



AFRICA CLIMATE RESILIENT INFRASTRUCTURE SUMMIT

Building a sustainable future for Africa:

EIB Climate Action and Sustainable Infrastructure in Africa



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Addis Ababa, 27 April 2015



- **The EU Bank**

- Shareholders: 28 EU Member States
- Support to EU policies

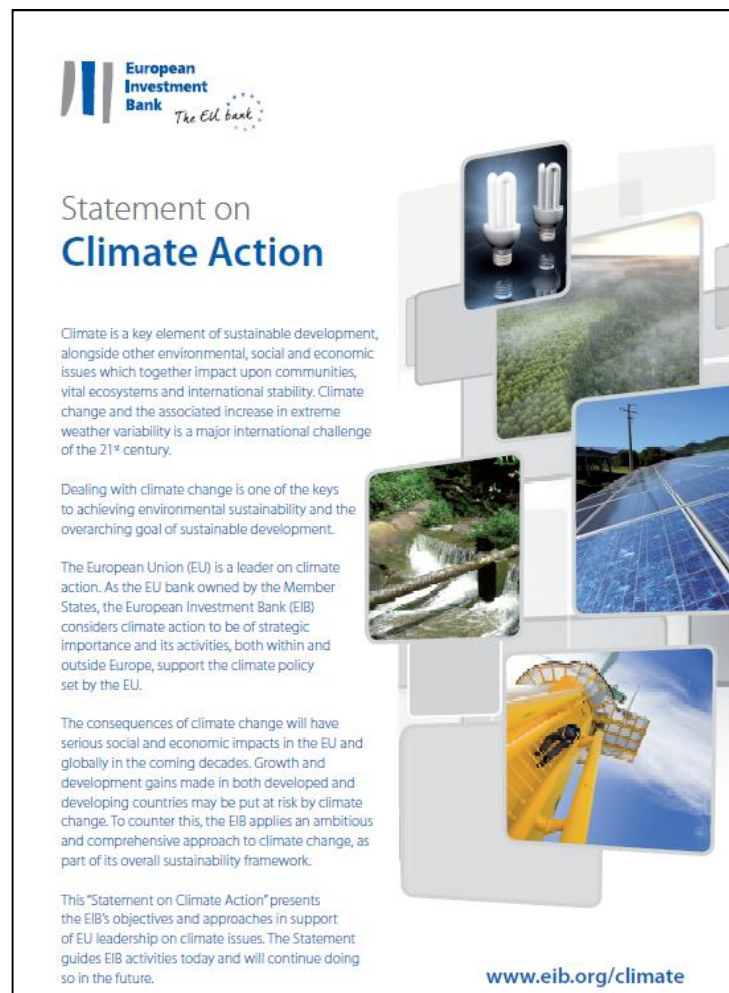
- **Largest multilateral lender in the world**

- EUR 76bn in 2014 total
- EUR 8bn outside the EU



- Efforts to mitigate/adapt to climate change are a priority for EU hence the EIB
- Target of more than 25% of total EIB lending towards Climate Action
- More than 150 in-house sector specialists

EIB Statement on Climate Action (2013)



To **integrate** climate considerations effectively into all EIB activities and practices

