusiness, education and healthcare
- Loans in Kenyan and Ugandan shillings, EUR and USD, support both local companies and the export sector
- **Technical assistance grant** increases the number of potentially qualifying projects

Microfinance and TA: Access Bank Liberia



- In Liberia less than 1% of the population had a bank account.
- EIB supported the start-up phase of Access Bank Liberia.
- ABL provides financial services to the country's "informal" business sector. A wide clientèle - street vendors, craftsmen and farmers, ...
- Loans from 67 to 4800 EUR, repaid in 6 to 12 months
- TA for capacity building

Financing plan (Equity)	Amount (M EUR)	Share
European Investment Bank	2,58	33,5%
International Finance Corporation (World Bank)	2,13	27,6%
African Development Bank	0,93	12,1%
Access Microfinance Holding	2,07	26,9%
TOTAL	7,71	100%





Infrastructure: Malawi Peri-Urban Water and Sanitation Project



Project Objectives:

- 24-hour water supply for 408,000 people in Blantyre
- Building competent and sustainable Water Utilities
 - Competitively procured Private Sector Service Contractor (Vitens Evides International) with Performance Based Contract
- Safe drinking water to 723,000 additional people
- Basic sanitation 468,000 people in low income areas of Blantyre & Lilongwe.
 - NGO/CBO's (WaterAid, Water For People)

Financing:

EUR 15.4 m = 48.4% EU grant

EUR 15.9 m = 50.0% EIB loan

EUR 0.5 m = 1.6% own resources Water Boards





GEEREF IN A NUTSHELL

Catalysing €10 billion of clean
power



GEEREF Overview



Legal structure

- Luxembourg domiciled SICAV-SIF – a Fund of Funds

Term

- 15 years from initial closing (Nov 2008), subject to extension

Commitments

- EUR 222m (EUR 112m public + EUR 110m private capital)

Sector focus

- Renewable energy (small hydro, solar, wind, biomass and geothermal) (“RE”)
- Energy efficiency (waste heat, energy management, cogeneration, storage, smart grids) (“EE”)

Geographic focus

- Developing countries (DAC list minus EU candidate / potential candidate countries)

Project equity

- Small and medium size projects – focus on projects with total equity requirement up to EUR 10m

Stage

- Mainly greenfield + early stage development (not operating assets)



A TRUE PUBLIC PRIVATE PARTNERSHIP

INVESTOR	COUNTRY	AMOUNT (EUR M)
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A Shares

European Commission	n.a.	74
Germany	Germany	24
Norway	Norway	14

112

** Total does not add up due to rounding*

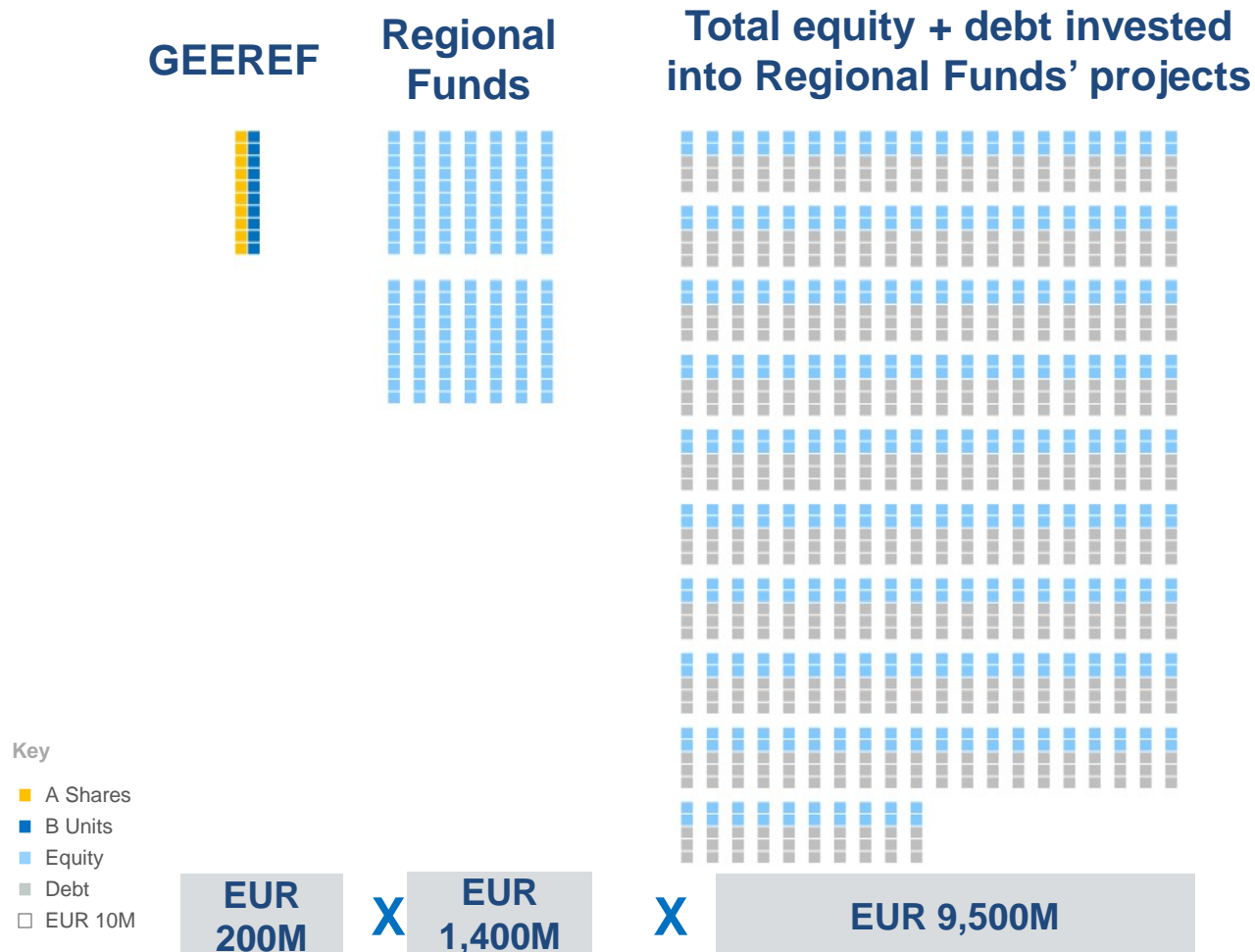
INVESTOR	COUNTRY	AMOUNT (EUR M)
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B Units

Catholic Super	Australia	42
Christian Super	Australia	7
EIB	Luxembourg	10
Family Office	United Kingdom	8
Family Office	Switzerland	1
Impact Capital clients	USA	10
L&P Group	United Kingdom	16
Portland Holdings	Canada	16
Sainsbury Family	United Kingdom	2

110*

GEEREF MULTIPLIER: – CATALYTIC FIRST LOSS CAPITAL





4. Internationalisation of EU companies



Europac-Maroc

Loan of 10m EUR over 10 years

- Carton box production unit nearby Tanger
- Support of the internationalisation of a Spanish group with whom the EIB is working in Europe
- 115 jobs created
- In line with the Moroccan industrial emerging plan
- Attractive financial conditions in EUR



Thank you

