

The European Investment Bank

Water Supply and Waste Water opportunities for the private sector

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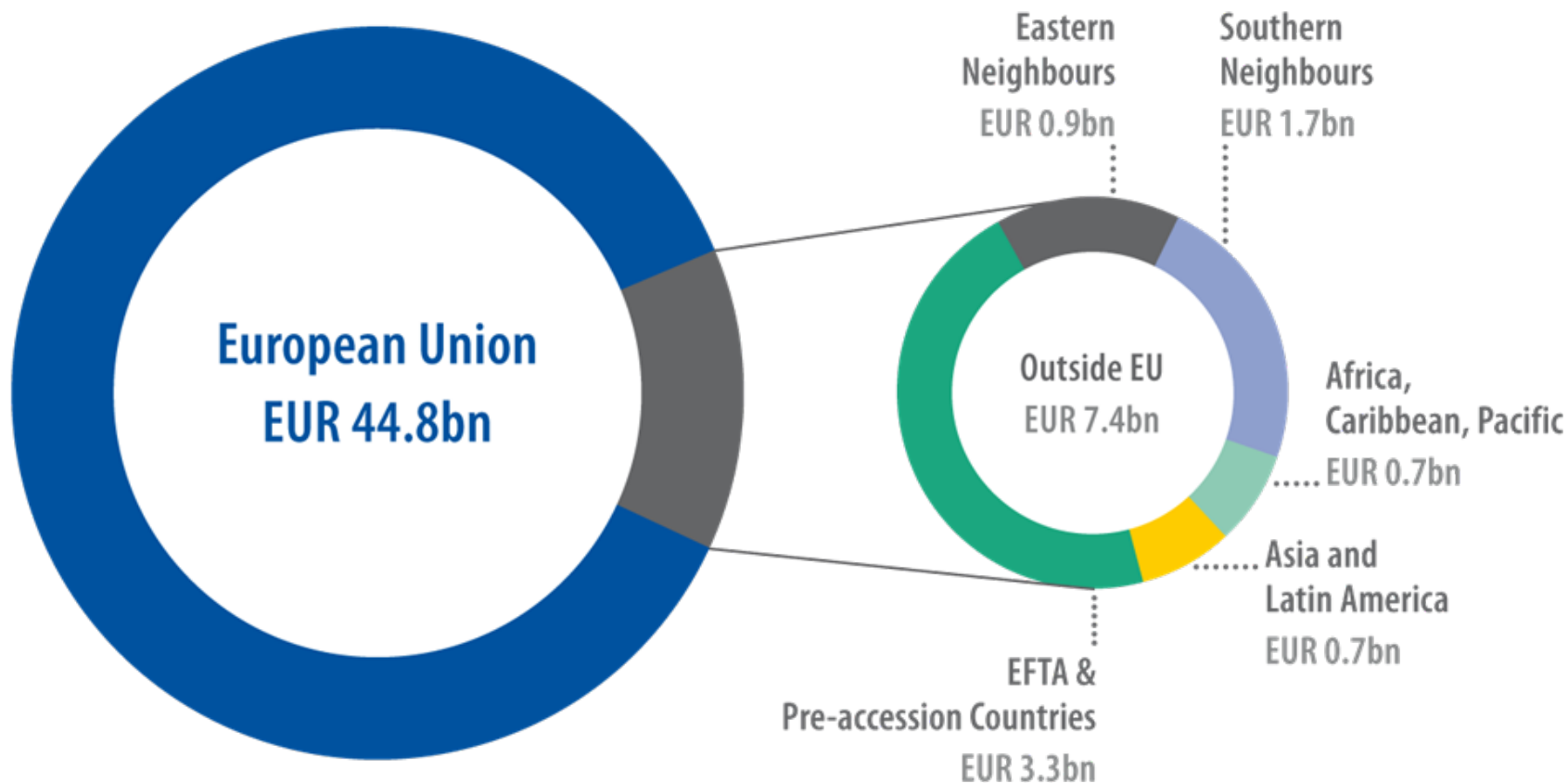
The European Investment Bank at a glance

- Providing finance and expertise for sound and sustainable investment projects
- EU's long-term lending bank set up in 1958 by the Treaty of Rome
- **Shareholders:** 28 EU Member States
- **Governance**
 - Board of Governors – EU Finance Ministers
 - Board of Directors – Members States, European Commission & External Action Service
 - Management Committee – EIB's executive body

