



European Investment Bank



Sustainable Energy for African LDC Dar es Salam, 5-6 December 2016

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- Natural financing partner for the EU institutions since 1958
- Around 90% of lending is within the EU
- Shareholders: 28 EU Member States

Investing in Europe's growth



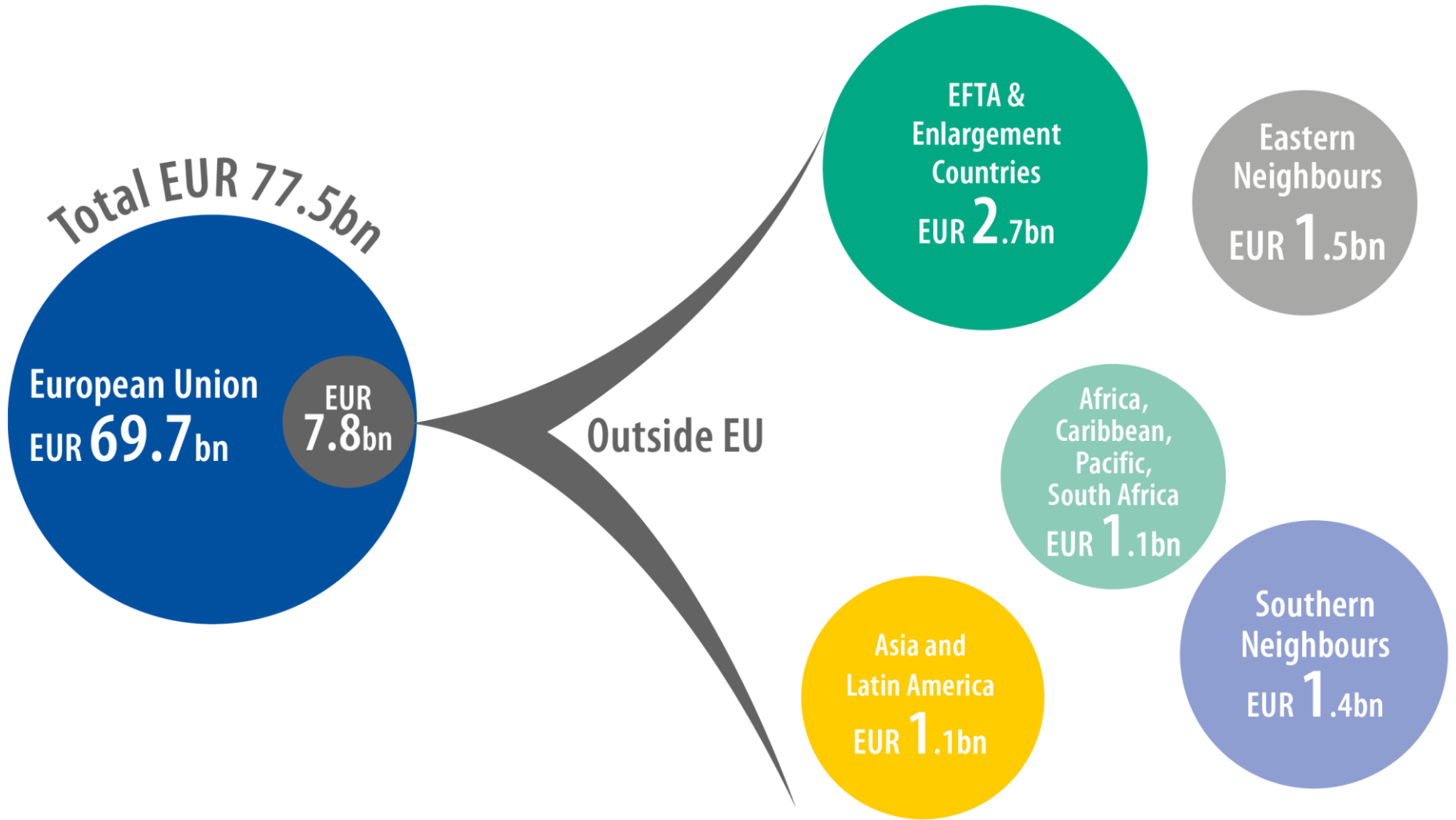
The EIB at a glance ...



