

TRUST FUNDS IN ACTION



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Published by the European Investment Bank.

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OVERVIEW

MAKING THE MOST OF DEVELOPMENT FINANCE

Financing for development is limited. The United Nations estimates that \$4 trillion per year are needed in developing countries to achieve the Sustainable Development Goals. To increase the amounts available, the European Investment Bank (EIB) sets up and manages trust funds. Our trust funds are agreements through which donors transfer financial contributions to the Bank to support third parties, such as public sector counterparts or private sector entities, including financial intermediaries, in the implementation of sustainable projects. The Bank collects contributions for trust funds and then uses these resources to provide partners with grants, technical assistance and financial instruments that support projects in dozens of countries around the world.

EIB Global, the development arm of the Bank, manages 11 trust funds financed by our donors — currently 25 EU countries, the European Commission and the United Kingdom — with efforts also underway to create a dedicated trust fund for Ukraine.

GLOBAL GOALS

EIB Global has reshaped the way the Bank operates outside the European Union to respond to global challenges with ever greater impact and create a greener, more connected and more prosperous future for all regions of the world. Created in 2022, EIB Global brings together the resources of the EIB under a structure designed to foster strong and focused partnerships. It builds on more than 50 years of experience during which the Bank has supported investments in developing countries.

Through close cooperation with our partners and beneficiaries on the ground, EIB Global will increase the impact of the Bank's financing. Today, EIB Global investments help create stability, meet the UN Sustainable Development Goals and fight climate change everywhere. We select projects that make a big difference in people's daily lives and work with sound, like-minded partners to bring the projects to fruition.

TRUST FUND INVESTMENT AREAS

Climate action and green transition

Vital and social infrastructure

Connectivity

Access to finance

Equal opportunities

EIB GLOBAL'S TRUST FUNDS

EU neighbourhood and enlargement

- Eastern Partnership Technical Assistance Trust Fund
- Facility for Euro-Mediterranean Investment and Partnership Trust Fund
- Economic Resilience Initiative Fund

Africa, Caribbean, and Pacific

- African, Caribbean and Pacific Trust Fund (ACP Trust Fund)
- EU-Africa Infrastructure Trust Fund

Climate

- International Climate Initiative (IKI) Fund
- Luxembourg-EIB Climate Finance Platform
- City Climate Finance Gap Fund

Global

- Financial Inclusion Fund
- Green Hydrogen Fund
- Water Sector Fund

KEY FIGURES

€1.25 billion pledged
(expected to increase to above €2 billion with the creation of new trust funds in 2023)

€1.06 billion in financing approved

Over €43 billion in investment mobilised

Working together, EIB Global and trust fund partners collaborate to:

- improve the quality and impact of projects;
- share expertise and experience that can be applied to future projects;
- help fulfil the EU goal of boosting and sustaining growth in emerging economies.

The trust funds are designed to be focused and flexible. They can tackle challenges in one main sector, as is the case with the Water Sector Fund, or cover several sectors, as in the case of the Eastern Partnership Technical Assistance Trust Fund or Economic Resilience Initiative Fund.

ACROSS THE WORLD

As of the end of 2022, EIB Global's **11 trust funds** have financed projects in some **90 countries** supporting more than **340 operations**. With the creation of new trust funds in 2023, including the ACP Trust Fund and the EU for Ukraine Fund, this impact is expected to grow further.

OUR DONORS:
25 EU COUNTRIES, THE EUROPEAN COMMISSION
AND THE UNITED KINGDOM





ELIGIBILITY FOR OFFICIAL DEVELOPMENT ASSISTANCE

Contributions to our trust funds are typically considered as official development assistance towards the UN target of having developed countries devote 0.7% of their gross national income to promote the welfare of developing economies.

MAKING PROJECTS MORE SUCCESSFUL THROUGH A RANGE OF INSTRUMENTS

Our trust funds operate across different geographies and sectors and offer a range of instruments.

Through **financial instruments**, EIB Global helps promoters attract investments from other financial institutions or organisations. Our involvement is possible thanks to donor contributions to trust funds, which reduce the level of risk taken by other investors, lenders, or other parties participating in a project.

Technical assistance and advisory services aim to support the preparation and implementation of investments through institutional capacity building and the financing, for example, of pre-feasibility and feasibility studies, design and tender documents, institutional and legal appraisals, environmental and social impact assessments, and project management, gender analysis or advisory services to beneficiaries.

Investment grants are non-reimbursable contributions to finance tangible or intangible components of an infrastructure project, alongside financing from other investors. Notably, investment grants may decrease costs for a beneficiary by covering part of the investment or increasing the concessionality of the overall financing package of a given project. They may also target specific project components that have demonstrable social or environmental benefits or that can mitigate negative environmental or social impacts.

Interest rate subsidies provide a grant amount to an investor financing a project to reduce the cost of borrowing. These subsidies aim to minimise market distortions.

HOW WE MANAGE TRUST FUNDS

The Partnership Platform for Funds, the Bank's framework for managing donor funds, streamlines and standardises procedures for issues such as governance arrangements, fee calculations and reporting standards. The EIB administers several individual trust funds under this framework: the City Climate Finance Gap Fund, the Economic Resilience Initiative Fund, the Financial Inclusion Fund, the Green Hydrogen Fund, the International Climate Initiative Fund, the Luxembourg-EIB Climate Finance Platform and the Water Sector Fund.

EIB Global also manages several trust funds that were created before the establishment of the Partnership Platform for Funds, such as the Facility for Euro-Mediterranean Investment and Partnership Trust Fund, the Eastern Partnership Technical Assistance Trust Fund and the EU-Africa Infrastructure Trust Fund.

Most of our trust funds are open for contributions, and additional donor support will be needed to help EIB Global deliver tangible results that have a positive impact on the lives of people in all countries where we operate.



EASTERN PARTNERSHIP TECHNICAL ASSISTANCE TRUST FUND

ABOUT THE TRUST FUND

The Eastern Partnership Technical Assistance Trust Fund (EPTATF) is a multi-donor, multi-sector trust fund, established by the European Investment Bank (EIB) in December 2010. Currently managed by EIB Global, the Bank's development arm, the trust fund provides technical assistance and advisory support to public and private counterparts in the Eastern Partnership countries to enhance the development impact of EIB lending operations and bring the beneficiary countries onto the path of prosperity.

EPTATF enables EIB Global to mobilise technical assistance resources quickly and reliably, and helps promoters, national authorities and financial intermediaries to improve project identification, assessment methods and financial and risk management. With its holistic technical assistance offer, the trust fund draws on the Bank's expertise and resources, which are custom fitted to local needs.

The trust fund fills critical gaps for the development and implementation of investment projects by providing financing for:

- pre-feasibility, feasibility, and other preliminary studies for investment projects;
- institutional and legal assessments;
- environmental and social impact assessments in accordance with the highest EU standards;
- project management and/or promoter support throughout the project implementation process;
- studies to identify investment needs and priorities before a project;
- capacity building, such as skill development and consultancy assistance throughout a project, including at an institutional level, to improve the ability of counterparts to manage complex projects in an autonomous way in the future.

Strategic priorities (2021-2027)

The trust fund's long-term objectives build on the European Commission's [Eastern Partnership policy beyond 2020](#) and on the EIB's expertise. The priorities are:

- resilient, sustainable and integrated economies;
- environmental and climate resilience;
- digital transformation.



€50 MILLION in donor funds contributed

42 EPTATF-supported technical assistance operations

€9.9 BILLION*

Total investment mobilised as of the end of 2022 in association with EPTATF technical assistance operations

MORE THAN THREE-QUARTERS
of EPTATF grants funding technical assistance supported existing or prospective
EIB Global projects

*This sum includes €5.2 billion from partner institutions and €4.7 billion in EIB lending. The EIB aims to crowd in other investors and typically only covers up to 50% of a project's total cost.

Of the five Eastern Partnership countries supported through the trust fund, **Ukraine** has received the largest share of EPTATF grants, with 14 grant operations approved since the trust fund was founded, totalling €17.9 million. This accounts for 47% of total approvals as of the end of 2022 (see page EP 4).

The immediate and long-term needs of the Eastern Partnership countries supported by EPTATF are greater than ever in today's context of Russia's war in Ukraine and the resulting economic and energy crises. In addition, addressing climate change challenges remains a top priority.

It is essential to continue to replenish the trust fund, which remains the EIB's single vehicle to channel donor funds for technical assistance into the Eastern Partnership countries.

EXPECTED IMPACT

Since 2008, the Eastern Partnership Technical Assistance Trust Fund has improved thousands of lives thanks to investments in vital infrastructure or those supporting the businesses that make up the economic fabric of the Eastern Partnership countries. For example, the trust fund has supported the creation of the Fruit Garden of Moldova, which enables farmers to modernise their equipment and improve crop efficiency.

Projects supported by the fund are also expected to provide **safe drinking water for 510 000 people and save 136 000 MWh per year** thanks to the implementation of energy-efficient measures.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED





PROJECT HIGHLIGHTS

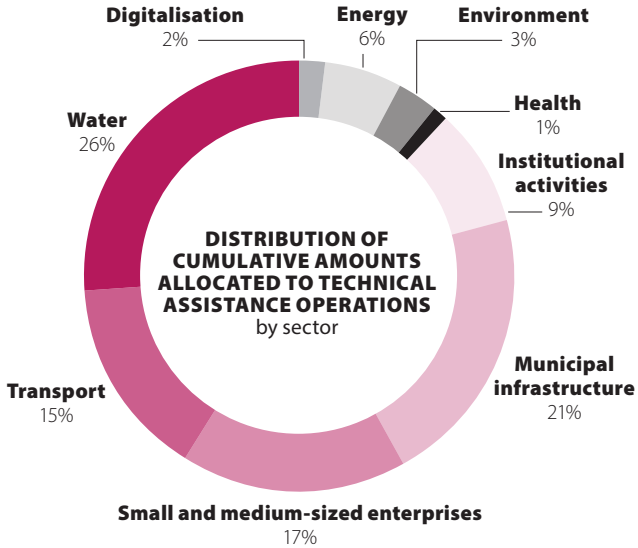
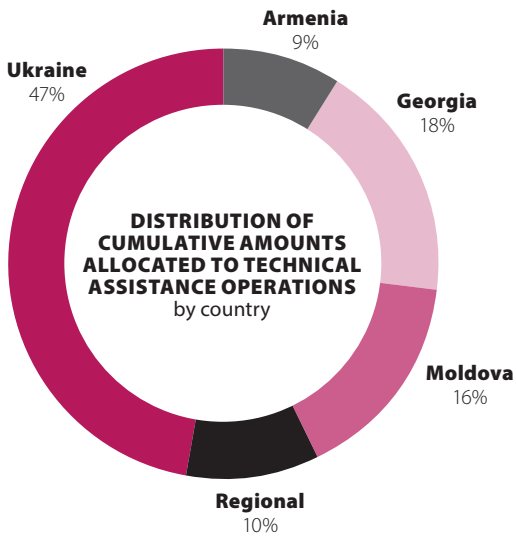
- The Eastern Partnership Technical Assistance Trust Fund provided a €498 000 grant to the government of Moldova to **support the design and planning of two new regional hospitals**, one in Cahul, in the country's south, and one in Bălți, in the north. Once completed, the Cahul hospital will make modern healthcare services, including chemotherapy which is currently unavailable to patients in the region, accessible to more than 120 000 people. The new hospital will also increase the overall resilience of the public health sector in Moldova, which has been strained due to the coronavirus pandemic and the war in Ukraine.
- Two grants from the Eastern Partnership Technical Assistance Trust Fund are **boosting climate action investment in Georgia**. The EIB is helping the Bank of Georgia to put together a climate finance strategy that will enable it to consider the risks posed by climate change to its clients and identify new business opportunities. Another grant will enable Georgia's TBC Bank to improve its offer to small businesses for loans targeting climate action projects. Among other things, the grant will increase TBC Bank's know-how in sustainable financing and enable it to promote the advantages of climate action lending to current and potential clients.
- The trust fund **supported the Ukrainian government** with the preparation and implementation of three technical assistance operations approved in 2014, 2019 and 2022 under the Ukraine Municipal Infrastructure Programme. These grants help municipalities modernise their infrastructure in sectors such as energy efficiency, water supply and solid waste management. For example, the projects include upgrading the district heating and energy efficiency of public buildings, and equipping cities with low-consumption street lighting, making them more secure and greener. The trust fund's resources helped keep the project going in 2022, despite the war in Ukraine.
- After Russia annexed the Crimean Peninsula and occupied two large parts of eastern Ukraine in 2014, the Eastern Partnership Technical Assistance Trust Fund approved a €3 million technical assistance operation to support the implementation of a €200 million EIB loan for the **Early Recovery Programme**, which assists people who fled the conflict, and the towns that took them in. As part of this programme, more than 90 hospitals, medical facilities and a large number of educational sites in eastern Ukraine have been repaired, insulated or refurbished to modern standards. Many of the sites have since been damaged again but we stand ready to support their reconstruction together with our Ukrainian partners.

EASTERN PARTNERSHIP TECHNICAL ASSISTANCE TRUST FUND AT A GLANCE

€50 MILLION in donor funds contributed
(following a €1 million contribution received in 2023)

€38 MILLION allocated to technical assistance operations

42
operations



OUR DONORS

Since its inception, the trust fund has been receiving contributions from the following donors:

AUSTRIA	GERMANY	POLAND
CZECH REPUBLIC	LATVIA	SWEDEN
FRANCE	LITHUANIA	UNITED KINGDOM

FACILITY FOR EURO-MEDITERRANEAN INVESTMENT AND PARTNERSHIP TRUST FUND

ABOUT THE TRUST FUND

The Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Trust Fund facilitates investment and has been addressing funding gaps in the European Union's Southern Neighbourhood since its creation in 2004 by the European Investment Bank (EIB).

It is the Bank's oldest multi-donor, multi-sector trust fund, and is currently managed by EIB Global, the Bank's development arm, which aims to enhance the development impact of its operations beyond Europe.

For close to 20 years, the FEMIP Trust Fund has been providing a broad range of instruments to quickly and reliably support the economic and social development of the Mediterranean partner countries through technical assistance and risk capital operations. The trust fund continues to provide technical assistance throughout the project cycle, including:

- sector studies and master plans (identification stage);
- pre-feasibility and feasibility studies, audits, procurement documents (preparation stage);
- skills development at the institutional level, and support for public authority project management (implementation stage);
- studies assessing the ability of financial institutions to provide services to small and medium-sized enterprises and vulnerable groups such as women, young people and refugees, to promote financial inclusion.

Strategic priorities (2021-2025)

The FEMIP Trust Fund's long-term objectives build on the EU Partnership with the Southern Neighbourhood policy and on the EIB's expertise. Following the adoption of the [New Agenda for the Mediterranean](#) in 2021, the FEMIP priorities are:

- human development (for example, health, equal opportunities, human rights);
- strengthening resilience, building prosperity and seizing the digital transition;
- green transition (including climate resilience, energy and environment).

AREAS OF ACTION

Access to finance for small businesses

Green transition and climate action

Equal opportunities and social inclusion

Infrastructure

Human development

Digitalisation



€68 MILLION in donor funds contributed
(following a €4.8 million contribution in 2023)

90 FEMIP Trust Fund-supported operations, of which 17 are ongoing
and 73 have been completed as of the end of 2022

€4.54 BILLION* Total investment mobilised as of the end of 2022 in
association with the trust fund's technical assistance and risk capital operations

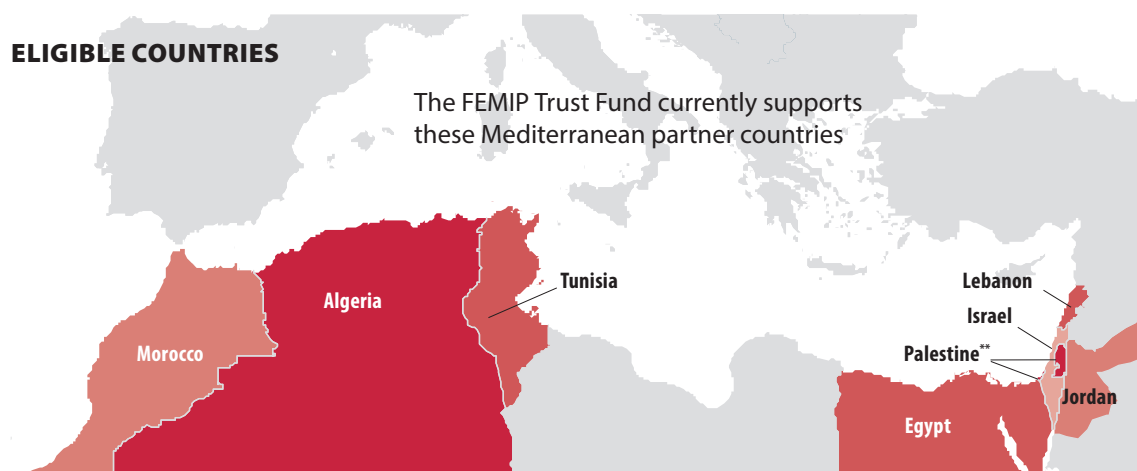
*This sum includes €2.8 billion from partner institutions and €1.7 billion in EIB lending. The EIB typically only covers up to 50% of a project's total cost and **crowds in other investors**.

Almost half of all donor resources contributing to the FEMIP Trust Fund supported regional or cross-border operations (see page FE 4). The FEMIP Trust Fund is an important facilitator in fostering private sector development and bolstering socioeconomic infrastructure in the Mediterranean region, filling critical institutional gaps in project preparation and implementation.

So far, half of the trust fund's financial resources approved for projects have supported the environment sector (26%, including climate action) and the private sector (24%, including the finance and micro and small and medium-sized enterprises (MSME) sector) (see page FE 4).

As the EU climate bank, the EIB is committed to dedicating at least 50% of its financing every year to climate action and environmental sustainability and is set to reach its target of €1 trillion in investments for this cause in the critical decade to 2030. The FEMIP Trust Fund operations contribute to this objective.

The needs of the Mediterranean partner countries are as high as ever. To tackle current local and global challenges, which include climate change, food and energy security and the lingering effects of the coronavirus pandemic, **it is essential to replenish the trust fund**. In this context, EIB Global is actively reaching out to existing and potential donors, seeking their contributions to promote sustainable development and offer an inclusive future to the young populations of Europe's Southern Neighbourhood.



** This shall not be construed as recognition of a state of Palestine and is without prejudice to the positions of each EU country.

EXPECTED IMPACT

For almost two decades, the FEMIP Trust Fund has improved the lives of millions in the Southern Neighbourhood by supporting projects that supply safe and reliable water, improve education and healthcare, finance sustainable transport, and help small businesses and startups grow.

1.5 million people are expected to benefit from improved sanitation services in Egypt, and 350 000 micro and small businesses, including 105 500 women-led businesses, will be supported.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



In 2022 alone, €27.68 million from 21 FEMIP projects supported 11 Sustainable Development Goals (SDGs). The largest share of ongoing and recently completed operations (24% of the approved amount) seeks to **develop and enhance working conditions and economic growth** (SDG 8) of the Mediterranean partner countries. And in line with the EIB policy on climate, 33% of approved funds in 2022 aimed to **mitigate the negative effects of human activities on the environment** and were associated with the environmental SDGs.

PROJECT HIGHLIGHTS

- A technical assistance grant is helping the Tunisian electricity provider STEG to carry out a study of the environmental and social impacts of a 400 MW pumped water transfer station in the Beja province in the north of the country. This will help STEG to **expand its use of renewable energy** and limit its use of gas. The project will also increase the energy storage capacity of Tunisia's electricity system, which is important for periods when renewable energy sources such as wind and solar power generate less.
- A technical assistance grant is helping the Moroccan Agency for Sustainable Energy, MASEN, **to take advantage of the huge, untapped potential for wind energy in Morocco**. The funding will be used to carry out a feasibility study to prepare the ground for the construction of an offshore wind farm.
- The Technical Assistance Programme to Microfinance Facility (TAFIR), a €2 million programme backed by the FEMIP Trust Fund, supports Microfund for Women (MFW), a Jordanian institution that finances **female microentrepreneurs** in the kingdom. With TAFIR's support, MFW developed a scoring model to strengthen its loan approval process. The model's benefits include faster turnaround, lower processing times and more standardised loan decisions and loan approvals. This enables beneficiaries to get lower pricing and default rates and makes MFW's services more accessible to vulnerable populations, boosting financial inclusion.

