This report covers the second year of operation of the External Investment Plan (EIP) and the European Fund for Sustainable Development (EFSD). It presents the results of the EFSD, including the allocation of the EFSD Guarantee, the approved blended investment projects under the Africa Investment Platform (AIP) and the EU Neighbourhood Investment Platform (NIP) and their short descriptions. It also presents activities under the technical assistance and investment climate pillars of the EIP, and outreach.

LEGAL NOTICE:
Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the following information.

Reproduction is authorized provided the source is acknowledged.
Printed in Belgium
© European Union, 2019
Photo on cover page: © Getty images
Photos are © Getty Images except P39 and P53 © EU
CONTENTS

I CONTENTS 1
I FOREWORD 2
I PROGRESS IN 2018 4
   AT A GLANCE 4
   BLENDING 4
   EFSD GUARANTEE 7
   FIRST ASSESSMENT OF THE EFSD GUARANTEE 11
I EFSD BLENDING IN SUB-SAHARAN AFRICA IN 2018 17
   ALLOCATIONS BY SECTOR AND FINANCING TYPE 17
   ALLOCATIONS BY REGION 17
I EFSD BLENDING IN THE EU NEIGHBOURHOOD IN 2018 20
   ALLOCATIONS BY SECTOR AND FINANCING TYPE 20
   ALLOCATIONS BY REGION 20
I TECHNICAL ASSISTANCE 23
I INVESTMENT CLIMATE 24
I OUTREACH 27
I EFSD BLENDING OPERATIONS IN 2018 (project descriptions) 28
   SUB-SAHARAN AFRICA 28
   EU NEIGHBOURHOOD 40
I ANNEX 54
I ACRONYMS 62
In September 2017, the legal ground of the European Union’s new External Investment Plan was set out. Its essential purpose is to use scarce public funds to attract much greater public and private investment in countries in the EU’s Neighbourhood region and across Sub-Saharan Africa.

By leveraging such investments, the European Union can help generating the financing that is needed to help those countries reach the Sustainable Development Goals and transition through reforms.

The External Investment Plan is essential in delivering the new Africa-Europe Alliance for Sustainable Investment and Jobs, that the President of the European Commission Jean-Claude Juncker announced in his 2018 State of the Union address.

In the Neighbourhood region, the External Investment Plan will also be essential to foster reforms in the socio-economic sectors. Driven by the policy objectives agreed between the EU and its neighbouring partners, the External Investment Plan will help prioritise legislative and regulatory work that is necessary to accelerate investments and to direct them to where they are most needed.

Since its creation in late 2017, we have made impressive progress in delivering the External Investment Plan as this second Operational Report covering 2018 demonstrates:

- The total amount of €1.54 billion available under the European Fund for Sustainable Development’s Guarantee has been allocated to 28 proposed investment programmes, expected to leverage up to €17.5 billion in investment, much of it from private sources.
A thorough assessment of the External Investment Plan will only be possible once the projects have been implemented and results have been monitored. But the strong interest of the partner countries, the private sector and the finance institutions makes us very optimistic that working hand-in-hand with our partners and the private sector can lead to better, smarter, greener, fairer and inclusive development. Through the External Investment Plan, we can support local entrepreneurs and small businesses, which are vital for creating jobs and many of which are women and young people.

Our support is not just about development aid, it’s about an investment in our partners, in return we gain stability, peace and prosperity and market opportunities for European companies.

Many of the allocated blending grants and guarantees will support efforts to mitigate and adapt to climate change. They will also promote sustainable development by enabling entrepreneurs to set up or expand businesses, and creating decent jobs.

During the High-Level Forum Africa-Europe in Vienna in December 2018, the European Commission signed the first guarantee agreement with FMO, the Dutch entrepreneurial development bank, for the NASIRA Risk-Sharing Facility. This Facility will address the high risks involved in lending to under-served entrepreneurs in partner countries. It focuses on forced migrants and returnees, women and young people in particular.

A key to the Plan’s successful take-off has been the close partnership with development finance institutions. Drawing on our shared values and principles, we are working more closely together than ever to ramp up financing for long-term development that puts people and the environment first, and benefits all sections of society.
PROGRESS IN 2018

AT A GLANCE

By the end of 2018, the EU had allocated €3.7 billion in grants and guarantees, expected to leverage around €37 billion for sustainable investment in partner countries.

The External Investment Plan (EIP) is a key pillar of a new Africa-Europe Alliance for Sustainable Investment and Jobs proposed by President Juncker, which is expected to create up to 10 million jobs in Africa alone over the next 5 years.

BLENDING

The European Fund for Sustainable Development (EFSD) blended finance operations are composed of two regional investment platforms: the Africa Investment Platform (AIP, formerly the AfIF) and the Neighbourhood Investment Platform (NIP, formerly the NIF).

In 2017-2018, the EU approved €2.2 billion from the EFSD to support blending projects in EIP countries. This is expected to leverage more than €19.5 billion in sustainable investment.

€2.2 bn mobilises €19.5 bn

94 Sustainable Investment Projects:

- 51 in Sub-Saharan Africa – €9.9 bn
- 43 in the Neighbourhood – €9.5 bn

Sub-Saharan Africa Sectoral Distribution: transport 45%, energy 34%, private sector development 10%, agriculture 7%, other 4%.

Neighbourhood Sectoral Distribution: private sector development 33%, energy 20%, water and sanitation 17%, environment 10%, other 20%.

€2.2 bn mobilises €19.5 bn

94 Sustainable Investment Projects:

- 51 in Sub-Saharan Africa – €9.9 bn
- 43 in the Neighbourhood – €9.5 bn

Sub-Saharan Africa Sectoral Distribution: transport 45%, energy 34%, private sector development 10%, agriculture 7%, other 4%.

Neighbourhood Sectoral Distribution: private sector development 33%, energy 20%, water and sanitation 17%, environment 10%, other 20%.
EFSD blending operations approved in 2018

<table>
<thead>
<tr>
<th>EFSD region</th>
<th>Sub-Saharan Africa</th>
<th>EU Neighbourhood</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU contribution*</td>
<td>€547 million</td>
<td>€358 million</td>
</tr>
<tr>
<td>Investment leveraged</td>
<td>€4 billion</td>
<td>€4.3 billion</td>
</tr>
<tr>
<td>Projects</td>
<td>21</td>
<td>21</td>
</tr>
</tbody>
</table>

*including technical assistance

Total EFSD blending operations approved (2017–2018)

<table>
<thead>
<tr>
<th>EFSD region</th>
<th>Sub-Saharan Africa</th>
<th>EU Neighbourhood</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU contribution*</td>
<td>€1.45 billion</td>
<td>€753 million</td>
</tr>
<tr>
<td>Investment leveraged**</td>
<td>€9.9 billion</td>
<td>€9.5 billion</td>
</tr>
<tr>
<td>Projects</td>
<td>51</td>
<td>43</td>
</tr>
</tbody>
</table>

* Including technical assistance
**Investment leveraged in 2017 increased from €5.6 billion to €5.9 billion in AIP area and was €5.15 in NIP area.
ADDITIONAL ALLOCATIONS TO EFSD

The EU is to mobilise €400 million in additional funds for the EFSD blending. The Czech Republic announced a contribution of €300 000 (non-earmarked). Estonia announced a contribution of €100 000, earmarked for investments in Eastern Neighbourhood countries under the Digital Investment Window. The Bill & Melinda Gates Foundation offered a contribution of USD 50 million in guarantees and USD 12.5 million in technical assistance (TA). Together with previous contributions by EU Member States, the EFSD budget grew from the original €4.1 billion to over €4.54 billion.

WHAT IS BLENDING?

Blending is the use of a limited amount of public grants or non-grant resources to mobilise financing in the public and private sector for priority development projects. A more detailed explanation is provided on page 7 of the EIP/EFSD Operational Report 2017.

WHAT IS THE EFSD GUARANTEE?

The innovative EFSD Guarantee will be used to reduce the risks for investment in sustainable development in partner countries, thus helping mobilise investment, especially from private sources. A detailed explanation is provided in the dedicated brochure.

The EIP is guided by the general objectives of the EU’s external action. It contributes to:

The achievement of the Sustainable Development Goals (SDGs) of the United Nations (UN) 2030 Agenda for Sustainable Development (the ‘2030 Agenda’), in particular poverty eradication;

The EU’s commitments under the European Neighbourhood Policy

By supporting such investments, the EFSD aims to address some of the socio-economic causes of migration. The EFSD also contributes to the implementation of the Paris Agreement on Climate Change (the Paris Agreement).

The EFSD should also allow investors and private companies, in particular micro, small and medium-sized enterprises (MSMEs), to contribute more effectively to sustainable development in partner countries. The EFSD should:

‣ maximise additionality,
‣ address market failures and suboptimal investment situations,
‣ deliver innovative products, and
‣ encourage private sector financing.

The EFSD should also foster:

‣ the creation of decent jobs,
‣ economic opportunities and entrepreneurship,
‣ green and inclusive growth that further genders equality and empowers women and young people,
‣ the rule of law, good governance and human rights,
‣ equitable access to, and use of, natural resources.
# EFSD GUARANTEE

**EFSD Guarantee**

€1.54 billion

To mobilise

€17.5 billion

2/3 in Sub-Saharan Africa and

1/3 in the EU Neighbourhood

28 guarantees

## EIP GUARANTEES - SUMMARY TABLE

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>Guarantee</th>
<th>Up to €m</th>
<th>Sub-Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Intermediated Lending for MSMEs and Agriculture</td>
<td>Joint SME Guarantees for Inclusive Growth and Job Creation</td>
<td>60</td>
<td>522</td>
</tr>
<tr>
<td>1 EDFI/AFDB</td>
<td>Financial Inclusion in the Neighbourhood (East and South)</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>2 EBRD</td>
<td>SME Access to Finance Initiative</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>3 EIB</td>
<td>Agricultural and Rural Finance (AGREENFI)</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>4 AFD</td>
<td>Small Loans and Guarantee Program (SLGP)</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>5 IFC</td>
<td>Guarantee Facility 'NASIRA' – for the Underserved Population</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>6 FMO</td>
<td>African Local Currency Bond Guarantee Programme (ALCBGP)</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>7 KfW</td>
<td>InclusIF - Financial Inclusion Driven by Diaspora</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>8 AECID/CDP/COFIDES</td>
<td>MSME Investment Platform</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>9 EIB</td>
<td>FISEA+ EFSD SME and Agribusiness Investment Guarantee</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>10 AFD</td>
<td>Archipelagos - One Platform for Africa (ONE4A)</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>B. Sustainable Energy &amp; Connectivity</td>
<td>European Guarantee for Renewable Energy</td>
<td>168.5</td>
<td>603.5</td>
</tr>
<tr>
<td>11 CDP/AFDB</td>
<td>Room2Run</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>12 AFD/EIB/CDP/KfW</td>
<td>DESCOs Financing Programme</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>13 AFD</td>
<td>Renewable Energy Support Programme for Mainly Rural Areas in SSA</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>14 AfDB</td>
<td>Sustainable Logistics and Interconnectivity Guarantee (SLIG)</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>15 AFD</td>
<td>Framework to Scale-up Renewable Energy Investments (Boosting investment in renewable energy)</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>16 EIB</td>
<td>Energy Efficiency and Sustainable Cities in EU Neighbourhood</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>17 EBRD</td>
<td>Resilient City Development (RECIDE)</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>C. Sustainable Cities</td>
<td>Sustainable Cities Investment Fund Platform</td>
<td>37</td>
<td>167</td>
</tr>
<tr>
<td>20 AECID/WB</td>
<td>European Guarantee to Increase Local Governments’ Access to Financing</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>21 EIB</td>
<td>Digital Transformation Platform and Broadband Investment Programme</td>
<td>70</td>
<td>220</td>
</tr>
<tr>
<td>22 AFD</td>
<td>Ventures Programme</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>23 EIB/EBRD</td>
<td>Digital European Health Guarantee Platform</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>24 FMO</td>
<td>Social Impact Fund for Africa (SIFA)</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>25 EIB</td>
<td>TCX Concessional and Collateral Facility</td>
<td>15</td>
<td>27.5</td>
</tr>
<tr>
<td>26 AfDB</td>
<td>The EFSD Local Currency Guarantee</td>
<td>12.5</td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td>1540</td>
<td></td>
</tr>
</tbody>
</table>
By April 2018, all partner financial institutions (FIs) had proposed more than 40 investment programmes in excess of €3.5 billion for the EFSD Guarantee under the five priority areas for investment (investment windows):

- 14 micro-, small-, and medium-sized enterprises’ financing programmes,
- 16 sustainable energy and connectivity programmes,
- 6 sustainable cities programmes,
- 5 sustainable agriculture, rural entrepreneurs and agribusiness programmes,
- 4 digital for development programmes.

By September 2018, the Commission received revised proposals:

- 10 intermediate lending opportunities covering mainly MSMEs and also local government and agriculture,
- 6 layered funds for MSMEs, cities and social impact,
- 4 sustainable energy proposals,
- 4 local currency proposals.

In June and November, based on the FIs’ proposals, the EU allocated €1.54 billion for 28 guarantees. This is expected to unlock up to €17.5 billion in investments. The guarantees are summarised in the dedicated brochure, which also provides contact points in lead FIs.

The first EFSD Guarantee agreement was signed on 18 December 2018 with the triple A-rated Dutch Development Bank FMO for the NASIRA Risk-Sharing Facility. Multiple parallel negotiations with other FIs have been set to commence, and many of them are expected to conclude in the first half of 2019.

FMO expects that NASIRA will create and support up to 800 000 jobs and benefit small and medium-sized enterprises (SMEs), internally displaced people, refugees, returnees, women and young people. NASIRA means ‘the helper’ and has a real-world prototype: a woman aged 25 who needs €500 to buy a small stock of food products that she sells in a small refugee city in Jordan. NASIRA serves as a bridge between commercial investors, development finance institutions, private financial intermediaries and perceived high-risk end borrowers.
Nasira is an innovative finance solution that tackles the root causes and pressures of irregular immigration.

The EU is the enabler that allows NASIRA to provide access to finance to those that need it most.

NASIRA combines nearly 50 years of FMO’s development finance experience with the policy expertise of EC delegations & Dutch Embassies.
An investment of USD 1,000 allowed Ms Dorcas Asige Apoore, the young Executive Director and founder of Advocacy for Social Inclusion and Girls’ Education in Ghana, to reach out to 290 women in her community suffering extreme poverty, including many women who could not read or write and handicapped women. She trained them in basket weaving, and now they sell colourful baskets on the international market – in the UK, in the USA and in Australia. There is a market for women entrepreneurs and their products. However, in Ghana, when a woman entrepreneur goes to a bank to take out a loan, the interest rates are very high. If capital were to be made available to women entrepreneurs, it would make it much easier for them to expand their activities. Dorcas is building a centre to accommodate 5,000 women in Ghana with an ambition to reach out to 500,000 women in the next 10 years. She hopes that the EIP will empower grass root organisations like hers to equip them with the skills and knowledge they need to market their product, and provide access to financing. Dorcas sees the EIP as a powerful tool for empowering women and addressing extreme poverty.

Meet the businesswomen eager to tap into investment unlocked by EU guarantees

An agri-food MSME Chop Shop in The Gambia specialises in restaurants that offer a new take on African fast food. The owner and manager, Aminatou Jallow, has seen her company grow over the past 3 years. The company now directly employs 25 young Gambians and indirectly employs several more. Aminatou knows her business has the potential to grow even further. The demand for her product is there, but in West Africa there are a number of barriers that are preventing her business from growing. Two of the main ones are access to finance and sourcing constraints. Currently, interest rates for young women entrepreneurs in The Gambia can be high, with no long-term financing available. For this reason Aminatou’s business has so far grown exclusively on its retained earnings. To meet demand for her products, she has struggled to source raw materials locally due to quality concerns, problems with intermittent availability and constant price fluctuations from local dealers.

The External Investment Plan can help her overcome both these challenges. How? Well, by teaming up with international development banks and other FIs, we can provide guarantees that will enable local banks to lend to entrepreneurs like Aminatou at affordable financial conditions. What’s more, we can fund experts to provide insight and advice – technical assistance – on how to develop the agri-business industry in The Gambia. This will allow Aminatou to source more of her chickens locally.

An investment of USD 1,000 allowed Ms Dorcas Asige Apoore, the young Executive Director and founder of Advocacy for Social Inclusion and Girls’ Education in Ghana, to reach out to 290 women in her community suffering extreme poverty, including many women who could not read or write and handicapped women. She trained them in basket weaving, and now they sell colourful baskets on the international market – in the UK, in the USA and in Australia. There is a market for women entrepreneurs and their products. However, in Ghana, when a woman entrepreneur goes to a bank to take out a loan, the interest rates are very high. If capital were to be made available to women entrepreneurs, it would make it much easier for them to expand their activities. Dorcas is building a centre to accommodate 5,000 women in Ghana with an ambition to reach out to 500,000 women in the next 10 years. She hopes that the EIP will empower grass root organisations like hers to equip them with the skills and knowledge they need to market their product, and provide access to financing. Dorcas sees the EIP as a powerful tool for empowering women and addressing extreme poverty.
FIRST ASSESSMENT OF THE EFSD GUARANTEE

Since its launch in November 2017, the EFSD Guarantee was more than twice oversubscribed by FIs and fully allocated by the Operational Board within a year. At the time, the European Commission proposed five priority investment areas that are crucial for sustainable and inclusive economic and social development and promoting the socioeconomic resilience of partner countries, and invited FIs to send proposed investment programmes.