The European Investment Bank at a glance

- Largest multilateral lender and borrower in the world
 - Raise our funds on the international capital markets
 - Pass on favourable borrowing conditions to clients
- More than 400 projects each year in over 160 countries
- Some 90% of lending is inside the EU
- Headquartered in Luxembourg and some 30 local offices
- Around 2 000 staff:
 - Not only finance professionals, but also engineers, sector economists and socio-environmental experts
 - More than 50 years of experience in financing projects

The EIB: loans signed in 2012: EUR 52.2bn



- **Pre-Accession countries**
 - Candidate Countries: Iceland, Former Yugoslav Republic of Macedonia, Montenegro and Turkey
 - Potential Candidates: Countries – Western Balkans
- **EFTA countries** (Iceland, Liechtenstein, Norway and Switzerland)
- **European Neighbourhood**
 - To the South: Mediterranean Neighbours
 - To the East: Eastern Neighbours and Russia
- **Partner countries**
 - Africa, Caribbean and Pacific
 - South Africa
 - Asia (and Central Asia)
 - Latin America

- Largest source of loan financing to the water sector
- Total loan amount of EUR 26 billion over the past 10 years, financing 288 major projects
- EIB lends to public or private utility companies, national or local authorities or directly for project finance deals
- EIB lending covers the whole water cycle (water resources, water supply, sanitation, flood protection)

- River basin approach
- Sector development
- Adaptation to climate change
- Water efficiency
- Development of new water supply
- Wastewater and sanitation services
- Research and Innovation

Example: Malawi Peri-Urban Sanitation Project



- Project preparation started in 2006
- Application for funds from EU ACP Water Facility in June 2006
- Approval by EIB Board of Directors in December 2006
- Signature of Service contracts in 2009
- Official project start in November 2009

Example: Malawi Peri-Urban Sanitation Project



- Initial goal: increase supply and access to low income areas in Lilongwe and Blantyre the two major cities in Malawi
- Leakage reduction made a priority thanks to EIB experts and TA support
 - (i) increased access at lower costs – in Blantyre water needs to be pumped up to 800 metres;
 - (ii) helps reduce energy consumption and GHG emissions.
- Resulting benefits: access at lower cost; community involvement; improve finances of Water Boards; reduce GHG emissions; increase system resilience

Example: Maputo Water Supply

- EUR 31 million loan together with funding from FMO and AFD, & grant from EU-ACP Water Facility
- Double the number of people in Maputo who have access to safe drinking water to 1.5 million & expand supply to poorer areas
- Contributes to the achievement of Mozambique's Millennium Development Goals (MDG) on water, health and poverty eradication
- Improved capacity and financial sustainability of national water agency FIPAG
- Demonstrates benefits of working closely with development NGOs such as Water and Sanitation for the Urban Poor (WSUP)

The European Investment Bank: Our products

LENDING	BLENDING	ADVISING
<p>Loans</p> <p>But also:</p> <p>Guarantees</p> <p>Equity participation</p>	<p>Combining EIB finance with EU budget</p> <p>Higher risk projects for innovation</p>	<p>Prepare & implement projects</p> <p>Support to public / private partnerships</p>

Attracting FUNDING for long-term growth

- Procurement procedures for projects outside EU are consistent with EIB statute, TFEU, cooperation agreements
- Promoters fully responsible for implementing projects financed by the Bank, including full procurement process
- EIB verifies whether conditions are met, ensuring its funds are employed as rationally as possible
- EIB may advise or assist promoters in the procurement process

Objectives of technical assistance funds from European Commission and EU Member States

- To **help** partner countries and private promoters to better prepare, manage and supervise their investment projects
- To **improve** the quality and development impact of investment
- To **strengthen** the management capacities of local partners in the medium and long term

Areas in which technical assistance is provided:

- Studies or targeted activities upstream of lending operations in the areas of legislative, regulatory and institutional reform
- Pre-feasibility or feasibility studies for investment projects
- Project implementation

Tendering procedures follow:

- Practical Guide to contract procedures for EC external actions
- EIB Guide to Procurement
- EIB Guide for Procurement (own account)

- In most cases, EIB acts as contracting authority
- Tender evaluation takes place in Luxembourg and panels are chaired by EIB

Tender thresholds

- For technical assistance operations costing less than EUR 300,000, EIB uses the competitive negotiated procedure
- All contracts worth EUR 300,000 or more are awarded by restricted tender procedure following international publications in the Official Journal of the European Union

Thank you!

More information at: www.eib.org

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