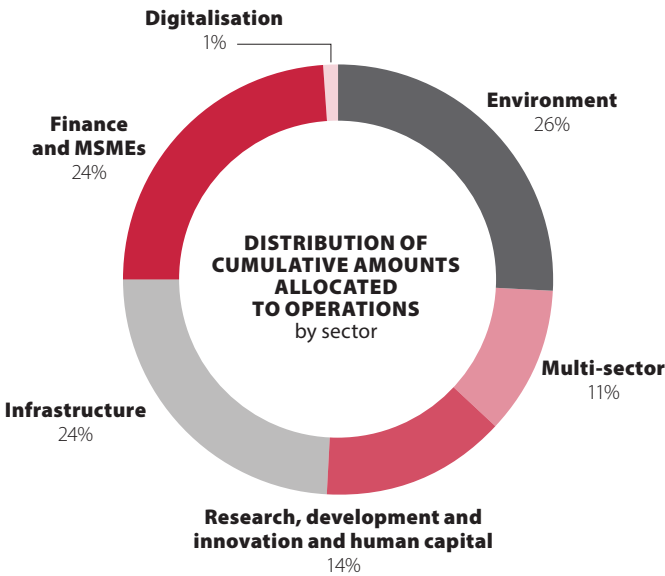
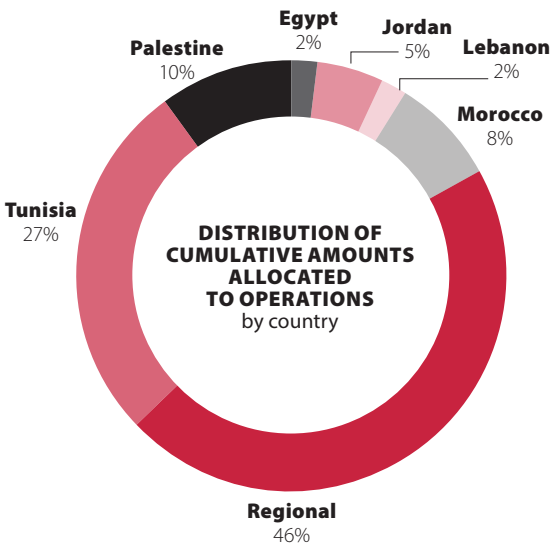
**FACILITY FOR EURO-MEDITERRANEAN INVESTMENT AND PARTNERSHIP
TRUST FUND AT A GLANCE**

€68 MILLION in donor funds contributed
(including a €4.8 million contribution received in 2023)

€67 MILLION* allocated to operations

90
operations

* Returns from completed projects may bring the balance of approved funds higher than the amount of donor funds committed.



OUR DONORS

Since its inception, the trust fund has been receiving contributions from the following donors:

AUSTRIA	GREECE	ROMANIA
BELGIUM	IRELAND	SLOVENIA
CYPRUS	ITALY	SPAIN
EUROPEAN COMMISSION	LUXEMBOURG	SWEDEN
FINLAND	MALTA	UNITED KINGDOM
FRANCE	NETHERLANDS	
GERMANY	PORTUGAL	

ECONOMIC RESILIENCE INITIATIVE FUND

ABOUT THE TRUST FUND

The Economic Resilience Initiative Fund (ERI Fund) helps make countries more inclusive. This multi-donor fund was launched in 2017 by the EIB, as part of its Economic Resilience Initiative, which combined the Bank's own resources with EU guarantees and donor funding to help countries and regions prepare for sudden economic or environmental shocks. This is particularly important as developing countries are exposed to multiple crises sparked by political instability, economic downturns, conflicts, climate change and disease outbreaks.

The ERI Fund offers investment grants for vital infrastructure projects, such as access to clean water and sanitation. It also uses high-impact financial instruments that benefit the economy and society, for example by helping women, creating jobs for young people and supporting them in starting or expanding their own businesses. The financial instruments include a risk-sharing facility targeting equity and venture capital funds, a microfinance facility supporting micro and small entrepreneurs, in particular women-led businesses, and a partial portfolio guarantee, which enables financial intermediaries to reach out to typically underserved groups.

Strategic priorities

The Economic Resilience Initiative has been a key part of the European Union's efforts to help strengthen economies and respond to challenges posed by migration and forced displacement. The ERI Fund was created following a call from [the European Council in 2016](#) to rapidly mobilise "additional financing in support of sustainable growth, vital infrastructure and social cohesion in the Southern Neighbourhood and Western Balkans countries." The accumulation of crises faced by the trust fund's target countries makes it more necessary than ever. The trust fund's goals are fully compliant with EU policy priorities, including the [European Green Deal](#), the [EU Global Gateway](#) strategy, the [jobs and growth policy](#), the [enlargement](#) and [neighbourhood](#) policies and the [migration and forced displacement policy](#).

The trust fund's priorities are:

- economic resilience and prosperity;
- human development;
- digital transition;
- migration and mobility;
- social inclusion and gender equality;
- green and just transition.



€112.5 MILLION in donor funds contributed

11 ERI Fund operations, five supporting the Southern Neighbourhood and six supporting the Western Balkans

€1.2 BILLION* Total investment mobilised as of the end of 2022 in association with the trust fund's investment grants and financial instrument operations

*This sum includes €753 million from partner institutions and €437.8 million in EIB lending. The EIB typically only covers up to 50% of a project's total cost and crowds in other investors.

The largest proportion of ERI Fund resources supports regional projects in the EU Southern Neighbourhood and the Western Balkans, which together represent 50% of all the trust fund's allocated amounts as of the end of 2022 (see page ERI 4).

Development of the private sector, in particular small and medium-sized enterprises, has a central role in driving sustainable, inclusive growth and job creation. With its de-risking mechanism, the ERI Fund enables the deployment of private sector investments that reach several countries at once. It thereby maximises the impact of donor resources while boosting growth and job creation in entire regions. At the end of 2022, 57% of the trust fund's resources had been used to support the private sector and are expected to sustain a total of 73 000 jobs.

Public sector operations received 43% of the trust fund's resources, which support vital infrastructure projects, mostly in the water and sanitation sector (see page ERI 4). For instance, a water project helps alleviate the adverse effects of climate change in Jordan, one of the world's worst affected countries.

ELIGIBLE COUNTRIES



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*** This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on Kosovo's declaration of independence.

EXPECTED IMPACT

The projects supported by the ERI Fund will improve the lives of hundreds of thousands of people in the EU Southern Neighbourhood and Western Balkans, for example through the creation of jobs and improved access to drinking water and sanitation:

- Over **30 000 loans** to micro and small businesses
- Improved sanitation services for **740 000 people**
- Clean water for **465 000 people**
- Better urban infrastructure and services for **65 000 people**

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



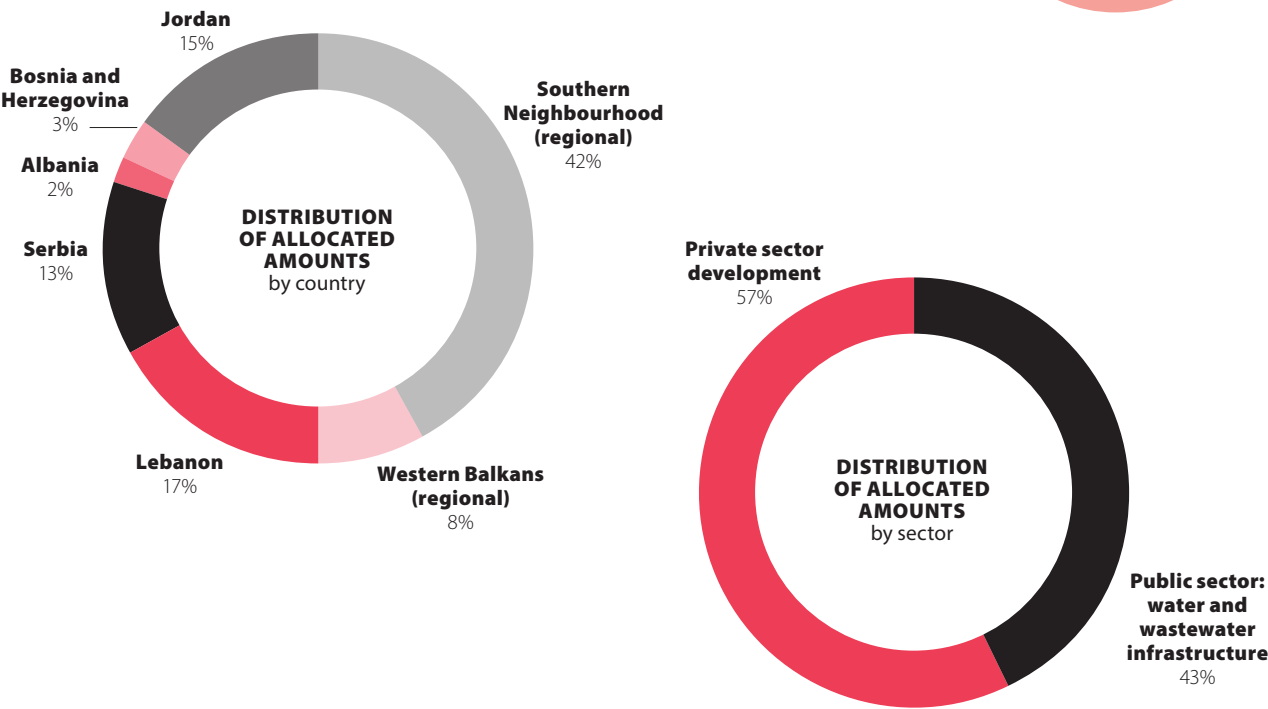
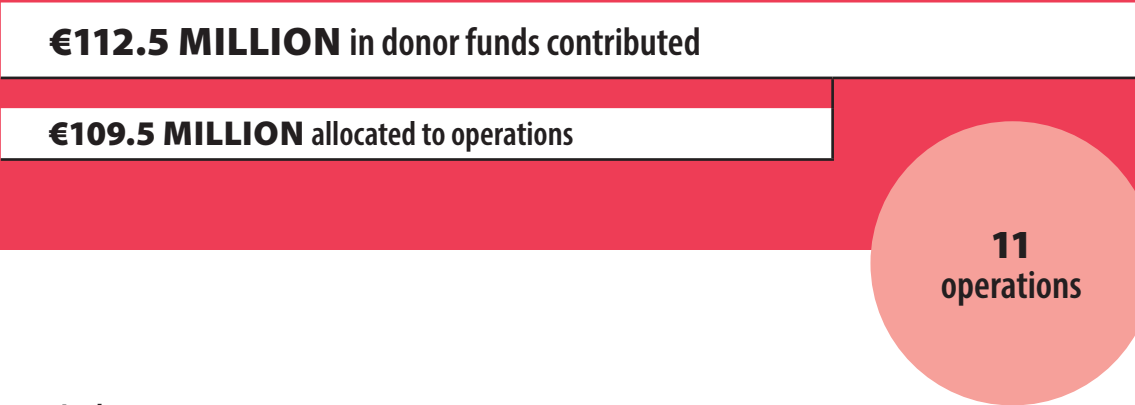
PROJECT HIGHLIGHTS

- Three grants from the ERI Fund **support financial institutions in the Western Balkans**, enabling them to offer loans to businesses that intend to improve gender equality, youth employment and social inclusion. These impact incentive loans combine financing with grants for a performance-based reward scheme, aimed at promoting socially inclusive practices among small and medium businesses and mid-caps, while supporting job creation and entrepreneurship. The first two grants supported Unicredit Bank Serbia and Intesa Sanpaolo Bank in Bosnia and Herzegovina. To improve access to finance for small firms in the region, the trust fund provided a third grant in 2022 for a programme through which banks in the Western Balkans would be able to provide impact incentive loans to small businesses. In total, these projects are expected to support more than 13 000 jobs.
- The ERI Fund helps **North African and Middle Eastern startups and entrepreneurs get off the ground**. Its risk-sharing scheme — the Risk Capital Facility — has so far enabled the EIB to invest over €100 million in funds providing seed capital to small and medium-sized companies. These investments are expected to sustain 16 600 jobs, a quarter of which will go to female workers.
- **Jordan** is one of the driest countries in the world and water scarcity brings many challenges for social and economic growth. The country also hosts a large number of refugees who fled the conflict in neighbouring Syria and now make up a quarter of the population, further stretching water resources and infrastructure. A €16.25 million grant from the ERI Fund is **helping the government to bring water and sanitation to people** in the Deir Alla area, close to the border with the West Bank.