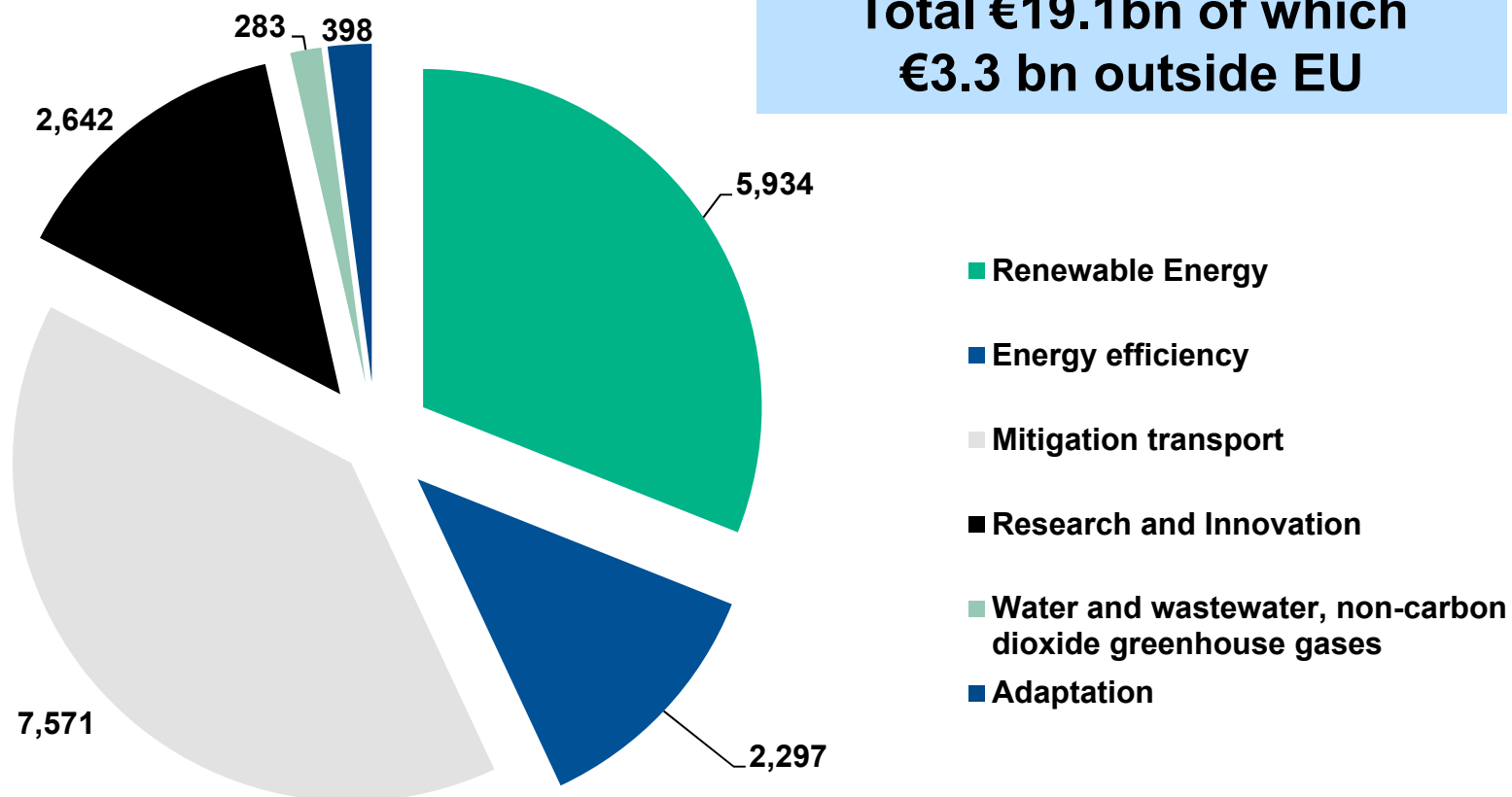
To **catalyse** private sector financial flows using EIB financial leverage and capacity to innovate.

To provide a range of **climate finance** solutions, for both mitigation and adaptation purposes, as part of the EU response to the climate challenge.

