European Investment Bank

The EU bank

2016

Annual Report

On EIB Activity in Africa,
the Caribbean and the Pacific,
and the Overseas Countries and Territories

Contents

The 2016 Annual Report On EIB Activity in Africa, the Caribbean and the Pacific, and the Overseas Countries and Territories

EIB operations in Africa, the Caribbean and the Pacific (the ACPs) and those in Overseas Countries and Territories (the OCTs) are carried out under the ACP-EC Partnership Agreement (the "Cotonou Agreement", 2000-2020), and the Overseas Association Decision, the legal framework for EU relations with these regions. Financing under these agreements is provided from the European Development Fund (EDF) – EU Member States' budgets – and EIB own resources, which the Bank borrows on the international capital markets.

The Bank is entrusted with the management of the Investment Facility (IF), a revolving fund which meets the financing needs of investment projects in the regions with a broad range of flexible risk-bearing instruments. To support the preparation and implementation of the projects it finances, the EIB is also able to provide grants in the form of interest rate subsidies and technical assistance to its borrowers and final beneficiaries.

Under the Cotonou Agreement (signed in 2000, revised in 2005 and 2010), the central objective of ACP-EU cooperation is poverty reduction, sustainable development, and the progressive integration of the ACP countries into the world economy (Article 19.1).

The agreement further provides that "ACP-EU cooperation strategies […] shall aim at achieving rapid and sustained job-creating economic growth, developing the private sector, increasing employment, improving access to productive economic activities and resources, and fostering regional cooperation and integration" (Article 20.1).

In line with the EU Development Consensus, the UN Millennium Development Goals and now the UN Sustainable Development Goals, the EIB's activities in the ACPs support projects that deliver sustainable social, economic and environmental benefits whilst ensuring strict accountability for the use of public funds.

Foreword
by EIB Vice-Presidents Pim van Ballekom and Ambroise Fayolle

We find ourselves at something of a crossroads in development finance. On the one hand, never has it been more necessary, and on the other, rarely has it been under more scrutiny as approaches to other development support such as foreign aid are reconsidered. Never have partnerships between institutions and connected nations been more important. Never has our commitment to our principles been more resolute or more relevant. There are positives to look at, which affirm our contribution. It is important not to lose sight of that.

Across the world, lives are improving in numbers and at speed. Poverty levels are falling in sub-Saharan Africa, the Caribbean and the Pacific. Developing economies are emerging from the shadows through more cogent planning, strides towards gender equality, financial evolution and growing business sectors. The Millennium Development Goals have played their part in this.

There is forward momentum, and now it is up to institutions like the EIB, as the EU bank, and our partners in international and development finance to continue to support good quality projects, to create more opportunities for young people and women, and to lay the foundations for sustainable economic progress and job creation.

The international community is coming together and doing more. The adoption of the 2030 Agenda for Sustainable Development by the United Nations is a sign of this, and the targets set out by the Sustainable Development Goals are the conduits to the agenda's achievement. The EIB is supporting these efforts through our four main priorities for operations outside the European Union. These are private sector development, vital infrastructure, climate action and regional integration.

In 2016, we invested EUR 765m in 29 projects in Africa, the Caribbean and the Pacific and Overseas Countries and Territories. In terms of the number of good quality projects supported, this is equal to last year's total and is comfortably more than the 22 backed in 2014. Approvals for new projects and disbursements are also in robust health.

The average size of our loans has decreased somewhat. This has been noted across most of the EIB's regions of operation, including the EU under the European Fund for Strategic Investments, and is a natural consequence of our own evolution, and the new innovative financial instruments we are deploying. The EIB may be associated with large infrastructure projects, but we are also seeing something rather different emerging, and Africa, the Caribbean and the Pacific are no exception to this.

In addition to the EIB's traditional investment methods – namely the ACP Investment Facility revolving fund and our own resources – our Impact Financing Envelope is taking off, and the Bank is reaching projects that were previously beyond our remit. These projects are smaller and the risks are a little higher, but they are worth it for the impact they have on the ground. All of our projects bring positive benefits, and these touch the base of the pyramid, where innovative finance in smaller amounts and with more partners can make a huge difference to quality of life. The strengthened Results Measurement Framework that flanks this envelope confirms this. Two such projects are featured in this report. Boost Africa and Senegal River Valley Rice have a lot of potential and we are very proud of them.

The next step is to increase the number of signatures to support a wider range of sectors across

our range of priorities. Here, we have to extend co-operation with our partners. We welcome the EU's New European Consensus on Development, and its call to work towards the Sustainable Development Goals. As the EU bank, it is natural for us to want to continue working with the European Commission, the European External Action Service and our other bilateral and multilateral partners. This deepened framework for cooperation is both welcome and timely.

The role of the EIB here is to continue to support the development of private sectors across the world, and especially in Africa, the Caribbean and the Pacific. We have to work with our partners to lay the foundations to ensure the environment is conducive to business development. We have to crowd-in funding from other sources in the institutional, governmental and financial sectors to ensure more good initiatives get off the ground.

The title and tagline for the New European Consensus on Development is "Our World, Our Dignity, Our Future". This world and its future depend on the choices we make now. We have seen this in our visits to Africa, the Caribbean and the Pacific. We see this in the news every day, not least in the form of the migration crisis. Young populations are looking for opportunities. They have great ideas and the knowledge of how to get their ideas out there. What they need is the chance and the funding, and for the system to have some faith in them. The EIB and our partners need to provide that faith and turn it into support. We are doing this quickly by financing projects with real impact, and in our swift response to the call to finance projects tackling migration. The European Commission is also responding to this through the creation of the European External Investment Plan. This represents a new level of European engagement in creating the conditions for developing countries to grow. This is something we support.

We have demonstrated in our operations both inside and outside the EU that we have the capacity and cross-border expertise to adapt and respond to the evolving global environment, through various geographies and contexts. The EIB is a responsive financial institution, with the capacity to help address situations affecting populations, from disease and natural disasters to displacement. Our Bank is ready to contribute where we can to the Post-Cotonou negotiations. Our instruments, notably the ACP Investment Facility, are strong, sustainable and structured to endure for the long haul beyond 2020. They are adaptable enough to respond to the requirements that could arise from new policy objectives.

We are, and we will remain, committed to evolving and serving the needs of people in Africa, the Caribbean and the Pacific, and the Overseas Countries and Territories through innovative financing models, advice and partnerships. This is what we have done for well over half a century. We are not about to stop.

OVERALL FIGURES for Africa, the Caribbean and the Pacific in 2016

In 2016, the EIB invested a total of **EUR 765m** in sub-Saharan Africa, the Caribbean and the Pacific and the Republic of South Africa. This is spread across 29 separate projects. In addition to this, 36 projects were also approved, with a total value of **EUR 1.384bn**, while disbursements reached **EUR 955m**.

Through our Results Measurement Framework, we expect that:

Credit lines to financial institutions will sustain **37 492 jobs** in small businesses and 12 255 in midcaps.

Guarantee instruments will sustain **12 900 jobs**

Investment in water projects will connect **218 000** households to clean water…
…and bring sewage treatment to **1** million
…and more reliable water supplies will ultimately benefit **5.2** million people.

Electricity projects will see **6 300** km of new, modern transmission lines installed…
…and connect **434 000** new households to power.

A telecommunications project will provide first time access to mobile for **3.6 million** people

Microfinance institutions will sustain **92 000** jobs throughout their lifecycle… and microfinance investment vehicles will support 104 institutions that will issue 1 652 000 loans to clients – of whom **58%** are women.

Depending on the specific operation, the average loan size will range from **EUR 200** in the Dominican Republic to **EUR 13 826** in French Polynesia. Tenors will range from one year to five years.

Agricultural investment will see 5 250 ha of farmland benefit from irrigation, and build storage capacity for 2.074 million tonnes of produce, potentially feeding **163 200** people.

Supported private equity funds will create **2 130** direct jobs in investee companies.

More information on this methodology can be found on p.37

Our signed operations in 2016 include:

EUR 765m of signatures in **ACP/OCT**

Projects in 15 countries and five regional groupings

EUR 378m (49%) for eight large **infrastructure projects** (Own Resources)

EUR 41m (5%) of **direct financing** (corporates and project finance)

EUR 346m (45%) **for financial sector operations mostly under IF: Of this:**

- **EUR 210m** (61%) supporting SMEs via credit lines signed with ten intermediaries
- **EUR 44m** (13%) via microfinance facilities
- **EUR 60m** (17%) investment in five private equity funds
- **EUR 32m** (9%) via risk sharing transactions

11 projects signed under the **IFE** for a total amount of **EUR 97m**

ACTIVITIES in 2016

Signatures for projects in Africa, the Caribbean and the Pacific fell somewhat in 2016, reaching a total of EUR 765.1m. The size of each investment is trending down, as the EIB is putting more funds into smaller projects with larger potential impacts and more inherent risk. The development of the Impact Financing Envelope has given the Bank even more of a chance to do this, and to engage with more partners and catalyse more investment.

When we consider the three overall project stages – approval, signature and disbursement – there was much activity in both the former and the latter. Here, targets were exceeded, and figures compare very favourably to previous years. Approvals for 2016 reached EUR 1.384bn, and disbursements were EUR 955m. These figures include ACP own risk operations as well as the Republic of South Africa, in the case of disbursements. Their 2015 equivalents were EUR 1.303bn and EUR 661m respectively. 2016 was thus a particularly good year for disbursements as they exceeded signatures, which is a rare occurrence. Approvals and signatures can also be said to be trending upwards over a longer, multi-year cycle, even if signatures went down compared to the previous year.

The drop in amounts actually signed in 2016 means that we did not reach the financial targets that we set ourselves as a bank for the ACP regions. We did invest in 29 separate projects, which is the same number as 2015, and comfortably more than 2014's figure of 22 operations.

There are several reasons for this. Apart from the smaller average project size we have noticed, a number of other investments that we had expected to sign were postponed, amounting to around half the amount of the projects we did sign. These projects include both private sector and public sector initiatives in support of SMEs, energy and electricity distribution, and impact several countries and regional groupings.

If we look into the projects signed again, we can see that own resource operations account for EUR 386.3m, with the Investment Facility contributing EUR 378.8m. The former slightly exceeded forecasts, while the latter was somewhat lower. Here, we can again look at expected signatures that did not materialise over the course of 2016, where a couple of large operations were delayed, notably in credit lines and project finance. Own resource signatures increased slightly from 2015 to 2016. This can be put down mainly to our largest ever project in the Caribbean (CDEEE in the Dominican Republic) and the signature for water and sanitation services in Senegal. Between them, these two account for almost EUR 190m.

The Bank can consider 2016 to have been a successful year in approving new projects, and a very successful one in terms of disbursement. Within the approvals total of EUR 1.384bn, EUR 794.2m was approved under the Investment Facility. A large proportion of this is made up of credit lines, which remain a cornerstone of EIB business in the ACP regions, even if we are taking a proactive approach to diversifying support for the private sector through other financing options, notably microfinance, private equity investments and corporate lending

Also traditionally included in this report is the Republic of South Africa, which is treated under a different lending mandate, but is included for geographic reasons. A crucial difference can be noted in the country, which is not covered by the ACP Investment Facility or the Bank's own resources for ACP but is instead financed through a separate window under the External Lending Mandate, and where no projects were signed in 2016, although some funds were disbursed. Ranks have been somewhat closed through external circumstances in the country. The ELM ceiling for investment in the 2014-2020 period was cut from over EUR 900m to the present total of EUR 416m.

Increasing requirements for local content in South Africa place an additional constraint on doing business there for the EIB, as they conflict with our procurement guidelines. This means that South Africa has become a more challenging market in which to operate for the EIB. Our last operations there, in 2015, concerned the private sector and support for small businesses. This is an evolutionary step, as prior to that, most of the Bank's operations in the country concerned the public sector, notably energy and municipal infrastructure.

OUR PRIORITIES

The EIB focuses on private sector development and vital infrastructure as its core priorities in sub-Saharan Africa, the Caribbean and the Pacific. Our activities are carried out in line with the EU Agenda for Change and the Sustainable Development Goals. On the ground, this means we can reach many kinds of operation, and more people than may be expected.

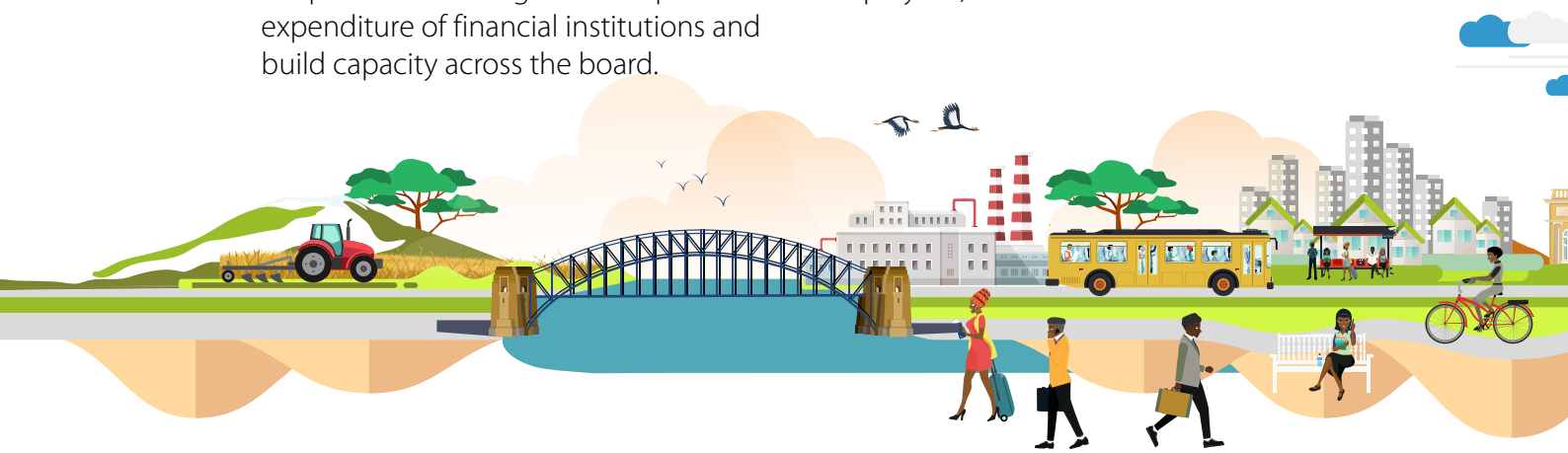
THE PRIVATE SECTOR

Financial Sectors

Developing local and regional financial sectors is vital to enhancing access to finance and to sustainable economic development. We also provide credit lines in local currency, as well as guarantees, and we invest in funds and microfinance. We provide financing for the capital expenditure of financial institutions and build capacity across the board.

Small and medium-sized businesses

We provide the financial resources, tools and advice to invest in small enterprises – the driving force for economic growth and employment across the world. The EIB also makes financing available to midcaps (companies with over 2 500 employees).



Corporates and industry

We support European businesses looking to invest in non-EU regions and sustainable industrial development programmes in the ACP/OCT regions.

Digital economy

The EIB believes in businesses which use technology to benefit the poorest people, finding solutions for healthcare, education and financial services.

CROSS-CUTTING PRIORITIES

Climate action

The Bank invests in projects in climate change mitigation and adaptation. These lessen greenhouse gas emissions, and help to build resilience to climate change impacts, including more extreme weather.

Food security

The EIB invests in agribusiness projects, increasing food security and creating good-quality jobs in rural areas.

Regional integration

The Bank supports projects which bring countries and regions together, in the financial sector and in shared infrastructure operations which connect people and businesses.

Fragile economies

The EIB provides long-term financing and technical assistance to kick start economies in countries affected by conflict, natural disasters and epidemics.

Gender equality and youth

Where possible, the EIB prioritises initiatives which support women and young people, and which level the playing field.

Migration

We contribute to tackling the root causes of migration through meeting the needs of smallholders and small businesses, creating dedicated financial instruments and exploring new and emerging sectors. We also finance investments that improve economic resilience in ACP countries that host a large number of refugees.

SUSTAINABLE INFRASTRUCTURE

The EIB invests in sustainable infrastructure in water and sanitation, energy, transport and telecommunications. These lay the foundations on which the private sector can develop.

The EIB's priorities in the ACP regions can be broken down into four major categories: private sector development, vital infrastructure, climate action and regional integration. Many ACP countries have a lot of potential for development, but can be held back as they lack the required infrastructure. This applies in terms of both their financial sector architecture, which can lack sophistication and diversity, and their physical infrastructure. Here, we are looking at water and sanitation, energy, electrical networks, health services, and transport and communication networks.

Generally speaking, private sector operations and support for the financial sector are financed from the ACP Investment Facility. EIB own resource lending mainly covers public sector projects. These are often centred on infrastructure. Economies cannot develop at levels close to their full potential if the correct conditions are not in place. This is a long-term situation. In response to the refugee and migration situation the world is currently facing, we also require some quicker solutions. For the EIB, this has been to adjust what we can do with our instruments.

The ACP Impact Financing Envelope has been boosted from EUR 500m to EUR 800m by converting it into a revolving fund, with a fair proportion of allocations destined to support projects with a migration focus. This separate window of the Investment Facility is used for private sector operations which go beyond the levels of risk presented by traditional operations, but which will also have a major developmental impact for as many people as possible. People in the ACP regions have the same entrepreneurial spirit, and bright and creative ideas, as anywhere else. The Impact Financing Envelope is one of the ways in which we can reach them.

The ACP Investment Facility itself has been enhanced too. Since the revolving fund began operating back in 2003, over 80% of total allocations have gone to private sector operations. This includes the financial sectors in African, Caribbean and Pacific countries. In the same time frame, 66% of EIB own resource investments in these countries have targeted the public sector, with the remainder going to private operations. In order to address the lack of infrastructure to support the private sector, EUR 500m of the ACP Investment Facility will be earmarked for public sector projects. The Investment Facility will be boosted with a further EUR 500m to support public sector projects. The decision to do this has been taken with private sector development in mind. These projects will lay the foundations to enable the creation of good-quality jobs to tackle the migration crisis and ensure economic resilience in countries hosting large numbers of refugees. This is currently putting pressure on systems across the planet and, more importantly, is causing lives to be lost.

An independent audit carried out by the European Court of Auditors found that the EIB adds value to European development cooperation, and that the Bank's long-term financing catalyses further investment in the regions. The report recommended highlighting further what the Investment Facility can do, and increasing the role of technical assistance. This is something the Bank is doing. We are putting together formal partnerships with other organisations such as the United Nations Industrial Development Organisation (UNIDO), which was signed in 2015, and further Memoranda of Understanding with the United Nations Office for Project Services (UNOPS), the Food and Agriculture Organisation of the United Nations (FAO), and the International Fund for Agricultural Development (IFAD). These complement our longstanding relationship with the European Commission and European and multilateral development institutions, while our presence on the ground increases contact with EU Delegations and local representatives of other partner IFIs and MDBs. This is something explored in more depth in the section on partnerships in this report.

A range of options

Looking deeper into the Bank's private sector priorities, our approach is multi-pronged. This applies to the financial instruments offered, as well as the sectors targeted. The ultimate aim of the Investment Facility – indeed, the ultimate aim of all EIB

operations outside of the European Union – is poverty reduction through job creation and sustainable growth. As it stands, the role of the EIB is to provide long-term finance, but also to maintain a flexible approach, and to bring new, alternative financing options to the table. This applies to the current global migration situation. It is a crisis, and it is up to organisations like the EIB to ensure and catalyse investment to tackle the root causes of such issues.

In the ACP regions, the EIB is focused on developing financial sectors. Although there are exceptions, banks in these regions are often not up-to-date in their outlook and in the range of transaction types they can carry out. This leads to risk aversion on their part, and a failure to maximise the potential they have in supporting their local economies. This has a knock-on effect on microenterprises, small and even larger businesses.

The EIB will continue to provide credit lines to banks, in local as well as standard currencies to encourage them to support smaller businesses. We are also placing more emphasis on investing in private equity funds with SMEs and microfinance in mind. As we have seen, private equity investments have increased in recent years as the fund space seeks to establish itself. For the EIB, we have had some success in this domain outside the EU, where venture capital is emerging.

As we seek to expand our reach and effectiveness across the ACP regions, the EIB will not increase credit lines as a proportion of total private sector investment. They should rather be considered an important part of our suite of instruments. The benefits to final users of EIB funding have to be maximised. These are the companies that are looking to evolve, but that do not have access to means or expertise from the financial sector. The EIB is seeking to address this.