EFSD GUARANTEE PROGRAMME ELIGIBILITY CRITERIA:

- Meet the objectives and criteria of the Regulation establishing the EFSD,
- Belong to one of the five investment windows/sectors or address specific needs,
- Sustainability and soundness of underlying projects or companies involved in financing,
- Additionality of EU contribution and the catalytic effect on private sector participation in more risky projects or companies (so-called leverage of private sector financing),
- Conditionality and alignment with EU key policy objectives, including gender equality, environment and climate considerations, best practice governance, and a focus on fragile and least developed countries.

PRIORITY AREAS FOR INVESTMENT

Sustainable energy and sustainable connectivity
Financing for micro, small and medium enterprises
Sustainable agriculture, rural entrepreneurs and agribusiness
Sustainable cities
Digitalisation for sustainable development (D4D)

Cross-cutting objective: local currency financing, focus on fragile states, not-distorting market competition

Distribution of proposed EFSD Guarantee allocations per investment area
Preliminary estimates on the results indicate that the allocated EFSD Guarantee of €1.54 billion for 28 guarantees will:

- leverage a total expected investment of €17.5 billion, much of it from the private sector,
- generate and support close to 4 million jobs, in particular for women and young people,
- provide energy or access to energy to 8 million people,
- reduce carbon emissions by 6,000 kt/year – equivalent to annual emissions of more than 1 million vehicles with an internal combustion engine,
- add over 4 GW of new capacity, particularly in renewable energy,
- address gender inequality,
- invest in socioeconomic sectors such as education and health,
- address socioeconomic root causes of migration and foster sustainable reintegration of returnees.
**LEVERAGE AND RISK**

At the end of 2018, the expected leverage effect to be achieved by operations covered by the EFSD Guarantee was more than 11. The Commission assessed that while the risk of depleting the EFSD Fund by the end of the current Multiannual Financial Framework is negligible, the Guarantee is taking significant risk over the whole EFSD lifetime, reflecting the EFSD Guarantee’s role as a development cooperation instrument. It demonstrates the greater efficiency of a partly funded guarantee instrument, while avoiding possible exposure of the EU budget to acceptable contingent liability.

**ADDRESSING CLIMATE CHANGE**

The climate related guarantee is estimated to reach around 40% of the total amount, with the biggest allocation for the Sustainable Energy and Sustainable Connectivity window. This contribution will be further increased by projects from other windows that are also expected to have significant climate change mitigation and adaptation objectives.

Eight guarantees will help to set up and expand renewable energy and connectivity projects to millions of people in partner countries. By addressing the barriers to finance of otherwise viable projects, they will unlock the potential for substantial renewable energy, energy efficiency, transport and logistics. For example, the European Guarantee for Renewable Energy, led by four European FIs, would leverage up to €3.4 billion for projects in Sub-Saharan Africa, cut carbon emissions, reduce power shortages, create up to 12,000 jobs and add around 2 GW of generating capacity from renewable sources.

**FINANCING FOR MSMEs**

The greatest number of allocated guarantees – 11 out of 28, plus two related guarantees for local currency lending for Sub-Saharan Africa – will aim to provide affordable funding to small businesses; current estimates put their number at half a million. Altogether, the financing of the MSMEs’ priority area for investment would create or support some 2.7 million jobs, many of them in countries affected by migration.

**EXAMPLES**

The Dutch Development Bank FMO estimates that the first signed EFSD Guarantee agreement – for the NASIRA Risk-Sharing Facility – could create and support up to 800,000 jobs, and benefit SMEs, internally displaced people, refugees, returnees, women and young people in Africa and the EU Neighbourhood.

Yet another EU guarantee for InclusiFi, a programme of financial inclusion driven by diaspora, led by AECID, COFIDES (both Spain) and CDP (Italy), is expected to:

- create (directly and indirectly) over 26,000 sustained jobs in MSMEs,
- enable people in Africa and the EU Neighbourhood with family and friends overseas to receive money from them more easily and affordably,
- help to attract investment from diasporas in small firms in their countries of origin,
- encourage investment in businesses set up by migrants’ families,
- incentivise local banks, guarantee funds and microfinance institutions to offer innovative products to micro- and small businesses and entrepreneurs.

**ADDRESSING GENDER EQUALITY THROUGH ECONOMIC EMPOWERMENT**

The majority of guarantees under the financing for MSMEs and agriculture put women as their primary targeted beneficiaries, in accordance with an SDG overarching objective to ensure greater gender equality through economic empowerment. Such MSMEs’ operations alone will use almost €400 million under the EFSD Guarantee to contribute to gender equality, with an expected total investment of around €3.8 billion, mostly in female-led MSMEs. Many guarantees in other key sectors will also help address gender equality and empowerment of women as a key objective, like the SIFA guarantee for digital development (see below).

**LENDING IN LOCAL CURRENCY**

Two guarantees will address risks associated with currency depreciation and boost lending in local currency for projects in Sub-Saharan Africa. One of them, led by the KfW Group, will accelerate Sustainable Energy for All (SE4ALL) projects, MSME growth, and investment in the energy sector that supports economic stability. Another, led by the AfDB, will provide affordable long-term local currency loans to local businesses (among them SMEs) in key sectors, including in least developed countries and fragile countries.

**FUNDING FOR AGRICULTURE**

In total, six guarantees will help leverage sustainable investment in agriculture, rural entrepreneurship and agribusiness; one of the guarantees will exclusively address such investment. This priority sector will benefit from €170 million or 11% of the total allocated EFSD Guarantee. These guarantees were proposed by FIs under three priority areas for investment: sustainable energy and connectivity; MSMEs financing; and sustainable agriculture, rural entrepreneurship and agribusiness.

**DIGITAL DEVELOPMENT FOR ALL**

Digitalisation, and the opportunities that come with it, will be catered for by four dedicated guarantees. They aim at improving broadband access and investing in enabling technologies servicing many sectors of the economy. They will also improve access to education and healthcare, in particular for women. For example, FMO’s Ventures Programme is expected to catalyse around €1 billion for innovative ventures in the financial services, off-grid energy, agri-tech, education, healthcare, mobility and e-commerce sectors. Another example is the Social Impact Fund for Africa (SIFA) led by the AfDB. It is expected to create (directly and indirectly) some 220,000 jobs and improve access to education through digital technology for 1.5 million people. SIFA will focus on projects that, in particular, involve women and young people on low incomes, and are in rural areas in least developed, fragile or landlocked countries.

**IMPROVING LIVING CONDITIONS IN CITIES**

With urbanisation accelerating across partner countries, three guarantees will directly address sustainable city development and improving local government’s access to financing. This will ensure better living conditions, jobs and new business opportunities for city dwellers, and contribute towards a greater resilience of cities, communities and their adaptation to climate change.
GEOGRAPHICAL DISTRIBUTION

Investments unlocked with the EFSD Guarantee could directly benefit 61 countries in Sub-Saharan Africa (SSA) and in the EU Neighbourhood (NEAR, including all but the three least developed countries in the EIP area – the Central African Republic, Djibouti and Eritrea). Eleven partner countries could see investment leveraged by a dozen or more different guarantees in several priority areas, e.g. Kenya (up to 18 guarantees), Côte d’Ivoire (16), Tanzania (15), Rwanda, Senegal and Uganda (14), Ghana and Tunisia (13), Egypt, Nigeria and Zambia (12). In continuing discussions with FIs, the European Commission has increased focus on the Sahel region and least developed countries.

Distribution of proposed EFSD Guarantee allocations per region (SSA-NEAR)

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Africa</td>
<td>16</td>
</tr>
<tr>
<td>Central Africa</td>
<td>8</td>
</tr>
<tr>
<td>East &amp; South Africa / Indian Ocean</td>
<td>21</td>
</tr>
<tr>
<td>Eastern Neighbourhood</td>
<td>6</td>
</tr>
<tr>
<td>Southern Neighbourhood</td>
<td>10</td>
</tr>
</tbody>
</table>

Regional distribution, in per cent

- East & South Africa / Indian Ocean: 35%
- Central Africa: 13%
- Eastern Neighbourhood: 10%
- Southern Neighbourhood: 16%
- West Africa: 26%
**SYNERGIES AND COMPLEMENTARITY WITH OTHER EIP PILLARS**

The guarantees will be supported with around €140 million in additional technical assistance (TA, second pillar of the EIP), inter alia for capacity building for beneficiaries such as local banks and businesses. This will contribute to building synergies and complementarity between operations covered by the EFSD Guarantee and the third pillar of the EIP (see also the chapter on TA below).

Investment climate policy plays a crucial role in the EIP implementation. Investors need to be confident that a country has the right economic governance and business environment in place, for example, amongst others, reliable institutions and economic policies, as well as a transparent regulatory framework for business.

**WORKING TOGETHER WITH FIs**

The innovative method adopted for the EFSD Guarantee resulted in a high quality of investment programmes proposed by FIs, many of which have vast experience:

- in countries, regions or situations of fragility, conflict, reconstruction or post-conflict recovery,
- in least developed countries, and
- in places where the presence of financial institutions, investors and financial services is limited.

Working together on the EFSD Guarantee allowed participating FIs to build trust and establish a model of innovative, competitive cooperation that helps the EU to deliver on shared development objectives. This collaboration informed the proposal for the innovative method for the EFSD Guarantee (see dedicated brochure).

**OPERATIONS, PROVISIONING, REMUNERATION**

No transfers or investment operations covered by the EFSD Guarantee occurred in 2018, therefore, there were no returns, losses or recoveries. The provisioning and level of the EFSD Guarantee Funds was therefore adequate. In the case of the first guarantee agreement (NASIRA led by the FMO), the remuneration is paid annually to the Commission by FMO.

**VERIFICATION AND AUDIT**

FIs implementing relevant EFSD Guarantee agreements have to provide two financial reports: the first as unaudited financial statements provided by the lead FI by 15 February and the second as audited versions by 30 April of each year. The first EFSD Guarantee agreement was signed in December 2018, therefore, no reports were provided in that year.

**COMPLIANCE WITH DEVELOPMENT EFFECTIVENESS PRINCIPLES**

The European Commission plays an active role in the Global Partnership for Effective Development Cooperation, established after the Busan High-Level Forum on Aid Effectiveness in 2011. The European Union has committed to make progress in a number of priority areas for development effectiveness. The implementation of the EFSD Guarantee builds on significant progress made in all these areas:

- **Transparency**: Information about the EFSD Guarantee, its priority areas, allocation and individual guarantees was made available to the public via the web, press releases, publications, reports, events and presentations to stakeholders in partner countries and EU Member States. The updating of the EU Results Framework (see below) will further contribute to transparency with the EFSD Guarantee.

- **Joint programming**: The implementation of the EFSD Guarantee involved joint planning and cooperation by the EU and its Member States, in particular through regular meetings of the EFSD Strategic Board and Operational Board.

- **Results**: The European Commission is updating the EU Results Framework, launched in March 2015, to incorporate the EFSD Guarantee outcomes and to serve as the basis for reporting obligations in the guarantee agreements with FIs. This will help improve accountability towards EU citizens, beneficiary countries and to other donors, as well as improve transparency.

- **Conflict and fragility**: The guarantees allocated to proposed investment programmes will help to address access to finance and boost investment in fragile and post-conflict countries (see geographic distribution above and guarantee summaries in the dedicated brochure).

- **Public-private engagement**: The implementation of the EFSD Guarantee has strengthened the partnership between national financial institutions in EU Member States and international development banks. It also drew considerable interest from private investors and philanthropic organisations. EU guarantees will use limited public funds to leverage private investment for viable projects that would otherwise struggle to get off the ground or expand, while focusing on sustainable development objectives in partner countries.

**COMPLIANCE WITH THE EFSD REGULATION AND OTHER REQUIREMENTS**

The allocation of the EFSD Guarantee complied with the requirements and overall objectives of the EFSD Regulation for each proposal submitted. It also followed the EU rules for non-compliant jurisdictions for tax purposes. Particular attention was paid to ensure additionality and added value of proposed investment programmes, and their contribution to the Sustainable Development Goals.

**CONTRIBUTING TO THE AFRICA-EUROPE ALLIANCE**

The EFSD Guarantee is a key pillar of the Africa-Europe Alliance for Sustainable Investment and Jobs proposed by President Juncker in September 2018. It aims to create 10 million jobs in Africa alone over the next 5 years. If all goes to plan, tens of millions of people will benefit from the investments unlocked by the EU guarantees, directly and indirectly.
A view from the outside

“...Several stakeholders highlighted early successes against one or more of the EIP's strategic objectives. The risk-sharing tools under the EFSD, particularly the new guarantee, have reportedly supported some financial institutions to undertake additional investments, successfully mobilising new resources for EU external policy. For example, the EFSD Guarantee has, in some cases, enabled penetration of smaller DFIs into new markets... The EIP also seems to have had some early success in incentivising coordination and joint initiatives between DFIs. Because the EFSD Guarantee was over-subscribed in its first year with investment proposals equal to double the amount on offer, the EC has encouraged applicants to collaborate and partner. The resulting partnerships have reportedly created higher quality proposals, as institutions have combined their different skills and experiences in complementary formations.”

EFSD BLENDING IN SUB-SAHARAN AFRICA IN 2018

21 projects approved
€547 million Total EU contribution
€4 billion Total investment leveraged

More than 80% of the projects the EU approved in Sub-Saharan Africa in 2018 are in least developed countries

GEOGRAPHICAL ALLOCATIONS
- West Africa (17%)
- Eastern, Southern and Indian Ocean (32%)
- Central Africa (12%)
- Continental projects (39%)

ALLOCATIONS BY SECTOR AND FINANCING TYPE
SECTORAL DISTRIBUTION:
- Transport (40%)
- Energy (29%)
- Private sector development (17%)
- ICT (5%)
- Agriculture (3%)
- Other (6%) – water, forestry

FINANCING TYPE:
- 58% was as investment grants
- 29% as financial instruments (equity and guarantees)
- 13% as TA

ALLOCATIONS BY REGION
SUB-SAHARAN AFRICA: REGIONAL, MULTI-COUNTRY PROJECTS
Number of projects supported: 10

Ten projects targeting Sub-Saharan Africa are regional or multi-country.

Sub-Saharan Africa projects:
- Agriculture: Huruma Fund,
- Energy:
  - Facility for Energy Inclusion (FEI),
  - Digital Energy Facility (DEF) for the promotion of energy transition and energy access.
- Private Sector:
  - Women’s Financial Inclusion Facility (WFIF),
  - African Guarantee Fund for SMEs (AGF),
  - SME Up-Scaling Fund I,
  - Agri-Business Capital Fund (ABC Fund).
- Forestry: Arbaro Fund.

Multi-country projects:
- West Africa – Niger Basin Countries: Integrated Development and Climate Adaptation Programme for the Niger Basin (PIDACC),
- Cameroon and Chad: Cameroon-Chad electrical grid interconnection project.

WEST AFRICA
Number of projects supported: 4

In West Africa, the EU allocated support to projects in the energy and transport sectors:
- Two projects in the energy sector:
  - Benin – Project for the extension and electrical densification of the SBEE grid,
  - The Gambia – support to the sustainable energy sector.
- Two projects in the transport sector:
  - Liberia – Mano River Union Road Development and Transport Facilitation Programme,
CENTRAL AFRICA

Number of projects supported: 3

- Two projects in energy:
  - The Burundi-DRC 220 kv Interconnection Project,
  - The Chad-Cameroon electrical grid connection.

- One project in transport:
  - Cameroon: rehabilitation of the Cameroon northern railway (Blabo-Pangar-Ngaoundéré).

EASTERN AND SOUTHERN AFRICA (AND INDIAN OCEAN)

Number of projects supported: 4

In Eastern and Southern Africa, the EU allocated support to projects in the transport and agriculture sectors:

- Three projects in transport:
  - Kenya – Rural Roads,
  - Madagascar – Corridor Development and Trade and Investment Facilitation with COMESSA and Indian Ocean Countries,
  - Uganda – The Kampala-Jinja Toll Road.

- One project in agriculture:

SUCCESS STORY

Blending for green energy in Benin

At the 2015 United Nations Climate Change Conference (COP21), Benin pledged to develop renewable energy and install photovoltaic solar farms with a total capacity of 95 MW to address energy deficit and reduce poverty.

However, the cost for green energy may still be too high for some countries. The EU is therefore working with governments and partner financial institutions to mobilise the necessary investment.

In December 2017, the EU allocated €10 million for the construction of the largest solar power plant in Benin and the redevelopment of the national Distribution Company’s (SBEE) entire ICT system. The EU contribution has unlocked a further €50 million investment from the AFD, with the Government of Benin assigning an extra €500 000. Named DEFISSOL, the project will create decent jobs, save 23 000 tonnes of CO₂ emissions per year, and lower Benin’s energy bill.

Ms Chimène Degila, Environmental Engineer, says: “Working on the design and implementation of the DEFISSOL project is a great opportunity. Beyond the technical aspects, my role is to ensure that environmental and social issues are taken into account both before and during the work. The goal of the project is to provide clean and sustainable energy to our citizens at a lower cost. In this way, we are contributing to the development of our country, while ensuring the reduction of greenhouse gas emissions in an effort to combat climate change. We also want to ensure that the project creates jobs for Beninese youth, especially women.”
Breakdown by region, 2018

- West Africa: 39%
- Continental: 32%
- Eastern/Southern & Indian Ocean: 12%
- Central Africa: 17%

Breakdown by support, 2018

- Technical Assistance: 58%
- Investment Grant: 29%
- Financial instruments: 13%

Breakdown by sector, 2018

- Transport: 40%
- Energy: 29%
- ICT: 17%
- Agriculture: 6%
- Other, Water, Forestry: 3%
- Private Sector Development: 12%
EFSD BLENDING
EFSD BLENDING IN THE EU NEIGHBOURHOOD IN 2018

21 projects approved
€358 million Total EU contribution*
€4.3 billion Total investment leveraged

GEOGRAPHICAL ALLOCATIONS

Eastern Neighbourhood 43%
Southern Neighbourhood 57%

The 21 projects include 16 new projects, 1 programme\(^2\), 3 continuations and 1 extension re-allocating already committed funds\(^3\).