AREAS OF ACTION

Small businesses and jobs
Vital infrastructure
Sustainable transport and urban development
Energy efficiency
Equal opportunities

ECONOMIC RESILIENCE INITIATIVE FUND AT A GLANCE



OUR DONORS

This trust fund is multi-donor. The donors’ contributions are pooled to achieve greater impact where most needed.

BULGARIA	LITHUANIA	SLOVAKIA
CROATIA	LUXEMBOURG	SLOVENIA
ITALY	POLAND	UNITED KINGDOM

AFRICAN, CARIBBEAN AND PACIFIC TRUST FUND (ACP TRUST FUND)

ABOUT THE TRUST FUND

The African, Caribbean and Pacific Trust Fund (ACP Trust Fund) was created in 2023, building on decades of EIB financing experience in the three regions. The ACP Trust Fund relies on two pillars of support, from the European Commission and from the EU Member States. The trust fund aims to foster the sustainable economic, social and environmental development of African, Caribbean and Pacific countries, with the primary aim of promoting growth and prosperity.

The ACP Trust Fund's **European Commission compartment** has been operational since 2023. It focuses on boosting economic growth, including in least developed and fragile countries, by investing in high-impact projects for the private sector. It offers technical assistance and financial instruments such as equity, quasi-equity, subordinated debt, risk-sharing and local currency lending.

The trust fund's **Member States compartment** will support projects financed by the European Commission compartment and other projects in the ACP countries under the Neighbourhood, Development and International Cooperation Instrument (NDICI – Global Europe), the European Union's main instrument for international partnerships. These projects can also be in the public sector and benefit from EU guarantees. To unlock the trust fund's potential, it is essential that donors contribute to the Member States compartment, which will offer:

- **Technical assistance**, to help raise standards and ensure that environmental and social requirements are met during a project's preparation and implementation phases. It includes pre-feasibility and feasibility studies, design and tender documents, environmental and social impact assessments, and skills development at the institutional level.
- **Investment grants**, to help lower the beneficiary's total financing needs. The grants can also add specific social or economic value to projects.
- **Interest rate subsidies**, to bring down the overall cost of an investment by reducing the financing costs in cases where the beneficiary project promoter faces debt sustainability constraints.

Strategic priorities

The overarching goals of the trust fund are in line with the European Union's strategic orientations:

- Green Deal
- Global Gateway
- Jobs and inclusive growth



REDUCING POVERTY IN THE ACP REGIONS

- **European Commission compartment: €500 million (2023)**, with the aim of triggering up to €3.5 billion in investments
- **Member States compartment: €200 million** (up to €400 million in total)

The geographic coverage of the ACP Trust Fund is very broad, but the beneficiary countries face similar challenges. The trust fund promotes inclusive and sustainable private sector-driven economic growth and development, especially in least developed countries and fragile states, most of which are located within its geographical scope. It aims to have an impact on environmental sustainability, climate action, gender equality, social inclusion, economic resilience, and peacebuilding.

AREAS OF ACTION

Climate

Energy

Financial inclusion

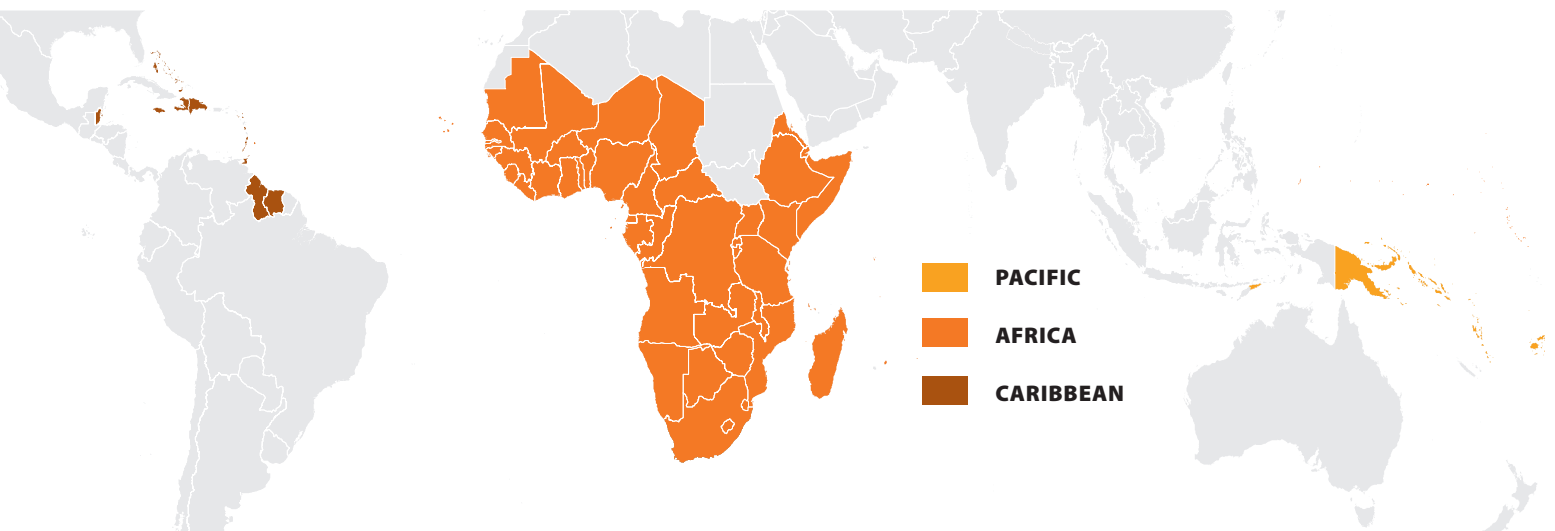
Economic resilience

Digitalisation

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



ELIGIBLE COUNTRIES



Africa: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cabo Verde, Central African Republic, Chad, Comoros, Republic of the Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Eritrea, Eswatini, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Equatorial Guinea, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Tanzania, Togo, Uganda, Zambia, Zimbabwe. **Caribbean:** Antigua and Barbuda, Bahamas, Barbados, Belize, 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, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, Vanuatu.

OUR DONORS

This fund is multi-donor. The fund's first compartment was launched in March 2023 thanks to a contribution from the **European Commission**. The fund's second compartment will receive contributions from several **EU Member States** and is expected to be created in the second half of 2023.

EU-AFRICA INFRASTRUCTURE TRUST FUND

ABOUT THE TRUST FUND

The EU-Africa Infrastructure Trust Fund was one of the first trust funds to be managed by the European Investment Bank (EIB). While it no longer receives new contributions from donors, it continues to offer ongoing support for infrastructure projects in sub-Saharan Africa that reduce poverty and improve economic growth. The trust fund supports projects financed by the EIB as well as other financiers.

The trust fund has two main areas of activity, infrastructure and sustainable energy. It helps finance cross-border and national infrastructure projects in the energy, transport, water, and information and communications technology (ICT) sectors. €330 million has been set aside to support renewable energy and energy efficiency projects that are in line with the UN Sustainable Energy for All initiative. The trust fund offers four types of support:

- **Technical assistance**, to improve the quality, efficiency and sustainability of a project during the preparation or implementation phase. This can help raise standards and fulfil environmental and social requirements.
- **Investment grants**, to help lower the total financing needs for the beneficiary. This is often necessary to unlock projects that have a low financial return or elevated risk, despite high socioeconomic returns. They can also target certain aspects of a project that add specific social or economic value.
- **Interest rate subsidies**, to bring down the overall cost of the investment by reducing the financing costs in cases where the project promoter faces debt sustainability constraints.
- **Financial instruments**, to unlock financing from private and public investors by addressing some of the risks that can hold back investments. They are used to finance equity or quasi-equity investments, guarantee cost or risk-sharing instruments.



€813 MILLION in donor funds contributed

120 grants, of which **38** support the UN Sustainable Energy for All initiative

€11.3 BILLION Total investment mobilised as of the end of 2022

The largest portion of the fund's resources supported infrastructure projects in East and West Africa, together representing nearly three-quarters of the trust fund's approved amounts (see page EU-A 4).

Most of the fund's resources (59%) supported projects linked to the energy sector, in part because of the fund's support for the UN Sustainable Energy for All initiative. These projects include off-grid renewable energy solutions, which give rural communities access to clean energy. The transport sector followed, with 23% of approved resources. These include support for road corridor projects that enable the creation or improvement of cross-border road links, which are important for the regions' economic development (see page EU-A 4).

EXPECTED IMPACT

The trust fund, established in 2007, has made a significant contribution to increasing infrastructure investment in sub-Saharan Africa. Its resources have unlocked projects that are expected to improve the lives of millions of people through access to the internet, renewable electricity, clean drinking water, better roads and the creation of thousands of jobs.

- Electricity for **5.6 million homes**
- **12 000 km** of internet cables
- Safe drinking water for **745 000 homes**
- **2 000 km** of roads built or upgraded

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED







AREAS OF ACTION

Energy
Transport
Water
Information and
communications technology



ELIGIBLE COUNTRIES

The EU-Africa Infrastructure Trust Fund supports these sub-Saharan countries

-  **CENTRAL AFRICA**
-  **SOUTHERN AFRICA**
-  **WEST AFRICA**
-  **EAST AFRICA**

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

PROJECT HIGHLIGHTS

- For Chad, a landlocked country, transport infrastructure is key for the development of its private sector. A €5.7 million technical assistance grant from the fund **supports the Chad government's implementation of a road improvement project**. 229 km of the road corridor connecting N'Djamena in Chad to the nearest seaport in Douala, Cameroon will be reconstructed or upgraded and is expected to save 8 million hours of travel per year for users, create 11 400 jobs during construction, and boost the country's sustainable economic growth.
- The Ethiopian government is implementing **a project to build water supply systems in 48 small and medium towns across the country** supported by a €1.27 million technical assistance grant from the EU-Africa Infrastructure Trust Fund. Living conditions in Ethiopia will improve thanks to increased and more sustainable access to drinking water and with it, reduced levels of sickness. The project also contributes to regional stability in conflict-prone areas, as proximity to water systems will reduce cross-border movement of people travelling to find drinking water. The new systems will help reduce water loss and avoid overexploitation of the Nile's sources, benefiting the millions of people who live downstream, for whom the river is a lifeline.
- The Seychelles, a group of islands in the Indian Ocean, is located 1 500 km from mainland Africa. The country was connected to a submarine fibre-optic cable in 2012 thanks to an EIB loan, making internet access more affordable for residents and leading to a 70% spike in internet connections within two years. The EU-Africa Infrastructure Trust Fund provided an investment grant, used by the Seychelles government to purchase an equity stake in Seychelles Cable Systems Company Ltd, which maintains the fibre-optic cable. Part of the income from the government's equity stake was used to **provide free internet access to all public schools in the Seychelles**. As of 2021, more than 17 000 primary and secondary school pupils benefited from free internet access thanks to the grant.