Bringing more

We provide technical assistance to promote best practices amongst financial institutions, but we also look at the end users of the financing available. It is paramount that these private sector companies at the end of the chain are also afforded the opportunities to maximise their potential and are equipped to show what they can do. Technical assistance can also be of service here, providing skills from basic financial literacy through to putting together a convincing business plan and everything in between.

For this, the EIB has to embrace multiple sectors. An example here is agriculture and agribusiness. This employs a high proportion of people in many ACP countries. It is not a new sector for the Bank – we have long been active in it. Its importance cannot be understated however, as a means to produce food for growing populations, but also as a target sector for economic development and growth. There is much more to agriculture than growing crops or livestock; there are entire value chains of production.

The EIB is keen to invest in these whole value chains, in cooperation with our partners. Support for these businesses in the value chain is essential. It not only provides the means for established players to grow and to innovate, but it also enables the formal economy to be expanded by bringing more people into it. As a multilateral and multiregional institution, the EIB learns lessons in one field or region and then applies them in another.

We can see concrete examples of this across the board. What we have learnt on a technical and procedural level by financing solar plants, windfarms or transport infrastructure in the European Union can then be applied to an investment in the same kind of facility in sub-Saharan Africa, and vice versa.

Agriculture can present a similar situation: the EIB has invested in different agricultural programmes in Eastern Europe, notably in Georgia, Moldova and Ukraine. We can see what works in these models and apply it to the ACP regions, and make agriculture not only more productive, but also more socially inclusive and environmentally-friendly. The Senegal River Valley Rice project, located in St Louis and simultaneously serving a local population and a national need, is an example of what we can do.

Vital platforms and infrastructure

In infrastructure, as with private sector investment, the EIB is aligned with the global EU strategy in the ACP regions, where vital services are simply not available to all. We place a strong focus on pro-poor investment as well as regional integration. By way of example for the first point, more than half of the population of Africa do not have access to electricity. Clean water and sanitation services remain luxuries.

On the second point, economic exchange between countries is to be promoted and trade encouraged. Thus, all are better served if they have access to the same essential services. If one country is held back by poor infrastructure, another will be too. The EIB invests in transport infrastructure, such as ports, airports and roads, to ensure there are stronger physical links between countries, many of which can share borders but not connections.

Likewise, we invest in regional electricity distribution networks. These are important for a number of reasons. It can be argued that a lack of access to power is the major obstacle to economic development. Transmission networks not only bring that electricity to more people across more countries, but by modernising the systems there is less waste and less impact on the environment.

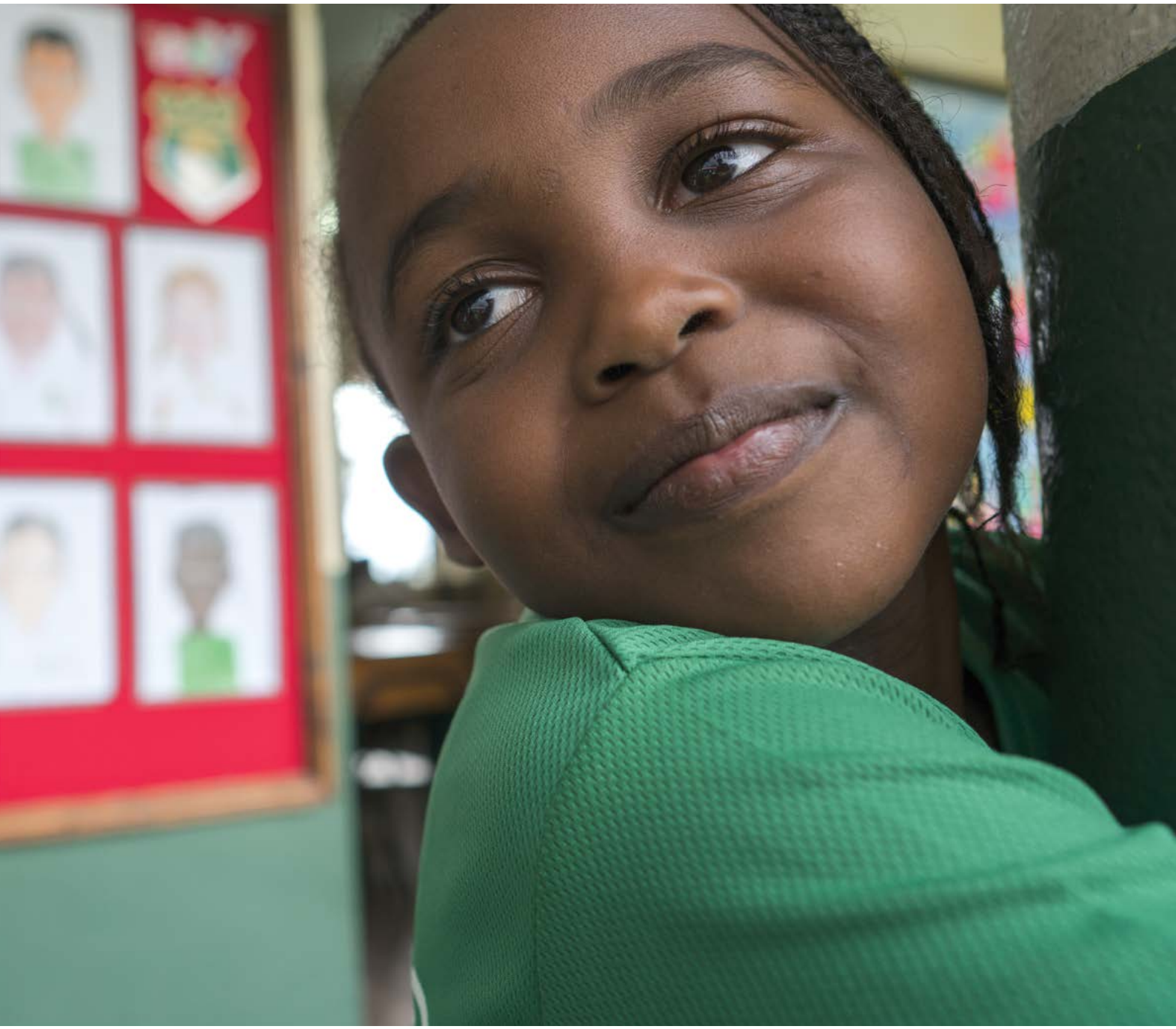
In ACP countries, infrastructure programmes of a certain scale tend to be in the hands of the public sector. The EIB can lend directly to the public sector or to public-private partnership structures to get these programmes up and running.

Green and clean

Climate action is at the heart of everything the EIB does. On the occasion of COP 21 in Paris, towards the end of 2015, the European Investment Bank pledged to beef up investment in climate change mitigation and adaptation. Our target is to dedicate 35% of all lending in developing countries to climate action projects by 2020. There is still work to do to get to this point. Again, in-house expertise is absolutely crucial.

ACP countries are some of the most vulnerable to the effects of climate change, and the EIB is well-aware of this, and therefore investments will be made with this in mind as we aim to build resilience

and mitigate the effects. Sub-Saharan Africa, for example has huge potential for renewable energy from wind power to solar, and from hydroelectricity to geothermal. We are also investing in equity funds which focus on renewable energies, and small-scale projects which have climate action at their heart and find sustainable solutions for gaps in essential services for underserved populations.



2016 projects UP CLOSE

Boost Africa – a pioneering initiative

Africa is set for a technological revolution and Boost Africa is backing African venture capitalists whose companies have big growth potential.

On the outskirts of Nakuru, Kenya, Isahia Alilubun checks his mobile phone. "We have received money through a simple text message," he says. There was no need to go to the bank, something of a trek for him – and a trek not guaranteed to get him what he needs. On his farm, Alilubun is using the money to increase his harvest of hot peppers. This will improve his income. He had the financial support to do this thanks to **FarmDrive**, the brainchild of Rita Kimani and Peris Bosire.

Kimani and Bosire first met at university in Nairobi. As computer scientists born into farming backgrounds, the pair pondered the issues facing their home communities. Thus FarmDrive was born.

FarmDrive is highly innovative, providing a platform for farmers in remote rural locations to access credit. "Smallholder farmers are hugely underbanked," says Kimani. "They have no credit history, they don't own land so that is not collateral for them. Yet this doesn't mean they aren't good borrowers. What we have done is build a solution that collects data from them via mobile. We crunch that and then financial institutions can use this to make lending decisions."

While Alilubun is able to expand his crop harvest through finance obtained through technology, FarmDrive gets funding from Africa Technology Ventures, one of a handful of funds financing innovative start-ups in Africa. For the fund's Managing Director Eline Blaauboer, FarmDrive "really stood out. Rita and Peris combine a farming background with computer skills, which has enabled them to create superior technologies to other companies we have seen."

Africa venture capital: count the funds on both hands

Like Africa Technology Ventures, TLCom's Tide Africa Fund is looking at technology start-ups in Africa, and getting in there early. The fund itself is the result of several years of research into what makes Africa tick when it comes to technology. "The opportunity rests in using existing technologies to provide a service," says Andreata Muforo, TLCom's investment director. "Africa's internet and mobile penetration is high, and a large number of people have a small computer in their pocket. This is where technology companies are looking."

Muforo is 35 years old and has a decade of experience working in the financial industry. She looks at venture capital in Africa and sees a space that is almost empty. This is something she aims to change. It is something for which she has huge ambitions.

"There's a service gap," Muforo says. "If you think about financial services for example, around 30% of the population has access to them. Compare this with around 65% to 70% who have access to mobile phones. What we need to do is use that platform to provide what people need, whether it's health, education or banking services. We can support companies who, for example, make educational tools available over mobile. Kids will be able to use this to study and take exams."


Andreata Muforo

Tapping new sectors with Africa venture capital

The Tide Africa fund and Africa Technology Ventures – tech-focused, driven and ambitious – are the kind of vehicles that the EIB and the African Development Bank are supporting through their new joint initiative, **Boost Africa**. The two institutions have a long-standing working partnership, and are each committing up to EUR 50m to Boost Africa, while the backing of the European Commission is also a real positive.

Through Boost Africa, innovation and entrepreneurship are prioritised. Start-ups can use financing, advice and technical assistance to create the good jobs needed to entice young and tech-savvy Africans to work in a boom space. The overall project is expected to leverage EUR 1bn in investment, and support 1 500 small businesses in the technology sector, creating 25 000 direct jobs.

Mariam Yeo Dembele, investment officer at the African Development Bank, recognises that Boost Africa is a departure from traditional financing. "It is only through this partnership with the EIB that we can reach these small companies, and those sectors which we couldn't previously tap directly," she says. "We want to actually boost Africa. We want to boost jobs for everybody: men, women and young people. We want to boost education, health, we want to boost e-health and e-farmers."

Boost everything

Boost Africa is in its early stages. But the potential benefits are vast. It is part of a movement that could change the landscape for technology in Africa, and for the jobs market. "We have a passion as a team to build a tech Africa ecosystem," says Andreata Muforo. "This is a space where there is real opportunity and real commercial return."

That road can reach exciting new places. "I have dedicated over five years building a strategy for the Tide Africa Fund," she says. "Over the coming five years I have very high hopes. I hope we get more investors to come to Africa, and invest in these great entrepreneurs. I hope we have a great impact on the local economies by creating jobs. We'd like to create a few memorable African companies that are visible globally and create value for Africans. What I want to see is our portfolio companies perform financially and go beyond. I want them to disrupt and completely revolutionise their industries by meeting the needs of people."

Venture capital investment in start-ups has already changed things for Isahia Alilubun. Boost Africa, Africa Technology Ventures and the Tide Africa Fund are pioneering new ways to create jobs and growth on the continent. The EIB believes technology can improve life for everyone, including the poorest people. In this case, the benefits will be felt in Africa. And that is the most significant impact of all.

Creating an agricultural hotspot by the Senegal River

The Compagnie Agricole de Saint Louis is blazing a trail in Senegal, setting up all of the facilities required to produce rice on a large scale on the Senegal River delta. The project is improving conditions for local farmers and creating plenty of diverse jobs. Lives are already getting better.

On a national level, rice is vitally important for Senegal. It is the staple food in the country, as it is for West Africa as a whole, and yet cultivation is limited while consumption booms. The population is growing quickly, and each person eats, on average, 100 kg of rice per year. Senegal buys up to 80% of its rice requirements from abroad, and the grain is second only to fuel in terms of national expenditure on imports.

The Compagnie Agricole de Saint Louis (CASL) is aiming to partially address this burden, however, by producing rice on a large scale in the Senegal River delta, putting arable land to use and creating the conditions to eventually mill and store up to 60 000 tonnes of rice per year. In addition to producing paddy rice, CASL will also buy it from local farmers and employ local people to operate and maintain the large farm and rice mill. The scheme is ambitious and there are challenges, but CASL has brought together an international team to bring about change on a local level. "Rice plants are living things, and this is not like producing a product in a factory. We are subject to the wind and the rain," says CASL's French CEO Laurent Nicolas. "You could say that in our case the factory has no roof and no walls. Farming is hard, and on this scale it requires a lot of organisation and a lot of logistics."

Indirect benefits

Although not yet close to full speed and capacity, the project is already having a positive impact on its surrounding area. New irrigation infrastructure is giving local farmers the chance to cultivate rice on plots which previously lacked this irrigation, and produce two rice harvests per year, in addition to providing water for other crops. The project foresees the plantation of fruit trees to benefit local villages, while an afforestation programme will also provide sustainable firewood. These will compensate for the loss of some bushes and trees due to the overall project.

Djibi Seye is a village elder from nearby Diadiam 3. He observes the benefits first-hand. "When we started agricultural activities some years ago, we had up to 30 ha, and irregular access to water. Now we have opened up 70 ha for this coming harvest season, and our relationship with CASL means it can be dealt with efficiently and locally. This was not the case before so it is mutually beneficial."

There can be uneasiness between smallholder farmers and larger agricultural companies, but it is not evident in this case. "My village had the choice of whether or not to work with CASL," Seye

explains. "They presented themselves properly to us. We can see the benefits for ourselves, and for them. It is entirely voluntary for Diadiam 3 to work with CASL. In other projects of this kind, it is not always the case, but this company brings jobs, hope and reassurance to local people. If this was not the case, believe me I would be telling you."

Heritage in food production

If the area was depressed before, there was good reason for it. Diadiam 3 has a legacy and finds a sense of purpose in food. "This used to be a fishing village," Seye continues. "Stocks have been badly affected by invasive plant species." The Senegal River, like others across West Africa and the wider world, has been a notable victim of the prolific and fast-growing weeds, water hyacinth and water fern, and indigenous plant and animal life has suffered from their presence.

The approach to rice production under the CASL project is as gentle as it can be. There is levelling of fields to ensure water efficiency, proper drainage of irrigation water, and a reforestation programme is also underway. Fertilisers and pesticides are used in line with good agricultural practices and this use is kept to a minimum.

This project is only at the start of its journey, and while it can be considered risky, Laurent Nicolas fully believes in it, and is hopeful the model could be emulated in future. "Every production value chain in agriculture needs a champion," he says. "Without someone to lead it, the challenge to improve the level of production becomes very difficult. For the scale we aspire to operate on, financing from international partners like the EIB and AfDB, who each contributed loans of EUR 15.7m, was essential. We are doing everything we can to make it work, and we would love to replicate it elsewhere."

CASL is enabling something to be done that was never done before, and is helping to bring activity to the area around Saint Louis. This in turn is persuading local people that there is something for them to do, and there is hope. It is precisely the kind of developmental impact that the EIB is eager to support through the Impact Financing Envelope. The risk may be higher, but the contribution to food security, rural poverty reduction and job creation makes the project something of a beacon. "I think all of us are proud. I know I am. We are feeding Senegal and making it more secure. It's not easy, but you have to be courageous," says Nicolas with a smile.

Djibi Seye

Uniting families

"The company is involved with the local communities, and that is good to see," says Djibi Seye. "In our village, they make an effort. It goes beyond an economic relationship, and becomes a social one. People are no longer leaving as part of the rural exodus."

It is early days, but the reverse phenomenon could occur. "I spent 14 years working far away from here. I saw my family once a year. Now I am back and working for CASL," says Michel Lo, in charge of trench digging. "Now I have a family life. I see them every day. I can look after them." Lo's personal story chimes with the ethos behind the project. The rice industry is creating opportunities for local people that either did not exist before, or else existed in a completely different guise.

He is not the only one who will return because there are more opportunities for him. And this is only the beginning for CASL. There is a lot more work to be done on site in Senegal and there is plenty of potential for more such projects in Africa. "If they continue at this speed and rhythm, and keep working with us in the same way, I can see only benefits for all," says Djibi Seye. "We have a saying in Wolof. If the pot smells good, the food will probably taste good."

Connecting rural people through mobile

The urban populations in sub-Saharan Africa are well served with mobile telecom options, but this does not stretch to rural areas, where over 300 million people simply do not have access to basic mobile technology. It is not a question of a gradual rollout for African operators, applying the same network coverage to remote populations as is currently enjoyed by city dwellers. Those operators do not currently see rural coverage as a cost-effective growth area.

This is not a viewpoint limited to the ICT industry, and rural populations in emerging economies often need to benefit from innovation to gain access to services that become almost taken for granted in large cities and towns.

This a need that must be addressed, as mobile coverage has a provable and clear benefit for economic development in rural areas.

Africa Mobile Networks (AMN) does see an opportunity, however, and the EIB has invested EUR 25m in the company through the Impact Financing Envelope, as they roll out an expansion of telecommunication networks into rural parts of Cameroon and the Democratic Republic of Congo. It is estimated that this section of AMN's roll out will bring cellular connectivity to 3.6 million people living in remote and rural areas. The company is headquartered in the United Kingdom, but through their African subsidiaries and with their expertise in the field, they are well placed to have a local impact with an African solution. CEO Michael Darcy explains, "we have found a way to bring these services way outside the towns and cities and at the same time to realise a fantastic commercial opportunity."

Scalability and adaptability are crucial to reaching Africa's rural communities. Just as this is the case for reliable energy supply, where it makes sense to combine grid connection with innovative smaller-scale solutions to fill the gaps, it also applies to mobile infrastructure. AMN's solution goes beyond what traditional operators look to do when it comes to the installation of physical infrastructure.

AMN Chief Operating Officer Terry Reynolds says, "what we are doing in West Africa is deploying technology which has been optimised for that region. There are three main components: cellular technology, satellite technology and solar power technology." The system works by building mobile network base stations in rural areas. These create cells and provide a signal for 10 km in all directions, connecting users. Satellite dishes and a satellite connect this to the operating network, bringing it data, while solar panels provide all of the power required to drive the systems. This is a vital component of the project as the masts are self-sufficient and do not depend on the grid for their electricity requirements.

AMN has expertise in installing this infrastructure in order to maximise rural coverage, and this project will include the roll out of some 650 base stations in Cameroon and the Democratic Republic of Congo, which will in turn bridge an impasse between potential subscribers to mobile services and the network operators. As Darcy points out, "our clients are the network operators, and what we are offering them is the chance to expand their reach and create new potential revenue streams without investing their own capital."

The company is able to use advanced software and mapping to find settlements of as few as 100 inhabitants and deploy their base stations accordingly, to maximise potential coverage. The social benefits are noteworthy, and AMN employs local people for construction and field maintenance. By connecting people to mobile networks, they are also enabling further job creation in terms of subscription sales and handset distribution, while the demand for mobile phones will also lead to demand for charging, which once again raises the question of power. AMN's infrastructure enables solar-powered charging solutions to be explored and brought to market.

In Africa, the remoteness of some settlements is a huge obstacle to progress. Mobile can actually serve as a bridge to basic services like banking, education and healthcare, as well as enabling the establishment of trade links with surrounding areas. Resources can be reached at the touch of a button and contact can be maintained with family members who have left the area to go to larger towns or out of the country.

Meanwhile, locally there is another compelling reason the project can be applauded. Most African women in rural areas give birth at home with the help of a local midwife. This is fine if everything goes smoothly. If not, mobile enables help to be summoned quickly. Routine procedures such as caesarean sections can be carried out in a timely manner, and unnecessary deaths can be prevented. This situation has arisen in Kaobagou, Benin, a town of 3 300 people which has a school and a maternity hospital, but no electricity or running water, and where AMN installed a base station in 2014. The head of the hospital has credited the new services with saving lives.