- Largest multilateral lender and borrower in the world
 - Raising funds on the international capital markets
 - Passing on favourable (AAA rating) borrowing conditions to clients
- Some 450 projects each year in over 160 countries
- Headquartered in Luxembourg and 33 local offices
- Around 2 900 staff:
 - Not only finance professionals, but also engineers, sector economists and socio-environmental experts
 - More than 50 years of experience in financing projects



Lending outside EU in 2015: EUR 7.8 bn (EIB signatures)





We focus on our **key priorities**



ENVIRONMENT

EUR 19.6bn



INFRASTRUCTURE

EUR 18.9bn



INNOVATION

EUR 18.7bn

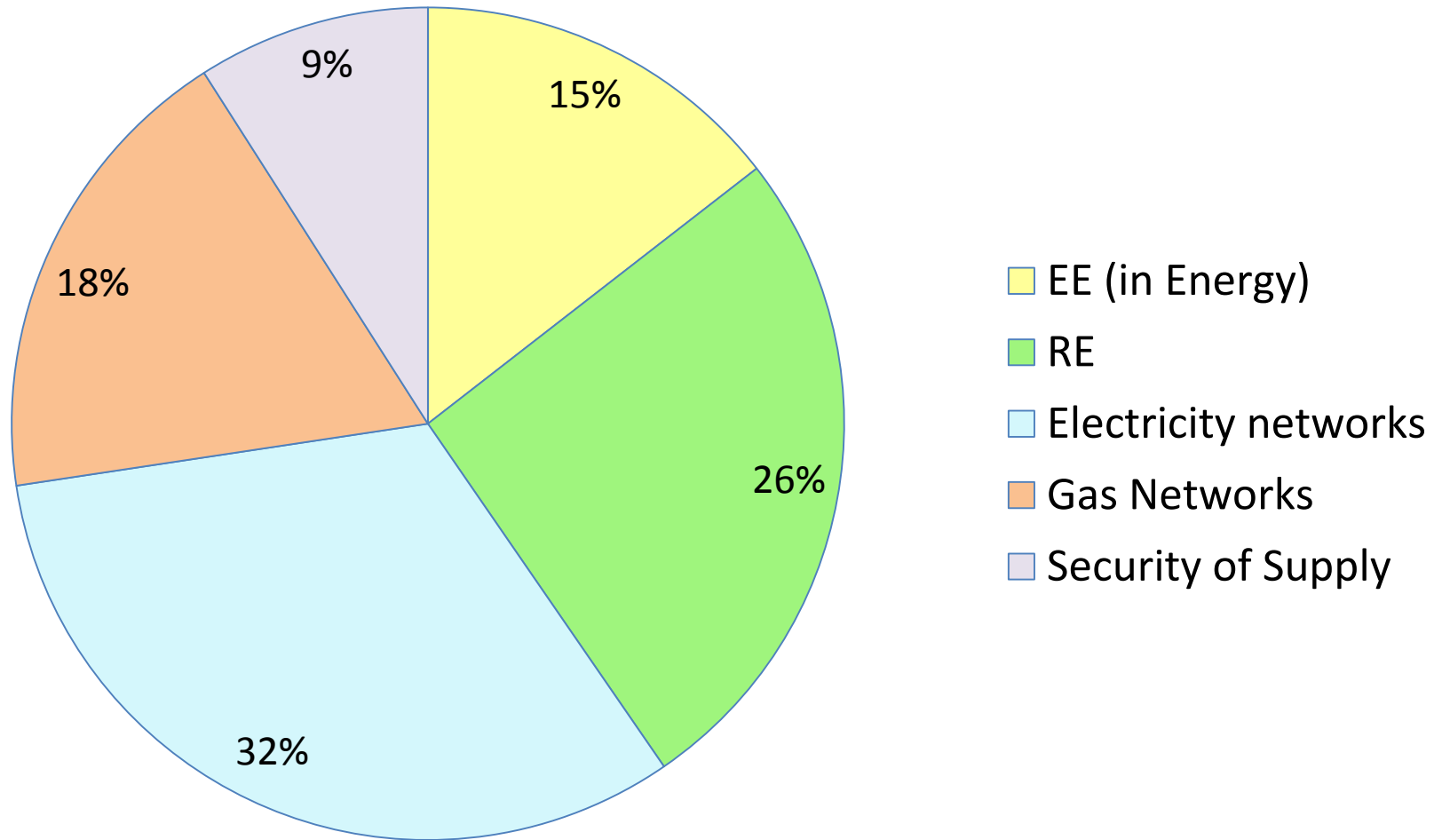


SME

EUR 29.2bn



2015 EIB lending to Energy = 12.3 € bn 10.1 in the EU and 2.2 Outside EU



|| The EIB and the energy sector....



- A major funder of energy projects globally :
 - 2015: **EUR 3.2 billion** invested in **renewable energy**
 - 2015: **EUR 1.8 billion** invested in **energy efficiency**

- Lending Criteria for the energy sector:
 - prioritize renewable energy, energy efficiency, research, and networks

- **A long standing presence** in sub-Saharan Africa (1963), operating in the framework of **the ACP-EU Cotonou Partnership Agreement**. Since 2003, ACP lending of about EUR 8 billion of which **EUR 1.7 billion in energy**. On average 25% of our lending in Sub-Saharan Africa goes to energy.

|| What can the EIB do : more/differently ?