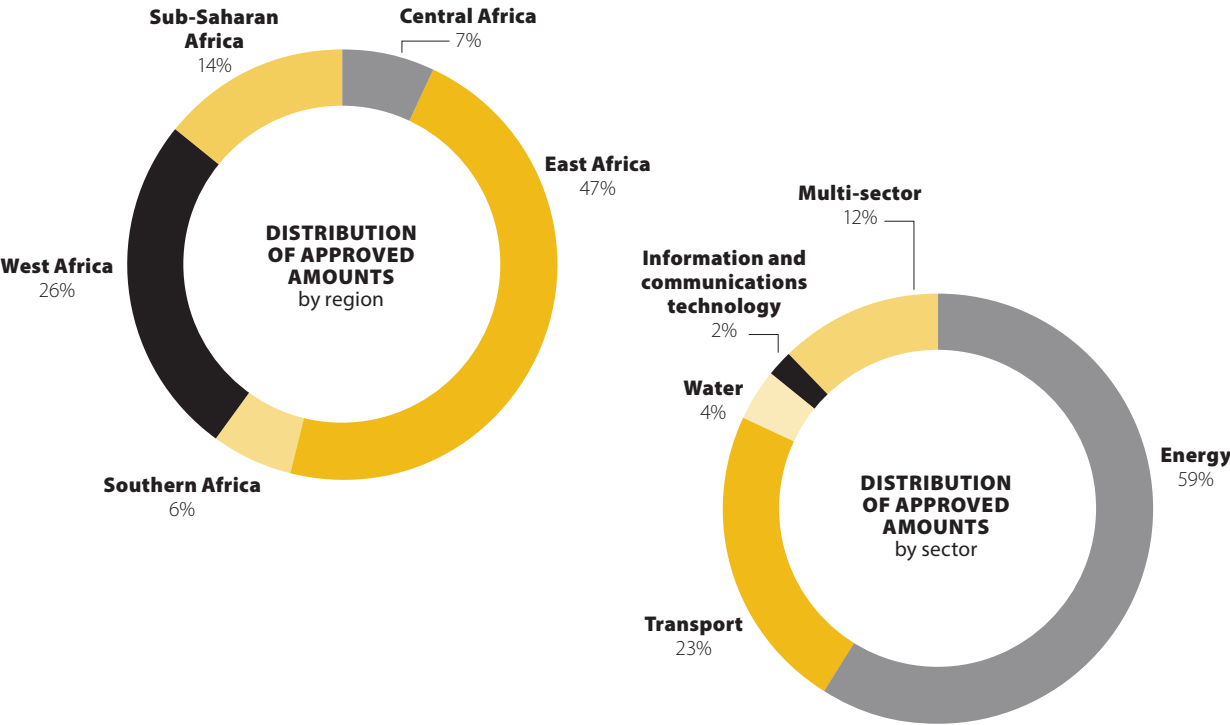
EU-AFRICA INFRASTRUCTURE TRUST FUND AT A GLANCE

€813 MILLION in donor funds contributed

€785.2 MILLION allocated to operations

€11.3 BILLION of investments supported

120 operations



OUR DONORS

This trust fund is multi-donor. The donors’ contributions are pooled to achieve greater impact.

AUSTRIA	GERMANY	NETHERLANDS
BELGIUM	GREECE	PORTUGAL
EUROPEAN COMMISSION	HUNGARY	SPAIN
FINLAND	ITALY	UNITED KINGDOM
FRANCE	LUXEMBOURG	

INTERNATIONALE KLIMASCHUTZINITIATIVE (IKI) FUND

INTERNATIONAL CLIMATE INITIATIVE FUND

ABOUT THE TRUST FUND

The Internationale Klimaschutzinitiative (IKI) Fund — German for International Climate Initiative Fund — provides grants in developing countries for climate mitigation and adaptation.

Working with the public and private sectors, the IKI Fund acts to reduce greenhouse gas emissions by encouraging new types of renewable energy, energy efficiency, circular economy and low-carbon technology. The trust fund also aims to lower the risks posed by climate change in agriculture, biodiversity, water and wastewater systems, energy, transport, coastal areas and rivers.

At the macro level, the trust fund engages in activities aimed at making financial systems greener so that central banks and financial institutions can better account for climate-related risk and make use of the regulatory measures available to them.

The IKI Fund aims to help reduce emissions and make countries less vulnerable to the damage caused by climate change. It does this by offering technical assistance and providing financial tools and facilities in developing countries:

- **Technical assistance** includes support in the preparation and implementation of investments, and advisory services for the countries' central banks and financial institutions.
- **Financial instruments** can unlock financing from private and public investors by addressing some of the risks that hold back investments. The IKI Fund's financial tools and risk-bearing facilities help crowd in additional funding from private investors for climate action projects such as energy efficiency measures or off-grid renewable electricity installations.

ELIGIBILITY

This trust fund supports projects in developing countries and emerging economies included on the [OECD Development Assistance Committee's list of recipients of official development assistance](#). Projects must also comply with the [EIB's climate action eligibility criteria](#).



European
Investment Bank | Global

INTERNATIONAL CLIMATE INITIATIVE (IKI) FUND AT A GLANCE

€37.1 MILLION in donor funds contributed

€10.4 MILLION in donor funds allocated to operations

€255 MILLION Expected total investment mobilised as of the end of 2022. This sum includes a mix of funding from partner institutions.

AREAS OF ACTION

Climate change adaptation

Climate change mitigation

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



OUR DONORS

The fund was developed by the EIB in partnership with the **German government** and started operating in 2019.

PARTNERSHIPS FOR REAL IMPACT — PROJECT HIGHLIGHT

The IKI Fund finances the [Greening Financial Systems Programme](#), which is designed to promote net-zero and climate-resilient financial systems that will ultimately support the private sector in deploying climate-related and environmentally sustainable investments. The programme's beneficiaries, including central banks and supervisory bodies, receive support to enhance their institutional skills and are introduced to best-lending practices related to green financing, including procedures, processes and products available to the financial institutions they supervise.

The programme's first technical assistance operation was approved in 2022, in support of Georgia's Central Bank. The €300 000 grant will help Georgia develop climate change scenarios and stress testing exercises.

Countries communicate their commitments to the 2015 Paris Agreement on climate change through Nationally Determined Contributions (NDCs) — each country's strategy to cut its greenhouse gas emissions and build climate resilience. The IKI Fund works together with the [NDC Partnership](#), a coalition of more than 200 countries and institutions that pool their knowledge and resources to deliver on ambitious climate action that helps achieve the Paris Agreement targets and the UN Sustainable Development Goals.

LUXEMBOURG-EIB CLIMATE FINANCE PLATFORM

ABOUT THE TRUST FUND

The Luxembourg-EIB Climate Finance Platform (LCFP) is a joint initiative of the European Investment Bank (EIB) and the government of Luxembourg. It supports climate change mitigation and adaptation projects around the world using innovative, high-impact financing solutions. The LCFP strengthens its impact by attracting private sector investors.

Investments promote sustainable land use and land restoration, energy efficiency and renewable energy, urban mobility, climate resilience data and engineering solutions, off-grid electricity for households and small businesses in rural or remote areas, and the circular economy, in accordance with the UN Sustainable Development Goals.

Financial instruments can unlock financing from private and public investors by addressing some of the risks that hold back investments. The LCFP provides equity investments and takes on a higher risk in layered funds by financing junior tranches which helps to attract other investors.

The layered funds invest in companies in emerging markets that are involved in climate change mitigation and adaptation projects, which are considered of especially high risk. The LCFP supports the following instruments:

- subordinated and/or other investments in equity or debt funds, including funds-of-funds;
- direct debt investments, including subordinated or mezzanine debt.

ELIGIBILITY

Operations eligible for financing under the LCFP are not limited to a specific geographical region, but must be in line with the [EIB's climate strategy](#) and [Luxembourg's International Climate Finance Strategy](#) for allocating funds.



€70 MILLION in donor funds contributed

€16.6 BILLION Total investment expected to be mobilised based on operations supported so far. This includes €292 million of EIB lending.

LCFP MULTIPLIER EFFECT* from 28x to 667x, depending on the targeted equity fund

* The LCFP multiplier effect is the ratio of total investment in final projects to the trust fund's initial commitment. It varies depending on the supported equity fund, from 28x in the case of the [responsAbility Access to Clean Power Fund](#) up to an estimated 667x for [The Urban Resilience Fund B](#).

EXPECTED IMPACT

The LCFP's main objective is to achieve UN Sustainable Development Goal 13 — Climate Action. The benefits brought about by the projects supported by the trust fund will help to achieve this goal and contribute to the achievement of many others.

The trust fund has invested in six funds so far, each quite different in terms of geographic regions covered, sectors of activity, and impact. It has reached some 40 developing countries across the world and has provided investments in agriculture, resource management, circular economy, urban mobility and clean energy.

- **34.5 million tonnes** reduction in CO₂ emissions
- Annual energy savings of **4.3 GWh** (equivalent to energy for 450 000 households)
- **12 million hectares** under sustainable land management
- **165 million people** benefiting from climate-resilient urban infrastructure projects
- Greater **energy access** for millions of people

AREAS OF ACTION

Climate action in:

Agroforestry

Energy

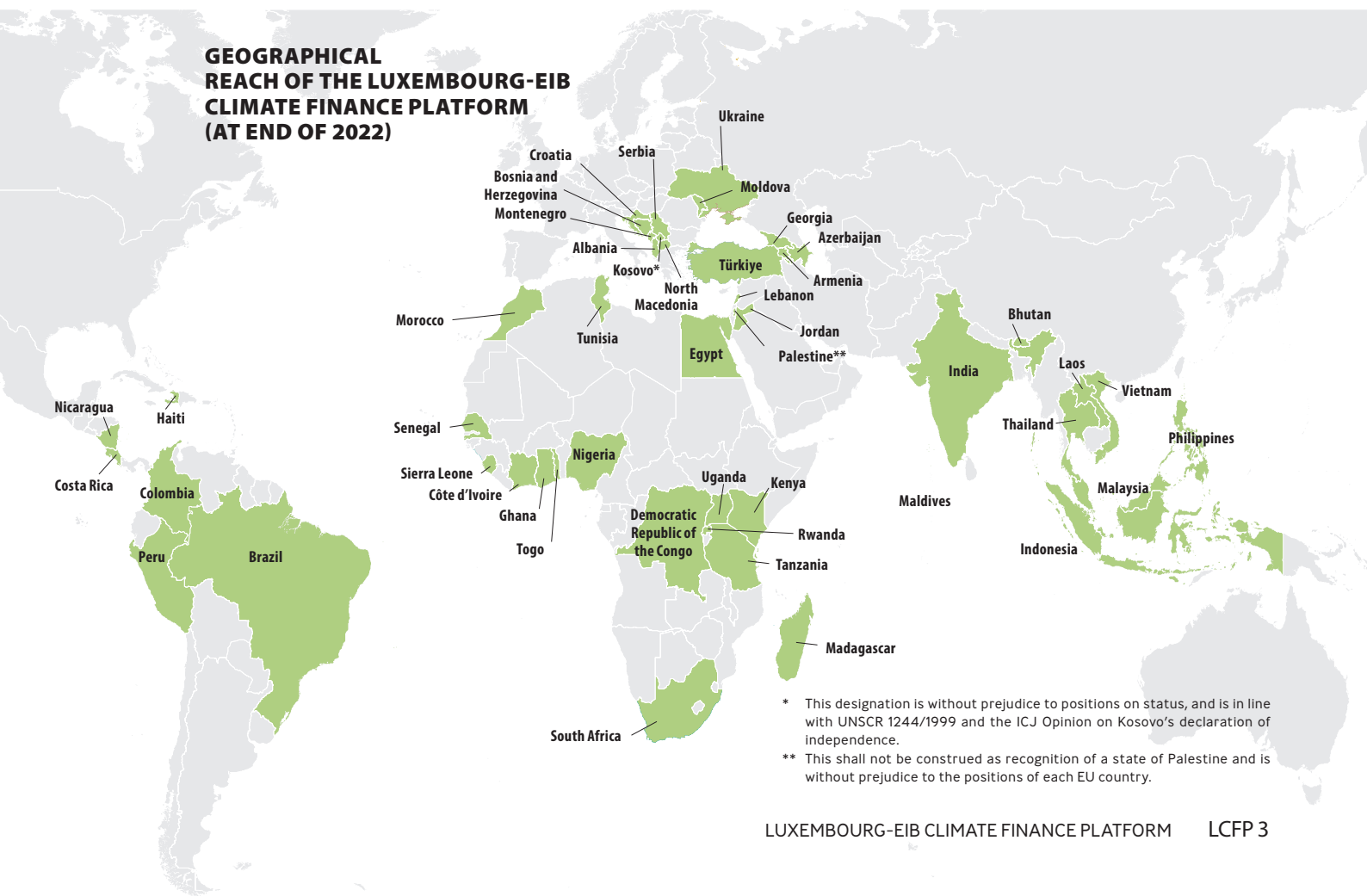
Transport

Circular economy

PROJECT HIGHLIGHTS

- The LCFP contributed to the **Green for Growth Fund**, which invests in renewable energy, energy efficiency, and water and sanitation projects in the Southern and Eastern Neighbourhoods and the Western Balkans.
- The trust fund supports the **Land Degradation Neutrality Fund**, which aims to rehabilitate and restore 500 000 hectares of degraded land in Africa, Asia, the Caribbean and the Pacific, mainly through sustainable agriculture and forestry.
- An LCFP contribution to responsAbility's **Access to Clean Power Fund** is helping smaller companies to provide renewable off-grid energy solutions to millions of people across sub-Saharan Africa, Asia and the Pacific.
- An investment in the **Climate Resilience Solutions Fund**, known as CRAFT, supports small businesses involved in climate intelligence such as analytics, risk modelling and water monitoring. This will help people in Africa, Asia and Latin America to better adapt to climate change.
- The trust fund supports the **Emerging Markets Climate Action Fund**, a private equity fund-of-funds supporting the production of clean energy and the reduction of carbon emissions and air pollution.
- The LCFP made a contribution to **The Urban Resilience Fund (TURF) B**, which helps cities in rapidly growing urban areas in Africa. The trust fund targets investments in green, sustainable and resilient public infrastructure projects.

GEOGRAPHICAL REACH OF THE LUXEMBOURG-EIB CLIMATE FINANCE PLATFORM (AT END OF 2022)



LUXEMBOURG-EIB CLIMATE FINANCE PLATFORM AT A GLANCE

€70 MILLION in donor funds committed

€40 MILLION invested

€16.6 BILLION of investments expected to be mobilised

6
operations

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



OUR DONORS

This trust fund was created in 2017 in partnership with the government of Luxembourg, with the intention of becoming a multi-donor fund. For now, **Luxembourg** is the only donor, but the fund is open to contributions from other donors seeking to support green development.





CITY CLIMATE FINANCE GAP FUND

ABOUT THE TRUST FUND

The City Climate Finance Gap Fund, or Gap Fund, is an initiative implemented jointly by the World Bank and the European Investment Bank (EIB), in partnership with the German development agency Gesellschaft für internationale Zusammenarbeit (GIZ).

Cities are home to over half the global population and account for more than 70% of global CO₂ emissions. Creating low-carbon and resilient cities is key to achieving the Paris Agreement's goal of limiting the rise in global temperatures to below 1.5° Celsius above pre-industrial levels. However, many cities struggle to develop and finance urban climate projects because they lack the technical knowledge and resources. The Gap Fund helps cities in developing countries overcome these hurdles at an early stage by offering technical assistance.

Technical assistance grants from the EIB Gap Fund cover:

- skills development for cities' low-carbon and climate-resilient urban planning;
- conception of projects and pre-feasibility studies;
- review of cities' climate strategies and support in the prioritisation of investments;
- support in bridging other potential project preparation gaps.

ELIGIBILITY

This trust fund supports cities in low and middle-income countries included on the [OECD Development Assistance Committee's list of official development assistance recipients](#).

AREAS OF ACTION

Climate-smart urbanisation
Urban resilience and adaptation
Water and sewerage
Urban mobility
Energy-efficient and affordable housing



€80 MILLION in donor pledges to the Gap Fund initiative.
This includes €48 million under EIB management.

Close to 300 applications in the first three years of operation,
including 145 expressions of interest from cities screened by the EIB

35 CITIES supported (under EIB and GIZ management)

Since its creation in 2020, the Gap Fund has approved support for municipalities in Africa, Eastern and South-Eastern Europe, Asia, the Pacific, and Latin America (see page GAP 4). Projects and strategic plans supported by the Gap Fund serve as a blueprint for climate action projects in cities and countries worldwide.

The Gap Fund is actively seeking to cooperate with public and private partners to support the transformation of societies and the environment in a sustainable manner.

EXPECTED IMPACT

The City Climate Finance Gap Fund advances low-carbon, climate-resilient initiatives in urban areas across the globe. It helps improve liveability, air quality and health for city residents in developing countries, and the resilience of local communities and inclusion of vulnerable parts of society. This will also contribute to job creation.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



PROJECT HIGHLIGHTS

- **Dhaka, Bangladesh:** Dhaka's size and rapid growth has increased its exposure to flooding risks, which are expected to worsen with climate change. The Dhaka Urban Regeneration Project addresses these challenges via a range of measures, including adapting infrastructure to climate change, extending the network of green spaces and broadening the availability of sustainable mobility options. The Gap Fund will conduct a climate risk assessment to identify adaptation measures and develop guidelines for integrating climate considerations in the city's planning and development.
- **Zenata, Morocco:** Zenata is a new, integrated urban development near Casablanca, intended to accommodate about 300 000 inhabitants and 100 000 jobs by 2040. The project provides an opportunity to establish a sustainable model for urban development and city living in Morocco. The Gap Fund will help the city assess the technical and financial viability of various options for harnessing solar energy and make early-stage decisions on the scope and nature of investments needed in photovoltaic infrastructure.
- **Savusavu, Fiji:** Savusavu contends with the double risk of coastal erosion and rising sea levels. To address these challenges, the city plans to take measures that integrate marine conservation and coastal protection with opportunities for economic development. Potential measures would include the provision of new amenities such as foreshore walkways, possibly incorporating nature-based solutions. The Gap Fund will assess options for effectively mitigating the risks of erosion and rising sea levels. The technical assistance will also include some elements of technical design and will explore future scale-up and funding options.
- **Comayagua, Honduras:** Comayagua's portfolio of planned projects to mitigate the effects of climate change includes one supporting non-motorised transport in the old city centre. The proposed project comprises a street design in the historical centre that limits access to vehicles, makes the Comayagua shopping promenade pedestrian-only, improves pedestrian crossings at ten locations and provides parking facilities outside the city centre. The Gap Fund will help define the project area and supply preliminary designs for some of the investments.
- **Lagos, Nigeria:** As part of its Renewable Energy Plan, which aims to transition to solar energy and off-grid solutions, Lagos State plans to install solar photovoltaic panels in public schools and primary health centres in Ojodu, an underserved area with limited and unreliable grid access. The Gap Fund will undertake a preliminary cost-benefit analysis and evaluate the project's business model.



CITY CLIMATE FINANCE GAP FUND AT A GLANCE

35
CITIES
supported

€48 MILLION in donor funds committed to the EIB Gap Fund

€17.9 MILLION allocated to operations

OVERVIEW OF APPROVED TECHNICAL ASSISTANCE ASSIGNMENTS



* RAMCC is an Argentinian network of 251 municipalities tackling climate change in the country.

OUR DONORS

This trust fund was launched in 2020. Currently, its donors include **Germany** and **Luxembourg**.

FINANCIAL INCLUSION FUND

ABOUT THE TRUST FUND

Microenterprises and small businesses across the world play a key role in their local economies. However, they have a precarious existence and face the greatest hurdles in accessing finance to help them grow. The barriers range from difficulties in meeting collateral requirements and low levels of financial literacy to issues of proximity and physical access to service-providing institutions.

Since 2019, the Financial Inclusion Fund has aimed to strengthen microfinance providers and reinforce their outreach to microenterprises and small firms, particularly businesses run by women or young people in rural communities, through technical assistance.

- **Technical assistance and advisory services support:**

- institutional skill development in microfinance institutions;
- preparation of analyses (gender, social inclusion, market or product);
- design and drafting of tender and legal documents;
- project management, including designing innovative solutions tailored to the needs of the unserved, and outreach to final beneficiaries.

- **A traineeship programme** under the trust fund aims to strengthen the knowledge and skills of students and young professionals from the public and private sectors of beneficiary countries in the African, Caribbean and Pacific and EU Southern Neighbourhood regions. Over a three-year period, EIB Global will host up to 60 trainees under the [traineeship programme](#).