This can continue and improve millions more lives across sub-Saharan Africa. Installation is just the beginning.

Sowing harmony and impact in the Dominican Republic and Jamaica

The EIB invested EUR 40m in the Caribbean and Pacific Impact Finance Facility (CPIFF) in 2015. The facility is available to financial and microfinance institutions in the Caribbean and the Pacific, with the goal of on-lending to small enterprises in both regions. Two projects signed in 2016 in Jamaica and the Dominican Republic demonstrate the versatility of this facility in terms of impact and the small businesses which will ultimately benefit from the funds. This means that the EIB can reach businesses in the Caribbean that have previously been beyond its scope and the CPIFF has the potential to be very far-reaching in terms of lives improved. What these businesses have in common is a desire to grow and evolve. Our Bank is helping them to achieve that.

"The economic and social problems on the Dominican-Haitian border are deep and complex," says Cristian Reyna, President of Banfondesa, the microfinance institution to which the above statistic refers. "This project favours the financial inclusion of vulnerable sectors of these areas, and this is an essential step in getting people out of poverty." The EIB's loan to Banfondesa fills a gap in the regional economy in the Dominican Republic. It focuses on parts of the country that are underserved financially – from Monte Cristi in the North to Pedernales in the South – but are also vulnerable to climate change, health issues, inadequate water supplies and food insecurity.

"This will directly benefit over 25 000 families and indirectly benefit 115 000 people by granting credit without collateral in amounts ranging from EUR 500 to EUR 50 000 and payment terms of between 12 and 36 months," Reyna says. The target beneficiaries themselves are self-employed workers, individual employees, and microenterprises with two to ten employees, in addition to small businesses with up to 50 staff members. Specifically, financing will target certain groups, notably women, 18 to 35-year-olds and start-ups under two years old.

A key component of the project is to provide banking services for remote populations and bring them into the formal economy, and a technical assistance programme will strengthen Banfondesa's capacities in this, as well as aiming to expand the promotion of banking services to women, young people and Haitian nationals.

"Perhaps the greatest social impact we have is that the border regions simply have no programmes for student loans for poor people," say Reyna. "Our plans address this by improving the access of children and young people to social services including technical and university education, which will in turn reduce inequalities in access to educational services and IT as well as improving vocational training." With access to finance and education, the border regions should benefit strongly from this operation.

Building capacity to support development is vitally important, and this is acknowledged by the

Jamaican government, which is also promoting the MSME sector. The Development Bank of Jamaica (DBJ) is also drawing on the CPIFF to boost access to finance for small businesses. "The line of credit from the EIB has significantly assisted the government through us, by enabling DBJ to provide additional low-interest loans to the productive sectors of manufacturing, services, agriculture, distribution and trading, transportation, tourism, entertainment and energy," says DBJ Managing Director Milverton Reynolds.

The structure of this operation is somewhat different to the EIB's support for Banfondesa, which is focused on particular regions. Jamaica has quite a lot of microfinance institutions, and DBJ has selected those it considers to be strong financial performers to avail of the EIB-backed credit, and also provides them with funding to improve operational efficiency and their own sustainability. At the same time, the selected MFIs also ensure the best possible reach across the island. "We are placing special emphasis on entrepreneurship as an attractive career choice," says Reynolds, "and to show that entrepreneurs can be globally competitive when they get the chance."

The dominant sectors of DBJ's microfinance portfolio are distribution and trading, followed by services and agriculture, while women account for over 60%. Banfondesa and the Development Bank of Jamaica are using the CPIFF in different ways, but they have the same interests in common: increasing access to finance, lowering interest and giving small businesses the opportunities to create sustainable wealth for more people.

Projects IN SUMMARY

Supporting young entrepreneurs in French Polynesia

The EIB has made a EUR 8.4m financing facility available to Banque Socredo in French Polynesia, which will support entrepreneurs on a local level, and across a variety of projects and sectors. The latter will include agriculture, fisheries, livestock breeding, small-scale industry, construction, transport, handicrafts and pearl cultivation. Climate action and tourism are also eligible, while the facility also takes on board the remoteness and underservice of certain islands that make up the territory.

This financing programme is also especially targeted towards younger people in French Polynesia, who do not always get the funding required to grow their businesses. It will bring financing to over 200 projects that may well have struggled to attract it otherwise, and will provide peace of mind through longer tenors for the borrowers, enabling them to focus on developing the next generation of enterprises across French Polynesia's 130 islands and five archipelagos.

The largest ever EIB loan in the Caribbean

The EIB has supported a range of projects in the Dominican Republic since 1992. Our most recent project is also our largest in terms of financial volume. This USD 100m loan agreement with the government will improve electricity distribution systems and power supply availability, significantly cutting losses throughout the network. The project is timely, as poor electricity supply has been identified as a significant obstacle to economic growth in the country.

Over three years, the Corporación Dominicana de Empresas Eléctricas Estatales (CDEEE) aims to normalise power supplies for 285 000 households. The EIB loan has enabled the overall project to benefit from a EUR 9.3m grant from the European Commission through the Caribbean Investment Facility. These funds will be used to carry out necessary power supply investment in the municipality of Santo Domingo Este, home to some of the nation's poorest neighbourhoods.

Resilient infrastructure in Madagascar

The capital of Madagascar, Antananarivo, is susceptible to flooding, something which was brought home with terrible consequences in spring 2015, when several dykes burst under the pressure of heavy rainfall, forcing the evacuation of over 2 000 people across several municipalities. The EIB has responded to a request from the Malagasy government to provide financing for the rehabilitation of these vulnerable flood defences, and we are investing EUR 40m in the post-disaster reconstruction efforts, notably the stricken dykes.

The project will ensure the safety of people living in the danger zones, and ensure that the 2015 situation, when all of those people were evacuated from their homes at 11pm, is not repeated. The Bank is also supporting efforts to improve urban mobility in Antananarivo by contributing EUR 28m to the city's ring road project, alleviating congestion, cutting emissions and improving quality of life.

Water and sanitation in Senegal

The EIB is investing EUR 100m in an operation designed to improve water and sanitation services in the regions of Thiès, Louga and the capital Dakar, in Senegal. The project comprises a water treatment plant with a capacity of 100 000 m^3 per day, as well as 922 km of pipelines and increased reservoir capacity in Dakar and Rufisque.

Senegal's water infrastructure is good, with around 98% of urban populations and 84% of rural ones having access to clean water, adding up to a total of 90% of the country's population. That said, this is the first such infrastructure investment in around five years, and sanitation services lag behind, reaching 62% of city and town dwellers and only 39% in rural areas. An aspect of this project is to help conserve bodies of water in urban areas, which will improve sanitation.

These are basic public services, and are essential for both maintaining adequate health conditions and improving quality of life. This project will improve the reliability of supply for around 3.9 million people, of whom 3.1 million live in the greater Dakar area. Coverage will also be extended to suburban areas, and a further 85 000 households will be connected to the network.

This is not the only project to be signed in Senegal in 2016, nor is it the only project to support vital infrastructure. The EIB is also investing EUR 75m in a project to modernise electricity supplies in the country, including almost 144 000 new first-time connections.

Food security in Malawi

Malawi is one of the poorest countries in the world, and faces the twin challenges of an overreliance on unreliable food resources and an underdeveloped financial sector. The former is adversely affected by climate change, while the latter means bottlenecks form and small businesses cannot develop as they would like to.

The EIB is helping to address both of these concerns with a EUR 30m loan to the National Bank of Malawi (NBM), which focuses on financing agri-storage warehouses in the country and will increase NBM's own capacity to lend to the sustainable agriculture sector, considered vital to boosting food resources and the Malawian economy as a whole.

The project will work by bringing finance to companies looking to build storage facilities for harvested cereal crops, which remain inadequate in Malawi, making the risks of food shortage ever higher. Once complete, the sub-projects financed under this loan can be expected to create around 1 200 jobs in Malawi and improve incomes for around 130 000 people, who will be given the peace of mind that their produce is being stored properly and safely, and is not at the mercy of the weather. Lastly, the completed warehouses will have the capacity to store enough food to feed around 1 million Malawians for a year.

Rejuvenated energy in São Tomé

Adequate energy supply is a pre-requisite for economic development, and this is hindered somewhat in São Tomé and Principe, Africa's second smallest country by population. The electricity market there is characterised by high prices for consumers, systemic losses and inefficiency arising from years of underinvestment. The EIB is therefore partnering with the World Bank to invest in a power sector recovery project concerning the whole electricity distribution network on São Tomé, the larger of the two islands.

We are putting EUR 12m into the initiative, which will help change the mix and the make-up of the energy market in the country through a comprehensive overhaul of the infrastructure. An existing hydropower plant will be rehabilitated, and this increased capacity will inject 2.2 MW of clean energy into the grid, cutting emissions. Around 100 km of distribution lines will also be rehabilitated, which will reduce losses in the system, stretching power supplies further and making them more reliable, in addition to reducing emissions again through efficiency.

Finally, 21 000 new meters will be installed in the grid, which will allow the utility company, Empresa de Agua e Electicidade (EMAE), to cut losses and monitor usage more closely. This, in turn, will make it possible to reform the billing process on the network – while a technical assistance programme will also build capacity for EMAE, and ensure fairer conditions for those who matter most: the residents and businesses of São Tomé.

PARTNERSHIPS for development

Working with the African Development Bank

The AfDB's strategy to take it from 2013 to 2022 is built around five development priorities, dubbed the High 5: Light up and Power Africa, Feed Africa, Industrialise Africa, Integrate Africa and Improve the Quality of Life for the People of Africa. "These are aligned with the Agenda 2030 and the SDGs," says Stefan Nalletamby, Director of AfDB's Financial Sector Development department.

The EIB and AfDB have been working together on projects in Africa for quite some time, and our partnership is evolving. On the second Africa Day, which was hosted at the AfDB headquarters in Abidjan, Nalletamby says "the event clearly brought out that both of our institutions are willing to deepen the relationship, while our investments together have exemplified teamwork and good partnership. We have our strengths and should be deepening this relationship through more co-financing, co-investing and co-designing of such programmes."

Agility and responsiveness

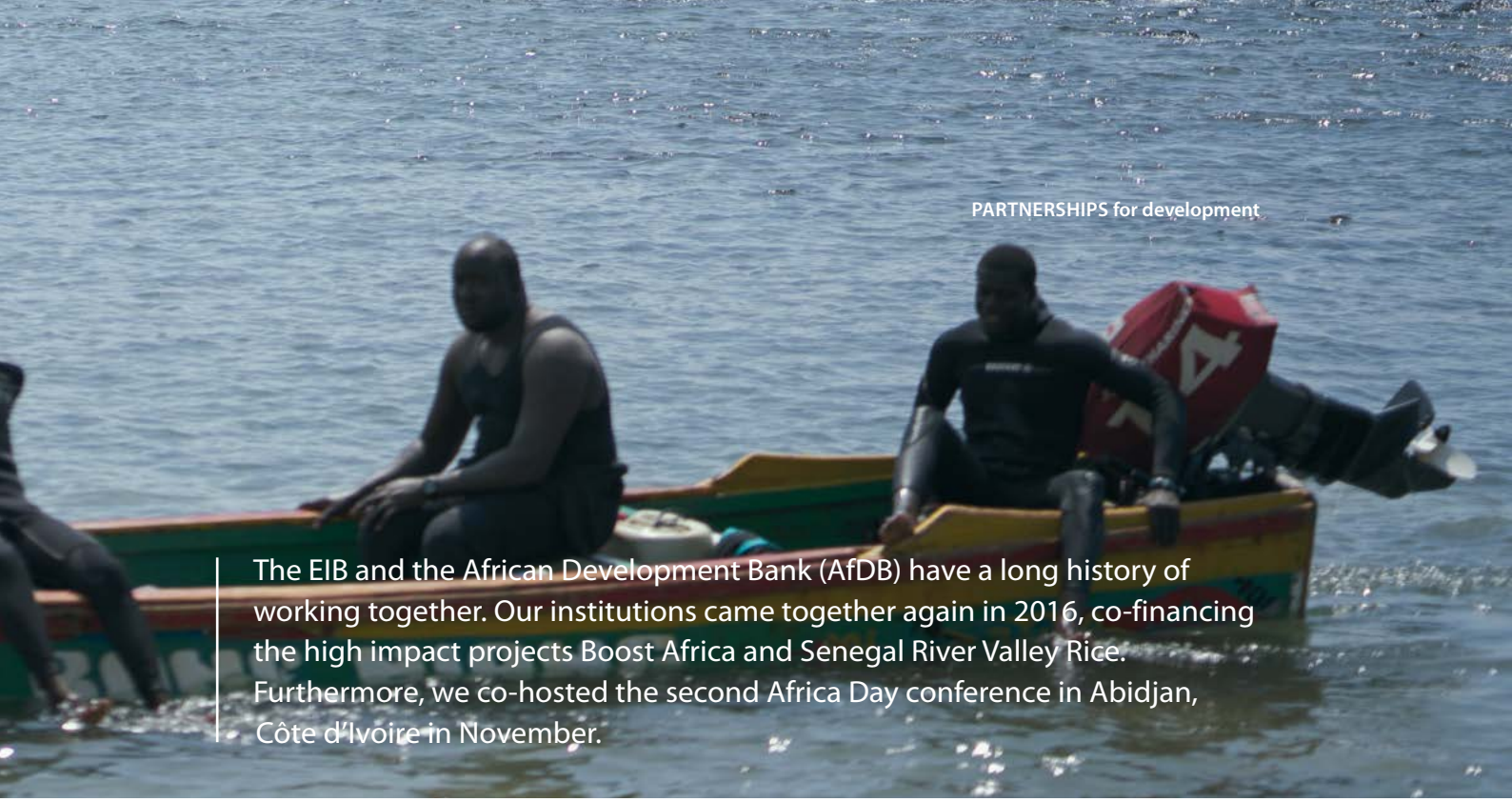
Discussions are ongoing in this regard, and further cooperation will be essential in helping African economies grow and diversify. The EIB has seen something of an evolution in the way we support projects in Africa, and the same can be said of AfDB. "2016 was a good year in terms of operations, with our departments delivering the highest number of approvals and disbursements ever, while we have been reorganising ourselves to become more agile and more responsive to the continent's needs."

Included in that reorganisation is a renewed focus on agriculture and more fragile economies. This is something AfDB shares with the EIB, where we are developing instruments to tackle migration as well as to expand our reach in terms of sectors but also countries of operation. The development of the Impact Financing Envelope is an example of this, as is its expansion to include migration-focused base of pyramid initiatives.

Bringing financing to fingertips

One of the most chronic issues facing development in Africa remains access to finance. It is simply not there at the levels it should be. "The premier obstacle to growth for small businesses remains access to finance," says Nalletamby. "It is an essential part of our development mandate, and we are addressing the issue in three different ways: by supporting capital market growth, through our financial intermediation business and by continuing to invest in private equity." Vehicles like Boost Africa come in and can support start-ups, but also businesses that are underserved due to their own profile or even size, where they fall into the gaps between microfinance, credit lines or traditional banking operations and capital markets.

Creating access to financial services will be a transformative factor. As Nalletamby points out, "the informal sector contributes 55% of GDP and represents 80% of the labour force. This vast demography is excluded from the traditional economic



The EIB and the African Development Bank (AfDB) have a long history of working together. Our institutions came together again in 2016, co-financing the high impact projects Boost Africa and Senegal River Valley Rice. Furthermore, we co-hosted the second Africa Day conference in Abidjan, Côte d'Ivoire in November.

system, lacks employment benefits and social protection and represents huge losses in tax revenues for governments."

Catalytic projects

Connecting rural populations as well as supporting basic energy access programmes provides two essential basics for progress in the form of telecommunications and power. Bringing financial services to the fingertips of rural populations on the back of that infrastructure is a further essential step.

Both of our institutions are focusing on projects with the biggest impact, as well as putting together solutions that work for Africa in plugging gaps where it is necessary. The coming years will see further strategic collaboration and joint catalytic projects by the EIB and AfDB.

Cooperation in finance

The EIB is a key player in international development, and remains committed to the implementation of EU policies and objectives outside the EU. Our ties with EU companies, institutions and delegations in Africa, the Caribbean and the Pacific regions are long-standing and stable. We take our lead from the European Commission and the European External Action Service, and invest in the projects and initiatives set out in the EU Agenda for Change and the Cotonou Agreement. The EIB cooperates with many organisations which have the same goals in mind.

To meet the SDGs and to put together the financing the ACP regions will need in the coming decades, it is important for cooperation to deepen and new partnerships to form. Achieving the SDGs, which apply across the world, will require USD 11.5tn per year over the coming decade and a half, according to United Nations estimates.

Multilateral Development Banks (MDBs) and International Financial Institutions (IFIs) cannot do this alone. The EIB is in the process of putting together formal partnerships with other organisations which can enable us both to share ideas and expertise and collaborate on future projects. It is in this spirit that the EIB has formalised partnerships with several agencies, with which we will share know-how and expertise in a wide range of sectors. They all have the same ambition: getting good projects off the ground.

Sharing expertise

To maximise the impact of our projects, and to explore new ways of doing things and identify new sectors to target on the road to the 2030 Agenda, the Bank is partnering with several organisations to combine our financial know-how with their technical expertise and local knowledge. Taken together, we are boosting our capabilities in several sectors relevant to the SDGs.

UNIDO

EIB President Werner Hoyer and United Nations Industrial Development Organisation (UNIDO) Director-General Li Yong formally signed a Memorandum of Understanding in July 2015. Through this, our organisations have agreed to enhance their cooperation and to share good practices and expertise in relevant sectors, most notably resilient infrastructure, sustainable industrialisation and innovation. This is a timely partnership, which will enable us to work together to help achieve several of the SDGs, amongst them Number 1 (No Poverty), Number 8 (Decent Work and Economic Growth), Number 9 (Industry, Innovation and Infrastructure), Number 12 (Responsible Consumption and Production) and Number 13 (Climate Action). The EIB and UNIDO have explored some potential projects in industrial value chain support in Africa.

FAO

The Bank has also agreed to work with the Food and Agriculture Organisation of the United Nations (FAO), for which EIB Vice-President Pim van Ballekom and FAO Director-General José Graziano Da Silva signed a Memorandum of Understanding in 2015. This makes sense for both parties, as the Bank looks to expand investment in agriculture and food security, notably in terms of private sector companies, value chains, small businesses and entrepreneurs, and FAO focuses on food security and sustainable job creation in the field of agribusiness. In addition to our joint interests, our organisations can work together on relevant projects in the future, where technical assistance and expertise could be required to carry out capacity-building on the ground, including the promotion of agribusiness to rural populations, young people and women, as well as bringing their ideas to bear on development. There are several ways in which this could happen, and our organisations are again looking at areas for collaboration. Working together will help us to achieve SDGs Number 1 (No Poverty), Number 2 (Zero Hunger), Number 5 (Gender Equality), Number 8 (Decent Work and Economic Growth) and Number 15 (Life on Land).

IFAD

The crucial importance of creating jobs in rural areas is something we have covered in this report, and it is also something that the EIB is approaching proactively. In April 2016, EIB Vice-President Pim van Ballekom and IFAD Associate Vice-President Henock Kifle signed an agreement to expand cooperation between the two organisations, reflecting the importance of agribusiness in emerging economies, both now and in the future. The Memorandum of Understanding reflects the premium placed on smallholder farmers, as shared by both the EIB and IFAD, and we are working together on a project which will support them.


Club MMA

UNDP

The United Nations Development Programme operates in many countries, supporting sustainable development, the eradication of poverty, the advancement of women and good governance within the ultimate aim of achieving the SDGs. The EIB and UNDP have therefore formalised a Memorandum of Understanding to work together towards this common agenda, which has the SDGs at heart, and is placed in the context of the "From Billions to Trillions" MDB action plan. This was signed by EIB President Werner Hoyer and UNDP Administrator Helen Clark in October 2016. The thematic focuses of this partnership are tackling climate change, responding to crisis and post-crisis situations, addressing the migration crisis and promoting inclusive markets and entrepreneurship. Technically, our organisations are targeting urban development (SDG Number 11 Sustainable Cities and Communities), sustainable energy (SDG Number 7, Clean Energy), water management (SDG Number 3, Good Health and Wellbeing and SDG 6, Clean Water and Sanitation) and rural development.