ALLOCATION BY SECTOR AND FINANCING TYPE

OF TOTAL EU FUNDS:
- 37% went to private sector financing,
- 30% to energy,
- 14% to transport,
- 10% to water and sanitation,
- 6% to urban/social development,
- 3% to protecting the environment.

OF THE ASSISTANCE PROVIDED:
- 60% was as investment grants,
- 19% was as TA,
- 13% was used as guarantees,
- 8% was used as equity.

ALLOCATIONS BY REGION

Morocco was the country benefiting from the highest NIP allocations while Ukraine was second. NIP continued focusing on support to the private sector, with energy and transport in second and third places. The majority of the assistance took the form of investment grants. The fees awarded to the international financial institutions (IFIs) represented 2% of the total amount provided by the EU.

Three regional projects were approved in 2018, of which two were EIB-led DCFTA facilities in the east. These were the second phase for the Guarantee Facility, which was launched in 2016 with the aim to strengthen and support the economic development of the Eastern Partnership countries, and the Local Currency Solution that aims to increase the local currency financing available to the crucial private sector segment via Investment Grants used as hedging cost contributions to EIB local currency loans. In the south, the MENA SANAD Fund received a top-up in order to continue its success in providing finance to MSMEs via qualified and eligible local financial intermediaries and building their capacity to grow.

SOUTHERN NEIGHBOURHOOD

Number of projects supported: 9

A large proportion of the NIP allocation was dedicated to projects promoting private sector development as a driver of inclusive growth and job creation. This is a much-needed impetus in a region that has been facing adverse economic circumstances since the beginning of the decade. Another important investment supported by the Neighbourhood’s blending operations was the Noor Midelt solar plant in Morocco, led by the KfW Group, which is part of a series of projects aimed at increasing the renewable energy capacity of the country.

EASTERN NEIGHBOURHOOD

Number of projects supported: 12

In the east, Ukraine was the major beneficiary, receiving funding in sectors crucial for the country, such as energy, water/sanitation and transport. A highlight was the appointment of new members of the Energy Regulator and its operationalisation, a result set in the context of the Reform Contract for Investment (RCI), which indicates that Ukraine would benefit from EU investment-related support in 2018 upon the fulfilment of the conditions set out in the RCI. This translated into the Municipal Infrastructure Investments programme led by the EBRD, which the EU complemented with €10 million of TA and an Investment Grant.

---

\(^2\) Merger of 3 projects in Ukraine (Khmelnytskyi Solid Waste, Zhytomyr Trolleybus, Ivano-Frankivsk District Heating) as 1 programme (Municipal Infrastructure Investments) based on the fulfilment of one of the conditions of the Reform Contract for Investment.

\(^3\) SEMED Financial Inclusion extension to Lebanon.

*This amount includes all projects approved in 2018 as well as the technical assistance allocated to the EFSD Guarantee.
Breakdown by sector, 2018:
- Transport: 14%
- Water/Sanitation: 10%
- Urban/Social: 6%
- Environment: 3%
- Energy: 30%
- Private Sector: 37%

Breakdown by support, 2018:
- Technical Assistance: 19%
- Equity: 8%
- Guarantees: 13%
- Investment Grant: 60%

Breakdown by country, 2018:
- Egypt: 15%
- Morocco: 25%
- Regional East: 14%
- Ukraine: 17%
- Regional South: 7%
- Lebanon: 7%
- Palestine: 3%
- Armenia: 5%
- Georgia: 5%
- Moldova: 2%
EU invests in Georgia’s energy sector reform

In October 2018, the German KfW Group (lead financier) and France’s AFD signed the first low-rate loan agreements with Georgia, which will go a long way towards supporting the country’s eventual participation in the EU’s internal electricity market.

Under the EIP’s blended finance operation, Support of Georgia’s Energy Sector Reform, the country will benefit from a total investment of up to €340 million, including more than €8 million in grants from the EU. This will lead to the transformation of the Georgian electricity sector into an organised market and significantly enhance energy efficiency in buildings.

The investment will assist Georgia in meeting Energy Community Treaty requirements and its National Energy Efficiency Action Plan (2017), as well as defining and implementing the corresponding energy-efficiency standards. The programme follows a 4-year strategy and a jointly developed road map, which include reform indicators, benchmarks and implementation mechanisms.

“A better programme to treat and dispose of garbage will keep our air and water clean.”

A cleaner city for Olga’s family

Olga Safronova is the mother of three boys and the owner of a small business in Khmelnytskyi, a Ukrainian city of 270,000 people. Her family lives close to a municipal waste site, one of over 6,800 open landfill sites in Ukraine. Olga is worried about her family’s health due to the ongoing contamination of air and water around the site.

Cities such as Khmelnytskyi struggle to get long-term loans to finance infrastructure projects, including for the safe treatment of municipal waste. This is why the EU has granted €6 million for the rehabilitation of the Khmelnytskyi landfill, topping up a €15 million loan from the European Bank for Reconstruction and Development (EBRD). When completed, the project will protect the groundwater from contamination.

This is good news for Olga’s family and for Khmelnytskyi as a whole. “A better programme to treat and dispose of garbage will keep our air and water clean,” says Olga.
TECHNICAL ASSISTANCE

Technical assistance (TA) can significantly reinforce the EU leveraged investment (Pillar 1). Under Pillar 3, technical assistance is an implementing modality to support investment climate improvements.

It mainly focuses on:

‣ feasibility studies,

‣ capacity building,

‣ supporting public policy-makers and regulators in making their countries more attractive to investors.

Activities within a technical assistance could also include research, provision of specialised supplies and dissemination/outreach activities.

TOTAL TECHNICAL ASSISTANCE IN SUPPORT OF PILLAR 1 AND PILLAR 3 FOR AFRICA

On the basis of an estimate carried out in June 2018 for the years 2018-2020, around €860 million of EIP-relevant TA was planned to be committed for Sub-Saharan Africa.

Most of this will support improving the investment climate (Pillar 3) activities such as:

‣ country analysis,

‣ structured dialogue with the private sector and government,

‣ investment climate reforms.

The bulk of this Pillar 3 assistance would be stand-alone TA projects or linked to regional investment programmes. Fewer projects would be related to budget support operations and to global facilities.

Based on the same estimates, the TA for Pillar 1 still to be committed would be associated mainly with blending operations. In most cases, it would support the blending operations through feasibility studies and improving the capacity of financial intermediaries and beneficiaries.

EXAMPLE OF TECHNICAL ASSISTANCE IN SUPPORT OF PILLAR 3

One example could be a project to encourage more lending to small agricultural businesses. The TA could fund experts in agri-finance, such as engineers, insurance experts or accountants, to show cooperatives and local agricultural banks how to lend to small agri-businesses in order for them to:

‣ get back the money they have lent,

‣ get a reasonable return on their loans.

This could mean, for example, that these beneficiaries would learn to:

‣ identify whether a potential borrower can actually repay,

‣ design loans to make them more accessible to a wider range of agri-businesses.

TA ALLOCATION FOR PILLAR 1 - BLENDING OPERATIONS AND GUARANTEES

<table>
<thead>
<tr>
<th>TA for Pillar 1 in Sub-Saharan Africa</th>
<th>In million € (rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>131</td>
</tr>
<tr>
<td>2018</td>
<td>77</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>209</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TA for Pillar 1 in Neighbourhood</th>
<th>In million € (rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>86</td>
</tr>
<tr>
<td>2018</td>
<td>59</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>145</strong></td>
</tr>
</tbody>
</table>

| 28 EFSD Guarantees allocated in 2018 | Up to €142 million*    |

*Of this amount, €34 million came from the NIP Trust Fund. The allocation per guarantee is indicated in the dedicated brochure.
INVESTMENT CLIMATE

The EIP establishes a systematic interplay between investment mobilisation (Pillar 1), technical assistance (Pillar 2) and investment climate improvements (Pillar 3). As part of this integrated approach, Pillar 3 helps to build a more conducive and sustainable investment climate in partner countries through a strategic and comprehensive approach. It focuses on removing constraints to sustainable private investment and supporting priority reforms through a strengthened dialogue with the private sector and relevant stakeholders.

Investment climate improvements are observed with a long term view, contributing to decent jobs creation, sustainable and inclusive growth. The Sustainable Business for Africa (SB4A) Platform is therefore an important lever for implementation of the EIP. SB4A aims to enable and scale up structured public-private dialogue facilitated by the EU Delegations in partner countries. It was launched at the EU-Africa Business Forum (EABF) in Abidjan in November 2017.

A survey of EU Delegations at the beginning of 2019 related to the state of play of SB4A and Public-Private Dialogue in African countries, revealed the following: (a) most countries in Sub Saharan Africa have some form of structured Public-Private Dialogue (PPD), (b) of the existing PPD structures, most could be more inclusive (they do not usually represent SMEs, micro and informal companies) and more efficient in supporting priority reforms. More than half of the EU Delegations in Africa are already facilitating existing PPD structures. Work is ongoing to further strengthen and facilitate the existing PPD structures with a view to improving the investment climate.
INVESTMENT CLIMATE

The Investment Climate Agenda was promoted during missions to partner countries, in Brussels and in EU Member States including EIP outreach activities. This included the EABF follow-up meeting and an EIP/TPSD-related programme organised at the European Development Days in June 2018, the Policy Forum for Development meetings in Brussels and in Botswana (private sector side event) and the Africa Investment Forum in Johannesburg in November (during the hosting of its investment climate session). The European Commission presented the EIP to audiences at events organised by Business Europe, the European Round Table for Industry, European Business Council for Africa and the Mediterranean (EBCAM), European Centre for Development Policy Management (ECDPM) and several other organisations.

A significant increase in EU support to business environment and investment climate reforms in Africa is envisaged for the next 2 years. The Africa-Europe Alliance Communication mentions a target figure of €300-350 million on average per year, in addition to dedicated actions geared at improving governance and ensuring peace and stability.

The Neighbourhood region also faces challenges related to private sector development and improving the investment climate. The Southern Neighbourhood in particular has a young and expanding population, in addition to millions of displaced people, largely due to the conflict in Syria. The need to create job opportunities and economic growth is a key factor in building a better future for all. In the Eastern Neighbourhood, competitiveness, productivity and inclusiveness issues persist, and generating attractive job prospects for youth remains a key challenge. In both regions, economies struggle to adapt their education and skills-learning models to the evolving needs of the labour market, brought about by rapid technological change.

In the EU Neighbourhood, Pillar 3 is implemented through:

- structured policy discussions under bilateral and regional frameworks: Association Agreements, the Eastern Partnership and the Union for the Mediterranean,
- TA and policy dialogue accompanying sector reform contracts (including investment climate assessments) and capacity development projects, both bilateral and regional, and
- dedicated TA, including in cooperation with international financial institutions, such as the Structural Reform Facility for the Eastern Neighbourhood, operational since autumn 2017. This facility has helped the Commission to identify and formulate structural reforms to promote investments in areas agreed with partner countries.

The investment climate covers a wide range of factors that influence investors’ decisions to invest in Africa and the EU Neighbourhood. The key drivers of investment climate include:

- macroeconomic stability,
- political stability,
- governance/rule of law,
- human development,
- innovation, and
- business environment.

A stable policy and a regulatory and institutional environment are crucial prerequisites for domestic and foreign investments. These are important elements in the Commission’s focus on inclusive and sustainable growth and decent jobs, in line with the European Consensus on Development and the Sustainable Development Agenda.

Business environment can be grouped into the following functional areas:

- business simplification,
- business tax policies and administration,
- investment policy,
- trade regulation and policy (including trade facilitation),
- financial markets,
- labour law and employment policy,
- land and property rights,
- commercial dispute resolution,
- infrastructure policy and regulation,
- energy policy and regulation.

Pillar 3 of the EIP is based on key building blocks that are closely interlinked. These include:

1. **Investment climate analysis**: Evidence-based data and country analysis (jobs and growth compacts and other analysis),
2. **Structured public-private dialogue** to identify obstacles to investments and help prioritise the reforms needed,
3. **Priority actions to support necessary investment climate improvements**: Supporting governments in implementing an effective policy mix and reforms (through policy dialogue, budget support and technical assistance, Eastern Partnership platforms and panels), building the capacity of public and private actors, and boosting added value, skills and entrepreneurship.

**EIP AT WORK – INTEGRATING THE THREE PILLARS AT COUNTRY LEVEL**

To achieve its ambitious goals, the EIP adopts an integrated approach that links the mobilisation of EFSD financial resources (Pillar 1) with technical assistance (Pillar 2) and investment climate improvement (Pillar 3). The EU, through its Delegations in partner countries, is in a unique position to make this integrated approach work at the local level.

The three pillars reinforce each other to create a sustained cycle for investment. The EU engages in policy dialogue with national and regional authorities to define cooperation priorities, including the investment climate. EU dialogue with the local and European private sector makes it possible to identify obstacles to investment. Then, with EU technical assistance, governments can undertake the reforms needed to address these obstacles, which will reduce the perceived risk of investing in the country and encourage private investors to look for opportunities. EU technical assistance can help identify these opportunities and put forward ideas for investment, while EU blending operations and guarantees help transform these ideas into actual investment projects. The visible impact of these investments sends a clear signal of confidence in the economy. They also encourage governments to engage in further dialogue with the private sector and continue to address investment climate barriers with the support of EU technical assistance.

The trade and investment agreements that the EU concludes with partner countries can also reinforce this cycle of investment. These agreements have a strong developmental focus. They open access to the EU market for developing countries’ exports, while at the same time promoting the transfer of EU capital and technology, which is essential for investment and development.

**EXAMPLE OF THE INTEGRATED APPROACH**

**Linking the three pillars of the EIP in Côte d’Ivoire**

To boost strategic investment, the EU committed €130 million to blending operations in the road, energy and agriculture sectors, for a leveraged investment of around €420 million. Côte d’Ivoire is also a potential beneficiary of 16 EFSD guarantee tools (Pillar 1). Reforms implemented over the last five years have led to significant and constant improvement in the investment climate. Cooperation programmes supporting these efforts aim to improve economic and fiscal governance. Current interventions focus on Technical and Vocational Education and Training (TVET) for youth. Côte d’Ivoire also benefits from 3 Erasmus+ capacity-building programmes and is part of the Tuning Africa Initiative (Pillar 2). Several local and EU Member States’ chambers of commerce are very active on issues related to the business and investment climate (Pillar 3). The EU and Côte d’Ivoire signed an Economic Partnership Agreement (EPA) in 2016, and both parties started to reduce tariffs as of 1 January 2019. This should reinforce already strong trade and investment relations: the EU is the destination for 42% of Côte d’Ivoire’s exports, accounts of 32% of the country’s imports and represents 29% of foreign direct investment.
In March 2018, the European Commission launched a one-stop-shop for investors, promoters and other potential partners. This includes a dedicated web form for submitting action descriptions that are shared with eligible financial institutions, which may conclude guarantee agreements with the Commission. Between April and the end of December 26 entries were recorded and processed.

In July 2018, the Commission produced the first detailed EIP/EFSD Operational Report. In December, the Commission published a brochure summarising the 28 approved EFSD Guarantees, with contact points in lead financial institutions.

During the year, the EIP and EFSD were presented to government representatives, entrepreneurs, businesses and potential investors in more than 10 EU Member States, 6 EU Neighbourhood countries and 5 countries in Sub-Saharan Africa. A high-level EIP panel on Empowering Women in Sustainable Investment and Business through the EIP took place during the European Development Days in June in Brussels. The EIP and EFSD were also presented at several high level international fora dedicated to development finance.
SBEE Network Expansion and Densification Project (PEDER)

**BENIN**

**Total budget:** €54.63 mln

**EU contribution:** €14.65 mln

**Lead finance institution:** Agence Française de Développement (AFD)

**Type of EU support:** Investment grant, Technical assistance

The Government of Benin has initiated several energy generation projects aimed at diversifying energy production and reducing dependence on fuel imports. These projects require a major upgrade of the electricity network in the country, which is outdated and has seen insufficient investment. This is a challenge that the PEDER project aims to address, with the goal of strengthening the energy system to make it largely autonomous, competitive and capable of supplying reliable and quality electricity to industry and households.

PEDER will contribute to Benin’s economic development by improving access to energy, and by improving the performance of the electricity operator (SBEE). Specifically, the project will improve access to electricity in some 15 localities, mainly in seven departments (Alibori, Atlantic, Hills, Djonga, Oueme, Plateau and Zou) by extending and developing the electricity network and creating new connections. The project will increase the rate of access to electricity and reduce disparities in access between urban and rural areas.

The objective of the project is to improve the living conditions of people in the project area. It aims at both a qualitative and quantitative improvement in access to electricity for households and approximately 150 000 users will receive access to reliable electricity, with a major positive impact on their quality of life. It will improve the quality of electrical service for current and future SBEE subscribers by upgrading the network.

Apart from the direct beneficiaries, the project will also reduce inequalities in people’s access to basic services, by providing reliable electricity to social infrastructure. The improved quality of energy supplies will also strengthen the country’s industrial fabric which, in turn, will help support the creation of job opportunities.

