



European Investment Bank



Great Lakes Regional Private Sector Forum
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EIB: the bank of the European Union



WHAT IS THE EIB?

- ❖ The **bank** of the **European Union**,
- ❖ Its **shareholders** are the **28 EU's Member States**;
- ❖ Headquartered in Luxembourg, with a network of some 45 offices;
- ❖ Provides **long-term funding** to finance projects;
- ❖ Non-profit maximizing institution;
- ❖ It passes on its **favourable borrowing terms** (thanks to its AAA rating) to its customers;
- ❖ Some **450 projects** are **financed each year**, in over 160 countries.



EIB Group results 2017



Innovation



EUR **13.8** bn

Environment



EUR **16.7** bn

Infrastructure



EUR **18** bn

SMEs



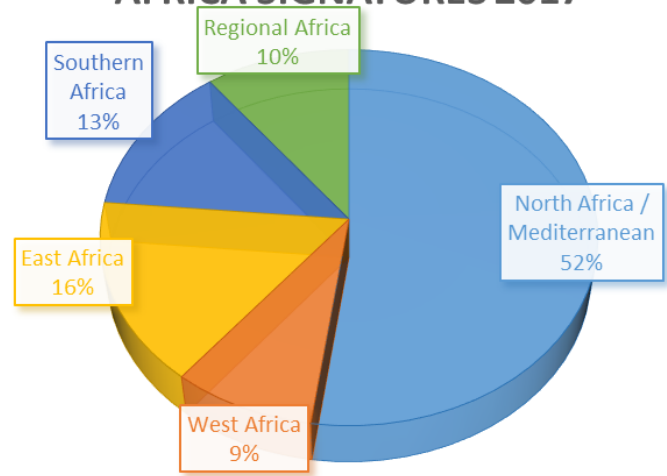
EUR **29.6** bn

Climate action is a horizontal objective, i.e. it is integrated in the other priority objectives – EUR 19 bn in 2017

Outside the EU



AFRICA SIGNATURES 2017



EUR 2.6 bn



EIB in (sub-Saharan)Africa, Caribbean and Pacific: what we do



NEW : Infrastructure Package



Job creation, climate action, support for SDGs
Sustainable economic development

Objectives



Private sector development

Vital Infrastructure

- Support to small and medium enterprises and midcaps
- Support to corporates
- Project Finance
- Agriculture, digital economy, health, education

- Financial sector capacity
- Credit lines
- Investment in microfinance
- Investment in equity funds
- Boosting skills

- Water, sanitation, energy, transport, ICT, urban development
- Regional Integration
- Climate Change and Adaptation
- foundations for sustainable development
- Public and Private Partnerships

Sector Priorities

Eligibility criteria to obtain EIB financing



The project must be eligible under the mandate objectives for that particular country / region where the project is located.

- ✓ EU External Policy Goals
- ✓ Technically sound
- ✓ Economically sustainable
- ✓ Financially viable
- ✓ Environmentally sound
- ★ Socially acceptable
- ✓ Procured openly

Technical soundness, risks and mitigation measures, capacity for products/services

Promoter capability to implement, operate and maintain project

Timing, employment, operating and maintenance costs, comparison with costs of similar projects

Compliance with applicable legislation and EIB guidelines on procurement and environmental impact

Analysis of market and demand

Economic and financial profitability (e.g. rate of return)

EIB finances up to 50% of project costs

EIB in Eastern Africa



A few infrastructure projects supported by EIB in the region:



Olkaria 1 & 4 Geothermal - EUR 119 m *MRI with KfW & AFD*
Lake Turkana Wind Power – EUR 200 m – *blending EU – AITF & EDFI*
cofinancing
Mombasa – Mariakani Road – *EUR 50 m - blending EU – AITF MRI with KfW*
LVWATSAN – Kisumu – EUR 35 m *blending EU – AITF MRI with AFD*



LVWATSAN – Kampala – EUR 75 m *blending EU – AITF MRI with KfW & AFD*
Bujagali Hydroelectric – EUR 98,7 m *EDFI & KfW cofinancing*
East African Transport Corridor – Kampala – EUR 55m *blending EU – AITF*
and EC



TZ Backbone Interconnector – EUR 100 m
LVWATSAN – Mwanza – EUR 45 m *blending EU – AITF MRI with AFD*



Jiji and Mulembwe Hydropower – EUR 70 m *blending EU-AITF and*
cofinancing with EU

A regional example - Off-Grid Solar Acceleration in Africa

- ✦ **USD 25 million** for access to energy to households and micro-entrepreneurs in Ethiopia, Kenya, Nigeria, Tanzania and Uganda
- ✦ About **10 million solar devices** will be designed, assembled, distributed, financed and installed in Sub-Saharan Africa by the promoter, **D.light Design**, over the next 2.5 years
- ✦ **Significant social impact:** users typically are rural and/or **low income households and micro-SMEs.**



RUZIZI III Hydropower

- ❖ First PPP hydropower project in the region
- ❖ Priority project for the Great Lakes region supported by regional organisations (NELSAP, CEPGL)
- ❖ EU flagship project supported by EU financiers since 2009 and developed following best international practices.
- ❖ Example of inter institutional cooperation:
EU financiers (AFD, EIB, EU, KfW) + AFDB + WB
- ❖ High developmental impact:
 - ❖ Provision of reliable renewable energy
 - ❖ Support to peace building process, stability and regional integration
 - ❖ Introduction of private sector efficiency in the construction, management and operation of the power plant
 - ❖ Concessional funding allows affordable tariffs



SME and Microfinance Credit lines

- **Long term financing** opportunities for private sector operators in key sectors of the economy : manufacturing, construction, food processing, transport, tourism, agro-industry, private health, education and trade (microfinance)
- Expansion, diversification, modernisation and start-up
- EUR, USD or **local currency** (up to 7 years)
- From country specific to regional facilities
- A total of EUR 935 m deployed over the period 2007-2018 in the region through commercial banks in Kenya, Tanzania, Uganda, Rwanda and DRC
- Combined with EUR 5 m TA programme for intermediaries and beneficiaries



Banks and Microfinance operators benefitting from EIB support:



Family Bank, Prime Bank, Faulu, K-Rep, ABC Bank, Consolidated Bank, Equity Bank, Housing Finance, Co-operative Bank



Bank of Africa, Centenary Bank, Housing Finance, DFCU Bank,



Bank of Africa, NMB – National Microfinance Bank, CRDB



Development Bank of Rwanda, KCB, I&M Bank



Pro-Credit

Regional IFIs:

- PTA Bank Ltd - EUR 80 m for SMEs and Midcaps



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NEW ADDRESS FROM 01/01/2018 !!!!

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