UNOPS

The United Nations Office for Project Services (UNOPS) supports the successful implementation of UN partners' peace-building, humanitarian and developmental projects around the world. The EIB can work with UNOPS on key projects to improve lives across the world, and the ACPs are no exception to this. It was in this context that, in April 2016, EIB Vice-President Pim van Ballekom and UNOPS Director Grete Faremo signed an agreement for our organisations to work together. This partnership will enable us to overcome ongoing challenges to sustainable development, most notably in fragile economies, as well as climate change and, crucially, increasing the capacity of the private sector to drive growth and change. Together, the EIB and UNOPS can catalyse further investment in projects where investors could be reluctant to get involved. Again, SDG Number 1 (No Poverty), Number 8 (Decent Work and Economic Growth), Number 10 (Reduced Inequalities) and Number 13 (Climate Action) are all targets, with an indirect benefit to Number 16 (Peace, Justice and Strong Institutions).

European Commission and European External Action Service

As a European institution, the EIB partners with the European Commission and European External Action Service (EEAS) to promote EU development policies abroad. The Bank will continue to play a significant role in the current programming exercise in ACP countries and regions, thereby contributing to the implementation of the Agenda for Change, the EC Private Sector Development strategy (PSD) and the New European Consensus on Development.

The new consensus is especially important at the moment as it is tailored to include Agenda 2030 and the 17 Sustainable Development Goals, finding a balance between the economic, social and environmental dimensions of sustainable development. This is structured around the five core themes of Agenda 2030, the "5 Ps": People, Planet, Prosperity, Peace and Partnership.

11th EDF Programming: the EIB has been closely associated with the programming phase of the 11th EDF at national and regional level, through its contribution/comments to draft National and Regional Investment Plans and its participation in national/regional seminars, and through regular and systematic contact with EU Delegations. The Bank will continue providing its support through the implementing exercise, in close collaboration with the EU and the EC, both at headquarters and EU Delegation levels. The Bank is also taking an expanding role in the Joint Programming process in relevant countries, particularly through direct participation in sector coordination groups in the field.

European and international bilateral financial institutions and development finance institutions

National and regional promotional banks aim to catalyse long-term finance along with the EIB Group and other European and international development finance institutions (DFIs) and international financial institutions (IFIs). A good example of this strategic cooperation is the EIB's regular participation in the DFI/IFI Working Group Meeting on SME Finance. The objective is to deliver projects more efficiently through the harmonisation of legal documentation and standards.

European businesses

Having been present in Africa for over five decades now, the EIB is in a good position to help European companies that are interested in investing in the African market, as well as the Caribbean and Pacific markets. The regions are primed for progress, being rich in natural resources and renewables, and with favourable demographics. Africa is notably hungry for investment, as are the Caribbean and the Pacific, and the EIB is raising awareness of this around the European Union. The internationalisation of European companies is a priority for the EIB, and we are stepping up our efforts to increase corporate lending to these entities which have ACP regions in their sights. The EIB now has a division dedicated to corporate lending in these circumstances. We can be confident that these operations will increase over the coming years.

Mutual Reliance Initiative

To enhance the effectiveness of development cooperation, we are one of the partners in the Mutual Reliance Initiative (MRI), which sees the Bank join forces with France's AFD (Agence Française de Développement) and Germany's KfW Development Bank. This initiative enables the promoters of investment projects co-financed by the three development institutions in EU partner countries to benefit from a larger project finance capacity through a structured division of labour, in which one acts as lead financier.

In the ACP countries, since completion of the pilot phase, 17 new operations have been started applying the MRI approach. Three had to be withdrawn as the investment project stalled or the lenders' financing approach changed. The EIB is involved in 11 of the remaining 14 operations. The Bank is lead financier in four of these, including water sector

projects in the Seychelles, Tanzania and Zambia, as well as an electricity project in Mozambique.

Overall the MRI contributes to building stronger ties with our partners AFD and KfW, and promoting more effective European finance outside the EU in line with the EU's external policies. It clearly facilitates relationships with project promoters and contributes to lightening their workload, notably in the area of procurement supervision. Ways of deepening the delegation of tasks and responsibilities in order to make the MRI approach more efficient, and to scale up the initiative, are being explored.

Sustainable Energy for All (SE4All)

The SE4All Initiative calls for universal access to energy, doubling the rate of energy efficiency and doubling the share of renewables, and is represented in SDGs 7 and 13. The EIB has several means to support this, and is actively engaged in EU efforts to do precisely that. The first of these is the EU-Africa Infrastructure Trust Fund, as we see on p.48.

The Global Energy Efficiency and Renewable Energy Fund (GEEREF) is a fund-of-funds which provides equity to ultimately benefit smaller-scale renewable energy projects in developing countries. Specialist managers operating in ACP countries are eligible for GEEREF investment, while it is anticipated that the whole fund will be allocated by the end of 2017. The demonstrable multiplier effect of GEEREF is such that a larger successor, GEEREF NeXt, is now in the pipeline.

The EIB has also developed a number of innovative financing initiatives designed to address specific gaps in the energy market and constraints on private sector investment meeting SE4All objectives.

The **Africa Energy Guarantee Facility** is being designed to respond to the lack of adequate risk-mitigation products and will leverage insurance, re-insurance and banking sector expertise for eligible energy projects in Africa. It is expected to be approved in 2017.

European Financing Partners and the Interact Climate Change Facility

On an operational level, the EIB and the other EDFIs cooperate wherever justified with joint financing, but mostly in the context of two initiatives:

(i) the European Financing Partners (EFP) initiative. As of 30 November 2016, out of the IF's total contribution of EUR 490m for EFP I to V, and with cancellations taken into account, a total amount of EUR 205m had been committed to 33 projects. The bulk of these commitments have been made to financial intermediaries (34%), and the communication (19%) and industry (18%) sectors in Nigeria (28%), Kenya (21%) and Tanzania (9%).

(ii) the Interact Climate Action Facility (ICCF), a EUR 300m climate change fund set up in 2011 with a EUR 50m commitment from the IF, and built on an EFP concept with the participation of AFD. As of 30 November 2016, a total of ten projects in the ACP region with a value of EUR 154m had been approved or were under appraisal. The EIB is participating in three of these projects through ICCF with a total commitment of EUR 12.8m and is directly fi-

nancing three others. The bulk of ICCF projects are in the wind (46%) and solar (21%) sectors. Projects in Uganda, Kenya and the Dominican Republic are currently under appraisal.

In December 2016 a replenishment of both facilities took place. The EIB did not replenish due to its large committed amounts remaining undisbursed. Existing IF commitments were extended for a further three years.

Since 2014, the EIB has been entrusted by the European Commission with the management of the EU-EDFI Private Sector Development Facility (EEDF) for an amount of EUR 45m. This provides partial credit guarantees for eligible projects under SE4All that are submitted for financing to EFP or ICCF. To date, the EIB has issued one guarantee (for EUR 5.35m) for an ICCF project with a German promoter (Mobisol) that sells pay-as-you go solar home systems for low-income customers in Rwanda and Tanzania. A second project, involving a PV solar plant in Kenya, was approved by the ICCF Investment Committee in November 2015. The issuance of the guarantee for that project is still pending the signature of the underlying finance contracts. DEG is the Promoting Partner in both operations.

How the EIB can MAKE A DIFFERENCE

The EIB is the largest multilateral borrower and lender in the world, and is active in around 160 countries, investing in projects that meet its stringent criteria in terms of bankability, sustainability, environmental and social impact and potential for job creation and poverty reduction.

We make a difference by offering financing conditions that cannot be provided by the market alone, and by supporting project preparation and implementation. In doing so, the EIB helps fill the investment gap and get a project off the ground. We very rarely finance more than 50% of the overall cost of a project. In fact, the proportion is usually rather lower than that. Instead, our presence catalyses further investment from partner institutions or other parties. It also works in the other direction, as our partners – national development banks and financial institutions alike – can also catalyse investment from us.

Our role goes beyond lending to include blending. This is combining EIB loans with EU grants, and advising. EIB loans extend the typical tenor available to projects, and are flexible enough to do this on a case-by-case basis.

Dedicated blending facilities are going to become ever more important over the coming years. The investment needs across all sectors are enormous, and sourcing funding from European institutions in addition to development banks will give the private sector a certain level of reassurance on viability, quite separate from the standards we maintain for our projects. The EIB and our partners can demonstrably crowd-in funding from the private sector to get projects off the ground. To meet developmental targets, this is going to be vital.

Our range of financing options is flexible enough to enable us to operate in countries facing civil and political struggles. The EIB is eager to diversify the range of countries in which we can operate, and we collaborate with our partners and share expertise to achieve that goal, amongst others. The Bank is a long-term financial institution, and these are some of the countries that require the most investment as they lack what others take for granted.

We can help clients mitigate foreign exchange risk by financing in local currency. The benefits of this will be felt by more businesses in our regions, but also by smaller businesses, which need these local currency loans more than most. In fact, local currency lending is a significant component of our private sector support, and is essential in getting things moving and showing results.

The European Union sets the highest environmental and social standards. The EIB shares these values and wishes to see them broadened across the world.

Our contribution stands apart from the market alternatives in three main areas:

Long-term resources adapted to project needs: five indicators are used: extension of typical maturity, match with asset life, local currency funding, grant element and innovative products.

Blending grants and loans

As the EU bank, we act in a catalytic way and ensure that our grants and investments in development are directed where they are most effective and can provide the highest sustainable long-term impact.

The use of innovative financing instruments which leverage additional finance is crucial to ensuring the long-term results of projects in developing countries.

Subsidies enable us to support the economic and financial soundness of projects with substantial environmental or social impacts, or where basic infrastructure has been damaged by conflict or a natural disaster in poorer or less developed countries.

Technical assistance provided at all stages of the project cycle can fund pre-feasibility studies, project preparation and implementation, capacity-building for financial intermediaries and beneficiaries, and staff training to help raise environmental, social and governance standards.

Thus, blending can help to ensure efficiency and the best use of resources available. It can improve project quality and long-term impact, optimise the Bank's service to beneficiaries (something we are always looking to improve) and promote donor cooperation in particular between European aid actors.

For more information on the European Union's suite of blending instruments, please see p.48

Transparency

The EIB is guided by the highest possible level of transparency, as well as institutional respect for democratic accountability. As a policy-driven and public financial institution, the Bank must be transparent about how we make decisions and implement EU policies in partner countries.

We are accountable to citizens and must retain the highest levels of credibility. Our guiding principles are openness, good governance, participation and democratic accountability. To enhance this, our data is published in line with the International Aid Transparency Initiative (IATI). We have been doing this since 2014. Information about how our operations compare to these international standards can be downloaded freely.

In addition, the EIB launched the public register in the same year. This contains the social and environmental project assessments of our operations. Again, this information is available to all.

It can be found on the EIB website at www.eib.org.

Technical contribution: we not only provide financing but also often contribute to improving the project characteristics in business, developmental, social, environmental or corporate governance terms.

Standards and resource mobilisation: our participation in the transaction adds value by providing demonstration effects, raising standards, or mobilising other financial resources, particularly among our European partner financing institutions.

In line with the EU Agenda for Change, the EIB continually develops innovative financing instruments to ensure that its lending best meets its borrowers' needs and addresses funding gaps.

The blending of loans and grants is a key element of this, enabling the Bank to contribute to making projects happen in challenging sectors or countries where it might not otherwise have been able to.

Grants are provided in various forms: technical assistance, interest rate subsidies, investment grants or risk mitigation instruments.

Technical assistance supports project preparation and implementation, as well as capacity-building for borrowers and final beneficiaries, and helps to raise environmental, social and governance standards, ensuring projects' long-term sustainability. This is of benefit throughout the project cycle, and improves overall quality. It is an endorsement of EIB technical assistance that the budget for it under the Investment Facility has reached EUR 95m for the period 2014-2020, compared with just over EUR 40m for the previous cycle.

Subsidies boost the economic and financial soundness of projects offering substantial environmental or social impacts, or essential infrastructure projects in poorer or less developed countries or those having suffered conflict or a natural disaster, as well as reducing debt vulnerability. Investment grants and risk mitigation instruments may further help to render projects bankable or to reduce their risk level.

Our financing OPTIONS

The EIB employs different instruments to finance different kinds of operations in sub-Saharan Africa, the Caribbean and the Pacific. In general, our own resources are used for public sector operations, mainly in infrastructure, in the form of senior loans. These funds can also be used for intermediated loans, however. The ACP Investment Facility is geared towards private sector investment. In addition to senior and intermediated loans, we also carry out equity and quasi-equity investments, grant junior and subordinated loans and provide guarantees.

The Impact Financing Envelope is a separate window of the Investment Facility, and is used for higher-impact projects which bring about higher risks with higher returns. This is used to reach initiatives which go beyond the traditional scope of other instruments, be that financial, geographical or sectoral. The IFE comprises four instruments. These are social impact equity funds, which are used to invest in funds targeting entrepreneurs and young companies focusing on alleviating social issues. The IFE can also be used for loans to financial intermediaries in riskier markets, or who seek to invest in riskier sectors. It can also provide risk-sharing instruments and direct financing to companies through debt or equity.

Funds managed by the EIB

Senior loans
Intermediated loans

Instruments also available under IF
Widely traded currencies

Investment Facility (IF) revolving fund

9th, 10th, 11th EDF
- ACPs EUR 3 637m
- + 500m Public Sector for migration
- OCTs EUR 48.5m
- Impact Financing Envelope
- EUR 500m + 300m for migration

Subsidy Envelope 11th EDF
- ACPs EUR 634m
- OCTs EUR 5m

- Junior or subordinated loans
- Quasi-equity funding
- Equity funding
- Guarantees

- Interest rate subsidies
- Technical assistance (up to 15%)

Widely traded currencies and local currencies

EIB own resources

11th EDF
- ACPs up to EUR 2 500m
- OCTs up to EUR 100m

ACP blending FACILITIES

EU Africa Infrastructure Trust Fund (EU-AITF)

The EU-AITF has promoted investment in infrastructure projects in sub-Saharan Africa since 2007. It provides grants blended with long-term financing from IFIs, thereby contributing to poverty reduction and increasing access to sustainable energy, water, transport and communication services. Grant support is available through various instruments such as technical assistance, investment grants and financial instruments under two different envelopes: the Regional Envelope and, since 2013, the Sustainable Energy For All (SE4All) Envelope.

The Regional Envelope promotes regional infrastructure projects in energy, transport, water and telecommunications, as well as cross-border or national projects with a demonstrable regional impact on two or more countries. In June 2016, Hungary joined the EU-AITF as a new donor with a pledged contribution of EUR 3m to the Regional Envelope. Pledged contributions under this envelope now stand at EUR 485m. As of December 2016, 79 grant proposals had been approved under the Regional Envelope for a total of EUR 448.2m, net of cancellations. Over half of them are for projects which support the Programme for Infrastructure Development in Africa (PIDA) Priority Action Plan – a demonstration of the EU-AITF's clear commitment to African ownership.

The SE4All Envelope supports regional, national and local energy projects in line with the SE4All objectives: to ensure universal access to modern, affordable and sustainable energy services; double the global rate of improvement in energy efficiency; and double the share of renewable energy in the global energy mix. Total contributions to the envelope are EUR 330m. As of December 2016, 32 grant operations totalling EUR 259.7m had been approved under the SE4All Envelope in support of 25 projects.

The six new projects approved by the EU-AITF in 2016, all under the SE4All Envelope, demonstrate that the Fund continuously explores new forms of cooperation and support and does not shy away from projects in countries perceived to have a difficult investment climate. For example, the EU-AITF approved a financial instrument in the form of a 0% interest loan for a pioneering project in Chad. This involves the construction of a solar PV plant, which will be developed by a consortium of private investors. This is in keeping with the trends and EIB priorities: approvals in 2016 saw a particular focus on the private sector.

Grants approved include backing for two credit lines in Nigeria and Ghana that will support local banks in financing priority investments for private electricity distribution companies and investments in small and medium-sized green energy projects, as well as technical assistance to support the development of low-carbon public-private partnerships in Mozambique.

While the EU-AITF's remaining resources are expected to be fully committed in 2017 – the year of its tenth anniversary – and the European Commission's more recently launched African Investment Facility will gradually take over, the EU-AITF's work is far from over. Going forward, ongoing projects must be seen through to implementation and results monitoring must continue.

Africa Investment Facility (AfIF)

Established in July 2015 and operational since 2016, AfIF is the latest of the EU Regional Blending Facilities. The European Commission will tentatively allocate at least EUR 1.8bn to AfIF for the 2016-2020 period. By the end of 2016, EUR 1.04bn had been allocated to the AfIF from various programmes under the European Development Fund and the Development Cooperation Instrument (Regional Indicative Programmes, National Indicative Programmes, Pan-African Programme). Further funds are due to be allocated from the Intra-ACP programme in 2017, which will open up possibilities for blending in support of private sector development. The latter will notably allow further consideration of the grant application for Boost Africa under the Facility.

Total approved grants under the Facility in 2016 amounted to EUR 295.3m. Compared to the AfDB and AFD, the EIB has made modest use of the AfIF so far, with two projects approved for a total grant amount of EUR 31.94m. We are present as co-financier in a further three projects approved in 2016, and intend to scale up the number of requests presented for blending. A further 21 potential blended finance operations are included in the pipeline, for a total amount of EUR 852m in loans and EUR 517m in grants, covering a range of sectors aligned with EU priorities in the region. Several grant applications will be prepared over 2017 and 2018, in close coordination and consultation with the European Commission, the European External Action Service, and relevant co-financiers active in the region.

Caribbean Investment Facility (CIF)

We intend to pursue efforts to use CIF resources in support of our lending activities in the Caribbean on a case-by-case basis, notably in the infrastructure sector, including energy and water, and potentially in the area of microfinance. To date, one operation in the Dominican Republic with the EIB as lead financier has been approved under the CIF for a total grant amount of EUR 9.3m. More on the project can be found on page 27. Total grants approved under the Facility amounted to EUR 83.63m at the end of 2016, out of EUR 102m allocated to date. Currently there are no EIB-led operations in the CIF pipeline. Co-financing opportunities are being sought where other eligible finance institutions assume the leading role vis-à-vis the CIF.

Investment Facility for the Pacific (IFP)

Programming of the 11th EDF includes an allocation for the IFP estimated at EUR 20m. As with the Caribbean Investment Facility, the EIB intends to pursue efforts to use IFP resources in support of its lending activities in the Pacific on a case-by-case basis. To date, two operations in Fiji and Timor-Leste with the EIB as lead financier have been approved under the IFP for a total grant amount of EUR 10m. During an official visit to Fiji in November 2016, an extension of the EIB's technical assistance (TA) programme with the Fiji Electricity Authority was signed.

This planned TA will focus on Viti Levu, the largest island of the Fijian archipelago, which was hit hard by the category 5 Cyclone Winston in February 2016. The storm took the lives of 44 people and did tremendous material damage, also cutting off parts of the island from its electricity supply. The goal of the EIB's technical assistance will be to support the establishment of a Transmission Network Development Plan, which will make the island's power supplies more climate-resilient. It builds on a technical assistance initiative dealing with hydropower development on the Ba River, for which FEA and the EIB signed a cooperation agreement in June 2015.

The RESULTS MEASUREMENT Framework

The EIB introduced the Results Measurement framework (ReM) to strengthen its assessment, measurement and reporting on the result and impact of operations outside the EU. ReM has been in use since 2012, and improves the ex-ante assessment of results, while simultaneously being refined as a tool to provide us and our partners with vital information. It harmonises results indicators with other IFIs as far as possible in order to simplify client reporting requirements for co-financed operations.

The Bank is engaged in a working group that brings together international financial institutions and European development finance institutions and aims to harmonise sector-specific results indicators for private sector operations.

Through the framework, the EIB can show the expected benefits from each and every project outside the European Union.

ReM uses a three-pillar methodology to address three separate project dimensions. These project dimensions cannot be compared with one another, nor can they be aggregated. They are rated independently, and thus a project is assessed through three different sets of criteria. The first pillar looks at how the project fits in with the mandate.

In the case of operations in sub-Saharan Africa, the Caribbean and the Pacific, this means the country strategy as well as the priorities as set out in the Cotonou Agreement. The second pillar examines projected social, economic and environmental outcomes. The third pillar assesses the role played by the EIB itself, quantifying what has been discussed over the past few paragraphs, and how our input compares with the market alternative, where this is applicable.

