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.
**AREAS OF ACTION**

- Energy
- Transport
- Water
- Information and communications technology

**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**

- SDG 2: Zero hunger
- SDG 7: Affordable and clean energy
- SDG 9: Industry, innovation and infrastructure

**€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).
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.

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.
**TRUST FUNDS IN ACTION**

**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

**DISTRIBUTION OF APPROVED AMOUNTS by region**
- Sub-Saharan Africa: 14%
- Central Africa: 7%
- East Africa: 47%
- Southern Africa: 6%
- West Africa: 26%

**DISTRIBUTION OF APPROVED AMOUNTS by sector**
- Energy: 59%
- Transport: 23%
- Water: 4%
- Information and communications technology: 2%
- Multi-sector: 12%
- Multi-sector: 12%

**Our Donors**

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

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120 operations