Bélabo – Ngaoundéré Railway Line

**CAMEROON**

**Total budget:** €154 mln

**EU contribution:** €23.58 mln

**Lead finance institution:** European Investment Bank (EIB)

**Co-financiers:** AFD

**Type of EU support:** Investment grant, Technical assistance

Cameroon occupies a strategic position as a gateway into the Central African region and has a key role to play in opening the transport corridor between Douala (Cameroon), N’Djamena (Chad) and Bangui (Central African Republic). However, currently the lack of connectivity along this corridor, combined with long distances between major markets and inadequate transport infrastructure, are hampering Cameroon’s capacity to exploit its position as a regional backbone.
The project consists of rehabilitating and upgrading a 330-km section of non-electrified, single-track railway line between Bélabo and Ngaoundéré. This includes the replacement of ballast, sleepers and rails. The Bélabo-Ngaoundéré railway section was opened in 1974 and has never been renewed. It consists of ageing, mostly single-track, non-electrified metric gauge lines that cause speed restrictions: 60 km/h for passengers and 50 km/h for freight. The road network is not able to absorb additional traffic, consisting of mostly unpaved roads, which are prone to accidents.

As a result of the improvements, the speed restrictions will be lifted – allowing speeds of 90 km/h for passengers and 70 km/h for freight – while the bearing capacity will be increased from 17 tonnes/axle to 20 tonnes/axle. Expected outcomes include improved safety and mobility for both people and goods, reduced operating costs, shorter travel times, improved food security and better access to trade and economic services. The railway line will improve services for the 1.2 million passengers using it annually, and will allow some existing road freight to be carried by rail, while also allowing for increased rail traffic. The improved railway infrastructure will lead to promotion of investment, job creation and income generation, and therefore also to poverty reduction.

The main objective is to provide basic, all-season road accessibility in the arid and semi-arid areas targeted by the project. This will make it easier to transport people and goods, including food, during droughts. An improved all-weather road infrastructure will also help to extend livestock and crop production, promoting agricultural growth. Other benefits will include better access to markets, trade and socio-economic development, and enhanced investment.

The project will improve road infrastructure to low-volume seal and gravel standards, using both machines and manual labour and involving around 15% women in the workforce. This will provide 3,500 jobs during construction and 500 jobs in operations and maintenance in the project areas, and thus help alleviate poverty. The project also includes training a pool of small contractors, government authorities and consultants for future labour-intensive road maintenance and construction work. This training will include technical skills as well as business management.

The project, which will be implemented over a 5-year time period, is expected to directly benefit around 1.5 million people in the project counties, thus helping to improve security and stability in the region.
TRANSPORT

Mano River Union Road Development and Transport Facilitation Programme

LIBERIA

Total budget: €52.72 mln
EU contribution: €20.19 mln
Lead finance institution: African Development Bank Group
Co-financiers: European Union, European Investment Bank
Type of EU support: Investment grant

The Loguatuo – Sanniquellie road corridor, linking the north-eastern part of Liberia with Côte d’Ivoire, has long served as the main hub for trade within the Mano River Union region (MRU), which comprises Côte d’Ivoire, Guinea, Liberia and Sierra Leone. Although this corridor is critical for the economic development of both Côte d’Ivoire and Liberia, the road is regularly in a poor condition, resulting in high maintenance costs, increasing the cost of operating vehicles. The existing road needs to be widened and resurfaced, with the provision of drainage ditches and paved shoulders.

This phase 2 of the Manu River Union Development and Transport Facilitation Programme involves paving the Sanniquellie to Loguatuo Road section (47.1 km) and construction of a one-stop border post at the Loguatuo / Gbeunta/Danane border between Liberia and Côte d’Ivoire. As well as reducing transport costs, better road conditions will facilitate the free movement of people and goods, increase road safety and facilitate the development of agriculture.

The project will generate approximately 400 direct temporary jobs during the construction phase and 100 permanent jobs for operations and maintenance.

The Government of Liberia plans to develop a dry port in Sanniquellie, enabling MRU countries to export major commodities, including cocoa, rubber, coffee and timber to the international market. This will further enhance regional integration, contributing to a sustainable and peaceful co-existence, while reducing poverty for those who depend on the transport corridor for trade. Better road transport infrastructure will play a critical role.

The project may cause some negative impacts on the flora and fauna affected by necessary land-take, as well as potential disturbance of cultural sites and property, but environmental and social management plans are in place to mitigate these impacts, which will also be offset by the positive impacts of job creation and new income-generating activities.

TRANSPORT

Corridor Development and Trade Facilitation Project

MADAGASCAR

Total budget: €182.38 mln
EU contribution: €40 mln
Lead finance institution: African Development Bank (AfDB)
Co-financiers: Arab Funds (Abu Dhabi, Saudi Fund, BADEA, Kuwait Funds) and OFID
Type of EU support: Investment grant

The lack of basic infrastructure in Madagascar is a major impediment to economic and social development in the country. The rehabilitation of road infrastructure in particular is a key prerequisite for sustainable development and inclusive economic growth, and for support of mobility, security and access to and delivery of services.

In an effort to address this need, the Corridor Development and Trade Facilitation Project will deal with the rehabilitation of two major coastal corridors – the RN9 in the south-west and the RNT12A in the south-east of Madagascar. These two roads are key links between two major regional ports - Toliara and Ehoala - and their respective hinterlands, providing them with onward access to Indian Ocean Commission and COMESA countries. The development of the corridors will, therefore, pave the way for increased trade between Madagascar and the African continent on one side and with Indian Ocean countries on the other.

The result will be the construction of over 240km of widened asphalt road and a number of major bridges. The project will reduce costs for users, especially for the transport of goods, while offering a more direct route. It will also result in time savings for road users and significantly reduce the number of road accidents, due to improved road conditions. Moreover, it will contribute to the connection of agricultural areas and the mobility of people and goods, improving the access to markets for farmers and contributing to the development of sustainable tourism. Therefore an improvement of regional integration and connectivity is expected, as well as better living conditions for people.

The project will allow the creation of temporary and permanent, skilled and unskilled jobs, of which at least 20% will be employment opportunities for women. To promote employability, the project will recruit and train 45 young graduates, of whom at least 50% will be female.
Malawi is one of the poorest and most densely populated countries in Africa. A landlocked country, largely dependent on rain-fed subsistence agriculture, Malawi’s economy is vulnerable to weather-related risks, particularly drought. Agricultural production is centred mainly on maize (staple nutritional crop) and tobacco (main export crop). A lack of diversity in the diet, together with poverty and a high rate of HIV/AIDS, have contributed to high rates of malnutrition. These challenges are compounded by inadequate rural infrastructure – including roads, irrigation and drainage – and lack of access to electricity.

There is potential to diversify crops, producing fresh vegetables, oil seeds, sorghum and millet as well as export crops like cotton, tea, sugar and coffee. However, seeds and fertilisers are in short supply and subsistence farmers have very limited access to finance, as they often cannot demonstrate ownership of their land, which means they have no collateral to reassure financial institutions.

The project aims to enable farmers to gain access to finance and engage in more sustainable, commercial, value-added production. The action involves the creation of an intermediate facility for on-lending to eligible agricultural projects. Targeted financial and technical support will be offered to farmer groups, cooperatives, and individual agri-food entrepreneurs so that they can overcome some of the obstacles they face in diversifying and in accessing commercial markets. With suitable access to finance through the EIB action, processing companies can play a key role by pulling smaller, less organised players, such as smallholder farmers and cooperatives, up the value chain into formal markets. These players account for the vast majority of enterprises and generate a substantial proportion of jobs.

This form of access to finance is expected to lead to agricultural development and the long-term inclusion of smallholder farmers in formal and organised value chains. This, in turn, will lead indirectly to poverty alleviation. In the long term, the project should show that agriculture value chain products can be bankable if they are structured appropriately.
**TRANSPORT**

**Trans-Gambia Corridor Project Phase II: Construction Farafenni – Senoba road**

**THE GAMBIA**

- **Total budget:** €96.49 mln
- **EU contribution:** €16.03 mln
- **Lead finance institution:** African Development Bank Group
- **Co-financiers:** European Union, Governments of The Gambia and Senegal
- **Type of EU support:** Investment grant

The Trans-Gambia Road Transport Corridor is an economic and strategic link connecting the northern and southern parts of both The Gambia and Senegal and, by extension, the Economic Community of West African States (ECOWAS) through the corridor between Dakar and Lagos.

However, barriers on the route are slowing the movement of freight and this, in turn, is resulting in high transaction costs, which are hindering national and regional trade. The development of the corridor is prioritised not only at national but also at regional level through various initiatives, that all seek to integrate the region and boost trade opportunities through the development of regional corridors.

Against this background, the African Development Bank is supporting the development of the corridor in two principal phases. Phase I included the construction of the 942-metre Trans-Gambia Bridge, two border posts, two markets on either side of the river and 15 km of feeder roads in The Gambia. Phase II of the support will include reinforcing the pavement on 24 km of the Farafenni–Senoba road in The Gambia and filling in any gaps that may exist in the Joint Border Post (JBP) construction under Phase I.

The overall objective of the project’s Phase II is to support economic growth in countries on the Trans-Gambian Corridor and in ECOWAS more generally by fostering integration through reliable, efficient and seamless transport infrastructure. It will preserve the current investment in the bridge construction, as traffic on the corridor is expected to increase once the bridge is completed.

As in Phase I, the project is expected to improve access for the communities living in the project’s area, giving access to markets and other social and economic activities. The project will reduce transport costs, travel time and the amount of time spent on border customs formalities. It will also create enhanced potential for trade, thereby contributing to poverty reduction and the economic empowerment of communities on the corridor and in the West African Region as a whole. The project will create 200 additional jobs during Phase II and has the potential to positively contribute to the country’s competitiveness, thereby boosting both local and regional trade while acting as a catalyst for inclusive growth and poverty reduction.

**TRANSPORT**

**Kampala Jinja Expressway Public Private Partnership Project (KJE)**

**UGANDA**

- **Total budget:** €711.5 mln
- **EU contribution:** €91.05 mln
- **Lead finance institution:** Agence Française de Développement
- **Co-financiers:** African Development Bank, Government of Uganda, international financial institutions and private sector stakeholders
- **Type of EU support:** Investment grant
  Technical assistance

Greater Kampala is situated on the shore of Lake Victoria and is on the Northern Corridor that crosses Uganda. This strategic trade corridor links landlocked countries like Uganda and Rwanda to Kenyan ports. With a rapidly growing population – currently at 3.5 million inhabitants – Greater Kampala has seen vehicle traffic increase by 3.6% annually on existing highways. Traffic on one key section of suburban highway is expected to increase from the current 60,000 vehicles per day to 100,000 by 2022 and 120,000 per day by 2032, far exceeding current capacity.

To relieve this increasing congestion, the Government of Uganda plans to construct a mainly greenfield dual carriageway toll expressway between Kampala and Jinja (75 km to the east). The KJE project includes building the first section (around 34 km) of the Kampala – Jinja Expressway, as well as the 17.8-km-long Kampala Southern Bypass. By linking this new stretch with the planned Kampala Northern Bypass and the Kampala to Entebbe Expressway (already financed by the EU and EIB), the KJE project will provide a complete ring road around Kampala city and bypass the south-eastern area of the city. Interconnectors will join the new roads with nearby towns.
The project proposes a public-private partnership that involves a mixture of debt, equity and grant financing.

The project, together with upgrades of the whole Kampala public transport system, is expected to increase average traffic speed from the current 15 km/h at peak times to 80-120 km/h. This would decrease the emission of pollutants and greenhouse gas (GHG) by a factor between 1.5 and 2.5, depending on the pollutant. The project will also help improve the connectivity, efficiency and resilience of regional infrastructure networks, while reinforcing the sustainability of the national transport system. It will also increase regional integration, which is part of the AIP trade development policy objective.

The project will also lead to job creation. People will move to more productive jobs in the big towns of Kampala, Jinja and Mukono if the wages received exceed the additional cost of travel on the expressway. During the construction and the subsequent operational phase, the expressway is also expected to directly create at least 1,500 jobs during the construction phase and 250 jobs during the operational phase.

**AGRICULTURE**

**Agri-Business Capital Fund (ABC Fund)**

**GLOBAL / REGIONAL**

- **Total budget:** €235.85 mln
- **EU contribution:** €45.75 mln
- **Lead finance institution:** International Fund for Agriculture Development (IFAD)
- **Co-financiers:** Grand Duchy of Luxembourg, Alliance for Green Revolution in Africa (AGRA)
- **Type of EU support:** Investment (equity)
  - Technical assistance

Globally, around 2.5 billion smallholder farmers play a crucial role in food production, notably in developing countries. Yet these often poor farmers have limited access to loans and investment, weak links to markets and practices that result in poor yields and low income. This is particularly acute in Latin America, Sub-Saharan Africa, and South and South-east Asia, where an estimated 270 million smallholder farmers require something like USD 200 billion of investment to make real changes.

Investors are often wary of perceived risks in the agriculture sector, leading to a gap in finance known as the ‘missing middle’ – capital needs that are greater than microfinance, but below the level of traditional institutional financing. Meanwhile, widespread youth unemployment in these rural areas encourages migration, exacerbating weaknesses in the sector. A key to the solution is the development of rural small and medium enterprises (SMEs), particularly geared to youth employment.

The main aim of the ABC Fund is therefore to promote inclusive smallholder and rural SME finance, and to employ more young people and women. With its experience in building multi-sector partnerships, its presence on the ground and experience in the sector, IFAD, through the ABC Fund, is in a good position to help address the gap in financing for rural smallholders in developing countries. One pillar of the project involves some 240 existing IFAD development projects, and seeks to identify gaps in the financing needs of producer organizations and rural SMEs, and move towards greater risk sharing.

A second pillar, the ABC Fund proper, targets the ‘missing middle’ farmer organisations and SMEs that are active in agricultural value chains, through a mix of direct financing and finance intermediation. A third pillar will provide pre- and post-operation technical assistance to ABC Fund investees and thus help reduce the risk for investors. Contributions will be in the form of direct investments, financial intermediation and technical assistance.

By targeting job creation, especially for unemployed youth, while promoting sustainable growth of rural SMEs, the ABC Fund expects to contribute to achieving several Sustainable Development Goals (SDGs), including those targeted at ending poverty, eliminating hunger and reducing inequalities. The Fund envisages a timeframe of 10 years.

**PRIVATE SECTOR**

**African Guarantee Fund for Small and Medium-Sized Enterprises Limited (AGF)**

**REGIONAL**

- **Total budget:** €204 mln
- **EU contribution:** €26.08 mln
- **Lead finance institution:** African Development Bank (AfDB)
- **Type of EU support:** Risk capital
  - Technical assistance

Small and medium-sized enterprises (SMEs) are a mainstay of economic growth in Africa, yet they do not have adequate access to finance. In Sub-Saharan Africa, the financing gap for formal SMEs has been estimated at USD 80-100 billion. A key to the achievement of sustained, inclusive economic growth, job creation and the reduction of poverty lies in facilitating access to medium and longer-term finance, in local currencies, for SME enterprises. This will directly enable businesses to grow, while fostering innovation.

The African Guarantee Fund (AGF) was created as a private, limited liability, non-bank financial institution, specifically aimed at boosting access to finance for SMEs. This is achieved in various ways, including the provision of financial guarantees to Partner Lending Institutions (PLIs), so that these PLIs can extend their portfolio of SME lending across Africa. Development support is also available...
to SMEs to improve their business management skills. AGF can also stimulate reticent financial institutions to increase their lending to SMEs by providing credit guarantees.

By helping to create jobs and reduce poverty, the AGF will offer a response to the migration challenge by tackling its root causes. It will also promote the development of the private sector and social enterprises, and can stimulate sectors that find it hard to access finance, such as agriculture, while supporting SMEs owned or led by youth and women, and those in transition and fragile states.

The duration of AGF, as a non-bank financial institution, domiciled in Mauritius, is unlimited.

More specifically, the Fund’s investments will help increase the sustainable supply of forest products and support the conservation of natural forest. The forest plantations supported by Arbaro investments will be managed to the highest economic, technical, environmental and social standards. The Fund will also help foster innovation in local forest industries. For example, global timber markets have already started to move away from sawn wood forest products taken from large-diameter native species towards the development of more engineered products from smaller diameter plantation logs taken from species like pine and eucalyptus.

Arbaro will help countries in the region to catch up with these global trends, by providing the necessary raw materials at affordable prices, and actively developing markets for its products. The initial aim is to make them self-sufficient in these products and, in the longer term, also export-competitive, taking into account that local wood-processing industries in many target countries are small or medium-sized carpentry and furniture-making enterprises, employing a handful of workers.

National development plans in countries in the Arbaro target regions often cite forestry as part of their climate change mitigation and adaptation strategies. Forest plantations can help to make landscapes more resilient to climate change by preventing soil erosion, stabilising water run-offs and regulating watersheds. In the lifetime of the project (15 years), as much as 20 million tons of CO₂ can be sequestered by new forestry plantations. By creating formal employment opportunities – around 5 000 new jobs, 15 000 indirect jobs and benefits to 20 000 people – the Fund will further mitigate the vulnerability of the target communities to the effects of climate change.

Despite the extensive presence of endemic natural forests in Latin America, the Caribbean and Africa, many countries in these regions have high rates of deforestation and often use the remaining wood resources unsustainably. Forest plantations have existed globally for decades but have not become an integral part of the industry of Arbaro target countries.