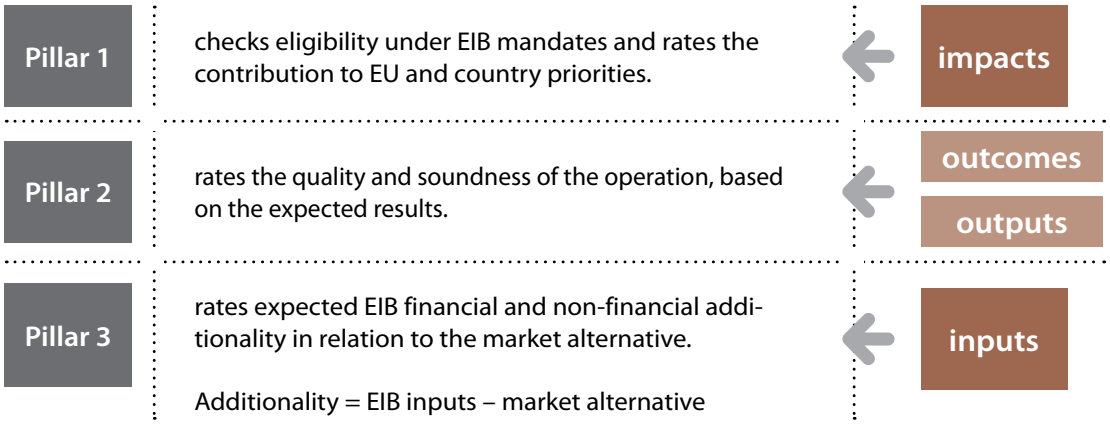
The framework is designed to be flexible enough to reflect differences in regional, economic and social environments, to align in the future with changing demands and to remain useful internally, as a learning tool. The Bank is continuously working to improve the ReM framework to contribute in a more meaningful manner to development effectiveness both internally and in its relations with its European and IFI development partners. An example of this is a revision of the ReM framework to better align it with the Sustainable Development Goals.

ReM +

The scope of the ReM framework has been enhanced through the development of the REM+. This expanded framework goes further down the beneficiary line to assess impacts on final beneficiaries. It also goes deeper in terms of the profile of the final beneficiaries, estimating the share of bottom-of-the-pyramid populations as well as gender, youth and migration dimensions. ReM+ is implemented for projects financed under our Impact Financing Envelope, which is used to finance high risk, high impact projects in the ACP region.

Figure 3

ReM Framework



ReM for technical assistance

We are developing indicators to rate and measure the outputs and outcomes of the technical assistance we provide or support as part of EIB projects. This includes upstream activities, such as sector and feasibility studies, and downstream support for project preparation, implementation and capacity-building.

Performance of the IF PORTFOLIO as a revolving fund

Income statement

For the year 2016, the Investment Facility shows a net profit of EUR 84.3m, compared with a net loss of EUR -3.3m in 2015. The significant increase in the Facility's annual result is mainly due to the following profit or loss items:

Impairment on the debt lending portfolio, net of reversals, changed significantly, from a loss of EUR -33.9m to a gain of EUR 44.4m in 2016, due in part to the partial impairment reversal provision on one operation, for EUR 64.8m. Impairments on the equity lending portfolio decreased from 2014's EUR -3.6.m to EUR -2.5m.

Fee and commission income decreased significantly between 2015 and 2016, dropping from EUR 0.9m to EUR 0.65m. This drop was mainly due to a decrease in fees earned for early loan repayments.

The net foreign exchange result rallied by a significant margin, from a net loss of EUR -52.5m to EUR -15m.

Net realised gains on available-for-sale financial assets decreased from EUR 33.9m to EUR 6.5m between 2015 and 2016. This is due to decreased dividends income in 2016. This dropped from EUR 33m in 2015, which featured a substantial amount of one-off dividends due to one investment fund operation, to EUR 4.3m. Net proceeds increased from EUR 0.8m to EUR 2.16m.

Fair value changes of derivative financial instruments decreased from a net gain of EUR 6.3m to EUR -10.4m.

Interest and similar income increased from EUR 90.4m to EUR 106.7m, in line with the increase in the debt lending portfolio.

Net administrative expenses were EUR -43.5m, a slight increase over the 2015 figure of EUR 43m.

Balance sheet

Total equity increased from EUR 2 416.2m in 2015 to EUR 2 699.4m in 2016. Member State contributions increased from EUR 2 157m to EUR 2 377m. Retained earnings amounted to EUR 179.5m compared to EUR 95.2m in 2015. Lastly, the fair value reserve showed a 2016 year-end balance of EUR 142.8m compared to EUR 164m in 2015.

As the Bank's financial activity is expanding, our loan portfolio grew from EUR 1 460.1m to EUR 1729.4m. This represents an overall growth rate of 18.4% and constitutes the single largest item in our assets, at 60.3%.

Cash and cash equivalents decreased by 19.6%, from EUR 448.9m to EUR 360.8m, between 2015 and 2016.

Equity and equity investments increased from EUR 419.4m to EUR 516.9m.

On the liabilities side, "amounts owed to third parties" was the most important item, at EUR 116.1m. This is more than the 2015 figure of EUR 101.2m. It includes an amount of EUR 72.6m for interest subsidies and technical assistance received from Member States, but not yet disbursed. This accounts for the increased liabilities, as it is more than 2015's figure of EUR 58.1m. This includes EIB management fees, as outlined above.

Risk profile

The Bank ensures the quality of the overall IF portfolio through selective, early-stage project screening, regular and reinforced monitoring of its

operations and ex-post evaluations. In order to appropriately address the credit risk inherent in some new operations, or the effects of adverse circumstances on existing counterparties, the Bank keeps a regularly updated Watch List of potentially risky operations. It provides a risk report twice a year to its Member State stakeholders.

As at 31 December 2016, the IF portfolio was compliant with all its applicable limits.

In general terms, the overall credit quality of the IF portfolio remained rather stable in 2016. With reference to loans, the credit quality of the new business signed during 2016 was higher than the stock. In fact the share of "prime quality" loans to "acceptable risk" loans was 78% for the new signatures in 2016 compared to 60% for the stock. The better credit quality of the new business was partially offset by the development of the risk profile of existing exposures, which was also reflected by the increase of the number of operations on the Watch List.

Despite a decrease compared to end-2015, the analysis of the top 10 counterpart exposures shows a non-negligible concentration risk in the portfolio (top 10 counterparts account for 28.1%). As at end-2016 the top 10 country concentration remained below 50%, showing an improvement compared to previous years.

Watch List

As at 31 December 2016, 30 operations were on the Watch List compared to 17 operations as of June 2016. These operations amount to EUR 665.7m. This accounts for 19% of total signed exposure, which is an increase on the June 2016 figure of 8.6%. This increase has been mainly driven by the overall economic slowdown in emerging markets in recent years. The macroeconomic headwinds have adversely impacted the private sector and banks in emerging markets. That said, during the second half of 2016, emerging market economies showed signs of stabilisation.

Reflows

At the end of 2016, capital contributions into the ACP Investment Facility from EU Member States amounted to EUR 2 377m, out of the total Cotonou endowment of EUR 3 685.5m (Cot 1-3). Under its unique revolving mechanism, additional cash – stemming from principal repayments on loans, interest income, sales of shares and dividend income – is re-injected into the facility. At the end of 2016, these reflows amounted to some EUR 1.8bn.

In this way, additional approvals for financing projects for amounts exceeding the total endowment are possible, based on forward-looking projections of expected cash reflows. Reflows have been the funding source for all new approvals since early 2012.

Total cumulative approvals under the ACP Investment Facility since 2003 amount to EUR 6.5bn. Projections indicate a continuing yearly increase in lending to a total at end-2020 of approximately 2.6 times the amount of the original endowment.

Organisation and staffing

The EIB's Global Partners Department manages all of the Bank's activities in the ACPs, the Republic of South Africa and the Overseas Countries and Territories, as well as implementing the ACP-relevant activities under special mandates. In addition, staff in the Projects Directorate, Mandate Management Department, Transaction Management and Restructuring, Monitoring, Equity and Microfinance, Trust Funds and Blending and Legal services are also dedicated to ensuring the success of ACP operations.

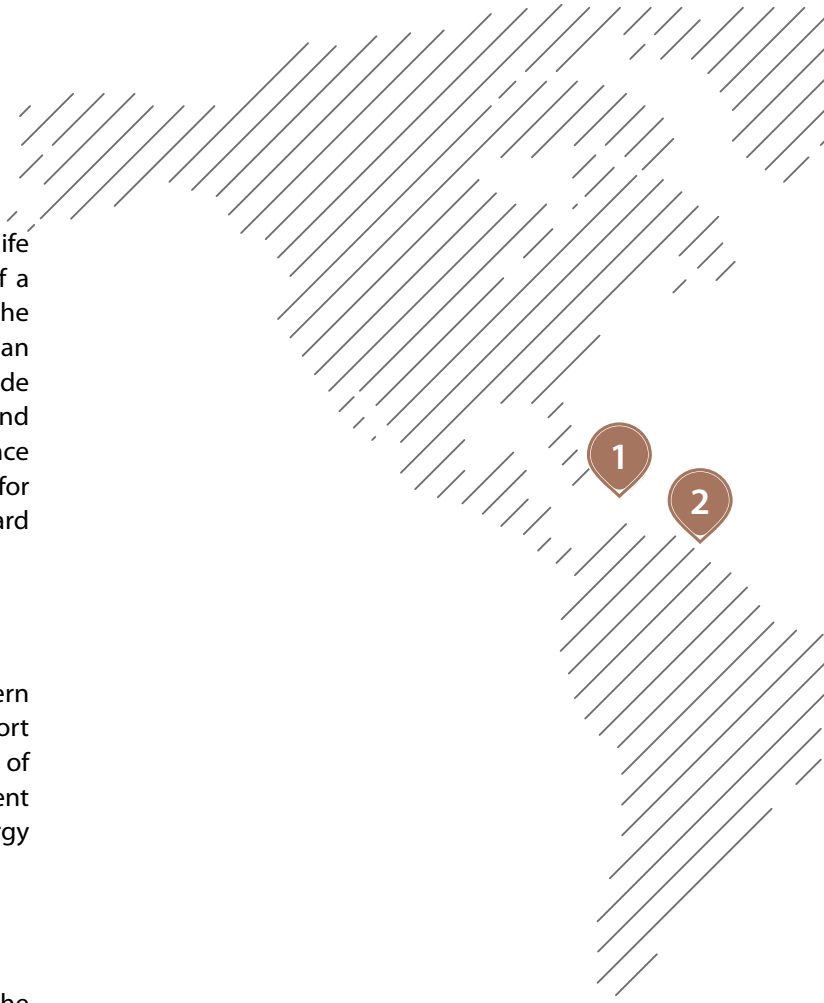
At the end of 2016, there were some 106 full-time equivalent (FTE) staff members working on the ACPs. These are divided between the EIB's Luxembourg headquarters and the external regional offices and desks in the ACP regions.

Our external presences are located in Addis Ababa, Abidjan, Dakar, Nairobi and Yaoundé for East, West and Central Africa, Pretoria for Southern Africa, Sydney for the Pacific, and Santo Domingo and Barbados for the Caribbean.

An EIB presence in the field helps with market assessment, project origination, analysis and transactional work, as well as monitoring, communications and relations with local partners. A local presence within EU Delegations, such as in the Yaoundé and Santo Domingo offices, is expected to enhance the dialogue and reinforce synergies between the two financing arms of EU development cooperation. The Addis Ababa office, meanwhile, brings the EIB closer to the African Union headquarters, and will allow the Bank to have better ties with that organisation. The West African regional office has transferred from Dakar to Abidjan. Dakar is remaining open, and this decision was taken to bring the local presence closer to the headquarters of the African Development Bank, a partner of real importance on the continent.

Restructuring within the Bank and an expanded presence on the ground will come into play over the course of 2017 and subsequent years, which will see further numbers added at the head office as well as in ACP countries. In order to deliver according to expectations, the availability of sufficient human resources with the relevant expertise is of paramount importance.

External offices



“ Funding projects that change people’s life is highly gratifying in a region made up of a constellation of small island states, like the Caribbean. I am proud to represent an institution which has been able to provide concrete measures to alleviate poverty and living conditions through regular microfinance contributions and substantial support for adapting infrastructure to new climate-hard conditions.

Réné Perez, Santo Domingo Office - **1**

“ The EIB Desk for the Southern and Eastern Caribbean is officially open, in time to support the finalisation of the Climate Action Line of Credit II with the Caribbean Development Bank, and follow up on new renewable energy lending opportunities in the region.

Floris Vermeulen, Barbados - **2**

“ Opening our Abidjan Office on the occasion of the second EIB Africa Day marked two very positive steps. We saw first-hand the appetite for investment here in Côte d’Ivoire and across sub-Saharan Africa. The office also brings us closer to our partners at the African Development Bank. I am very much looking forward to more close collaboration with them and our EU colleagues on great projects in West Africa.

Isabelle van Grunderbeeck, Abidjan Office - **3**

“ I often meet clients, and potential clients of the EIB, but as part of the photography series for this report, I met lots of other people who benefitted from EIB investment here in Senegal, across a range of sectors. That was very encouraging and motivating, and we can do more!

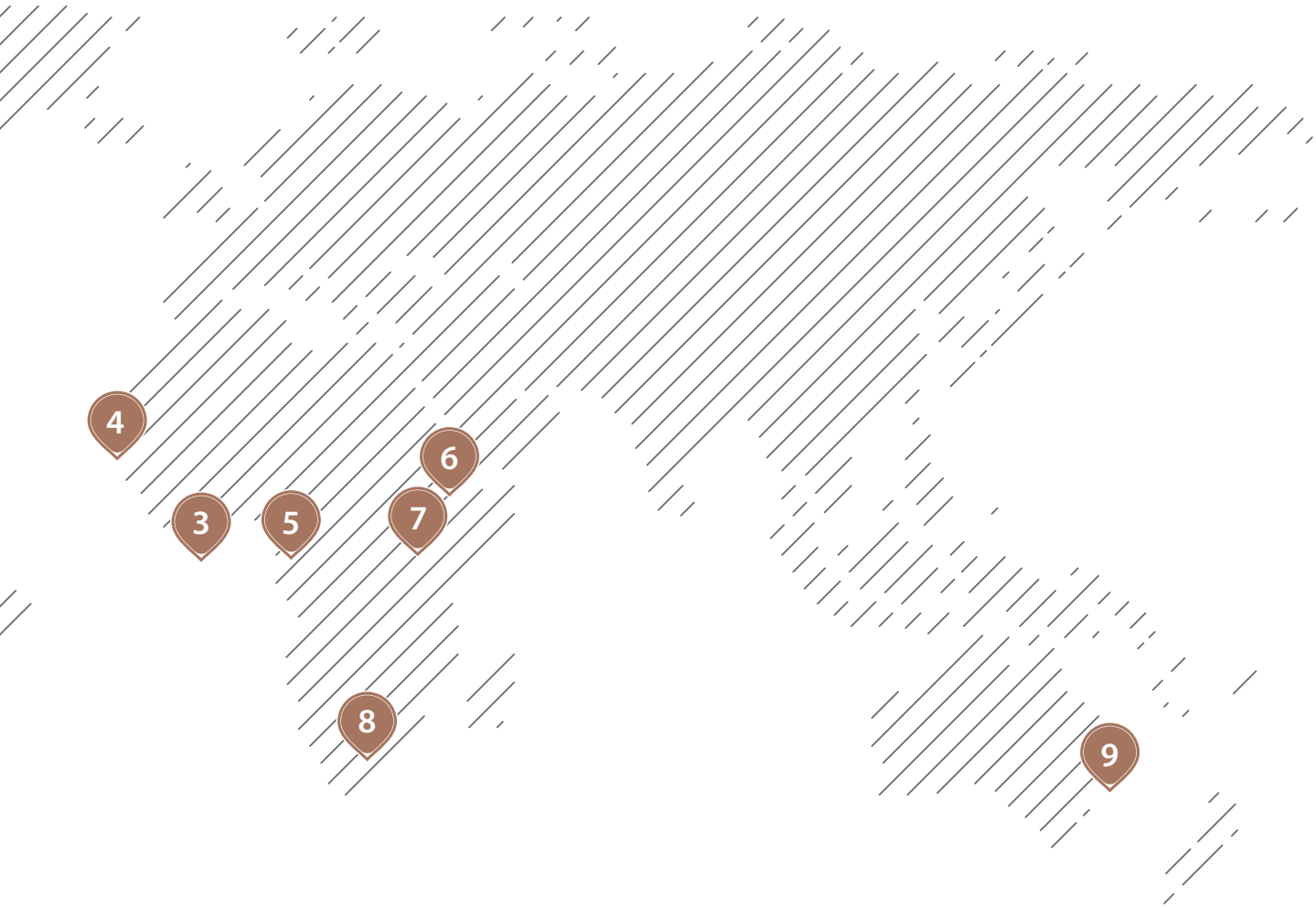
Samba Khary Niang, Dakar Office - **4**

“ Like some of the other desk offices in Africa, Yaoundé is a new place for us to have a local presence. I am very encouraged by the interest in what we can do for the private sector locally, in Cameroon and further afield, as I have seen at conferences, and in spreading the EIB’s word in the Central African region through good quality projects.

Andrea Pinna, Yaoundé Office - **5**

“ Since the opening of our office in Ethiopia last July, our pipeline of projects has increased substantially and become well diversified, including small equity projects and major infrastructure projects. We now hope to sign 3-4 projects this year and 3-4 projects next year. Half of them will be in the private sector.

Christoph Litt, Addis Ababa Office - **6**



“ I was interested to learn that the construction of a learning resource centre (a library, an auditorium conference and video conferencing facilities) for the Catholic University of Eastern Africa, co-financed by a loan from the EIB through the Co-operative Bank of Kenya was the recipient of a national award for the best green building in the country!

Nicholas Nzioka, Nairobi Office - **7**

“ The Pretoria Office launched its SME banking and Microfinance Academy, along with the Frankfurt School, which brought together people from lots of different institutions in sub-Saharan Africa, to share expertise and also their feedback about the EIB and available loan and equity products. This was very illuminating, and we have made it an annual event.

Carmelo Cocuzza, Pretoria Office - **8**

“ A small team assisting a geographically vast region covering 19 small island developing states – among the most fragile and vulnerable in the world, exposed to adverse impacts of climate change and economic shocks – we work in close cooperation with development partners for a significant impact!”

Adam Bruun, Sydney Office - **9**

The COMING years

The EIB remains committed to supporting and investing in good quality, sound projects in Africa, the Caribbean and the Pacific regions, the Overseas Countries and Territories, and the Republic of South Africa. The EIB's goals are to contribute to sustainable economic development, the creation of good jobs, climate action and regional integration.

We are the financial arm of the European Union, and are dedicated to supporting the achievement of EU policy goals abroad. The EIB's evolution should be considered within this context. The Bank is in a position to develop new financial instruments to tackle the challenges of our times. We remain dedicated to providing long-term investment, but we are evolving in how quickly we can respond. An example of this is the migration crisis. The EIB has made tackling the root causes of migration a priority in all affected regions, and Africa, the Caribbean and the Pacific are not excluded from this.

We are increasing the capacity of the Impact Financing Envelope and making it into a revolving fund partially dedicated to dealing with migration directly through supporting private sector initiatives that create good jobs and have a significant impact. Boost Africa is an example of the kind of new operation we are targeting. The potential is there to create 25 000 good jobs for young people, and it is just the beginning.

The EIB will also make EUR 500m available under the Investment Facility to target public sector projects with a migration focus. These will lay the foundations on which the private sector can develop. They encompass water and sanitation which boost health, and ICT infrastructure and transport links which connect people, encourage trade and help forge business ties. They also include clean energy production and reliable distribution.

On the occasion of the Paris Agreement, the EIB pledged to increase the share of climate action investment in developing countries to 35% of totals by the year 2020. We are putting together a pipeline of projects to do this, and placing our efforts towards improving lives and conditions for as many people as we can.

We have confidence that our priorities are the correct ones to ensure sustainable development and job creation. The next step is to build on what we can already do. With the help of our partners, we are doing exactly that.

Economic environment and investment climate

The regions covered in this report comprise sub-Saharan Africa, the Caribbean and the Pacific, the Republic of South Africa and the Overseas Countries and Territories. They make up 75 very diverse places, 45 of which are situated in sub-Saharan Africa (SSA), 15 in the Caribbean and 15 in the Pacific. Sub-Saharan Africa accounts for 96% of the overall ACP population, as well as 86% of its GDP. Taken together, the three regions account for around 13% of the world's population, but only 2.7% of global GDP.