To **engage** constructively with a wide range of external stakeholders



EIB climate action lending 2014 split by sector (in EUR)



Mainstreaming climate action – portfolio level



Renewable Energy	Electricity, heat or fuel production from renewable sources, related component manufacturing facilities and associated infrastructure
Energy Efficiency	Projects justified on the basis of cost-benefit analysis – NPV of cost of the project over its life < NPV of energy saved, incl. externalities
Sustainable Transport	Transport projects resulting in reduction of GHG emissions through modal shift and/or more efficient operation in a single mode
Forestry and Land Use	Biological sequestration projects that sequester or conserve CO ₂ -equivalent
Research, Development & Innovation	RDI activities in areas of energy efficiency and low-carbon technologies, including deployment of breakthrough innovation
Adaptation	Projects and/or measures to increase climate resilience of vulnerable infrastructure/areas, such as e.g. flood control, drought management
GHG capture or avoidance	Projects with demonstrable substantial reductions in GHG emissions, e.g. methane capture or avoidance projects from waste water treatment



Sample climate action projects outside EU



Renewable Energy:
Lake Turkana Wind Project



EUR 200m financing structure for the largest wind farm that is currently being developed in Sub-Saharan Africa

Adaptation:
Caribbean Development Bank (CDB)



US\$ 65m dedicated lending and technical assistance programme for adaptation activities in the 18 CDB member countries

Energy Efficiency:
Banque du Liban



EUR 50m credit line for the financing of energy efficiency investments carried out by private companies in Lebanon

Sustainable Transport:
Egypt Cairo Metro



EUR 600m loan for extension of the Cairo Metro with 17 km to serve the main transportation corridors of urban greater Cairo