Strategic priorities

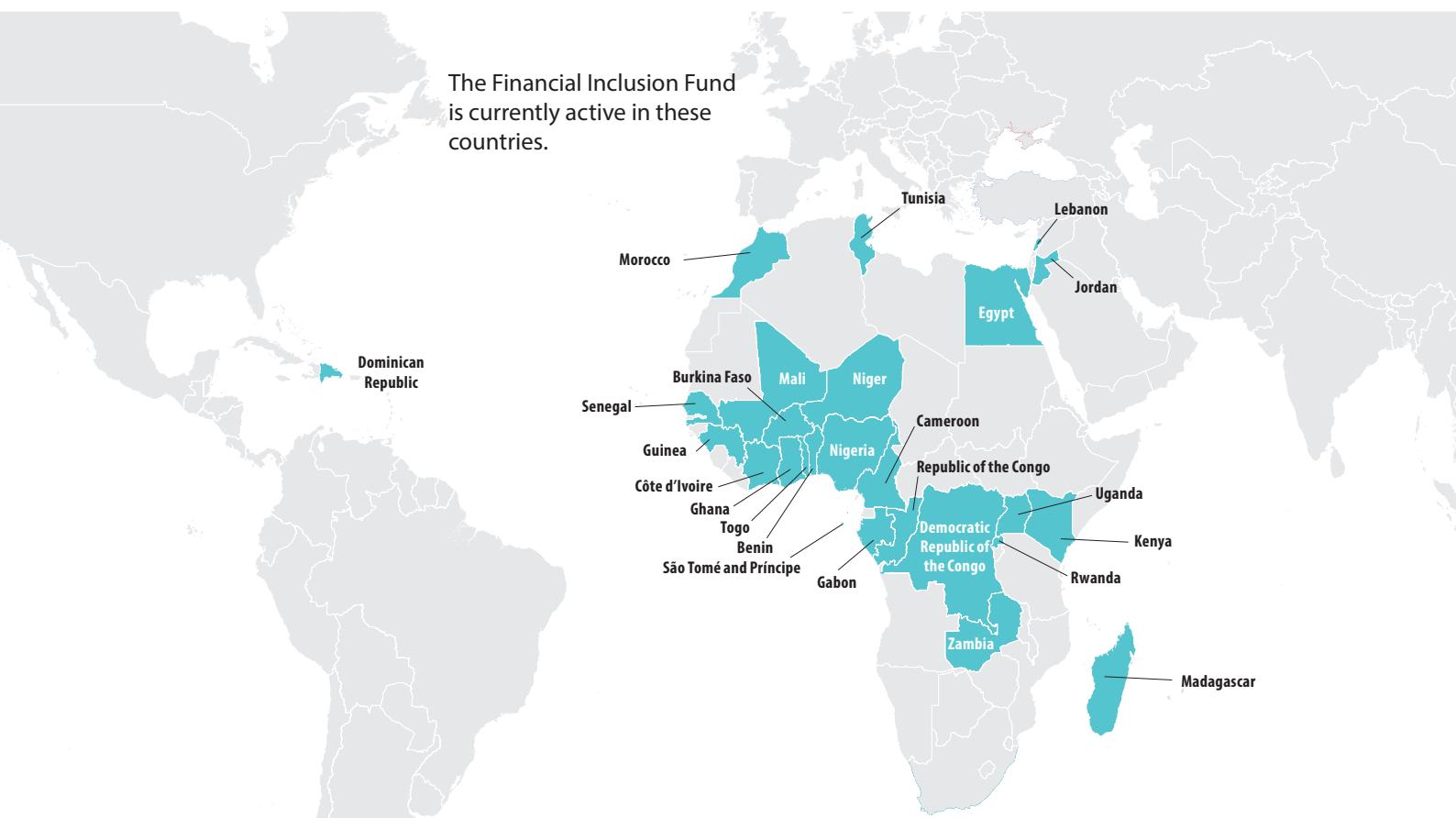
The Financial Inclusion Fund supports microfinance institutions and their clients in many ways. The trust fund is flexible and can adapt to changing needs on the ground and help beneficiaries respond to challenges. Each year, the trust fund identifies priority areas for support. In 2022, its strategic priorities were:

- **promoting the economic empowerment of women** by improving their access to responsible finance and/or enhancing their entrepreneurial skills;
- **increasing resilience to climate change** for microfinance institutions and their clients, notably through sustainable agricultural practices and access to renewable energy;
- **improving access to finance through digital platforms.**



ELIGIBILITY

This trust fund supports operations in the least developed countries and low and middle-income countries included in the [OECD Development Assistance Committee's list of recipients of official development assistance](#).



EXPECTED IMPACT

By the end of 2022, 33 operations were approved under the Financial Inclusion Fund, including 27 projects in Africa, the Caribbean and Pacific, five in the European Union's Southern Neighbourhood, and a traineeship programme (see page FI 4).

The Financial Inclusion Fund helps partner countries achieve UN Sustainable Development Goals 1, 5 and 8. It is designed to improve financial inclusion and access to responsible finance for micro, small and medium-sized enterprises in emerging and developing economies. This is achieved by providing technical assistance support to a range of inclusive financial service providers, to help them improve the quality of the financial and non-financial services that they offer to microentrepreneurs.

The Financial Inclusion Fund's operations have had an impact on people's lives. For example, the trust fund has helped:

- provide **digital financial services to almost 600 000 people** in remote and rural parts of Zambia;
- train **450 Moroccan female microentrepreneurs** in e-commerce;
- enable **200 000 female microentrepreneurs in Uganda** to access and use financial products.

AREAS OF ACTION

Women's economic empowerment

Young entrepreneurs

Rural populations

Digitalisation

Climate action

As part of the trust fund's ongoing technical assistance projects with microfinance institutions, more than 8 500 hours of training will be provided to over 140 000 people, with on-the-job coaching for more than 3 300 people, to help them improve their internal management and IT systems, develop strategies, and enhance other institutional skills.

The trust fund's replenishment in 2023 has made it possible to support new operations. Future projects will focus on promoting the economic empowerment of women (50% will be aimed at gender and social inclusion), encouraging climate action and environmental sustainability, and advancing digitalisation in the least developed and low- and middle-income countries.

The trust fund's grants are smaller than those of EIB Global's other trust funds, but their impact on people's lives is significant. Small entrepreneurs benefit from stronger digital platforms, have better financial knowledge, which makes them more resilient to market fluctuations and shocks, and have better access to the services they need. **It is therefore important to continue replenishing the trust fund with fresh donor resources.**

PROJECT HIGHLIGHTS

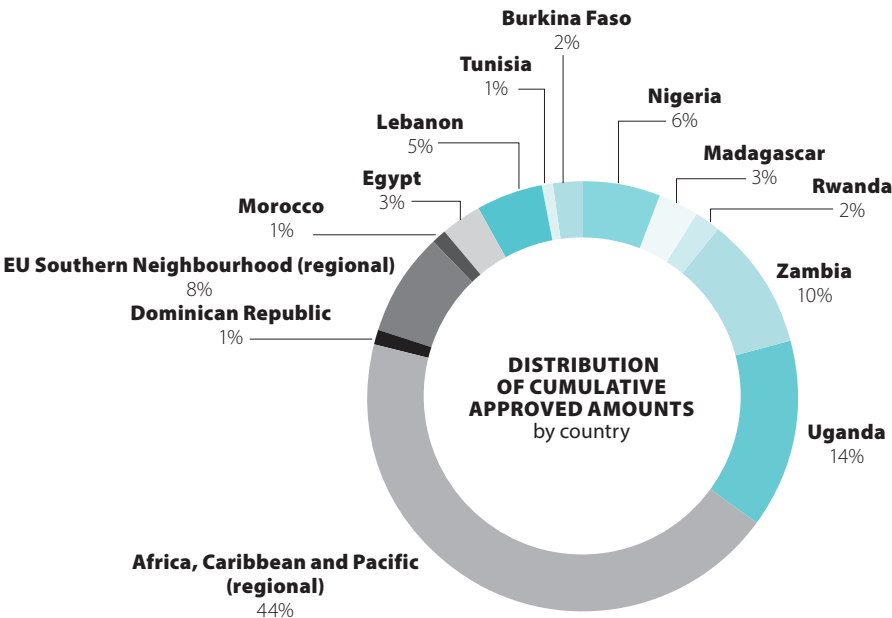
- €107 000 in Financial Inclusion Fund technical assistance for the economic empowerment of women will help Burkina Faso's microfinance institution Agence de Crédit Pour l'Entreprise Privée train 500 female microentrepreneurs in business administration, sales, and marketing techniques, and train women working in agrifood production in the areas of hygiene and public health. The project focuses on **building women's skills for the day-to-day management of their businesses** and is contributing to gender equality and sustainable economic growth in Burkina Faso.
- The land in northern Uganda is fertile, but droughts have led to poor harvests for two years running. In 2022, the Financial Inclusion Fund provided a grant to Pride Microfinance Ltd to help it set up an agribusiness hub designed to **improve food security in the region**. The hub will help expand financial inclusion for hundreds of farmers and enhance their business and agricultural skills. It will also provide climate-smart seeds.
- A **two-year project** carried out by Attadamoune Micro-Finance in Morocco, with the help of €63 000 in technical assistance from the Financial Inclusion Fund, came to an end in 2022. Under the project, **450 female business owners received training in e-commerce**. This programme helped female-led businesses stay in touch with clients during the COVID-19 lockdowns. The women learned how to use digital tools to reach new clients and export their crafts and services. Attadamoune Micro-Finance plans to expand the e-commerce training and coaching programme to reach 2 500 women.
- Displaced people face barriers to access financial services (crucial for managing their cash flow), invest in their livelihoods, and build income-generating activities. Displacement also compounds gender-related gaps in access to services and resources. A Financial Inclusion Fund technical assistance package of close to €300 000 for the Displaced Communities Technical Assistance Facility will help inclusive financial institutions better **meet the needs of forcibly displaced people — especially women** — and improve lives in regions with a high emigration rate in Rwanda, Kenya, Nigeria and Uganda.

FINANCIAL INCLUSION FUND AT A GLANCE

€11.5 MILLION in donor funds contributed
(including a €4.8 million replenishment in 2023)

€6 MILLION allocated to operations

33
operations



SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



OUR DONORS

This trust fund was created in 2019 in partnership with the **government of Luxembourg**. It remains open to contributions from other donors seeking to promote financial inclusion.

GREEN HYDROGEN FUND

ABOUT THE TRUST FUND

The Green Hydrogen Fund was set up in 2021 in cooperation with the government of Germany and is implemented by the European Investment Bank (EIB) in partnership with the German development agency Gesellschaft für internationale Zusammenarbeit (GIZ). The trust fund provides strategic advice and technical assistance to developing countries for initiatives or projects, in the context of their sustainable decarbonisation action plans using green hydrogen.

The Green Hydrogen Fund contributes to the decarbonisation of hard-to-abate sectors in developing and emerging economies. Through technical assistance, the fund helps countries to develop green hydrogen projects and steer their national decarbonisation strategies towards alignment with the 2015 Paris Agreement.

Technical assistance can improve the quality, efficiency and sustainability of a project during the preparation or implementation phase. This can include pre-feasibility studies, proof-of-concept pilots, diagnostic studies before a project goes ahead, or other related advisory services, including policy advice to project promoters.