There are 79 ACP States, as signatories of the Georgetown Convention, but only 75 countries are eligible for financing under the Cotonou mandate. This is because South Africa (see below) has a different EIB mandate and Cuba, Equatorial Guinea and Sudan have either not signed or ratified the Cotonou Agreement or its subsequent revisions. These three countries thus cannot benefit from EIB investments. The same situation applies to South Sudan.

The OCTs are comprised of 25 territories of which 11 depend on the UK, seven on France, six on the Netherlands and one on Denmark.

Per capita income levels as measured by GDP vary significantly across countries, ranging from USD 305 in Burundi to USD 93 000 in Bermuda. Average GDP per capita amounts to USD 1 400 in the African ACP countries, USD 5 200 in Caribbean and USD 2 900 in the Pacific. South Africa has a GDP per capita of USD 5 700, while the OCTs average USD 33 500.

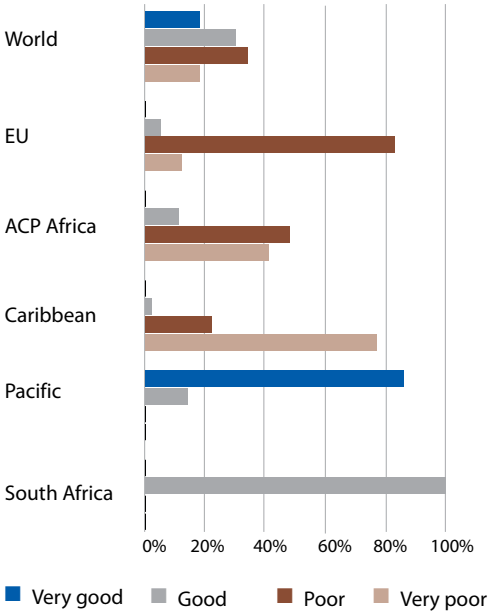
The number of poor people in the ACP regions fell by 4 million between 2012 and 2013, but progress has been uneven and poverty remains widespread. Half of the world's extreme poor live in sub-Saharan Africa, 2013 figures show, with about 390 million people living on less than USD 1.90 a day.

The ACP regions, and in particular SSA, also achieve poor rankings in terms of social indicators such as adult literacy and life expectancy: out of the 20 worst-ranked countries in the 2015 UNDP Human Development Report, 19 are in SSA.

The business climate is generally unfavourable as institutions are weak and infrastructure is poor. Out of the bottom 20 countries in the 2015-2016 Global Competitiveness Report, 14 are sub-Saharan African and two are Caribbean. 12 of the 20 worst-scoring countries in the Ease of Doing Business (2017) ranking are sub-Saharan African, one is Caribbean and one is Pacific (Figure p.63).

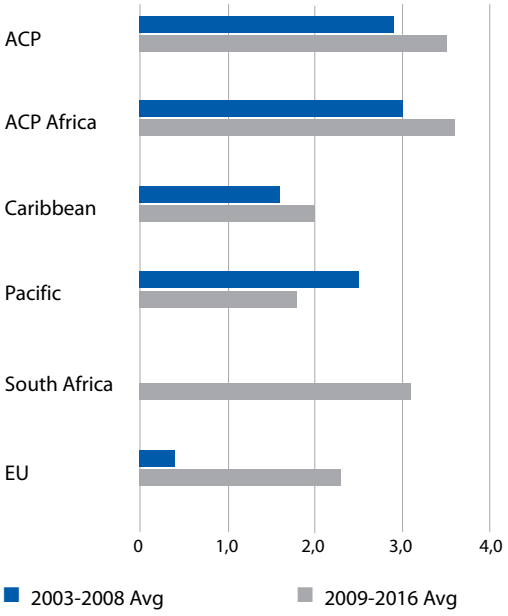
Economic activity is largely geared towards agriculture, but solid minerals and oil also account for a significant share of GDP in large parts of sub-Saharan Africa, the Caribbean and the Pacific. Tourism is very important for many Caribbean and Pacific countries, and in some cases solid minerals, oil and gas are too. The lack of economic diversification, the narrow export base and the dependence

Ease of Doing Business
(population weighted)

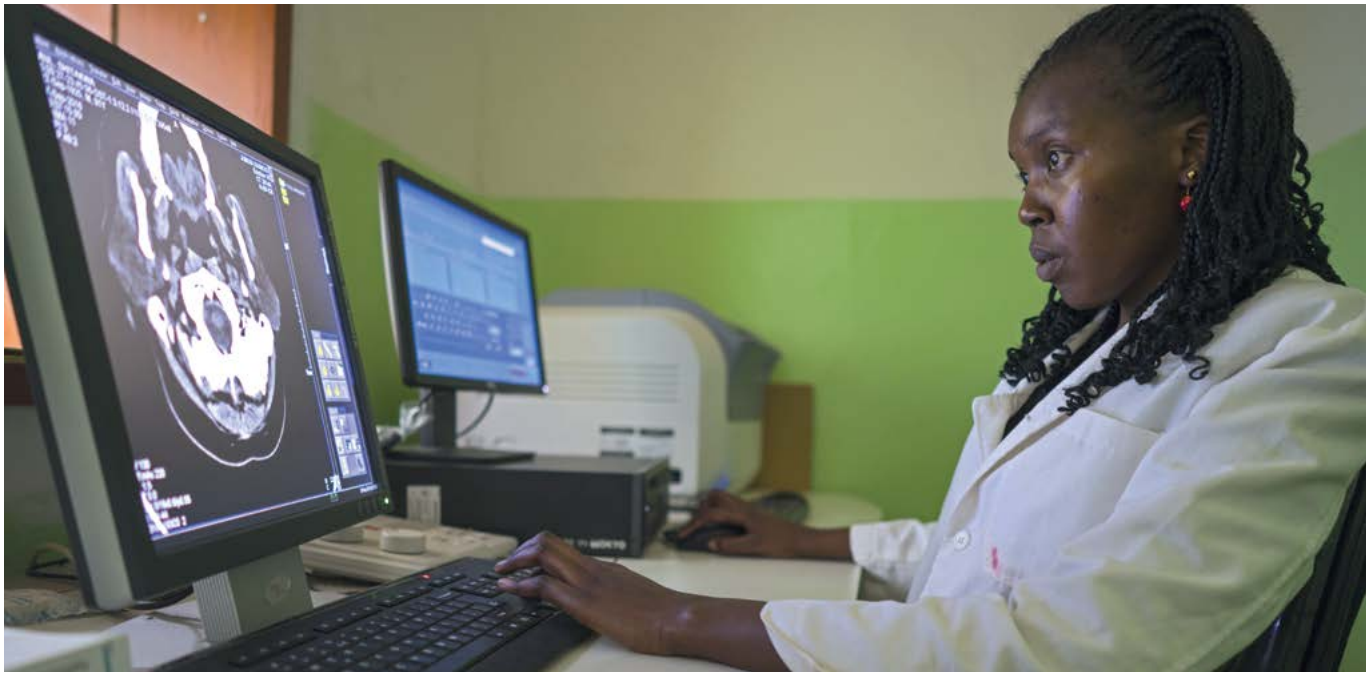


Source: World Bank Doing Business ranking (2017); ECON calculations.

GDP p.c. growth, before and after the financial crisis (%)



Source: IMF; ECON calculations.



on a small number of commodities (or on tourism) make ACP countries vulnerable to exogenous shocks and volatility in commodity prices.

The ACP countries are of relatively limited importance in terms of international trade, accounting for 2.3% of world trade in 2016. However, a number of countries in the region are significant crude oil producers: Angola, Nigeria, Egypt and Gabon produce 4.5 million barrels per day (or 4.6% of world output). The region is also rich in minerals and a major exporter of some agricultural products.

Sub-Saharan Africa

Economic growth in sub-Saharan Africa was robust between 2003 and 2008, averaging 6.3% per year. This was fuelled by high commodity prices, ample capital flows and domestic economic reforms.

Since mid-2014, however, lower commodity prices, adverse domestic developments and rising borrowing costs, as well as a reduction in demand from China, have contributed to a slowdown in growth. An exception to this can be found in African energy importers, which are the only countries in the region to record a growth rate higher than the average.

Overall GDP growth in sub-Saharan Africa slowed to an estimated 3.4% in 2015, the lowest level in 15 years, and down from 4.5% in 2014. Per capita GDP growth in SSA weakened to 0.3% in 2015, which remains well below the rate necessary for significant poverty reduction.

The impact of the decline in commodity prices has been most severe on oil exporters (including Angola, Nigeria and most CEMAC countries). But economic activity also weakened substantially in non-energy mineral exporters (Botswana, Zambia). In addition, domestic issues have contributed to lower growth in countries affected by electricity shortages (Nigeria, Zambia), the Ebola epidemic in West Africa (Guinea, Liberia, Sierra Leone), conflicts (Burundi, Central African Republic, South Sudan), political and security uncertainty in the Sahel region (Burkina Faso, Chad, Mali, Niger, Nigeria, and more recently the Democratic Republic of Congo), and the severe drought in large parts of southern and eastern Africa (Ethiopia, Malawi, Zimbabwe).

Moreover, the unsupportive global environment and the sustained slump in commodity prices have combined in some countries with difficult domestic political and economic conditions, including civil war, terrorism, and drought. GDP growth is projected to slow down to 1.4% in 2016, with a

Macro overview

	ACP without SA	Africa (*)	Caribbean	Pacific	South Africa	EU28	OCTs
MACRO							
GDP per capita (USD)	1 540	1 411	5 176	2 876	5 727	32 112	33 454
GDP per capita (PPP)	3 511	3 304	10 001	3 994	13 209	38 107	--
GDP (bn USD current 2015)	1 445	1 268	144	32	315	16 300	1.2
GDP Growth 2005-2015	5.7	6.0	3.5	5.1	2.9	1.1	--
GDP Growth 2016-2020 (projected)	3.7	3.7	3.3	3.3	1.4	1.7	--
Current account (% GDP)	-6.0	-6.4	-4.8	6.4	-4.3	2.1	46.1
FISCAL							
Government Debt (% GDP)	38	36	52	33	50	87	--
Government Deficit (% GDP)	-3.9	-4.1	-2.5	-3.2	-3.9	-2.3	--
FINANCIAL SECTOR							
Credit % GDP	25	23	33	56	150	98	--
Loans/Deposits	0	0	0	0	0	0	--
Human Development							
HDI rank (out of 189)	161	162	122	147	116	23	--
Life expectancy	59	59	69	65	57	81	--
Poverty rate	35	35	2	15	17	0	--
Adult literacy	57	56	74	64	94	99	--

Sources: World Bank, IMF.
(*) excluding South Africa

moderate rebound to 2.9% in 2017, according to the IMF (Table p.65). The external environment, particularly for commodity exporters, remains challenging. By contrast, several of the region's non-resource exporters, excluding South Africa, are expected to continue to expand at a very robust pace of more than 5% in 2016, benefiting from low oil prices and enjoying healthy private consumption and investment growth rates.

Several other sub-Saharan African countries continue to register robust growth. Many oil importers generally fared better in 2015 than previously, with growth in excess of 5% in countries such as Côte d'Ivoire, Senegal, Ethiopia, Kenya, Tanzania and Rwanda. In these countries, growth was supported by high public infrastructure investment, an improved business environment, strong private consumption, and a good agricultural season.

Oil exporters experienced a substantial decrease in revenues that put pressure on the overall fiscal balance. Responses to the revenue shortfalls have varied. Some countries cut expenditures in the face of declining revenues, while others continued with their infrastructure investment programme, financing it in some cases through advances from the domestic banking system. Meanwhile, in a number of oil importers, expenditure overruns coupled with a decline in grants caused the fiscal deficit to widen during 2015. Public debt burdens increased over the last year in SSA.

Overall, risks remain to the downside on the back of uncertainty stemming from the economic situation in China and the volatility of energy and other commodity prices. Additional difficulties in Europe owing to financial or geopolitical developments could further weaken the external demand for African exports and reduce investment flows as well as development aid, as could the change in regime in the US. While USD appreciation could provide balance of payment relief in some countries, currency and investment flow volatility is expected to rise as the pace of monetary normalisation quickens in response to US fiscal expansion.

At a domestic and regional level, if the drought in Eastern and Southern Africa were to persist or spread, this would dampen growth in agriculture and expose a significant share of the population to food insecurity, contributing to irregular migration and, in the worst case, forced displacement. In addition, the threat of terrorism is mounting in Central Africa and the Sahel Belt. These conflicts can be triggered or exacerbated by food insecurity.

Caribbean

Compared to the rest of the ACP regions, Caribbean countries have achieved a relatively high income (GDP) per capita. However, the Caribbean economic outlook is clouded by being one of the most indebted regions in the world. Despite the large share of concessional debt, the growth of public debt has reduced both the capacity of Caribbean countries to absorb external shocks and their creditworthiness, something which is reflected in the steady decline of their sovereign ratings. This also leads to a high debt/low growth trap. GDP growth in the ECCU and the Caribbean's services-intensive economies has constantly decreased (5.7% and 3.6% respectively in the 1980s, 3.5% and 3.0% in the 1990s, 2.7% and 2.3% respectively in the 2000s and 0.9% and 0.8% in 2010-2015).

The IMF currently projects average real GDP growth of 2.4% and 2.2% for the 2016-2020 period. Growth is expected to be stronger in the poorest and less indebted countries, with the Dominican Republic, Guyana, Haiti and St. Vincent and the Grenadines recording growth rates in excess of 3%, while it is expected to be below 3% in the rest of the region.

Pacific

While they may share some of the same structural features, the Pacific Island countries have a GDP per capita that is on average around one third of that in the Caribbean. That said, in the same year their government debt stood at 33% of GDP, on average, with no country above 60% and just two countries (out of the nine for which data is available) with government debt above 50% of GDP.

For this region, size and especially remoteness, both from the US and from Europe, have traditionally represented a binding constraint on growth.

In 2015 Pacific Island countries grew faster than the Caribbean, largely on account of exceptionally strong growth in Papua New Guinea (around 9%), which has recently activated new energy projects, and in Palau, which benefits from special relationships with the US. Other economies, not only small but also substantially isolated – like those of Kiribati, the Marshall Islands, the Federated States of Micronesia, Samoa, Tonga, Tuvalu and Vanuatu – are expected to grow by less than 3% per year until 2020. Only Timor-Leste is expected to grow steadily at a rate above 5%.

South Africa

Over the last few decades South Africa has undergone major structural changes which have led to greater integration into the global economy and world financial markets. Prudent macroeconomic and financial management have contributed to entrenching macroeconomic stability. The credibility of the inflation-targeting framework, underpinned by the independence and solid reputation of the central bank, has effectively anchored inflation expectations. Sound regulation, an independent judicial system and good governance remain key strengths of South Africa's operating environment.

With an estimated GDP per capita of 13 165 at Purchasing Power Parity (PPP), South Africa is classified as a middle-income economy. That said, over 30% of the population lives on less than three dollars a day and 17% of South Africans between age 15 and 49 are infected with HIV/AIDS. Unemployment remains stubbornly well above 20%, and youth unemployment is over 50%. South Africa has a young population, which can be a powerful engine of growth if employment opportunities keep pace and workers have the education and skills to make them effectively employable.

The South African economy was badly affected by the 2008-09 global financial crisis. Since 2009 real GDP growth has been dim, and below peer emerging economies. In 2012-13 it averaged 2.3%, falling to 1.6% in 2014 and 1.3% in 2015, while growth will almost come to a halt in 2016 according to the latest IMF forecast. This protracted spell of below-par growth has further exacerbated social problems and led to internal tensions and a decline in confidence both amongst consumers and investors.

Sluggish growth has also resulted in increased vulnerabilities, including fiscal and external deficits (3.9% and 4.3% of GDP respectively in 2015). This leaves South Africa vulnerable to heightened risk aversion towards emerging markets that may stem from a tightening of international financing conditions.

List of ACPs and OCTs

Africa

- Angola
- Benin
- Botswana
- Burkina Faso
- Burundi
- Cameroon
- Cape Verde
- Central African Republic
- Chad
- Comoros
- Congo
- Democratic Republic of the Congo
- Côte d'Ivoire
- Djibouti
- Equatorial Guinea*
- Eritrea
- Ethiopia
- Gabon
- Gambia
- Ghana
- Guinea
- Guinea-Bissau
- Kenya
- Lesotho
- Liberia
- Madagascar
- Malawi
- Mali
- Mauritania
- Mauritius
- Mozambique
- Namibia
- Niger
- Nigeria
- Rwanda
- São Tomé and Principe
- Senegal
- Seychelles
- Sierra Leone
- Somalia
- South Africa**
- Sudan*
- South Sudan*
- Swaziland
- Tanzania
- Togo
- Uganda
- Zambia
- Zimbabwe

Caribbean

- Antigua and Barbuda
- Bahamas
- Barbados
- Belize
- Cuba*
- Dominica
- Dominican Republic
- Grenada
- Guyana
- Haiti
- Jamaica
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Suriname
- Trinidad and Tobago

Pacific

- Cook Islands
- Fiji
- Kiribati
- Marshall Islands
- Micronesia
- Nauru
- Niue
- Palau
- Papua New Guinea
- Samoa
- Solomon Islands
- Timor-Leste
- Tonga
- Tuvalu
- Vanuatu

OCTs

- Anguilla
- Aruba
- Bermuda
- Bonaire
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands
- Curaçao
- Falkland Islands
- French Polynesia
- French Southern and Antarctic Territores
- Greenland
- Montserrat
- New Caledonia and Dependencies
- Pitcairn
- Saba
- Saint Barthélemy
- Saint Helena and Dependencies
- Saint Pierre and Miquelon
- Sint Eustatius
- Sint Maarten
- South Georgia and the South Sandwich Islands
- Turks and Caicos Islands
- Wallis and Futuna

* ACP country not signatory to or not having ratified the revised Cotonou Partnership Agreement.

** RSA: although part of the ACP regional grouping and signatory to the Cotonou Partnership Agreement, South Africa receives assistance from the EIB under a different mandate.