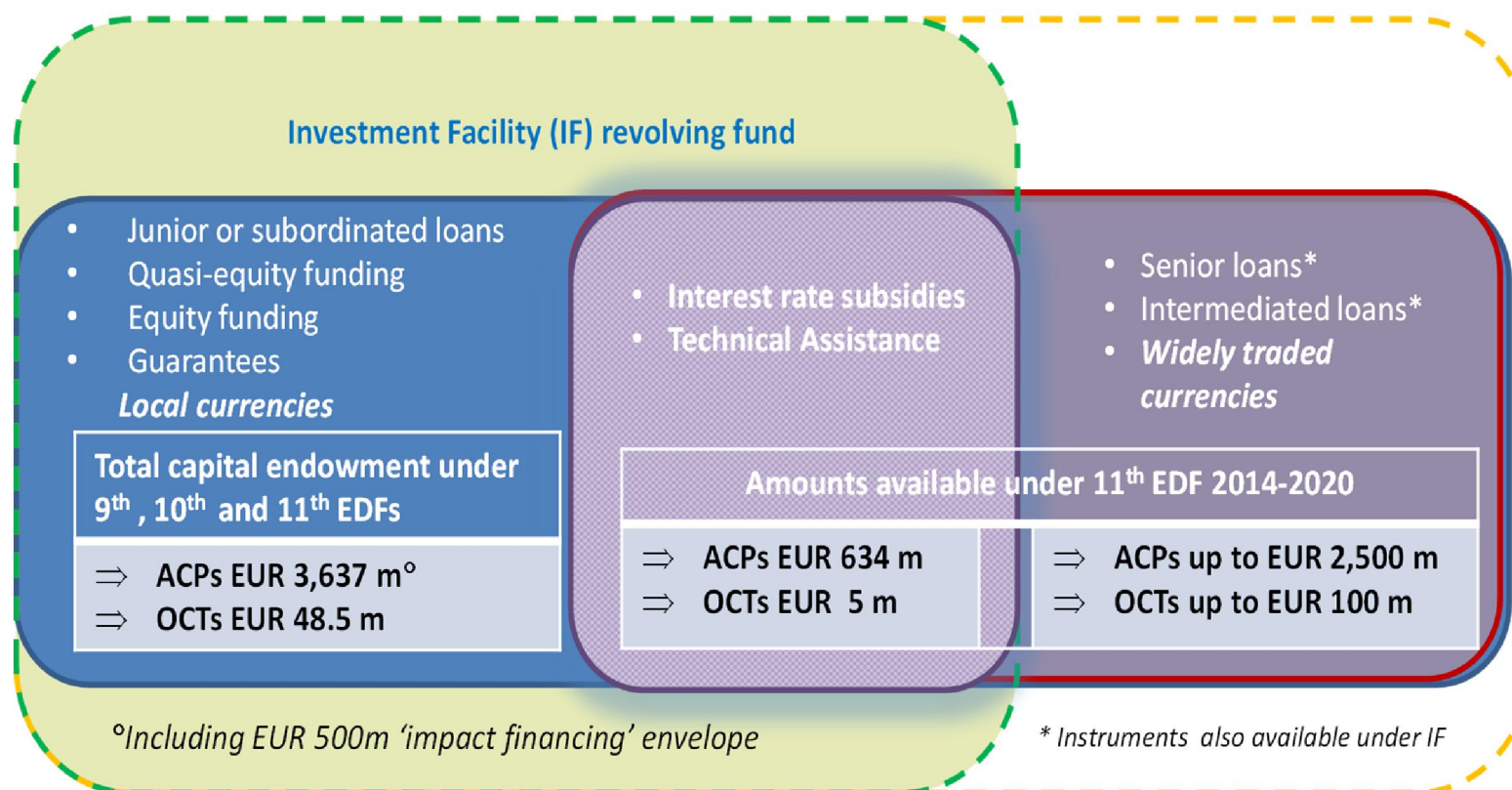


ACP Mandate: Cotonou Agreement: Resources and amounts



European Development Fund – EDF
(EU Member States' budgetary funds)

EIB Own Resources





EIB Activity in ACP 2014



2014

- **EUR 916m** total financing and **EUR 480m** disbursements
 - **EUR 66.2m** (grant funding for TA + Interest Rate Subsidies)
-
- **EUR 475 m (52%)** for 19 financial sector operations (all IF)
 - supporting SMEs via credit lines signed with 15 banks; and investment in 4 private equity funds
 - **EUR 441m (48%)** for 8 large infrastructure projects (2 IF, 6 OR)
 - **EUR 650m (70%)** of private sector initiatives
 - **Countries of projects (2014-Activity only):**
 - Kenya, Liberia, Ghana, Nigeria, Mozambique, Botswana, Zambia, Tanzania, Uganda, Guinea, Niger, Burkina Faso, Burundi, Regional East-Africa, Regional West Africa, Regional Africa, Regional Caribbean and Regional Southern Africa
-
- EIB also active in Northern and South Africa





ACP Regional Business Plan



In terms of sectors, the strategy has different levels of priority, with two key focus areas:

KEY FOCUS	Infrastructure: <ul style="list-style-type: none">• Infrastructure with a regional focus, notably projects consistent with the PIDA (Programme for Infrastructure Development in Africa) Priority Action Plan• projects with a pro-poor focus• projects which promote sustainable economic growth, in any of the following sectors: energy, water and sanitation, transport and telecommunications.		Financial sector: <ul style="list-style-type: none">• channelling finance to SMEs and micro-enterprises, with the aim of stimulating job creation and private sector growth and supporting the development of local financial markets• credit lines, also in local currency, to selected local financial intermediaries• private equity funds targeting SMEs and microfinance• risk capital (direct equity, quasi equity) and risk-sharing instruments such as guarantees.
OVERALL GOAL	Across all sectors, Climate Action investment is important for the region given that many ACP states are highly vulnerable to a changing climate. Supporting adaptation initiatives and mitigating the impact of climate change through the promotion of low-carbon transport and energy, increasing climate resilience and promoting renewable energy sources and energy efficiency are over-arching priorities of EIB lending.		
OTHER PRIORITIES	Agriculture and food security projects have a high multiplier effect in terms of development impact and are a priority sector in the Agenda for Change	Corporate Lending / Industry , which directly supports private sector activities.	Health , especially in the countries most affected by the Ebola virus, in the Sub-Saharan Africa and any other region, if potentially affected by epidemics.
OTHER SECTORS	Affordable and Social Housing, Education, Mineral Resources, Tourism.		



Thank You

More information at:

<http://www.eib.org/acp>