ELIGIBILITY

This trust fund supports developing countries and emerging economies included on the [OECD Development Assistance Committee's list of recipients of official development assistance](#).



GREEN HYDROGEN FUND AT A GLANCE

€25 MILLION in donor funds contributed

Green hydrogen — produced from the electrolysis of water using renewable energy — is a crucial element for achieving a net-zero emissions economy by 2050, in line with the Paris Agreement goal of limiting global warming to 1.5° Celsius above pre-industrial levels. Green hydrogen and its by-products can cut emissions in carbon-intensive sectors that are otherwise heavily reliant on fossil fuels, such as sea and air transport and the chemical industry (fertilisers, cement, etc.).

The trust fund's objective is to promote the sustainable development of green hydrogen and by-products in developing and emerging economies, many of which have a wealth of untapped natural renewable energy resources, such as wind and sun.

It aims to ultimately help countries achieve their decarbonisation targets and support their economic growth through the development of this nascent sector by:

- supporting the preparation of sustainable green hydrogen projects;
- improving the policy environment and skills to enable the implementation of green hydrogen projects.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



OUR DONORS

This trust fund was created in partnership with the **German government**. The trust fund is open to contributions from other donors seeking to advance the decarbonisation of the industry sector in developing countries.

AREAS OF ACTION

Decarbonisation
Technical assistance and advisory
services for developing countries
Climate change mitigation

WATER SECTOR FUND

ABOUT THE TRUST FUND

The Water Sector Fund was developed by the European Investment Bank (EIB) and the Dutch government. It supports projects in low and lower middle-income countries whose public authorities often have limited finances and lack the ability or resources to build water projects to a sufficient standard. Some residents in these regions do not have basic sanitation or water supply. The coronavirus pandemic highlighted the need to urgently improve this sector. Furthermore, a link has been established between access to water and stability in countries [classified as fragile](#) by the Organisation for Economic Co-operation and Development (OECD).

This trust fund's support, provided through initial-phase technical assistance, helps countries plan modern and innovative water projects and improve their water management. In 2022, new projects were developed, and the trust fund's scope was extended. In addition to technical assistance, the Water Sector Fund offers financial instruments to help de-risk investments for private investors and attract more financing, for greater impact on the ground.

Technical assistance and advisory services support:

- institutional skill development for the staff of beneficiary entities;
- preparation of analyses (gender, social inclusion, market or product);
- design and drafting of tender and legal documents;
- project management, including the design of innovative solutions tailored to the needs of the unserved, and outreach to final beneficiaries.

Financial instruments can unlock financing from private and public investors by addressing some of the risks that hold back investments. These instruments cover investments in layered debt and equity funds, which emit high-risk shares as well as low-risk shares. The high risk taken by the donor attracts other investors, who are exposed to significantly lower risks. The layered debt or equity funds invest in water, sanitation, and hygiene projects.

ELIGIBILITY

The Water Sector Fund is active in **low and lower middle-income countries**, as indicated on the [OECD Development Assistance Committee's list of recipients of official development assistance](#). It focuses on cities with more than 100 000 people, and clusters of smaller cities.



MORE IMPACT ON THE GROUND

Projects supported by the Water Sector Fund can help accelerate the progress being made towards the “Water for All” goal by upgrading water supply, sanitation, and hygiene services where they are most needed, particularly for the poorest and most vulnerable groups in low-income areas.

The projects also promote economic inclusion, social well-being and gender equality. As the EU climate bank, the EIB pays particular attention to sustainability so that water resources are not depleted faster than they can be replenished naturally.

In 2022, the trust fund expanded its scope to provide financial instruments that reduce the risk of investments for private sector investors. To achieve the Sustainable Development Goals, development finance partners must collectively scale up their investment levels from billions to trillions.

The use of innovative financial instruments provided by the Water Sector Fund can help achieve a significant increase in investment by mobilising additional funding from other financiers and investors to absorb first losses or share risks.

The EIB is the biggest lender to the global water sector. Our total lending for water projects over the past six decades since the Bank’s creation amounts to more than **€80 billion** for over **1 600 projects**.

EIB Global has extensive experience in the water sector and has developed new projects to achieve an even greater impact on the ground. Projects that earlier would have been considered too risky to be bankable, for example in conflict-affected areas or where the beneficiaries lacked the necessary skills or resources, can now be brought to completion, benefiting vulnerable and rural populations.

The Water Sector Fund supports operations that:

- improve **drinking water and sanitation** services in underserved areas;
- make use of innovative **renewable energy** technology for water conveyance;
- improve **climate resilience infrastructure**, road safety and mobility in coastal areas.

SUSTAINABLE DEVELOPMENT GOAL SUPPORTED



AREAS OF ACTION

Water infrastructure for underserved households

Innovative water projects

Water management

Climate action

PROJECT HIGHLIGHTS

- Malawi's secondary cities have fast-growing populations but lack adequate water infrastructure to serve them. A €495 000 technical assistance programme will help Malawi's Southern Region Water Board ensure these regional centres get the **safe and sustainable water** provision they need.
- A €250 000 technical assistance programme is supporting the feasibility study for an innovative renewable energy-powered water conveyance system in Malawi. This is part of a larger programme to **improve the country's water systems** by transferring water from Lake Malawi.
- The Tillabéri region of Niger is struggling with conflict, leaving local populations vulnerable. Safe water supplies are at a premium, and a €350 000 feasibility study is **helping to prepare water projects** in the region for financing. The study also looks at using solar energy to power water conveyance from a treatment plant in Gotheve to the city of Téra, to supply clean water to some 250 000 people.
- São Tomé and Príncipe's government is carrying out significant road infrastructure works. A €1.3 million grant from the Water Sector Fund will help **protect urban communities from coastal erosion**, provide better drainage and reduce flooding risks from nearby river basins.
- Rural populations in Burkina Faso lack access to running water. In the Soum area, only 10% of households are connected to the water supply network. A €350 000 feasibility study is helping Burkina Faso's National Office for Water and Sanitation to prepare a project that will significantly improve the quality of life in the area by **bringing sustainable access to running water and sanitation** to residents' homes and by improving wastewater management in the nearby city of Koudougou.



WATER SECTOR FUND AT A GLANCE

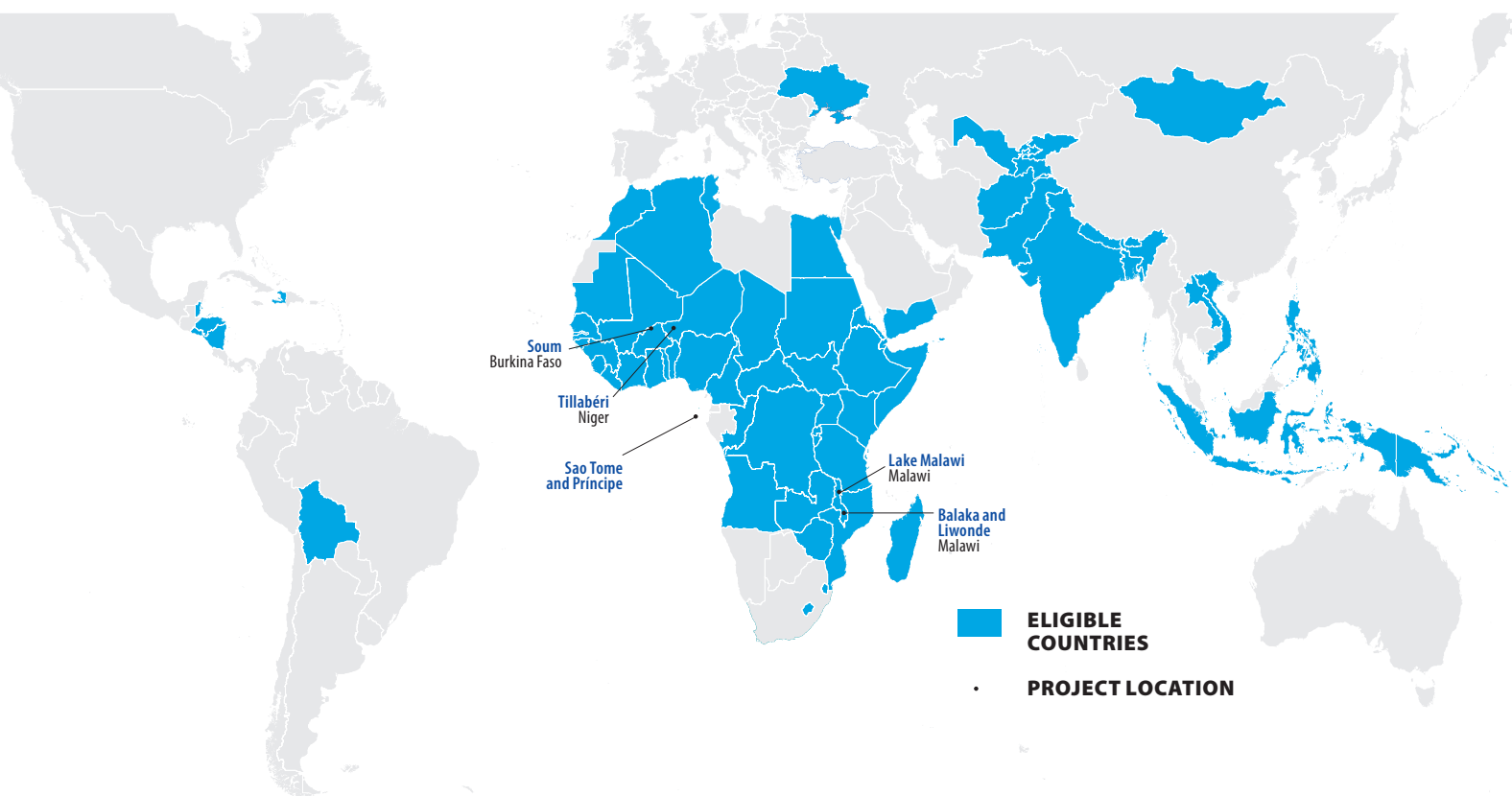
€28.3 MILLION in donor funds contributed

€2.7 MILLION allocated to operations

5
operations
approved
with new ones under
development

ELIGIBLE COUNTRIES

The Water Sector Fund is currently active in sub-Saharan Africa but developing countries around the globe are eligible and can benefit from the trust fund's support.



OUR DONORS

This trust fund was launched in partnership with **the Dutch** government and remains open to contributions from other donors seeking to achieve UN Sustainable Development Goal 6 — Water for All.





EIB Global is the international development arm of the EIB. Established in 2022, EIB Global continues the EIB's decades-long commitment to financing development, climate action, innovative investments, sustainability and new ways of helping people around the world.

Donor partnerships enable us to tackle global challenges together and make a lasting difference in developing countries. Donor contributions are placed in trust funds that are used to provide investment grants, technical assistance, financial instruments such as risk-sharing facilities, first-loss pieces and partial portfolio guarantees to achieve a lasting impact on the ground and improve the lives of millions of people.

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