Annexes

Abridged Financial Statements of the ACP Investment Facility

Statement of financial position

as at 31 December 2016 (in EUR '000)

	Notes	31.12.2016	31.12.2015
ASSETS			
Cash and cash equivalents	5	360,817	448,995
Derivative financial instruments	6	6,920	311
Loans and receivables	7	1,729,380	1,460,057
Available-for-sale financial assets	8	516,884	419,353
Amounts receivable from contributors	9/15	86,395	-
Held-to-maturity financial assets	10	169,398	228,521
Other assets	11	345	27
Total assets		2,870,139	2,557,264
LIABILITIES AND CONTRIBUTORS' RESOURCES			
LIABILITIES			
Derivative financial instruments	6	25,189	8,219
Deferred income	12	26,283	29,325
Provisions for guarantees issued	13	242	-
Amounts owed to third parties	14	116,114	101,202
Other liabilities	15	2,929	2,364
Total liabilities		170,757	141,110
CONTRIBUTORS' RESOURCES			
Member States contribution called	16	2,377,000	2,157,000
Fair value reserve		142,884	163,993
Retained earnings		179,498	95,161
Total contributors' resources		2,699,382	2,416,154
Total liabilities and contributors' resources		2,870,139	2,557,264

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2016 (in EUR '000)

	Notes	From 01.01.2016 to 31.12.2016	From 01.01.2015 to 31.12.2015
Interest and similar income	18	106,698	90,385
Interest and similar expenses	18	-2,307	-1,556
Net interest and similar income		**104,391**	**88,829**
Fee and commission income	19	699	932
Fee and commission expenses	19	-48	-63
Net fee and commission income		**651**	**869**
Fair value change of derivative financial instruments		-10,361	6,276
Net realised gains on available-for-sale financial assets	20	6,504	33,878
Net foreign exchange loss		-14,995	-52,483
Net result on financial operations		**-18,852**	**-12,329**
Change in impairment on loans and receivables, net of reversal	7	44,365	-33,988
Change in provisions for guarantees, net of reversals	13	-242	-
Impairment on available-for-sale financial assets	8	-2,493	-3,646
General administrative expenses	21	-43,483	-43,045
Loss for the year		84,337	-3,310
Other comprehensive income:			
Items that are or may be reclassified to profit or loss:			
Available-for-sale financial assets – Fair value reserve	8		
1. Net change in fair value of available-for-sale financial assets		-13,322	43,394
2. Net amount transferred to profit or loss		-7,787	-35,523
Total available-for-sale financial assets		-21,109	7,871
Total other comprehensive income		**-21,109**	**7,871**
Total comprehensive income for the year		63,228	4,561

Statement of changes in contributors' resources

For the year ended 31 December 2016 (in EUR '000

		Contribution called	Fair value reserve	Retained earnings	Total
At 1 January 2016	Notes	2,157,000	163,993	95,161	2,416,154
Member States contribution called during the year	16	220,000	-	-	220,000
Profit for the year 2016		-	-	84,337	84,337
Total other comprehensive income for the year		-	-21,109	-	-21,109
Changes in contributors' resources		220,000	-21,109	84,337	283,228
At 31 December 2016		2,377,000	142,884	179,498	2,699,382

		Contribution called	Fair value reserve	Retained earnings	Total
At 1 January 2015		2,057,000	156,122	98,471	2,311,593
Member States contribution called during the year	16	100,000	-	-	100,000
Loss for the year 2015		-	-	-3,310	-3,310
Total other comprehensive income for the year		-	7,871	-	7,871
Changes in contributors' resources		100,000	7,871	-3,310	104,561
At 31 December 2015		2,157,000	163,993	95,161	2,416,154

Statement of cash flows

For the year ended 31 December 2016 (in EUR '000)

	Notes	From 01.01.2016 to 31.12.2016	From 01.01.2015 to 31.12.2015
OPERATING ACTIVITIES			
Loss for the financial year		84,337	-3,310
Adjustments made for :			
Impairment on available-for-sale financial assets	8	2,493	3,646
Net change in impairment on loans and receivables	7	-44,365	33,988
Interest capitalised on loans and receivables	7	-7,183	-13,262
Change in accrued interest and amortised cost on loans and receivables		-5,842	1,594
Net change in provisions for guarantees issued	13	242	-
Change in accrued interest and amortised cost on held-to-maturity financial assets	10	86	12
Change in deferred income		-3,042	-1,985
Effect of exchange rate changes on loans	7	-35,025	-73,447
Effect of exchange rate changes on available-for-sale financial assets		-5,125	-9,385
Effect of exchange rate changes on cash held		-1,106	-12,216
Loss on operating activities before changes in operating assets and liabilities		**-14,531**	**-74,365**
Loan disbursements	7	-528,376	-282,784
Repayments of loans	7	351,468	205,772
Change in accrued interest on cash and cash equivalent	5	2	4
Fair value changes on derivatives		10,361	-6,276
Increase in held-to-maturity financial assets	10	-1,159,704	-1,545,550
Maturities of held-to-maturity financial assets	10	1,219,953	1,417,005
Increase in available-for-sale financial assets	8	-153,986	-67,449
Repayments/sales of available-for-sale financial assets	8	37,978	64,791
Decrease/(increase) in other assets		-318	5,495
(Decrease)/increase in other liabilities		565	-227
Increase/(decrease) in amounts payable to the European Investment Bank		423	4,668
Net cash flows used in operating activities		**-236,165**	**-278,916**
FINANCING ACTIVITIES			
Contribution received from Member States	16	133,605	100,000
Amounts received from Member States with regard to interest subsidies and technical assistance		30,000	92,590
Amounts paid on behalf of Member States with regard to interest subsidies and technical assistance		-15,510	-22,290
Net cash flows from financing activities		**148,095**	**170,300**
Net decrease in cash and cash equivalents		-88,070	-108,616
Summary statement of cash flows:			
Cash and cash equivalents at the beginning of financial year		**448,998**	**545,398**
Net cash from:			
Operating activities		-236,165	-278,916
Financing activities		148,095	170,300
Effects of exchange rate changes on cash and cash equivalents		-106	12,216
Cash and cash equivalents at the end of financial year		360,822	448,998
Cash and cash equivalents are composed of:			
Cash in hand	5	51,462	71,405
Term deposits (excluding accrued interest)		259,342	290,576
Commercial papers	5	50,018	87,017
		360,822	**448,998**

List of contracts signed in 2016

IF contracts signed in 2016					
ACPs					
Burkina Faso	LIGNE DE CREDIT MICROFINANCE BOA BURKINA FASO	Credit lines	Private	*	3.0
Ghana	GHANA FINANCIAL SECTOR LOAN III E	Credit lines	Private	*	15.0
Malawi	NATIONAL BANK OF MALAWI AGRISTORAGE FACILITY	Services	Private	*	30.0
Niger	LIGNE DE CREDIT BOA BURKINA FASO ET NIGER (NIGER)	Credit lines	Private	*	5.0
Nigeria	NIGERIA PRIVATE ENTERPRISE FINANCE FACILITY UBA	Credit lines	Private		60.0
Regional - ACP	MICROCRED IV	Services	Private		4.1
Regional - Africa	ADENIA CAPITAL IV	Services	Private		20.0
Regional - Africa	AFIG FUND II	Services	Private		18.0
Regional - Africa	REGMIFA II	Services	Private		9.1
Regional - East Africa	EAC MICROFINANCE FACILITY II FAMILY BANK II ▲	Services	Private	*	10.0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF EXIM BANK (TZ) LTD ▲	Credit lines	Private	*	15.0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF II BANK OF KIGALI	Credit lines	Private	*	28.0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF II HFC LTD	Credit lines	Private	*	20.0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF II KCB BANK TANZANIA	Credit lines	Private	*	12.0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF II KCB BANK UGANDA LT	Credit lines	Private	*	10.0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF KCB BANK RWANDA ▲	Credit lines	Private	*	7.0
Regional - Southern Africa	SOUTHERN AFRICA MICROFINANCE FACILITY (TRUSTCO) ▲	Services	Private	*	7.5
					273.7

OCT					
French Polynesia	BANQUE SOCREDO MICROFINANCE ▲	Credit lines	Private		8.4

IFE-IF ACP Cotonou III					
ACPs					
Cameroon	RURAL TELECOM NETWORK EXPANSION	Telecommu-nications	Private	*	1.0
Congo (Democratic Republic)	RURAL TELECOM NETWORK EXPANSION	Telecommu-nications	Private	*	24.0
Dominican Republic	CARIBBEAN AND PACIFIC IMPACT FINANCE C (BANFOND-ESA) ▲	Credit lines	Private	*	5.0
Côte d'Ivoire	RST SOCIETE GENERALE (CDI) PORTFOLIO GUARANTEE 1	Credit lines	Private		6.5
Côte d'Ivoire	RST SOCIETE GENERALE (CDI) PORTFOLIO GUARANTEE FLP	Credit lines	Private		1.2
Regional - ACP	LUXEMBOURG MICROFINANCE AND DEVELOPMENT FUND	Services	Private		5.0
Regional - ACP	RST ECOBANK GROUP PORTFOLIO GUARANTEE B	Credit lines	Private		6.1
Regional - ACP	RST ECOBANK GROUP SENIOR GUARANTEE	Credit lines	Private		18.3
Regional - Africa	PAMIGA WATER AND RENEWABLE ENERGY THROUGH MI-CROFIN ▲	Energy	Private	*	1.2
Regional - Africa	PAMIGA WATER AND RENEWABLE ENERGY THROUGH MI-CROFIN ▲	Services	Private	*	1.6
Regional - Africa	PAMIGA WATER AND RENEWABLE ENERGY THROUGH MI-CROFIN ▲	Water, sewerage	Private	*	1.2
Regional - Caribbean	CARIBBEAN AND PACIFIC IMPACT FINANCE B (DBJ) ▲	Credit lines	Private	*	10.0
Senegal	SENEGAL RIVER VALLEY RICE	Agriculture, fisheries, forestry	Private	*	11.8
Senegal	SENEGAL RIVER VALLEY RICE	Industry	Private	*	3.9
					96.7

EIB own resources contracts signed in 2016					
ACP States					
Belize	DFC MBIL ▲	Credit lines	**Private**	*	7.8
Benin	EAU ET ASSAINISSEMENT COTONOU PHASE 3	Water, sewerage	**Public**	*	30.0
Burkina Faso	AEP OUAGADOUGOU III B ✔	Water, sewerage	Public		4.0
Dominican Republic	CDEEE LOSS REDUCTION PROJECT	Energy	Public		89.5
Madagascar	DEVELOPPEMENT RESEAU PERI-URBAIN ANTANANARIVO ✔	Transport	**Public**	*	28.0
Madagascar	POST DISASTER INFRASTRUCTURE RECONSTRUCTION ✔	Transport	Public		40.0
São Tomé and Principe	POWER SECTOR RECOVERY PROJECT SAO TOME ISLAND ▲ ✔	Energy	**Public**	*	12.0
Senegal	KMS 3 - APPROVISIONNEMENT EN EAU DE DAKAR ✔	Water, sewerage	Public		100.0
Senegal	SENEGAL ELECTRICITY MODERNISATION ✔	Energy	Public		75.0
					386.3
EIB OR TOTAL					386.3
GRAND TOTAL	29 projects	37 contracts			765.1

✔ Operations receiving/to receive an interest rate subsidy appropriation and/or an EU-Africa Infrastructure Trust Fund grant

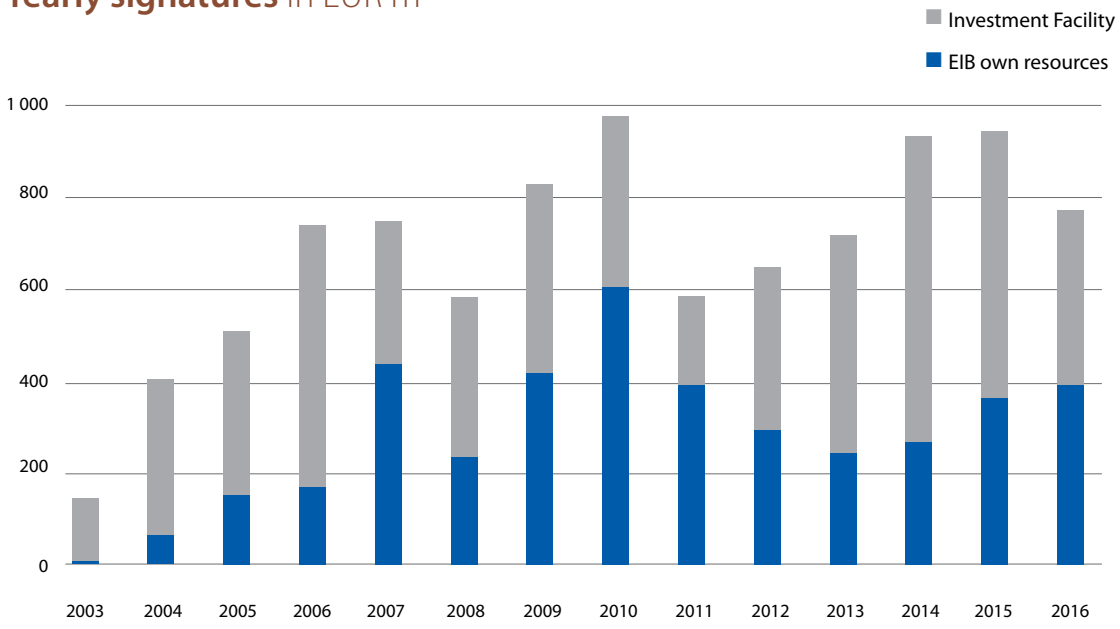
▲ Operations receiving a technical assistance grant

* Operations supporting climate action. Climate action is recorded as a percentage of EIB financing operations signed, to the extent of their compliance with climate action definitions, sectors and activity types, in a granular manner (i.e. counting the relevant component, sub-component or proportion). For credit lines, unless a dedicated climate action window has been set, the Bank applied in 2016 an estimate of 2% as likely climate content that will be found in future allocations under credit lines signed in 2016.

Yearly and cumulative approvals, signatures and disbursements 2003 -2016

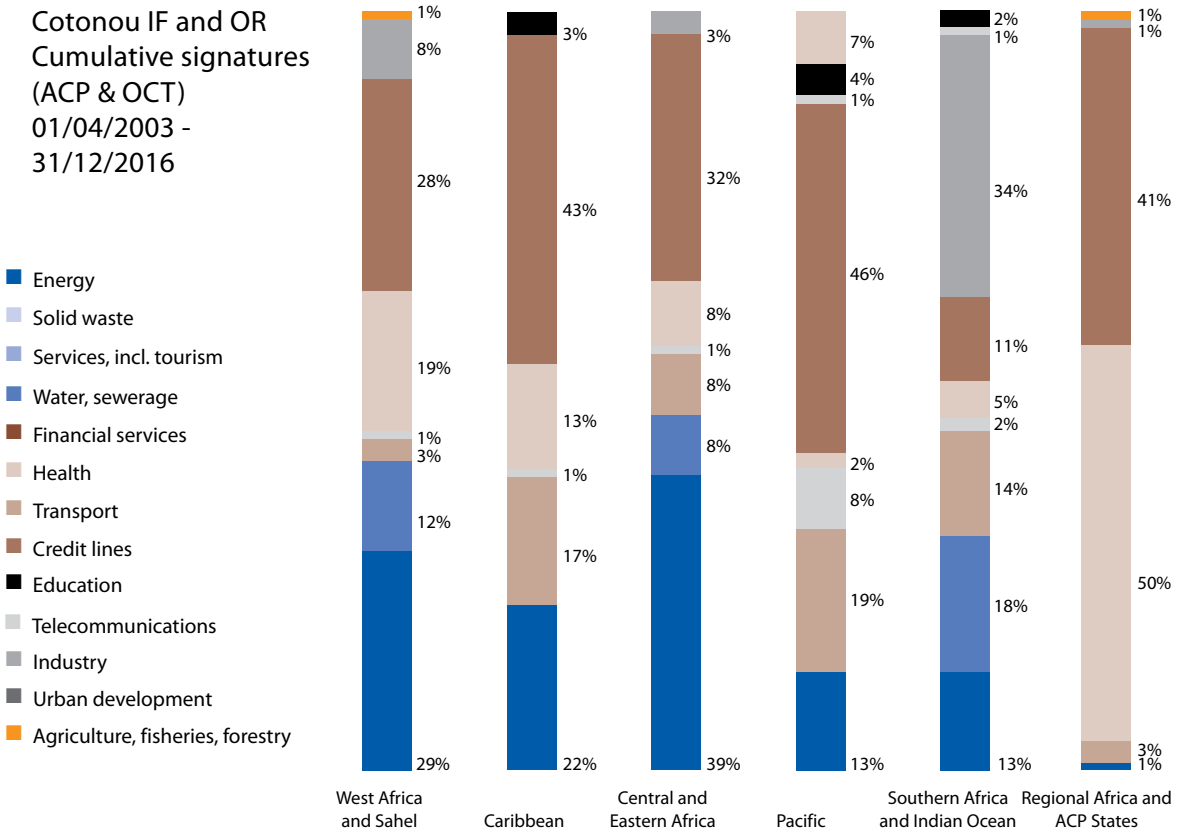
(ACP&OCT)		2003	2004	2005	2006	2007	2008	2009
ACP-IF (2003-2020) (EUR 3 185.5m)	Approvals	360.7	288.0	500.9	586.2	297.3	309.5	647.3
	Signatures	136.9	336.2	353.6	566.2	310.0	344.7	409.3
	Disbursements	4.1	91.8	107.8	132.7	268.2	211.7	199.5
IFE-IF ACP COTONOU III (EUR 500m)	Approvals							
	Signatures							
	Disbursements							
ACP-Own Resources Prot. 1 (EUR 1 720m)	Approvals	43.1	47.3	170.0	207.2	550.3	133.0	
	Signatures	6.1	62.2	150.9	167.3	431.8	148.8	0.0
	Disbursements	0.0	6.1	8.4	23.0	86.2	187.9	156.5
ACP-Own Resources Prot. 2 (EUR 2 030m)	Approvals						83.8	663.2
	Signatures						83.8	413.2
	Disbursements						0.0	26.7
ACP-Own Resources Prot. 3 (EUR 2 600m)	Approvals							
	Signatures							
	Disbursements							

Yearly signatures in EUR m



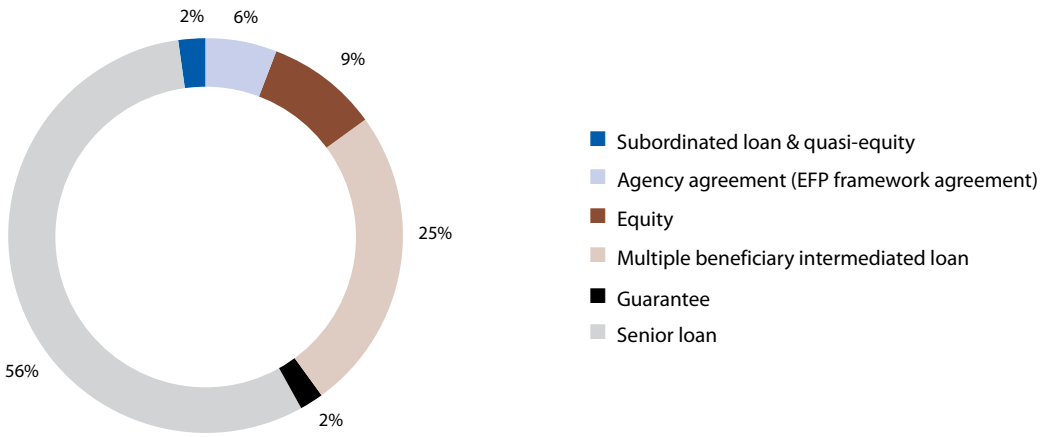
2010	2011	2012	2013	2014	2015	2016	Total
395.5	381.1	561.0	834.0	448.5	479.7	654.8	**6,744.4**
369.0	193.0	353.6	471.5	652.6	516.5	282.1	**5,295.4**
260.0	305.5	315.1	277.2	290.5	348.9	597.1	**3,410.3**
				88.3	63.9	139.4	**291.5**
				8.0	60.0	96.7	**164.7**
				0.0	2.3	64.9	**67.2**
						0.0	**1,150.9**
0.0	0.0	0.0	0.0	0.0	0.0	0.0	**967.0**
34.3	60.4	28.8	27.8	8.7	12.9	10.4	**651.4**
672.0	129.7	382.5	308.5			0.0	**2,239.7**
597.8	386.6	289.5	240.5	93.0	0.0	0.0	**2,104.4**
156.4	62.2	85.9	123.1	155.9	174.3	254.9	**1,039.5**
			4.0	353.4	498.2	569.7	**1,425.3**
				171.0	359.1	386.3	**916.4**
				0.0	0.0	20.0	**20.0**

ACP Breakdown by sector by region*



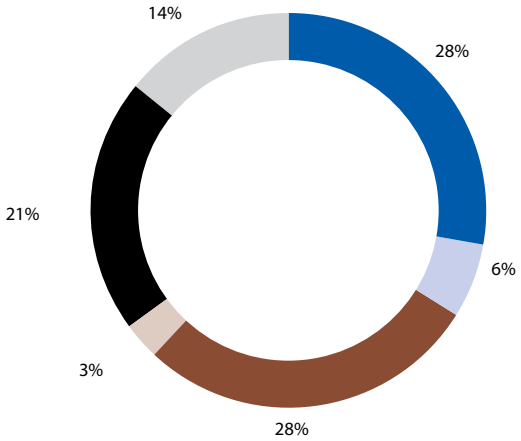
*Some smaller values have been removed for overall clarity

ACP Breakdown by financial instrument



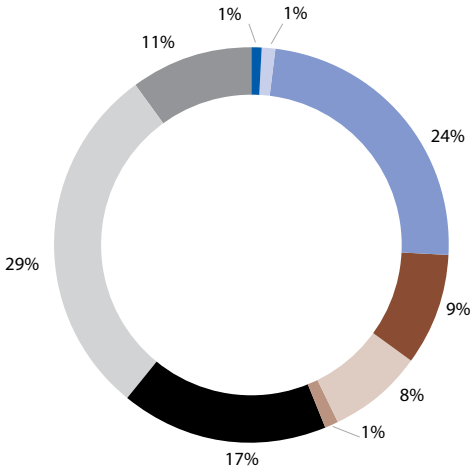
ACP Regional breakdown

- West Africa and Sahel
- Caribbean
- Central and Eastern Africa
- Pacific
- Southern Africa and Indian Ocean
- Regional Africa and ACP States