- ✓ **Prioritise** - RE priority in the 3-year business plan
- ✓ **Be flexible** - EIB lends to public *and* private sector under the same roof
- ✓ **Be part of the EU response to Sustainable Energy for all (SE4All)** - 3 interrelated goals for 2030
 - **Universal access**
 - **Doubling the share of RE**
 - **Doubling the rate of improvement in energy efficiency**
- ➡ **Make use of existing, proven instruments and scope offered by blending** grants and loans and
- ➡ **Develop innovative instruments** in cooperation with the EU through blending (eg EU-Africa Infrastructure Trust Fund SE4All window (EUR 329m, EDF); AFIF; GEEREF)



An illustration : Tanzania Backbone Interconnector

- ✓ Reinforcement of TZ transmission network
 - 667km line from Iringa to Shinyanga;
- ✓ EIB sovereign loan of USD 134m (30% of project cost) – WBG, AfDB, JICA and Korea EDCF providing balance
- ✓ Completion expected early 2017
- ✓ **Key lessons :**
 - ✓ Project Implementation Unit
 - ✓ Quality of contractors (workload & standards)
 - ✓ Experiences in addressing E&S issues



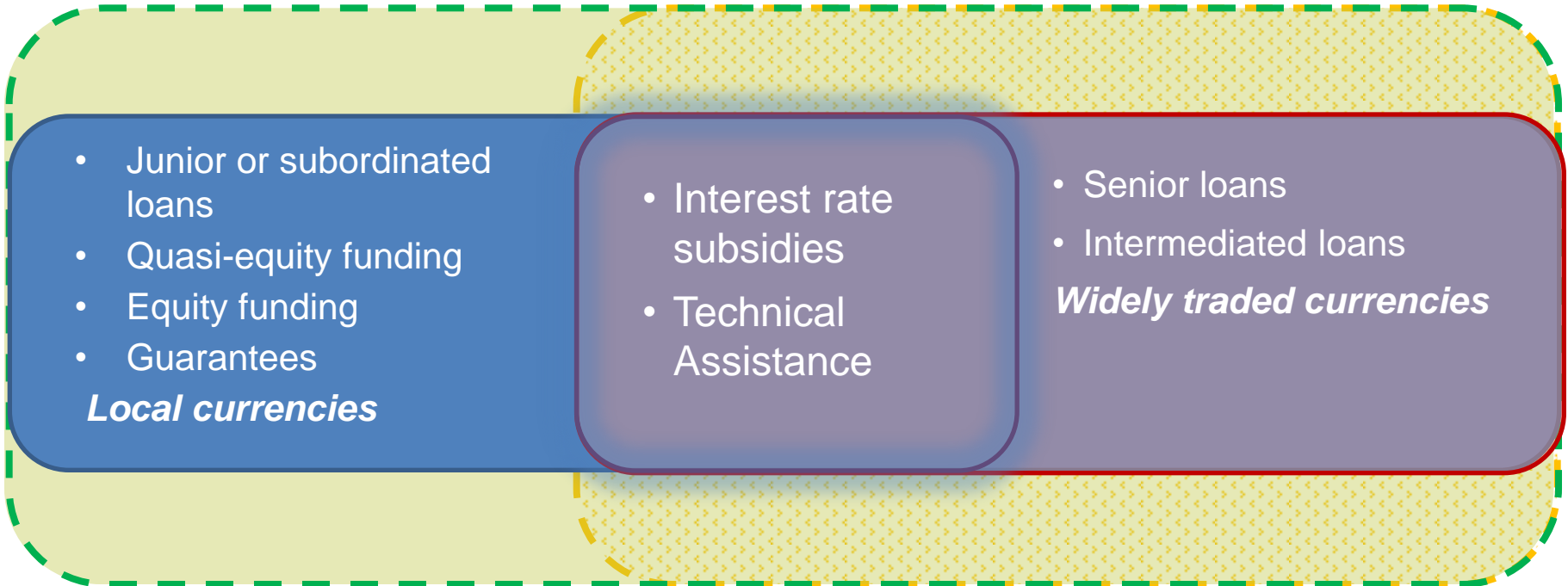
EIB's instruments in sub-Saharan Africa



EU-ACP Cotonou Partnership Agreement

ACP Investment Facility (IF) revolving fund

EIB Own Resources



Impact Financing Envelope (EUR 500m)

- Social Impact Funds;
- Loans to Financial intermediaries
- Risk-sharing Facilitating Instruments
- Direct Financing



New sectors (eg agriculture/food security), different financing instruments & impact financing



Conclusions



- Energy needs remain large
- Energy, especially RE, remains a priority for EIB
- Scaling up is key
- Involving private sector:
 - requires political support from governments
 - Well-structured bankable deals
 - Innovative approaches – eg. GEEREF
- Blending required to ensure affordability of RE including de-re-risking



THANK YOU !

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