Where investments in forestry have been made, silvicultural management practices can be poor and internationally recognised sustainability criteria, like Forest Stewardship Council (FSC) certification, are often not adhered to. Fundraising has proved difficult though, as a new asset class for institutional investors, the 15-year optimal cycle for forestry plantation harvesting can be seen as too long.

The main objective of Arbaro is to help reverse such trends by establishing sustainable local timber resources in the target regions.

**AGRICULTURE/FORESTRY (DEVELOPMENT)**

**Arbaro Fund Investment (on hold)**

**REGIONAL**

**Total budget:** €168 mln (USD 200 million, final closure), €56.55 mln (1st close)

**EU contribution:** €17.35 mln

**Lead finance institution:** European Investment Bank (EIB)

**Co-financiers:** Finnfund

**Type of EU support:** Investment (equity)

Despite the extensive presence of endemic natural forests in Latin America, the Caribbean and Africa, many countries in these regions have high rates of deforestation and often use the remaining wood resources unsustainably. Forest plantations have existed globally for decades but have not become an integral part of the industry of Arbaro target countries.

Where investments in forestry have been made, silvicultural management practices can be poor and internationally recognised sustainability criteria, like Forest Stewardship Council (FSC) certification, are often not adhered to. Fundraising has proved difficult though, as a new asset class for institutional investors, the 15-year optimal cycle for forestry plantation harvesting can be seen as too long.

The main objective of Arbaro is to help reverse such trends by establishing sustainable local timber resources in the target regions.

**ENERGY**

**Chad-Cameroon Interconnector (PIRECT)**

**REGIONAL**

**Total budget:** €398.35 mln

**EU contribution:** €30 mln

**Lead finance institution:** African Development Bank (AfDB)

**Co-financiers:** Islamic Development Bank, European Union

**Type of EU support:** Investment grant

Cameroon and Chad face major challenges in terms of socio-economic development, including a structural deficit and the high costs of electrical energy. Rates of access to electricity are around 67% in Cameroon and just 3.9% in Chad. The programme will assist in the development of the regional power market in Central Africa as a whole and improve security of the power supply in Chad and Cameroon, while reducing the cost of electricity to the consumer.
It will also contribute to climate change mitigation by reducing the use of non-renewable fuelwood and other non-renewable or polluting energy sources. Any logging required while laying the power lines will be more than offset by tree planting, while all new electricity injected into the network will be from hydroelectric sources, thus reducing the carbon footprint of the energy network, notably in Chad.

The PIRECT programme aims to mitigate this situation by constructing a 225 kV high tension (HT) power line between Ngaoundéré (Cameroon) and N’Djamena (Chad), and a 225 kV HT loop line between Maroua and N’Djamena. The transformer stations (high tension to medium tension) and distribution networks for rural power supply will also be installed. A total of 1024 km of HT power lines will be installed, connecting 478 communities, with a beneficiary population of 945,000 people.

The construction phase of the project is expected to generate 350 direct, temporary jobs, at least 15% of them occupied by women and 250 direct and indirect permanent jobs, at least 40 held by women and girls. It is also expected to lead to the creation of women’s and youth groups and provide youth training opportunities, at least 50% for young women.

In the face of this increased complexity, digital solutions can help power utilities in developing countries to make a rapid technological leap, enabling them to move quickly towards smarter energy systems. Meanwhile, information and communication technology (ICT) offers opportunities for utilities to improve their operational and financial performance, for example by integrating smart grid technologies into energy systems.

Intelligent network solutions also allow for better management of clients, enabling utilities to monitor and control networks more effectively, use assets more efficiently, improve quality of service and improve the management and governance of public utilities. The Digital Energy Facility (DEF) aims to prepare bankable investment plans to encourage digitisation of utility networks, to improve performance, share best practices on new technologies driven by the private sector and finance innovative pilot projects.

Among the expected impacts of implementing the DUF are improved reliability, availability and affordability of energy services for those already connected to the grid. Extended electricity coverage to on-grid customers and households not yet connected improves the living conditions of rural families and promotes growth. A smart, expanded and more efficient electricity supply will eliminate the need for displaced diesel generation and therefore reduce GHG emissions.

While many communities in developing countries still do not have access to the electricity grid, even connected consumers often suffer from power cuts and high tariffs. In rural and off-grid areas, diesel generators are frequently used, hampering efforts to reduce greenhouse gas (GHG) emissions. High tariffs charged by utility companies encourage energy theft through illegal connections, while non-payment of electricity bills, under-pricing, operational and technical deficiencies and low billing rates all mean that costs are not recovered. This leads to further infrastructure degradation, a lack of forward investment and innovation. At the same time, the energy market is changing rapidly, moving from a centralised to a decentralised model, with increased penetration and local production of renewable energy. This creates further challenges for existing centralised power utilities.
Modern energy is key to Africa’s economic transformation, yet fewer than 40% of Sub-Saharan Africans have access to electricity. Across the continent, around 600 million people do not have access and, outside of North Africa and South Africa, the continent has only 40 GW of generating capacity. While generating capacity is increasing, it is still being outstripped by population growth. By 2040, even though 950 million people will have gained access to the grid, some 530 million people will still be living off-grid.

Small-scale renewable energy projects offer an unparalleled opportunity to address this challenge and the African Development Bank’s (AfDB) New Deal on Energy for Africa aims to achieve universal access to energy by 2025. However, despite the large market opportunity, AfDB has found that small-scale renewable energy projects are still not scaling up fast enough, for a variety of reasons, including a lack of bankable small-scale IPP projects, a lack of debt financing and a wariness of investors, who are more comfortable with larger deals.

The Facility for Energy Inclusion (FEI), as the AfDB’s first blended finance programme dedicated to increasing access to renewable energy, is seen as a key instrument to help achieve the on-grid and off-grid connection targets of the New Deal, through increased co-financing and private sector investment in innovative on-grid and off-grid clean energy access solutions.

Unlike other debt funds, FEI is a direct lending platform and has two main components. The On-Grid Window (FEI On-Grid) will support small-scale IPPs, mini-grids and captive power projects by providing long-term debt through project finance structures. FEI On-Grid targets a total of USD 400 million with an initial financial close of USD 250 million in the first quarter of 2019. This component has the potential to avoid 9.6 million tonnes of CO₂, while benefitting 6 million households and creating 18,000 jobs. The Off-Grid Window (FEI Off-Grid) will support pay-as-you-go system companies and other innovative energy access distribution companies, through lending to loans corporates and special purpose vehicles (SPVs). FEI Off-Grid expects to finance 40 MW equivalent capacity, avoiding a potential 2.5 million tonnes of CO₂, while benefitting 4.5 million households (20 million individuals) and creating 1,000 jobs.

Projects funded are expected to start in 2019 and be completed by 2034.

The Huruma Fund has two main objectives – (a) to generate long-term gains on its invested capital and (b) to improve the lives of excluded farmers by reinforcing financial inclusion in the agricultural value chain, while also focusing on producer organisations and agriculture value chain SMEs (agribusiness such as input suppliers, agri-related equipment SME, warehousing services, etc.). To achieve these goals, the Fund will work both with financial institutions that serve these types of client and with producer organisations and SMEs to increase their capacity to serve smallholders and excluded farmers.
The Niger Basin covers an area of 1.5 million km² and is shared by nine riparian countries. It is of primordial importance for its estimated 110 million inhabitants, and for the economies of member countries in the Niger Basin Authority (NBA). It is a major resource, not just in terms of water supply, but for the various economic functions it services, including agriculture and livestock rearing, fishing, energy, industries, tourism, etc.

For several decades, climate warming has been accompanied by a reduced water flow (average annual reductions of 40%-60% have been observed) and a reduction in the period during which tributaries feed into the river. At the same time, increased pressure for land has led to encroachment. This, and a range of other factors, such as unsustainable deforestation, has led to increased silting of the river, reduced vegetation cover and increased erosion (water and wind). Year-on-year droughts have compounded these tendencies, rendering the (growing) population and ecosystems of the Niger Basin increasingly vulnerable.

The proposed structure of the Fund will enable private sector participants to have a catalysing effect. The EU contribution to the first-loss tranche will also have a catalytic role, providing a cushion to alleviate the perceived risk by the private sector. The Fund will seek a return on investments, helping to compensate for the risk taken by investors.

In addition to the investment, the Fund and the European Union will support a technical assistance facility, which will be used to reinforce the capacity building component of the programme by developing agricultural financial products, conducting demand-side research, increasing the use of technology (e.g. mobile phones and tablets) to improve data collection and delivery, and setting up risk management systems.

Measurable impacts will include an increase in the area under cultivation, an increased number of farmers reporting higher turnover, increased access to finance by poor farmers and more sustainable jobs in the sector. The project also aims to improve governance, promote trade and directly reduce poverty. The Fund will have a duration of 10 years, with a maximum extension of 2 years.

Following the success of a previous pilot project to counteract silting of the river (PLCE/BN) in three countries (Burkina Faso, Mali and Niger), the Integrated Programme for Development and Adaptation to Climate Change in the Niger River Basin (PIDAACC/BN) aims to extend this project to the entire Niger Basin. The overall aim is to increase the resilience of local populations and the region’s ecosystems to the effects of climate change, through the sustainable management of resources.

This can only be achieved by a coordinated programme of actions across the whole basin to protect ecosystems, as part of regional sustainable development initiatives. Infrastructure needs to be in place to store runoff water in order to combat variations in water levels. The integrated programme addresses ecosystem resilience by controlling erosion and silting, sustainable management of forestry and agricultural resources, and the protection of biodiversity. Resilience of the population will be tackled through the development of hydro-agricultural and pastoral resources, and the sustainable development of fishing and navigation.

By mitigating the degradation of river systems in the Niger Basin, and their accompanying ecosystems, the programme is expected to lead to greater food security (e.g. increased crop yields), job creation, notably for women and youth, and to help reduce poverty. The project is expected to last for 6 years.

### ENERGY

**Ruzizi III Hydropower Plant Construction/Kamanyola-Bujumbura Interconnection Project**

**REGIONAL**

- **Total budget:** €596 mln
- **EU contribution:** €15 mln
- **Lead finance institution:** African Development Bank (AfDB)
- **Type of EU support:** Investment grant

The Ruzizi III Hydropower Plant Construction Project is part of the Programme for Infrastructure Development in Africa (PIDA) and is regional in scope – covering Burundi, Democratic Republic of Congo and Rwanda. The project comprises the construction of a 147 MW hydropower plant on the Ruzizi river, the 220 kV Kamanyola-Ruzizi III transmission line, the Kamanyola substation and regional control centre, the Kamanyola-Bujumbura, Kamanyola-Buhandahanda and Kamanyola-Kibuye transmission lines, the Bujumbura substation and the extension of the Buhandahanda substation.

The overarching goal of the project is to increase the availability and reliability of electricity supply in the region, while reducing CO₂ emissions by 600,000 tonnes/year. What’s more, there will be a significant reduction in electricity costs to consumers, thanks to an increased share of competitive renewable energy in the energy mix and significant savings from improved efficiency.
The project will allow for enhanced regional power trade and will have a substantial impact of power availability and reliability in the region. By establishing a regional integrated grid system, the project will create a platform for private sector participation in power generation, and allow for the diversification of power generation sources and a significant reduction in electricity costs through economies of scale. The combination of these factors enhances the project’s developmental impact and helps to ensure that its benefits will be more sustainable.

The EU financing will make it possible to improve the reliability of power supply in the Bujumbura region. Thanks to the project households, industry, and small and medium-sized enterprises in the target countries will gain access to cheaper, more reliable and sustainable electricity. Furthermore, social benefits for the population will improve, thanks to better power supply to schools, health centres, agro-processing units and industrial production units.

SME Scaling-Up Fund I (on hold)

**REGIONAL**

**Total budget:** €60 mln

**EU contribution:** 20.5 mln

**Lead finance institution:** DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH

**Co-financiers:** Other DFIs

**Type of EU support:** Investment (equity)

Technical assistance

The SME Scaling-Up Fund I is a partnership between the European Union, European Development Finance Institutions (EDFI) and private impact investors. The overall objective is to improve access to private sector finance, including smaller investments of under €1 million, for young, high-growth SMEs to create new, sustainable employment. The Fund will therefore help to retain human capital and talent in Sub-Saharan Africa and reduce the refugee stream. It is also an innovative way to mobilise private investment for early-stage SMEs, and to develop bankable projects. A ‘junior’ tranche will offer an expected net return of 0.4%, while a ‘senior’ tranche will have a reasonable expected net return of 8%.

The Fund will include a technical assistance component, offering help with business plan development, accounting and finance, marketing and distribution, which are common bottlenecks for young SMEs. Priority investee sectors include the FinTech sector, (e.g. mobile digital lenders and digitalised credit bureau service providers); the health sector (e.g. IT-supported mini-clinic service providers and the orthopaedic industry); renewable energy (e.g. photovoltaic energy generation and distribution, including solar home system distributors, mini-grid operators, biogas generators); and agri-sector manufacturing (e.g. secondary producers, including smallholder activities).

As well as helping to create a significant number of new jobs, the Fund will contribute to investment-related tax revenues, and the reduction of CO₂ emissions, where SMEs involved in renewable energy and energy efficiency are concerned.

Trans-Saharan Backbone (TSB) Optical Fibre Project

**REGIONAL**

**Total budget:** €78.44 mln

**EU contribution:** €29.57 mln

**Lead finance institution:** African Development Bank (AfDB)

**Type of EU support:** Investment grant

Technical assistance

According to a 2010 World Bank study, a 10% increase in broadband connectivity generates a 1.3% boost in economic growth. The project countries (Chad and Niger) will greatly benefit from an effective ICT infrastructure. As well as reducing the digital isolation of rural areas and therefore helping foster their development, extending high-speed broadband connections will improve regional integration and boost intra-regional and international trade. Indirect benefits include increased tax revenues for the government and reduced cost of economic transactions.

The Trans-Saharan Backbone optical fibre project plans to lay optical fibre links on three essential sections (a total of 1 510 km...
Women's Financial Inclusion Facility

One billion women globally lack access to financial products and services, making women's economic empowerment a key prerequisite for achieving gender equality. The Women's Financial Inclusion Facility will promote gender equality and the economic empowerment and financial inclusion of women by providing improved access to financial products and services. In so doing, it will help close the gender gap in financial inclusion in support of the Sustainable Development Goals.

**PRIVATE SECTOR / ACCESS TO FINANCE**

**Regional**

Total budget: €88.7 mln

EU contribution: €10 mln*

Lead finance institution: KfW

Co-financiers: Multiple DFIs, private investors, government funding, government agencies

Type of EU support: Technical assistance Investment (equity)

One billion women globally lack access to financial products and services, making women’s economic empowerment a key prerequisite for achieving gender equality. The Women’s Financial Inclusion Facility will promote gender equality and the economic empowerment and financial inclusion of women by providing improved access to financial products and services. In so doing, it will help close the gender gap in financial inclusion in support of the Sustainable Development Goals.

* This amount includes a contribution of €1 million from the European Parliament.
By contributing to the depollution of Lake Maryout and the Mediterranean Sea, the project will not only bring significant environmental but also sustainable economic benefits to the area, including through avoided public health costs and growth in tourism, as well as potential benefits to the fishing community on Lake Maryout.

Construction works related to the upgrade project are expected to take 2.5 years and to reach completion in 2022.

In 2016, the International Monetary Fund (IMF) approved a USD 12-billion, 3-year Extended Fund Facility (EFF), as part of which the Egyptian authorities committed to developing a comprehensive reform agenda for the country’s energy sector.

The Energy efficiency and upgrade programme for the Suez Oil Processing Company (SOPC) is set in the wider context of Egypt’s Oil and Gas Modernisation Programme, and aims at improving the operational efficiency of the SOPC refinery. This will be achieved through a combination of refurbishments and installations to improve energy efficiency, operational performance and the utilisation rate at the plant, while reducing its environmental footprint and enabling the production of higher quality fuels.

The project will result in overall greenhouse gas emission savings in excess of 295 000 tons CO₂ per year. Thanks to the project, the plant will see total energy savings of close to €100 million, which means that the programme will have a significant impact in both financial and environmental terms.

The project consists of a number of core components aimed at increasing the plant’s energy efficiency, controlling emissions and mitigating the effects of climate change. The project will increase

---

**WASTEWATER**

Alexandria West WWTP Extension and Upgrade Agri-Business Capital Fund (ABC)

**EGYPT**

**Total budget:** €185.15 mln  
**EU contribution:** €20.65 mln  
**Lead finance institution:** European Investment Bank (EIB)  
**Type of EU support:** Investment grant

Rapid population growth and urbanisation have led to the decreasing quality of public infrastructure and services in Alexandria and other large Egyptian cities. The effects of these processes can be seen at the Alexandria West Wastewater Treatment Plant (WWTP). Built in the early 1990s, the plant is nearing its design capacity of 462 000 m³ per day due to population growth in the plant’s catchment area. Furthermore, the plant currently operates only at primary treatment level, which has led to high levels of pollution in the adjacent Lake Maryout as well as El-Mex Bay and, ultimately, the Mediterranean Sea.

Within this context, the main objectives of the Alexandria West WWTP Extension and Upgrade project, which will increase the capacity and upgrade the treatment level at the plant from primary to secondary, are to improve its environmental performance, contribute to sustainable economic development, and support urban resilience and climate action in the country. The project will help to ensure the adequate provision of sanitation services in the city of Alexandria until 2050 and will also support the policy objectives of institutional and tariff reforms and investment programming.

In terms of environmental performance, the project will contribute to efficient and sustainable water resource management along the Mediterranean coast of Egypt. It will also include a sludge treatment and digestion component, which will contribute to the environmentally sound treatment of effluent and sludge from the Alexandria West catchment area and allow for the generation of bio-energy. This will recover about 80% of the power needed for the plant’s operation, thereby contributing to the financial sustainability of the project.