ACP Breakdown by sector of operation

- Agriculture, fisheries, forestry
- Services, incl. tourism
- Energy
- Water, sewerage
- Transport
- Telecommunications
- Financial services
- Credit lines



Overview of lines of credit (IF & OR, ACP & OCT) 2003 - 2016

ACP STATES					
Country	Name	Date of signature	Signed amount	Amount allocated	Number of allocations
INVESTMENT FACILITY					
Burkina Faso	PG BURKINA FASO II	08/12/2003	10.00	6.85	19
Burkina Faso	PG BURKINA FASO CREDIT BAIL II	08/12/2003	2.00	2.00	11
Cameroon	DEV. DU SECTEUR PRIVE PG II A CAMEROUN	16/12/2003	3.00	3.00	44
Cameroon	DEV. DU SECTEUR PRIVE PG II B CAMEROUN *	16/12/2003	25.00	0.00	0
Regional – ACP	EDFI EUROPEAN FINANCING PARTNERS (EFP)	13/05/2004	90.00	53.68	11
Uganda	DFCU LEASING GLOBAL LOAN	09/08/2004	5.00	5.00	11
Gabon	PRET GLOBAL II (GABON) B	18/10/2004	3.50	3.50	4
Gabon	PRET GLOBAL II (GABON) *	18/10/2004	6.50	0.00	0
Nigeria	NIGERIA GLOBAL LOAN	06/12/2004	50.00	49.63	26
Regional – Pacific	PACIFIC ISLANDS FINANCING FACILITY (Development Bank of Samoa)	15/10/2005	7.00	6.88	279
Niger	NIGER – PG SECTEUR FINANCIER II	26/10/2005	8.00	8.00	45
Trinidad and Tobago	CLICO GLOBAL LOAN	03/11/2005	20.00	10.71	5
Regional – Pacific	PACIFIC ISLANDS FINANCING FACILITY B (Tonga Development Bank)	15/12/2005	6.00	0.07	1
Cape Verde	CAP VERT - SECTEUR FINANCIER PG II *	20/12/2005	8.00	0.00	0
Trinidad and Tobago	DEVELOPMENT FINANCE LIMITED IX	20/12/2005	7.00	6.85	12
Namibia	NAMIBIA – OLD MUTUAL MIDINA FUND *	10/03/2006	4.00	0.00	0
Regional – ACP	EDFI EUROPEAN FINANCING PARTNERS II	12/05/2006	90.00	68.29	11
Regional – Central Africa	BDEAC PRET GLOBAL III	24/05/2006	15.00	15.00	4
Uganda	DFCU LEASING GLOBAL LOAN II	28/06/2006	10.00	6.00	11
Regional – East Africa	EADB REGIONAL FINANCE FACILITY *	17/11/2006	25.00	0.00	0
Regional – Pacific	PACIFIC ISLANDS FINANCING FACILITY II (National Bank of Palau)	05/12/2006	5.00	2.95	41
Dominican Republic	SMALL ENTERPRISES GLOBAL LOAN	19/12/2006	4.00	4.00	7,800
Dominican Republic	ADEMI V B	19/12/2006	3.00	4.00	234
Rwanda	RW – GL II PRIVATE SECTOR SUPPORT A	21/12/2006	3.00	3.00	4
Ghana	GHANA FINANCIAL SECTOR GLOBAL LOAN II B	22/12/2006	15.00	12.07	6
Rwanda	RW – GL II PRIVATE SECTOR SUPPORT B	02/02/2007	7.00	7.02	17
Regional – Pacific	PACIFIC ISLANDS FINANCING FACILITY II B (Development Bank of Niue)*	23/02/2007	2.00	0.00	0
Gabon	PRET GLOBAL III (GABON) *	07/05/2007	7.00	0.00	0
Cameroon	PRET GLOBAL PRO-PME II	28/06/2007	4.00	4.00	30
Uganda	PEFF-UGANDA	31/08/2007	30.00	20.92	30
Kenya	PRIVATE ENTERPRISE FINANCE FACILITY *	07/12/2007	20.00	0.00	0
Trinidad and Tobago	CLICO GLOBAL LOAN B *	21/12/2007	10.00	0.00	0
Malawi	MALAWI GLOBAL LOAN III	04/06/2008	15.00	5.84	4
Dominican Republic	DR FINANCING FACILITY	12/08/2008	5.00	5.00	9,600
Dominican Republic	DR FINANCING FACILITY B	12/08/2008	10.00	10.00	888
Dominican Republic	DR FINANCING FACILITY C	12/08/2008	3.50	3.50	3,579
Zambia	CAPITAL INVESTMENT LINE GL III	26/11/2008	20.00	0.89	1
Niger	NIGER - PG SECTEUR FINANCIER III	19/12/2008	8.00	6.67	20
Regional - ACP	EDFI EUROPEAN FINANCING PARTNERS III	08/05/2009	90.00	16.83	2
Regional - Central Africa	BDEAC PRET GLOBAL IV *	26/08/2009	25.00	0.00	0
Rwanda	RWANDA GL III - PRIVATE SECTOR SUPPORT	05/10/2009	5.00	3.81	4
Regional - Pacific	PACIFIC ISLANDS FINANCING FACILITY II C *	20/10/2009	3.00	0.00	0

ACP STATES					
Country	Name	Date of signature	Signed amount	Amount allocated	Number of allocations
Saint Lucia	BANK OF SAINT LUCIA GLOBAL LOAN II	18/12/2009	9.98	2.28	3
Regional - Pacific	PACIFIC ISLANDS FINANCING FACILITY II D	15/02/2010	5.00	2.97	12
Cameroon	PRET GLOBAL PRO-PME III (CAMEROUN)	28/06/2010	5.00	5.00	23
Regional - Pacific	PACIFIC ISLANDS FINANCING FACILITY II E	30/08/2010	4.00	1.03	8
Dominican Republic	ADEMI RURAL MICROFINANCE	01/11/2010	7.00	0.00	0
Congo (Democratic Republic)	RAWBANK LINE OF CREDIT (DRC) *	03/11/2010	5.00	0.00	0
Regional - ACP	EDFI EUROPEAN FINANCING PARTNERS IV	08/12/2010	90.00	0.00	0
Uganda	PRIVATE ENTERPRISE FINANCE FACILITY II	20/12/2010	40.00	40.08	56
Rwanda	RWANDA PRIVATE SECTOR SUPPORT FACILITY	19/09/2011	8.00	7.76	6
Dominican Republic	DR FINANCING FACILITY D	10/10/2011	3.50	3.50	1
Haiti	SOFIHDES GL III	28/10/2011	5.00	5.00	32
Kenya	PEFF II KENYA A	16/12/2011	7.00	7.00	11
Mauritius	MAURITIUS LEASING LINE OF CREDIT *	19/12/2011	5.00	0.00	0
Dominican Republic	DR MICROFINANCE FACILITY II	20/12/2011	6.00	6.00	1
Ghana	UT BANK GLOBAL LOAN	20/12/2011	8.00	8.00	7
Kenya	PEFF II KENYA B	21/12/2011	6.50	3.20	5
Dominican Republic	DR MICROFINANCE FACILITY II C	28/12/2011	6.00	0.00	0
Regional - Caribbean	CDB CLIMATE ACTION LINE OF CREDIT	29/12/2011	50.00	46.28	7
Kenya	PEFF III KENYA	11/04/2012	50.00	35.39	19
Kenya	PEFF III KENYA - B	11/04/2012	20.00	20.00	15
Seychelles	DBS GLOBAL LOAN VI	24/08/2012	5.00	5.00	174
Kenya	PEFF II KENYA / C	04/09/2012	6.50	6.50	3
Nigeria	UBA REGIONAL FACILITY	12/11/2012	50.17	6.01	1
Regional - East Africa	EADB REGIONAL FINANCE FACILITY GL II	27/12/2012	25.00	23.48	11
Nigeria	ACCESS BANK GLOBAL LOAN NIGERIA	28/12/2012	50.00	50.00	13
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF NMB TANZANIA	27/06/2013	50.00	44.17	22
Regional - East Africa	EAC MICROFINANCE LOAN II (NMB)	27/06/2013	20.00	20.00	1
Nigeria	ZENITH BANK MID-CAP LOAN *	21/08/2013	40.00	0.00	0
Nigeria	ZENITH BANK MID-CAP LOAN B	21/08/2013	20.00	20.00	5
Regional - ACP	EDFI EUROPEAN FINANCING PARTNERS V	30/08/2013	90.00	0.00	0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF PRIME BANK	27/09/2013	5.00	5.00	8
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF FAMILY BANK	27/09/2013	10.00	10.00	5
Regional - East Africa	FAMILY BANK	27/09/2013	10.00	10.00	1
Malawi	MALAWI CREDIT LINE	12/11/2013	15.00	8.42	6
Nigeria	NIGERIA SECOND TIER LOAN B	11/12/2013	50.00	15.85	4
Nigeria	NIGERIA SECOND TIER LOAN C	11/12/2013	25.00	0.00	0
Nigeria	NIGERIA SECOND TIER LOAN D	13/12/2013	25.00	0.00	0
Dominican Republic	DR MICROFINANCE FACILITY II D	13/12/2013	1.00	0.00	0
Ghana	GHANA FINANCIAL SECTOR GL III A	23/12/2013	20.00	0.00	0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF I AND M RWANDA	23/12/2013	8.00	5.60	11
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF BOA TANZANIA	05/03/2014	7.00	6.71	8
Mozambique	MOZAMBIQUE FINANCIAL SECTOR LINE OF CREDIT MB	19/03/2014	5.00	5.00	11
Kenya	PEFF III KENYA - C	03/04/2014	50.00	38.58	16
Nigeria	ACCESS BANK LINE OF CREDIT NIGERIA II	12/08/2014	50.00	45.57	10
Regional - East Africa	EAST & CENTRAL AFRICA PEFF CRANE BANK UGANDA	01/09/2014	28.00	14.09	6

ACP STATES					
Country	Name	Date of signature	Signed amount	Amount allocated	Number of allocations
Ghana	GHANA FINANCIAL SECTOR LOAN III B	06/10/2014	20.00	20.00	9
Regional - East Africa	EAST & CENTRAL AFRICA PEFF HFB UGANDA	28/10/2014	13.00	4.10	2
Regional - East Africa	EAC MICROFINANCE FACILITY II CRDB	03/11/2014	20.00	20.00	1
Regional - East Africa & Regional - Southern Africa	PTA BANK - CREDIT LINE FOR SMES AND MIDCAPS	25/11/2014	80.00	80.00	11
Regional - Southern Africa	SOUTHERN AFRICA MICROFINANCE FACILITY (ABC)	02/12/2014	5.00	0.00	0
Botswana	BANCABC REGIONAL FACILITY FOR SME AND MIDCAPS (B)	02/12/2014	20.00	10.72	16
Zambia	BANCABC REGIONAL FACILITY FOR SME AND MIDCAPS (Z)	04/12/2014	25.00	9.27	7
Regional - Southern Africa	SOUTHERN AFRICA MICROFINANCE FACILITY (MADISON)	18/12/2014	4.50	2.25	1
Regional - Africa	ECOBANK REGIONAL FACILITY III	19/12/2014	80.11	31.99	21
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF CRDB UGANDA	29/12/2014	20.00	6.25	9
Nigeria	NIGERIA SECOND TIER LOAN E	20/01/2015	20.00	0.00	0
Regional - Southern Africa	SOUTHERN AFRICA MICROFINANCE FACILITY (EFC PULSE)	07/05/2015	4.00	1.35	2
Ghana	GHANA FINANCIAL SECTOR LOAN III C	05/05/2015	10.00	9.00	5
Ghana	GHANA FINANCIAL SECTOR LOAN III D	08/06/2015	15.00	10.37	5
Regional - East Africa	EAC MICROFINANCE FACILITY II (FAULU)	05/06/2015	10.00	10.00	1
Dominican Republic	DR MICROFINANCE FACILITY II E	17/09/2015	10.00	0.00	0
Regional - Southern Africa	SOUTHERN AFRICA MICROFINANCE FACILITY AB BANK ZM	23/10/2015	3.00	3.00	1
Regional - East Africa	EAC MICROFINANCE FACILITY II AB BANK RWANDA	23/10/2015	1.00	1.00	1
Regional - East Africa	EAC MICROFINANCE FACILITY II AB BANK TANZANIA	23/10/2015	4.00	4.00	1
Regional - Southern Africa	SOUTHERN AFRICA MICROFINANCE FACILITY MOZA BANCO *	17/11/2015	10.00	0.00	0
Regional - Southern Africa	SOUTHERN AFRICA MICROFINANCE FACILITY FNBZ	27/11/2015	6.00	0.00	0
Zambia	FNB ZAMBIA FACILITY LOAN FOR SMES AND MIDCAPS	27/11/2015	14.00	0.00	0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF ABC BANK	01/12/2015	5.00	5.00	9
Regional - Southern Africa	SOUTHERN AFRICA MICROFINANCE FACILITY BIM	21/12/2015	10.00	0.00	0
Mozambique	MOZAMBIQUE FINANCIAL SECTOR LINE OF CREDIT MBIM	21/12/2015	20.00	0.00	0
Regional - East Africa	EAST & CENTRAL AFRICA PEFF II NIC BANK KENYA	29/12/2015	50.00	50.00	24
Regional - East Africa & Regional - Central Africa	EAST & CENTRAL AFRICA PEFF II CRDB TANZANIA	29/12/2015	55.00	55.00	224
Regional - East Africa & Regional - Central Africa	EAST & CENTRAL AFRICA PEFF II FAMILY BANK KENYA	29/12/2015	30.00	21.94	227
Niger	LIGNE DE CREDIT BOA BURKINA FASO ET NIGER (NIGER)	14/03/2016	5.00	0.00	0
Regional - East Africa	EAC MICROFINANCE FACILITY II FAMILY BANK II	06/04/2016	10.00	0.00	0
Burkina Faso	LIGNE DE CREDIT MICROFINANCE BOA BURKINA FASO	27/04/2016	3.00	0.00	0
Malawi	NATIONAL BANK OF MALAWI AGRISTORAGE FACILITY	20/07/2016	30.00	0.00	0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF II BANK OF KIGALI	22/07/2016	28.00	9.20	28
Nigeria	NIGERIA PRIVATE ENTERPRISE FINANCE FACILITY UBA	29/09/2016	60.00	60.00	9
Ghana	GHANA FINANCIAL SECTOR LOAN III E	18/10/2016	15.00	15.00	4
Regional - Southern Africa	SOUTHERN AFRICA MICROFINANCE FACILITY (TRUSTCO)	01/11/2016	7.50	3.28	1
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF II KCB BANK TANZANIA	04/11/2016	12.00	12.00	20
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF EXIM BANK (TZ) LTD	04/11/2016	15.00	15.00	13
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF II KCB BANK UGANDA LT	08/11/2016	10.00	0.00	0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF KCB BANK RWANDA	12/12/2016	7.00	0.00	0
Regional - East Africa	EAST AND CENTRAL AFRICA PEFF II HFC LTD	23/12/2016	20.00	0.00	0

ACP STATES					
Country	Name	Date of signature	Signed amount	Amount allocated	Number of allocations
IFE-IF ACP COTONOU III					
Regional - Caribbean	CARIBBEAN AND PACIFIC IMPACT FINANCE FACILITY	28/05/2015	10.00	0.00	0
Dominican Republic	CARIBBEAN AND PACIFIC IMPACT FINANCE C (BANFONDESA	18/07/2016	5.00	0.00	0
Regional - Caribbean	CARIBBEAN AND PACIFIC IMPACT FINANCE B (DBJ)	22/08/2016	10.00	0.00	0
OWN RESOURCES					
Regional - West Africa	BOAD PG IV A	10/12/2004	25.00	25.00	6
Mauritius	SBM GLOBAL LOAN	28/07/2005	20.00	20.00	4
Regional - Caribbean	CARIBBEAN DEV BANK III FACILITY	22/12/2005	40.00	39.98	9
Ghana	GHANA FINANCIAL SECTOR GLOBAL LOAN II C	22/12/2006	40.00	10.73	3
Regional - Caribbean	DFL REGIONAL SME	22/12/2008	9.00	4.40	9
Dominica	AIDBANK LINE OF CREDIT III A	14/07/2010	7.00	7.00	22
Dominica	AIDBANK LINE OF CREDIT III B	20/09/2010	1.00	0.00	0
Saint Kitts and Nevis	DBSKN LINE OF CREDIT IV A *	17/12/2010	5.24	0.00	0
Saint Kitts and Nevis	DBSKN LINE OF CREDIT IV - B *	17/12/2010	0.75	0.00	0
Mauritius	SBM LINE OF CREDIT II	16/05/2011	30.00	26.67	26
Regional - West Africa	BOAD PG V A	15/06/2011	30.00	15.00	3
Regional - West Africa	BOAD PG V B	15/06/2011	30.00	30.00	6
Belize	DFC MBIL	17/03/2016	7.83	0.00	0
	Total for the ACP States		2,754.07	1,537.91	24016

OCT					
Country	Name	Date of signature	Signed amount	Amount allocated	Number of allocations
INVESTMENT FACILITY					
New Caledonia	BCI - LIGNE DE CREDIT ENVIRONNEMENTALE	29/11/2007	5.00	5.00	3
French Polynesia	SOCREDO LIGNE DE CREDIT ENVIRONNEMENT	10/12/2007	5.00	3.83	8
Regional - OCT	OCTS FINANCING FACILITY *	09/05/2008	10.00	0.00	0
New Caledonia	NC-LIGNE DE CREDIT ENVIRONNEMENTALE II *	08/07/2010	10.00	0.00	0
French Polynesia	SOCREDO LIGNE ENVIRONNEMENTALE II	09/07/2010	5.00	5.00	11
French Polynesia	BANQUE DE TAHITI GLOBAL LOAN	22/03/2013	8.00	8.00	14
French Polynesia	SOCREDO GLOBAL LOAN VI B	18/11/2013	10.00	6.31	11
French Polynesia	BANQUE DE TAHITI LIGNE DE CREDIT ENVIRONNEMENTALE	15/10/2014	8.00	3.53	10
French Polynesia	BANQUE DE TAHITI LIGNE DE CREDIT MICROFINANCE	15/10/2014	6.00	0.00	0
French Polynesia	BANQUE SOCREDO MICROFINANCE	04/11/2016	8.40	0.00	0
OWN RESOURCES					
French Polynesia	SOCGEN - LIGNE DE CREDIT ENVIRONNEMENTALE *	19/10/2009	10.00	0.00	0
French Polynesia	SOCREDO GLOBAL LOAN VI A	18/11/2013	22.50	19.29	23
	Total for the OCTs		107.90	50.96	80

* contract cancelled after signature

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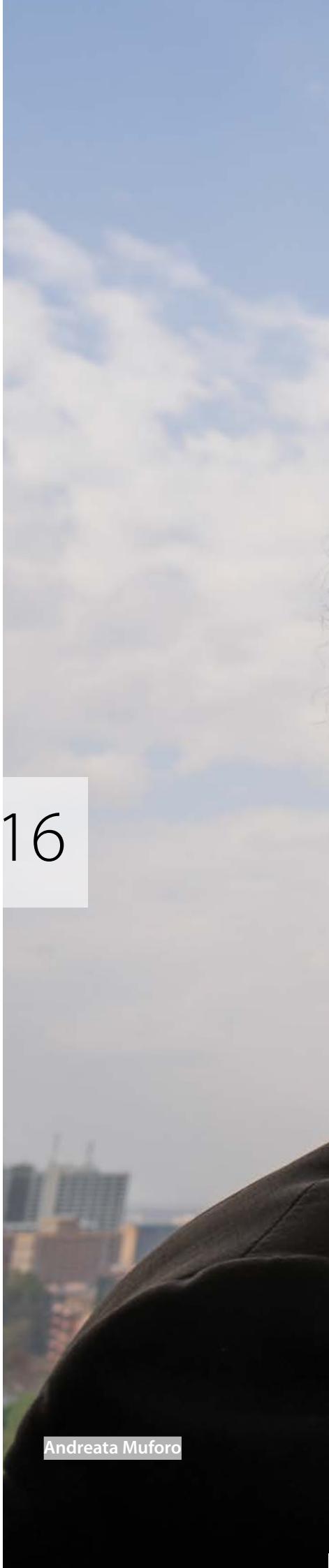
Annual Report 2016

On EIB Activity in Africa, the Caribbean and the Pacific, and the Overseas Countries and Territories



Andreata Muforo

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