



The European Investment Bank in West Africa

Between 2010 and 2014, the EIB invested EUR 1.1bn in 33 projects across 16 countries in West Africa to support development and create jobs and economic growth.

As the EU bank, we act in a catalytic way by offering financing conditions that cannot be provided by the market alone, and by supporting project preparation and implementation. The use of an innovative and constantly evolving range of financial instruments which leverage additional funding is crucial to ensuring the long-term results of projects in West African

countries. Our role goes beyond lending to include blending, combining EIB loans with EU grants and subsidies, and bringing our expertise to bear throughout the project cycle through technical assistance. We finance operations across Africa, the Caribbean and the Pacific (ACP) through the ACP Investment Facility, a revolving fund, in addition to our own resources.





Our priorities:

Local **private sector** development



Enhancing **access to finance**, particularly for SMEs and microenterprises

Development of **social and economic infrastructure**



Responding to **strategic infrastructure** needs in sectors such as energy, transport, water, urban development, education and health

Climate change mitigation and adaptation



Climate action on renewable energy, energy efficiency, sustainable transport, sustainable use of natural resources and climate resilience

Regional integration



A **cross-cutting objective**, improving links amongst partner countries and with the EU



Helping SMEs and microfinance across West Africa

Financial sectors in sub-Saharan Africa are generally shallow. Private credit amounts to around 21% of GDP on average in the region, compared to 49% in South Asia and 46% in Latin America.

A EUR 50m line of credit from the ACP Investment Facility is supporting the continuous development of Ecobank Group's lending activities for retail/microfinance, SMEs, local and international private enterprises and public sector businesses. The major part of the loan will be invested in Nigeria and francophone West and Central Africa, strengthening regional integration. This loan is our fifth operation with Ecobank Group, one of the largest indigenous banks in Africa, covering an extensive network of more than 30 countries.



The loan will enable the institution to increase its longer-term lending to private and public enterprises across its extended network. The final beneficiaries will be provided with a source of competitively priced longer-term funding. This is something that African banks have had difficulty providing over the past few years, despite the growing demand. Our partnership with Ecobank should have a significant leverage effect in funding public investment and private enterprise, thus developing the financial sector in the region.



Improving water access in Niger

Adequate water systems are a basic necessity, but all too often urban inhabitants in West Africa go without access to clean, drinkable water. Niger is one of the poorest countries in the world and suffers from permanent water shortages due to low, irregular and unevenly distributed rainfall.

A EUR 60m loan from the EIB, together with support from Agence française de développement (AFD) and the Dutch Infrastructure Development Facility (ORIO), will contribute to the improvement and extension of storage and distribution infrastructure, while existing treatment facilities will be expanded and upgraded. This will give access to clean drinking water to an additional 200 000 people around the capital city Niamey. This new project is the EIB's first operation to support water investment in Niger, as well as our largest-ever commitment in the country.

Providing reliable access to drinking water in one of the world's poorest countries will pave the way for the development of industry, trade and the local private sector and therefore for Niger's economic development and social stability. Grant funding is subsidising the financing, and technical assistance is helping with the implementation of the project by local utilities.





Expanding solar energy for Burkina Faso

Sustainable energy and climate action are key priorities for the EIB on the African continent, where around 57% of the population remain without access to electricity. Like most developing countries, Burkina Faso suffers from a severe infrastructure deficit, hampering its economic growth.

A EUR 23m EIB loan to national electricity provider Sonabel, together with support from the Delegation of the European Union, is financing the installation of a 30 MW solar power plant in Zagtoui, on the outskirts of Ouagadougou. This is the only pilot solar plant project in Burkina Faso and West Africa. The new plant will be able to supply over 40 000 households and will help reduce Burkina Faso's dependence on neighbouring countries for its energy. It will also help to cut costs for local users and increase the reliability of supply by producing stable energy domestically from renewable sources.

The cost of electricity supplied by the project is estimated at 103 EUR/MWh based on a 10% discount rate and a 20-year economic life, undercutting the price of electricity imported from Ghana (106 EUR/MWh), which is currently the cheapest option. The provision of an EU grant will keep the cost of generation from the photovoltaic power plant well below the average system cost, and the EIB's additional technical assistance will enable the solar plant to be connected to the grid.

By strengthening the reliability of energy supply in the country, this project will certainly have a positive impact on the social and economic development of Burkina Faso and, significantly, prepare the ground for other solar projects in the country and the region.



General information

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