Sludge digestion will also reduce the plant’s greenhouse gas emissions, ensuring that the project makes a significant contribution to Egypt’s climate change mitigation efforts. The proposed EU grant is a key enabler of this aspect of the project as it provides the necessary financial incentive for the Government to choose this more costly technical option.

---

**ENERGY**

Energy efficiency and upgrade programme for Suez Oil Processing Company (SOPC)

**EGYPT**

**Total budget:** €171.5 mln  
**EU contribution:** €13.5 mln  
**Lead finance institution:** European Bank for Reconstruction and Development (EBRD)  
**Type of EU support:** Investment grant  
**Technical assistance**

In 2016, the International Monetary Fund (IMF) approved a USD 12-billion, 3-year Extended Fund Facility (EFF), as part of which the Egyptian authorities committed to developing a comprehensive reform agenda for the country’s energy sector.

The Energy efficiency and upgrade programme for the Suez Oil Processing Company (SOPC) is set in the wider context of Egypt’s Oil and Gas Modernisation Programme, and aims at improving the operational efficiency of the SOPC refinery. This will be achieved through a combination of refurbishments and installations to improve energy efficiency, operational performance and the utilisation rate at the plant, while reducing its environmental footprint and enabling the production of higher quality fuels.

The project will result in overall greenhouse gas emission savings in excess of 295 000 tons CO₂ per year. Thanks to the project, the plant will see total energy savings of close to €100 million, which means that the programme will have a significant impact in both financial and environmental terms.

The project consists of a number of core components aimed at increasing the plant’s energy efficiency, controlling emissions and mitigating the effects of climate change. The project will increase

---
the plant’s efficiency by investing in much needed technology improvements, including revamping the existing coker unit and installing a new hydro-treater, or refurbishing the existing unit, and installing a new vapour recovery unit. The project will also introduce good governance standards, bringing the facility close to EU best practice and EU best available technologies (BAT) standards.

In addition, the project will fund a comprehensive set of technical studies, aimed at improving energy efficiency in the Egyptian oil refining sector. Moreover, an Energy Efficiency Training Programme will be put in place to build technical capacity in the country to identify and manage energy-efficiency measures in the oil and gas industry. This programme will help magnify the effects of the investment and potentially generate additional energy savings beyond the scope of the project.

**PRIVATE SECTOR**

**MSME Promotion Programme**

**EGYPT**

**Total budget:** €50.1 mln  
**EU contribution:** €15.05 mln  
**Lead finance institution:** Kreditanstalt für Wiederaufbau (KfW)  
**Type of EU support:** Investment grant, Technical assistance

The economic situation in Egypt in recent years has been volatile and this has had a negative impact on entrepreneurship in the country. People living in rural and disadvantaged areas have been particularly vulnerable to the negative impacts of this economic uncertainty. What’s more, youth unemployment in the country is high, which increases the risk of social conflict.

Recognising the potential of micro- small and medium-sized enterprises (MSMEs) to meet these challenges, generate employment and contribute to inclusive growth, the MSME Promotion Programme aims to increase access for Egyptian MSMEs to adequate finance through partnering financial institutions.

MSMEs in Egypt account for over 90% of all enterprises in the country and therefore account for the lion’s share of the Egyptian labour market. The project aims to achieve its goal of providing the most marginalised groups in society with adequate finance for self-employment by providing Egypt’s Micro, Small and Medium Enterprise Development Agency (MSME-DA) with enough funds to offer incentives to enterprises to focus on employment generation targeting these groups.

By improving the access of MSMEs to needs-based financial services, the project hopes to promote sustainable employment generation and pro-poor economic growth in Egypt. Young people in particular will be targeted, and encouraged to start their own businesses. The project will also contribute to income generation in the country, with a particular focus on rural and poor areas, and encourage enterprises to enter the formal economy. These objectives will help to achieve the overarching goal of improving conditions for inclusive and sustainable economic growth.

A special focus will be placed on financial access for start-ups, informal businesses and businesses in rural areas. The NIP contribution will increase the access of start-ups and small microfinance NGOs to finance, and will provide smart incentives, enhance risk structures and invest in institutional development as well as in the provision of information for business development, innovation, job creation and women’s empowerment.

The incentive scheme will further strengthen the financial role of women in society, and increased access to financial services will reduce poverty and stimulate inclusive economic growth. The technical assistance that accompanies the investment component of this project will ensure the sustainability of the investment.
URBAN DEVELOPMENT

Programme for Economic and Urban Resilience in Lebanon (PEURL)

LEBANON

Total budget: €100.56 mln
EU contribution: €20.56 mln
Lead finance institution: Agence Française de Développement (AFD)
Co-financiers: European Investment Bank
Type of EU support: Investment grant, Technical assistance

Rapid urbanisation in Lebanon has been exacerbated by the impact of the crisis in Syria and municipal infrastructures built to serve 3 million people are now struggling to cope with over 6 million users. What’s more, the country has seen a decline in GDP growth from 8% before the crisis to 1% currently, and the unemployment rate has risen to over 30% among young people. This situation has drastically increased the pressure on cities to provide adequate public services, to stimulate local economic opportunities, and to maintain social cohesion. It has also seen the socio-economic gap between interior and coastal regions widen further.

EUROPEAN INVESTMENT PARTICIPATION (EIP) / EUROPEAN FINANCIAL SUCCESSION TO THE EXTENSION OF THE EBRD (EFSD)

In this context, the Programme for Economic and Urban Resilience in Lebanon (PEURL), together with the NIP investment grant and technical assistance, aims to contribute to local economic development by increasing job opportunities and creating an environment that is more conducive to business. It also aims to ensure that territorial development in the country is more balanced, and will help improve social cohesion by upgrading living conditions and the overall quality of the urban environment. This goal will be facilitated by strengthening municipalities’ innovative capacities through a ‘learning-by-doing’ process for project programming, design and management.

ENERGY, ENVIRONMENT

Morocco Green Economy Financing Facility (Morocco GEFF)

MOROCCO

Total budget: €197.11 mln
EU contribution: €21.11 mln
Lead finance institution: European Bank for Reconstruction and Development (EBRD)
Co-financiers: Green Climate Fund (GCF), private sector
Type of EU support: Investment grant, Technical assistance

The European Bank for Reconstruction and Development, with support from the EU, launched the Morocco Sustainable Energy Financing Facility (MorSEFF) in 2015. This programme provided a total of €110 million to finance sustainable energy projects in Morocco. The Morocco GEFF Project will build on the outcomes of MorSEFF and allow a wider number of Moroccan banks to benefit from funding and capacity building as it will cast a wider net, and cover not only climate change mitigation but also climate change resilience and resource efficiency.

The Green Economy Financing Facility (GEFF) will systematically address market barriers and entrenched behaviours that are hindering the uptake of green technologies and solutions, thereby helping to create a green, climate-resilient and competitive economy in Morocco. Specifically, the project aims to scale up green economy investment by providing Moroccan businesses with access to green finance from local financial institutions through proactive outreach and dedicated financial product offerings.
The GEFF project will achieve its objectives through the provision of access to finance, an investment grant and technical assistance. With €150 million in credit lines, the project will finance a large number of small- to medium-sized green investment projects, and generate competition in the local financial sector. The investment grant component will encourage Moroccan businesses to adopt green technologies which, despite their benefits, are not currently the businesses’ first choice due to higher upfront costs and higher perceived risks.

The key focus of the technical assistance is to address specific behaviours and gaps in local capacity and to support participating financial institutions in developing a pipeline and portfolio of eligible sub-projects. The project will also raise awareness of green technologies with high market potential by communicating the business and social case for these investments through local NGOs, press, social media, marketing events and workshops.

The EU funding will be leveraged at least eight-fold with co-financing led by the EBRD. The blended financing made available thanks to the EU contribution will play a crucial role in unlocking resources from Morocco’s private sector, which would not otherwise be prioritised for green economy investment.

ENERGY

NOOR Midelt I and NOOR Midelt II Solar Power Plants

MOROCCO

Total budget: €2,137.25 mln

EU contribution: €61.1 mln

Lead finance institution: Kreditanstalt für Wiederaufbau (KfW)

Co-financiers: AFD, EIB

Type of EU support: Investment grant

Morocco is more than 90% dependent on imports of primary energy and fossil fuels for its energy needs. At the same time, thanks to increasing industrialisation, rising standards of living, a high rate of rural electrification and population growth, electricity demand in Morocco has increased by 5.6% on average every year since 2002.

To meet the growing demand for electricity in the country, Morocco plans to exploit its significant wind and solar potential, and to increase the share of renewable energy in its energy mix to 52% by 2030 in terms of installed capacity. Morocco’s energy strategy consists of creating an integrated and sustainable model for economic development based on renewable energy and respect for the environment. In line with this strategy, the Moroccan Agency for Sustainable Energy (MASEN), the implementer of this project, aims to support technological innovation and the development of a competitive energy market.

The NOOR Midelt I and NOOR Midelt II solar power plants will make a significant contribution to achieving the country’s renewable energy targets. The project involves the construction of two hybrid solar power plants that combine solar thermal and photovoltaic technology. The installed capacity expected for each plant will be between 150 and 190 MW for the solar thermal component, with a minimum of 5 hours of storage, while the installed power of the PV component will depend on the operating mode recommended by the developers. The plants will be located in Midelt in the country’s Draa Tafilalet region.

In addition to helping meet the increasing demand for electricity, the project will contribute to the fight against climate change and continue the energy transition that began in Morocco in 2009. The project will also have a positive indirect socio-economic impact: the national companies involved will be able to draw on their experience and contribute to the creation of a national economy that is competitive internationally. MASEN will also leverage all the socio-economic benefits generated by the project, particularly by developing Moroccan expertise in the field of renewable energies, and solar energy in particular.

By contributing to a reliable national electricity supply based on renewable sources, the Midelt I + II solar power plants will create an essential prerequisite for economic and social development, which will have a positive impact on poverty reduction in the country.

PRIVATE SECTOR

European Palestinian Credit Guarantee Foundation Gaza

PALESTINE*

Total budget: €33.18 mln

EU contribution: €10.24 mln

Lead finance institution: Kreditanstalt für Wiederaufbau (KfW)

Type of EU support: Investment grant

The European Palestinian Credit Guarantee Foundation (EPCGF) was established in 2005 and registered as a foundation in the Netherlands in 2015, which transformed it into a sustainable and market-supported structure. Its mission is to contribute to economic development by stimulating investments in micro, small and...
medium enterprises (MSMEs) through loan guarantees, lending, investment in innovative projects and technical assistance support.

EPCGF provides partial credit guarantees for investment and working capital loans to SMEs, partial portfolio guarantees for loans to MSMEs, and partial loan guarantees covering commercial borrowing by microfinance institutions from banks operating in the Palestinian Territories. In this way, the Foundation aims to help alleviate poverty in the Palestinian Territory by supporting its economy and generating employment through support to MSMEs, essentially by improving access to finance for these enterprises.

The EU’s investment grant component of €9.4 million will be blended with a grant of €10 million provided by the German Federal Ministry of Economic Cooperation and Development (BMZ) to increase the EPCGF’s capital stock. As access to finance for MSMEs in Gaza remains substantially lower than in the West Bank, the EU contribution shall be used specifically to scale up lending to enterprises located in Gaza.

The project will enlarge the sustainable offer of financial services to Palestinian MSMEs, particularly in Gaza, and promote the use of these services by the enterprises. It will achieve this by providing incentive-oriented, partly risk-sharing guarantees to local financial institutions, in order to permanently mobilise local market liquidity for sustainable MSME financing.

The project’s overall goal is to contribute to the stabilisation of the Palestinian economy, and to support employment and income generation in the private sector by maintaining market-oriented structures in the MSME and financial sector. Demand in the market for this special Gaza project is huge, and it comes at a time when salary cuts for civil servants and recent political developments have created a very dire situation for Gazans.

SANAD MENA Fund for Micro, Small and Medium Enterprises

**REGIONAL**

<table>
<thead>
<tr>
<th>Total budget: €182.44 mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU contribution: €22.44 mln</td>
</tr>
<tr>
<td>Lead finance institution: Kreditanstalt für Wiederaufbau (KfW)</td>
</tr>
<tr>
<td>Co-financiers: EU, BMZ, OeEB, FMO, SECO, GLS Bank, other private investors</td>
</tr>
<tr>
<td>Type of EU support: Equity</td>
</tr>
</tbody>
</table>

SANAD, which is Arabic for support, aims to foster employment creation, especially for young people, and economic development in the MENA region through the sustainable provision of finance and capacity building to micro, small, and medium-sized enterprises (MSME). MSMEs play an integral role in the region, providing 70% of employment opportunities.

SANAD contributes to employment generation and economic growth by providing enterprises and youth entrepreneurs with working capital and their investment and capacity building needs, channelling investments into productive and sustainable assets.

In funding MSMEs in the MENA region, the Fund has three core objectives. The first of these is to create and maintain employment, especially for young people. Secondly, it aims to reduce poverty by facilitating self-employment, primarily through microfinance. Finally, the Fund aims to build inclusive financial systems, by cooperating with banks, microfinance institutions and other institutions to facilitate access to financial services.

The EU contribution is a crucial element allowing the Fund to continue to support weaker microfinance institutions and partner financial institutions, which otherwise could not be served, and enabling investments in early-stage greenfield projects in sectors in need of diverse financial offerings.

With EU support, SANAD is also able to innovate its financial service offerings and increase its outreach, for instance through investing in financial technology companies and introducing new products tailored to the ‘missing middle,’ such as micro-insurance.
Eastern Neighbourhood

**ENERGY**

**Masrik-1 Solar Power Plant**

**ARMENIA**

*Total budget:* €53.92 mln  
*EU contribution:* €3.23 mln  
*Lead finance institution:* European Bank for Reconstruction and Development (EBRD)  
*Co-financiers:* International Finance Corporation (IFC)  
*Type of EU support:* Investment grant

The Masrik-1 Solar Power Plant Project is an initiative of the Government of Armenia, which is looking to replace the country’s ageing power infrastructure and reduce its dependence on imported natural gas by leveraging its solar energy resource. Armenia has good renewables potential – its solar irradiation is among the highest in the region and, as the cost of solar technology has fallen, the plant is expected to provide attractively priced electricity for the country.

The project involves the construction and implementation of a utility-scale solar photovoltaic power plant with a capacity of 55 MW in the Masrik district of Armenia’s Gegharkunik Province. Successful implementation could be a game changer in the broader Caucasus region, where solar technology has been broadly considered unaffordable to date. The project will be a test case for another 200 MW solar project planned for Armenia in the near future, and the success of this first project will be an important benchmark for investors looking to develop renewables.

The project aims at underpinning the country’s energy security through energy diversification. In terms of its impact, the project will help improve the living standards and public health of the population in Armenia, while supporting socio-economic stability. It will do this by producing solar electricity, leading to a decrease in greenhouse gas emissions and a reduction in electricity prices for consumers, while increasing the share of solar electricity in aggregate consumption.

The project will also help diversify power generation by putting in place a legal framework to support future projects. Finally, as the first project of its kind in Armenia, the Masrik-1 plant will have very high visibility for implementing agencies and co-financiers, and a correspondingly widespread demonstration and leverage effect.

With this investment grant, the EU will contribute to electricity market diversification in Armenia and the entire Caucasus region by introducing affordable utility-scale solar photovoltaic technologies into the market. The EU investment grant is crucial to the project, which would otherwise struggle to achieve the desired tariff level for solar electricity needed to ensure that the project is a success.

**TRANSPORT**

**Meghri Border Crossing Point**

**ARMENIA**

*Total budget:* €22.76 mln  
*EU contribution:* €11.67 mln  
*Lead finance institution:* European Bank for Reconstruction and Development (EBRD)  
*Co-financiers:* European Investment Bank (EIB)  
*Type of EU support:* Investment grant

An integrated approach to border management is vital for Armenia to expand its economy and increase trade and cultural ties with its neighbours in the Caucasus region. This will also help the country’s border services to effectively manage and control the flow of travellers entering and leaving the country, while ensuring full protection of their rights. Recognising the importance of migration and border management in the southern regions of Armenia, the EU-funded ‘Support to Migration and International Border Management in Armenia’ programme (MIBMA) started to develop documentation for the modernisation of the Meghri border crossing point, paving the way to the current project.

There are four operational land-border crossing points in Armenia. Three of them are located on the Armenian-Georgian border – the Bagratashen, Bavra and Gogavan border crossings. In 2012, the Armenian Government raised €42 million from the European Investment Bank and the Neighbourhood Investment Platform to modernise these crossing points to Georgia. The border crossings were fully modernised to international standards in 2013-2017. The current project is now targeting the modernisation of the remaining border crossing at Meghri on the Armenian-Iranian border.
This Meghri border crossing was built in 1996 and some renovation works were already carried out in 2005. The proposed modernisation of the Meghri crossing will include optimising security controls and building and equipping new facilities for border agencies and services. This will reduce the time needed for checks and clearance and, as a result, will increase freight and passenger traffic through the crossing point. At the same time, the upgrade of the border crossing will significantly strengthen border and customs controls, and improve border security in general.

The project will also help Armenia in its efforts to become an important regional and international hub and an important segment on international transport corridors linking Europe and Russia with the Middle East and Asia, particularly the International North-South Transport Corridor (INSTC), One Belt One Road, the European TEN-T network, and TRACECA. The border crossing will also act as an entry point to the large Eurasian Economic Union (EAEU) market, with its population of over 180 million.

E N E R G Y

Georgian Energy Sector Reform (GESR)

GEORGIA

Total budget: €307.85 mln
EU contribution: €8.8 mln
Lead finance institution: Kreditanstalt für Wiederaufbau (KfW)
Co-financiers: Agence Française de Développement (AFD)
Type of EU support: Technical assistance

The Georgian Energy Sector Reform (GESR) project seeks to fundamentally reform the Georgian energy sector with specific policy reform measures during 2018-2021, in an effort to bring the country into alignment with the acquis of the Energy Community, following Georgia’s accession to the Community in 2016.

Specifically, the project will establish a strategic, institutional, legal and financial vision and framework for energy efficiency in Georgia, especially in the building sector. This will include the definition of energy efficiency standards, certification and inspection procedures, and capacity building to scale up energy-efficient construction and rehabilitation of buildings. It will also support technical preparations for specific large-scale energy efficiency investments in public buildings at national level.

The GESR project will promote energy efficiency through a reform programme that will move Georgia from a centralised electricity market to an organised market that allows for the efficient use of electricity by competitive price formation and signals. Furthermore, the reformed market will be transparent, non-discriminatory, fair, and sustainable in the long run, while being governed by an independent regulator and unbundled Transmission System Operator.

To further stimulate Georgia’s interest in achieving these goals, the reform is supplemented by policy-based loans (PBL) from KfW and AFD, the yearly disbursement of which is conditional on achieving milestones in the reform programme. The NIP contribution allows for a more substantial energy market reform and portfolio of energy efficiency measures than would otherwise have been possible. Furthermore, the EU’s contribution will allow the lead finance institution to increase the value of the PBLs, which are a core tool in ensuring the success of the project.

The project has as a goal the redistribution of various roles from the government to the market, including responsibility for infrastructure investment. This will have a positive impact on public finances while encouraging a new level of efficiency and prudence with regard to investment decisions. Moreover, the economy as a whole will benefit from increased energy efficiency, as consumption should fall without any change in output levels. This will result in savings on energy bills for industrial and domestic consumers, which can be spent in other areas.

EN V I R O N M E N T

Hazardous Waste Management Project

GEORGIA

Total budget: €36.64 mln
EU contribution: €8.34 mln
Lead finance institution: European Bank for Reconstruction and Development (EBRD)
Type of EU support: Investment grant
Technical assistance
The Hazardous Waste Management Project is being undertaken in close coordination with the EU-funded technical assistance for the improvement of waste management systems in Georgia. These two initiatives will help Georgia meet its obligations under its EU Association Agreement with respect to hazardous waste management and bring significant environmental improvements throughout the country.

The project will help to develop a comprehensive and environmentally acceptable hazardous waste management system in Georgia, which will ultimately result in a cleaner and safer environment. Hazardous waste will be collected, treated and disposed of in line with EU best practices, which should help reduce air, groundwater and soil pollution.

The project aims to develop and finance a hazardous waste management system for the whole country, including the construction and operation of two operational facilities. The main facility will be located in eastern Georgia and will have a full range of assets for waste packaging and safe storage, thermal treatment and disposal, in addition to wastewater treatment. The second facility will be located in the west of the country and will have a comprehensive range of facilities for waste management. The facilities will be developed on existing contaminated sites, if possible, so that the development activities will include partial clean-up of legacy on-site waste.

As a result of the project, it will be possible to avoid long-distance transport of hazardous waste from the region to Europe and enable the waste streams generated in Georgia to be treated and disposed of in-country. The project is in line with the Basel Convention, which stipulates the need to restrict the transboundary movements of hazardous waste, except where it is perceived to be in accordance with the principles of environmentally sound management.

The project will substantially contribute to the European Neighbourhood Policy and the EU Action Plan for the Eastern Neighbourhood region by providing and improving environmental services and environmental infrastructure, reducing social inequality and promoting sustainable socio-economic development.

The European Fund for Southeast Europe (EFSE), the implementing partner for this project, aims to foster economic development and prosperity in south-east Europe and the European Eastern Partnership countries, through the sustainable provision of additional development finance. In Moldova, there is a growing need among micro, small- and medium-sized enterprises (MSMEs) and private households for financial products in local currency. This project aims to address this need by providing, in addition to the existing EFSE A, B and C Shares, an additional new share class (L Shares). These L Shares will act as a dedicated share class to support local currency lending in Moldova by providing an internal hedging mechanism for the resulting currency risk. The main goal of L Shares is to protect partner institutions as well as end-borrowers from the currency risk arising from lending in hard currencies.

The project is expected to have a significant developmental impact in terms of income generation and employment creation. The EU Local Currency Partnership Initiative targets particularly vulnerable target groups in each of the Eastern Partnership countries. In Moldova this includes the agricultural sector and a variety of different microenterprises.

This EU contribution will enable the EFSE to improve access to local currency funding for partner lending institutions, which is a key need if the MSME sector in Moldova is to be adequately financed. Furthermore, it will encourage these institutions to on-lend to targeted underserved segments of the economy such as young and very small entrepreneurs, which are key segments of the economy but often ignored by the financial sector.

By providing lending in local currency to MSMEs, the project will generate additional significant economic and social benefits. Through increased access to finance, the project will contribute to job creation, facilitate self-employment and reduce poverty in the region. It will also have a catalytic effect in leveraging public and private capital, encouraging other market players to participate in financing the MSME sector. What’s more, the project will contribute to the strengthening of local financial markets based on sustainable, market-based principles.

The Hazardous Waste Management Project is being undertaken in close coordination with the EU-funded technical assistance for the improvement of waste management systems in Georgia. These two initiatives will help Georgia meet its obligations under its EU Association Agreement with respect to hazardous waste management and bring significant environmental improvements throughout the country.

The project will help to develop a comprehensive and environmentally acceptable hazardous waste management system in Georgia, which will ultimately result in a cleaner and safer environment. Hazardous waste will be collected, treated and disposed of in line with EU best practices, which should help reduce air, groundwater and soil pollution.

The project aims to develop and finance a hazardous waste management system for the whole country, including the construction and operation of two operational facilities. The main facility will be located in eastern Georgia and will have a full range of assets for waste packaging and safe storage, thermal treatment and disposal, in addition to wastewater treatment. The second facility will be located in the west of the country and will have a comprehensive range of facilities for waste management. The facilities will be developed on existing contaminated sites, if possible, so that the development activities will include partial clean-up of legacy on-site waste.

As a result of the project, it will be possible to avoid long-distance transport of hazardous waste from the region to Europe and enable the waste streams generated in Georgia to be treated and disposed of in-country. The project is in line with the Basel Convention, which stipulates the need to restrict the transboundary movements of hazardous waste, except where it is perceived to be in accordance with the principles of environmentally sound management.

The project will substantially contribute to the European Neighbourhood Policy and the EU Action Plan for the Eastern Neighbourhood region by providing and improving environmental services and environmental infrastructure, reducing social inequality and promoting sustainable socio-economic development.
MUNICIPAL INFRASTRUCTURE INVESTMENTS PROGRAMME

In October 2018, the European Bank for Reconstruction and Development (EBRD) presented a package of projects for municipal infrastructure investments in Ukraine, requesting EU financial support of €9.5 million in investment grants, €0.5 million in technical assistance and €110 000 for communication. The programme was jointly identified by the Ukrainian authorities and the EBRD as a political priority to be financed in the context of the Reform Contract for Investment (RCI). The Zhytomyr Trolleybus, Ivano-Frankivsk District Heating and Khmelnytskyi Municipal Solid Waste Management projects are being implemented as part of the Municipal Infrastructure Investments package.

ENVIRONMENT

Khmelnytskyi Municipal Solid Waste Management Project

UKRAINE

**Total budget:** €18.8 mln

**EU contribution:** €5.95 mln

**Lead finance institution:** European Bank for Reconstruction and Development (EBRD)

**Co-financiers:** International Finance Corporation (IFC)

**Type of EU support:** Investment grant

One of the main strategic goals of the city of Khmelnytskyi is to provide its residents and businesses with superior waste management services on a sustainable basis. The Khmelnytskyi Municipal Solid Waste Management Project aims to address this priority by helping the city to develop an integrated, sustainable solid waste management system, in line with the EU-Ukraine Association Agreement, which will bring significant health, economic, social and environmental benefits to the city.

The project will provide a modern solid waste management infrastructure based on local needs. This infrastructure will facilitate the implementation of a long-term, sustainable solid waste strategy that will have a significant positive impact on the environment in the region. This will be achieved by reducing greenhouse gas emissions due to the stabilisation of the organic share in the municipal solid waste stream, and by reducing air, soil and water pollution and other negative impacts, such as bad odours and vermin caused by the uncontrolled disposal of solid waste. The amount of solid waste going to landfill will be by pre-treating the waste.

The Khmelnytskyi landfill, located 5 km north of the city centre, will be reclaimed and a new landfill cell will be built. What’s more, the project will have significant replication potential by demonstrating sustainable landfill rehabilitation best practices and modern solid waste management solutions with high environmental benefits.

ENERGY

Ivano-Frankivsk District Heating

UKRAINE

**Total budget:** €13.8 mln

**EU contribution:** €2.53 mln

**Lead finance institution:** European Bank for Reconstruction and Development (EBRD)

**Type of EU support:** Investment grant

In 2009 the European Bank for Reconstruction and Development (EBRD) signed a loan agreement with DH Company to finance an investment programme aimed at reducing energy losses, reducing gas and electricity consumption, and improving the quality of service of the company’s heat and hot-water supply system in the city of Ivano-Frankivsk.

Then, in July 2018, the city of Ivano-Frankivsk and DH Company approached the EBRD with a request for an additional loan to implement a new project involving the construction of at least four modern highly efficient boiler houses, with the installation of
The city of Zhytomyr, like most mid-sized municipalities in Ukraine, inherited a relatively well-developed public transport system from the Soviet Union, but following decades of severe underinvestment, public transport infrastructure in the city has significantly deteriorated.

The Zhytomyr Trolleybus project aims to develop the city’s trolleybus network by financing the acquisition of up to 50 new trolleybuses along with maintenance and diagnostic equipment. The project will also target the rehabilitation and modernisation of infrastructure and the extension of the company’s network. Extending the network to the city’s Maliovanka district will connect a currently isolated residential district and encourage a modal shift from private minibuses to a more comfortable public transport service.

The acquisition of new rolling stock will enable the company to improve its service quality, which will in turn attract more users and increase revenue. The fleet will be updated with low-floor trolleybuses, which are more energy-efficient and will allow the company to save energy and reduce electricity expenses. There will be benefits for passengers too, as the new trolleybuses will meet modern requirements and provide a high level of safety and reliability, ensuring increased passenger comfort.

Thanks to the project, the company will also be able improve its operational efficiency and passenger turnover, and start corporate development through the automation of core operational systems and processes. Financial and operational management at the company will be improved through the adoption of a Corporate Development Programme and a Public Service Contract. The company’s improved financial performance will reduce the burden on the city’s budget in supporting the company’s operations in the long term.

Investment carried out as part of this project will increase the average service speed, decrease maintenance intensity and costs, and achieve up to 20% energy savings. What’s more, development of a Sustainable Urban Mobility Plan (SUMP) will allow the company to optimise the existing route network in the city, to achieve greater efficiency and reduce emissions by responding more effectively to demand.
**ENERGY**

Support of Integration of the Ukrainian Power Grid into the Continental Europe Synchronous Area

**UKRAINE**

**Total budget:** €53.37 mln

**EU contribution:** €8.95 mln

**Lead finance institution:** Kreditanstalt für Wiederaufbau (KfW)

**Co-financiers:** European Investment Bank (EIB)

**Type of EU support:** Technical assistance

An agreement signed in June 2017 between Ukraine and the European Network of Transmission System Operators for Electricity (ENTSO-E) commits Ukrainian energy utility Ukrenergo to achieving synchronisation with the Continental Europe Synchronous Area (CESA) by 2026. To achieve this goal, substantial regulatory and operational steps will have to be taken and significant work is required to identify, prepare and implement the investments needed to achieve this synchronisation.

Within this context, the main goal of this project is to develop good governance with respect to legislation and regulation relating to the Ukrainian electricity sector. This will be achieved by developing new approaches and systems that allow a wider range of stakeholders to engage, in a transparent and non-discriminatory way, in the development of a more efficient transmission system. In this way, the project will help promote competition in the electricity sector and create an environment that is more conducive to investment.

The project aims to support the restructuring of Ukrenergo and its transmission network needed to synchronise it with CESA, including achieving legal and regulatory alignment with EU rules and regulations. It will also support the production of a 10-year Net-Development Plan in line with EU best practice. This will be preceded by a gap analysis of the Ukrainian market with respect to EU directives and regulations, which will include recommendations for the necessary alignment.

Also included in the project’s plans are the rehabilitation and automation of nine substations in the south-western power grid of Ukraine. Besides providing the physical infrastructure needed to integrate with CESA, this will contribute to a stable and efficient electricity supply in the Ukrainian power grid. This, in turn, will help improve energy efficiency and create a physical basis for electricity trade between the region and the European CESA network. Work will also be carried out to identify other priority investment projects needed to support the European integration of the Ukrainian electricity network.

**URBAN DEVELOPMENT**

Ukraine Municipal Transport and Investment Programme

**UKRAINE**

**Total budget:** €205.86 mln

**EU contribution:** €15.71 mln

**Lead finance institution:** European Investment Bank (EIB)

**Type of EU support:** Investment grant

The Ukraine Municipal Transport and Investment Programme (UMTIP) covers two European Investment Bank programmes in Ukraine requiring substantial technical assistance and investment grant support: Ukraine Urban Public Transport (UPT) and the Ukraine Municipal Infrastructure Programme (UMIP). The programme focuses on financing public infrastructure investments in urban transport, energy efficiency, water supply, wastewater and solid waste management.

The UPT project supports the modernisation of urban public transport in 11 cities in Ukraine, and the Ukraine Municipal Transport and Investment Programme covers projects in three of these cities: Ivano-Frankivsk, Lutsk and Zaporizhya. Meanwhile, the UMIP is a multi-sector programme targeting energy efficiency, water supply, wastewater and solid waste management projects. It supports projects that will rehabilitate and upgrade municipal infrastructure in Ukraine by substantially improving energy efficiency, thereby contributing to Ukraine’s energy security and improving the safety and quality of services provided.

Priority UPT projects include the trolleybus network in Ivano-Frankivsk, an automated fare collection system in Lutsk and electric buses in Zaporizhya. For the UMIP, priority projects target the water, energy efficiency and solid waste sectors, and include water supply and sewage projects in Rivne and Mariupol; a street
lighting project in Mariupol; district heating projects in Lozova, Oleksandriya and Kryvyi Rih, and solid waste management projects in Kremenchuk and Lviv.

Projects were selected for support based on their technical assistance needs to ensure sound project preparation, and efficient and timely project implementation. Other factors included the capacity building of final beneficiaries and the expected tangible outcomes of the supported investments. Selection also took into account the sustainability of investments and their impact in terms of environmental benefits, the additionality of the grant, the projects’ innovativeness and their geographic spread, among other factors.

By improving the quality and efficiency of municipal services, the Ukraine Municipal Transport and Investment Programme will improve living standards for households and support economic growth through the provision of more reliable urban services. Furthermore, the energy efficiency investments and the modernisation and upgrading of district heating networks will be critical to achieving energy and climate change objectives in Ukraine.

The Ternopil Bypass project is part of a broader EIB framework loan of €50 million, provided under the Ukraine Transport Connectivity Investment programme, which will finance a series of small-scale transport projects, leveraging a total investment of over €100 million for much-needed investment in the Ukrainian road and railway sectors.

The EU financial support targets the most mature sub-project – the Ternopil bypass. This is a greenfield project as there is no bypass north of the city of Ternopil, forcing traffic through the city centre. The Ternopil bypass is a geographically significant project that will help to address a serious transport bottleneck on the extended Trans-European Transport Network (TEN-T) road corridor in Ukraine.

The overall objective of the project is to improve connectivity in the country while at the same time providing capacity building for the relevant local authorities and stakeholders, improving their capacity for project implementation. The project is aligned with the National Transport Strategy of Ukraine 2030, which sets out to create a safe and efficient transport system that is integrated into the world’s transport network, meets the needs of the public for transport services and improves conditions for doing business, thereby supporting the competitiveness and efficiency of the national economy.

By improving the quality and efficiency of municipal services, the Ukraine Municipal Transport and Investment Programme will improve living standards for households and support economic growth through the provision of more reliable urban services. Furthermore, the energy efficiency investments and the modernisation and upgrading of district heating networks will be critical to achieving energy and climate change objectives in Ukraine.

The Ternopil Bypass project is part of a broader EIB framework loan of €50 million, provided under the Ukraine Transport Connectivity Investment programme, which will finance a series of small-scale transport projects, leveraging a total investment of over €100 million for much-needed investment in the Ukrainian road and railway sectors.

The EU financial support targets the most mature sub-project – the Ternopil bypass. This is a greenfield project as there is no bypass north of the city of Ternopil, forcing traffic through the city centre. The Ternopil bypass is a geographically significant project that will help to address a serious transport bottleneck on the extended Trans-European Transport Network (TEN-T) road corridor in Ukraine.

The overall objective of the project is to improve connectivity in the country while at the same time providing capacity building for the relevant local authorities and stakeholders, improving their capacity for project implementation. The project is aligned with the National Transport Strategy of Ukraine 2030, which sets out to create a safe and efficient transport system that is integrated into the world’s transport network, meets the needs of the public for transport services and improves conditions for doing business, thereby supporting the competitiveness and efficiency of the national economy.

The project will have a significant positive impact locally and will help deliver visible results for citizens, such as improved road safety, reduced bottlenecks for the mobility of goods and people, savings in travel-time, and a reduction in vehicle operating costs. The investment is also expected to have a positive impact on the economic development of the country while at the same time delivering significant environmental benefits, thanks to a reduction in greenhouse gas emissions due to improved traffic flow.

These benefits will be particularly felt by residents of Ternopil city centre, as the bypass project will divert substantial traffic flow, including heavy trucks, from the city centre and residential areas to an unpopulated area, improving the quality of life of people living near the improved road sections.
Ukraine’s municipal services, including water and wastewater services, are coming under increased pressure as a result of the military conflict in eastern Ukraine, which has resulted in a considerable influx of internally displaced persons from the conflict zones. Moreover, significant price growth for gas and electricity in recent decades means that the country urgently needs to improve the energy efficiency of its urban water and wastewater services.

The Ukraine Water System Modernisation project will address the critical situation in municipal water supply and sewerage in Ukraine caused by deteriorating networks and facilities arising from long periods of under-investment. It will do this by means of quick and targeted investments in replacing inefficient equipment, such as water and wastewater pumps, air blowers and aerators, in selected Ukrainian municipalities.

The EU grant and NEFCO’s involvement are crucial to the project, which would otherwise be unable to attract interest from commercial banks due to the weak financial standing of the water utilities. If available at all, commercial financing is limited to two or three of the largest cities in the country; for the small cities targeted by this project, there is currently no loan financing available.

The project’s core objectives include substantially improving energy efficiency in municipal water and wastewater systems, with a view to cutting costs and reducing CO₂ emissions. It also aims to improve the environmental credentials of the wastewater sector by reducing the discharge of pollutants into rivers, lakes and reservoirs thanks to the improved treatment of municipal wastewaters. Furthermore, the quality of water services to citizens will be improved in terms of increased reliability and improved quality of the drinking water.

The main economic benefit of the EU’s contribution is in supporting the participating water utilities to improve the level of their water and wastewater services to the local communities without having too great an impact on the utilities’ financial results and the level of tariffs for customers.

Private sector development is an essential prerequisite for the creation of employment opportunities in Ukraine, Georgia and Moldova. To unlock the growth potential of the private sector, it is necessary to improve access to finance for SMEs, which account for the vast majority of enterprises in the countries in question and generate a substantial proportion of jobs. Difficulties faced by SMEs in accessing external funding is hampering the development of the private sector, and limiting economic development and job creation.

Phase II of the Deep and Comprehensive Free Trade Area (DCFTA) Initiative East Guarantee Facility was developed jointly with the European Commission in order to support the economic development of the Eastern Partnership countries, Ukraine, Georgia and Moldova. The proposed programme will help improve access to finance for SMEs in these countries which will, in turn, foster the development of a dynamic and competitive private sector.

One of the three pillars of the DCFTA Initiative East, along with a risk capital facility and technical assistance, the Guarantee Facility aims to increase the number and volume of SME transactions. This Facility will transform the EU contribution of over €40 million into at least €200 million in new debt instruments to SMEs, and will add value through improved collateral requirements and/or lower interest rates and increased risk appetite by financial intermediaries.
The Guarantee Facility will help unlock business expansion in the SME segment by improving access to finance, in the form of enhanced lending terms and conditions. By providing first loss SME portfolio guarantees, the Facility will enable local intermediary banks to take on more risk and provide better terms for SMEs, including for transactions in local currency, which will further strengthen and deepen the local currency SME credit markets in the target countries.

**PRIVATE SECTOR**

**DCFTA Initiative East – Local Currency Solution**

**REGIONAL**

**Total budget:** €125.3 mln
**EU contribution:** €5.3 mln
**Lead finance institution:** European Investment Bank (EIB)
**Type of EU support:** Investment grant

A continuation and expansion of the SME Finance Facility II, the Deep and Comprehensive Free Trade Area (DCFTA) Initiative East – Local Currency Solution will make much needed local currency financing available in the Eastern Neighbourhood countries of Ukraine, Georgia and Moldova. In these three countries, investment grants will be used to make affordable local currency loans available to financial intermediaries. In turn, this will allow them to provide medium to long-term local currency loans to small and medium-sized enterprises (SMEs) and protect them from foreign exchange fluctuations.

Access to finance is currently a major challenge for SMEs, particularly in the three target countries. This programme aims to increase the local currency financing available to this crucial segment of the private sector in order to enhance general access to finance and, ultimately, stimulate exports, enhance competitiveness and promote business expansion.

The EU contribution to the programme will support priority objectives in the target countries, including deepening and broadening local currency markets, enhancing the capacity of local financial institutions, reducing systemic currency risk and increasing the supply of much needed competitive local currency financing to SMEs.

The ultimate goal of the programme is to enhance access to affordable medium to long-term local currency funding for local businesses, in order to strengthen their market position while mitigating their exposure to exchange rate volatility. Helping SMEs will not only allow them to expand their activities, but also to create employment and increase economic productivity.

The companies supported by the programme could potentially employ hundreds of people, including a large number of women. By sustaining and creating jobs, the programme will make a direct contribution to improved living standards and social inclusion in the target countries. Entrepreneurs will benefit from competitive rates to finance their projects while being protected against foreign exchange risks. By lowering the vulnerabilities associated with local currency financing, the programme will act as a stimulus to economic growth in all sectors of the economy in the target countries.
## ANNEX - EU

Operations supported by AIP in 2017 and 2018

<table>
<thead>
<tr>
<th>Country</th>
<th>Year of approval</th>
<th>Title of the project</th>
<th>Rio Marker</th>
<th>Consortium of Finance Institutions</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin, Côte d’Ivoire, Nigeria, Zambia</td>
<td>2017</td>
<td>ElectriFI Country windows</td>
<td>FMO, EDFIs, others</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Benin</td>
<td>2017</td>
<td>DEFISSOL project: Construction of a 25 MWc solar power plant and modernisation of the information system of SBEF</td>
<td>AFD</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Burundi, Democratic Republic of Congo and Rwanda</td>
<td>2017</td>
<td>Complementary studies for the hydro-power plant Ruzizi IV</td>
<td>AfDB, others</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Cameroon and Chad</td>
<td>2017</td>
<td>Construction of a bridge on the Logone river between Yagoua (Cameroon) and Bongor (Chad) and ancillary works</td>
<td>AfDB</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Guinea and Guinea-Bissau</td>
<td>2017</td>
<td>Construction and asphalt of the road between Boké (Guinea) and Quebo (Guinea-Bissau)</td>
<td>AFD</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Kenya</td>
<td>2017</td>
<td>Kenya Agriculture Value Chain Facility</td>
<td>EIB</td>
<td>Agriculture</td>
<td></td>
</tr>
<tr>
<td>Madagascar</td>
<td>2017</td>
<td>Madagascar Road Network Modernisation</td>
<td>EIB</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Madagascar</td>
<td>2017</td>
<td>Urban development and sanitation in priority neighbourhoods of Antananarivo - Phase III (“Lalankely III”)</td>
<td>AFD</td>
<td>Infrastructure and urban development</td>
<td></td>
</tr>
<tr>
<td>Malawi</td>
<td>2017</td>
<td>Malawi M1 Road Rehabilitation</td>
<td>EIB, WB</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Mali</td>
<td>2017</td>
<td>Doubling of the 225 kV interconnector Manantali - Bamako / OMVS</td>
<td>AFD, WB, others</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Malawi</td>
<td>2017</td>
<td>Rehabilitation of the Malian section of the Trans Saharan road</td>
<td>AFD, others</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Mozambique and Malawi</td>
<td>2017</td>
<td>Mozambique-Malawi interconnector</td>
<td>KfW, IDA</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Niger</td>
<td>2017</td>
<td>Construction a hybrid power plant in Agadez</td>
<td>AFD</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Niger</td>
<td>2017</td>
<td>Construction of a solar power plant in Gorou Banda</td>
<td>AFD</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Republic of Congo</td>
<td>2017</td>
<td>Port of Pointe Noire Extension and Upgrade Programme</td>
<td>AFD</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Senegal</td>
<td>2017</td>
<td>Modernisation and reinforcement of the network of SENELEC to support the development of renewable energies and the access to energy</td>
<td>AFD</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Senegal</td>
<td>2017</td>
<td>Rehabilitation of the Trans Gambian Road Sénoba-Ziguinchor (phase 2)</td>
<td>AFD, EIB</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Senegal</td>
<td>2017</td>
<td>Agriculture development and food security in the rural areas of the Tiers Sud region in Senegal (Tiers Sud 'Beydaare' project)</td>
<td>AFD</td>
<td>Agriculture</td>
<td></td>
</tr>
<tr>
<td>Seychelles</td>
<td>2017</td>
<td>Port Victoria Rehabilitation and Extension</td>
<td>EIB, AFD</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Togo</td>
<td>2017</td>
<td>Extension and rehabilitation of CEET’s electricity network in the Greater Lomé area</td>
<td>AFD, KFW, WB</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Uganda</td>
<td>2017</td>
<td>Construction of Muzizi Hydro Power Project</td>
<td>KfW, AFD</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td>2017</td>
<td>Great North Road Upgrade Project</td>
<td>EIB, AFD</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2017</td>
<td>Climate Investor One</td>
<td>FMO, others</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2017</td>
<td>EURIZ</td>
<td>AFD</td>
<td>Private Sector</td>
<td></td>
</tr>
<tr>
<td>Total project cost (€ million)</td>
<td>EU contribution (€ million)</td>
<td>Type of EU support</td>
<td>Status</td>
<td>Tendering of EU financed project components started?</td>
<td>Construction of the project started?</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------</td>
<td>-------------------</td>
<td>---------</td>
<td>---------------------------------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>634.68</td>
<td>30.68</td>
<td>IG/TA</td>
<td>Implementing</td>
<td>Procurement started</td>
<td>Studies on-going</td>
</tr>
<tr>
<td>285</td>
<td>85</td>
<td>FI/ATA</td>
<td>First approvals foreseen for 2019</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>60.85</td>
<td>10.35</td>
<td>IG/TA</td>
<td>Implementing</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>9.3</td>
<td>8.3</td>
<td>TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>N/A</td>
</tr>
<tr>
<td>105.13</td>
<td>40.95</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>42</td>
<td>10</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>181.3</td>
<td>30.7</td>
<td>IG/TA</td>
<td>Cancelled</td>
<td></td>
<td></td>
</tr>
<tr>
<td>114.74</td>
<td>30.71</td>
<td>IG/TA</td>
<td>Implementing</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>110</td>
<td>10</td>
<td>TA/IRS</td>
<td>Signed</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>236.54</td>
<td>116</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>26.37</td>
<td>3</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>159.16</td>
<td>44.16</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>352.16</td>
<td>26.66</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>542.72</td>
<td>70.96</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>88.35</td>
<td>20.4</td>
<td>IG</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>Studies on-going</td>
</tr>
<tr>
<td>34.02</td>
<td>16.42</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>30.3</td>
<td>5.3</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>198.98</td>
<td>29.98</td>
<td>IG/TA</td>
<td>On going</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>52.93</td>
<td>7</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>97.6</td>
<td>25.6</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement started</td>
<td>Studies on-going</td>
</tr>
<tr>
<td>47.53</td>
<td>20.53</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>36.9</td>
<td>5.4</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>87</td>
<td>8</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>123.3</td>
<td>20.5</td>
<td>IG/TA</td>
<td>Implementing</td>
<td>Procurement started</td>
<td>No</td>
</tr>
<tr>
<td>435.85</td>
<td>73.66</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>609.7</td>
<td>30.7</td>
<td>FI</td>
<td>Signed</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>664.36</td>
<td>21.16</td>
<td>TA/FI</td>
<td>Signed</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Country</td>
<td>Year of approval</td>
<td>Title of the project</td>
<td>Rio Marker</td>
<td>Consortium of Finance Institutions</td>
<td>Sector</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>------------</td>
<td>-----------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2017</td>
<td>Boost Africa</td>
<td>EIB, AfDB</td>
<td>Private Sector</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>2017</td>
<td>EDFI-AgriFi</td>
<td>FMO, EDFIs, others</td>
<td>Agriculture</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>2017</td>
<td>Transferability and Convertibility Facility</td>
<td>PROPARCO, others</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Benin</td>
<td>2018</td>
<td>Projet d’Extension et de Densification Electriques des Réseaux de la SBE (PEDER)</td>
<td>AFD</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Burundi, Democratic Republic of Congo and Rwanda</td>
<td>2018</td>
<td>Ruzizi III Hydropower Plant Construction/ Kamanyola-Bujumbura Interconnection Project</td>
<td>AFD, others</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Cameroon</td>
<td>2018</td>
<td>Rehabilitation of the Northern Railway Cameroon (Belabo-Pangar- Ngaoundéré)</td>
<td>EIB, AFD</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Cameroon and Chad</td>
<td>2018</td>
<td>Projet d’interconnexion des réseaux électriques du Cameroun et du Tchad</td>
<td>AFD, IDB</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Kenya</td>
<td>2018</td>
<td>Rural Roads</td>
<td>AFD</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Liberia</td>
<td>2018</td>
<td>Mano River Union Road Development and Transport Facilitation Programme</td>
<td>AFD, EIB</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Madagascar</td>
<td>2018</td>
<td>Projet d’aménagement de corridors et de facilitation du commerce et des investissements avec les pays de la COMESSA et de l’Océan Indien</td>
<td>AFD, Arab funds, OFID</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Malawi</td>
<td>2018</td>
<td>Kulima Access to Finance</td>
<td>EIB</td>
<td>Agriculture</td>
<td></td>
</tr>
<tr>
<td>Niger and Chad</td>
<td>2018</td>
<td>Trans-Saharan Backbone (TSB) Optical Fibre Project</td>
<td>AFD</td>
<td>ICT</td>
<td></td>
</tr>
<tr>
<td>The Gambia</td>
<td>2018</td>
<td>Gambie-Sénégal : Corridor Trans gambien phase I - Construction du Pont Trans gambien et amélioration du passage transfrontalier</td>
<td>AFD</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Uganda</td>
<td>2018</td>
<td>Kampala-Jinja Toll Road</td>
<td>AFD, AFD</td>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2018</td>
<td>SME Up-Scaling Fund I</td>
<td>KfW-DEG</td>
<td>Private sector</td>
<td></td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2018</td>
<td>Arbaro Fund</td>
<td>EIB</td>
<td>Forestry</td>
<td></td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2018</td>
<td>Agri-Business Capital Fund (ABC Fund)</td>
<td>IFAD</td>
<td>Private sector / Agriculture</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>2018</td>
<td>Huruma Fund</td>
<td>COFIDES, AECID</td>
<td>Agriculture</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>2018</td>
<td>Women’s Financial Inclusion Facility (WFIF)</td>
<td>KfW, WWB</td>
<td>Private sector</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>2018</td>
<td>African Guarantee Fund for SMEs (AGF)</td>
<td>AFD, others</td>
<td>Private sector</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>2018</td>
<td>Facility for Energy Inclusion (FEI)</td>
<td>AFD, others</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>2018</td>
<td>Digital Energy Facility (DEF) for the promotion of energy transition and energy access</td>
<td>AFD</td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Total project cost (€ million)</td>
<td>EU contribution (€ million)</td>
<td>Type of EU support</td>
<td>Status</td>
<td>Tendering of EU financed project components started?</td>
<td>Construction of the project started?</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------</td>
<td>--------------------</td>
<td>------------</td>
<td>-----------------------------------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>181.05</td>
<td>61.05</td>
<td>TA/FI</td>
<td>Signed</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>90</td>
<td>29</td>
<td>TA/FI</td>
<td>Signed</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>289.34</td>
<td>20.17</td>
<td>TA/FI</td>
<td>Signed</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>284.41</td>
<td>14.985</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>54.63</td>
<td>14.65</td>
<td>IG/TA</td>
<td>Signed</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>595.95</td>
<td>15</td>
<td>IG/TA</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>154</td>
<td>23.58</td>
<td>IG/TA</td>
<td>Approved</td>
<td>Procurement to be launched</td>
<td>Studies ongoing</td>
</tr>
<tr>
<td>398.35</td>
<td>30</td>
<td>IG</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>112.49</td>
<td>29.99</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>52.72</td>
<td>20.19</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>182.38</td>
<td>40</td>
<td>IG/TA</td>
<td>Approved</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>63.45</td>
<td>14</td>
<td>FI/TA</td>
<td>Approved</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>78.44</td>
<td>29.57</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>96.49</td>
<td>16.03</td>
<td>IG/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>135.73</td>
<td>41</td>
<td>IG/TA</td>
<td>1st DA Signed and 2nd DA approved</td>
<td>Procurement to be launched</td>
<td>No</td>
</tr>
<tr>
<td>711.5</td>
<td>91.05</td>
<td>IG/TA</td>
<td>Approved</td>
<td>Procurement to be launched</td>
<td>Studies ongoing</td>
</tr>
<tr>
<td>60</td>
<td>20.5</td>
<td>FI/TA</td>
<td>On hold</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>168</td>
<td>17.35</td>
<td>FI/TA</td>
<td>On hold</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>235.85</td>
<td>45.75</td>
<td>FI/TA</td>
<td>Signed</td>
<td>n/a</td>
<td>N/A</td>
</tr>
<tr>
<td>108.8</td>
<td>19.3</td>
<td>FI/TA</td>
<td>Approved</td>
<td>Procurement for the implementation of the TA to be launched</td>
<td>N/A</td>
</tr>
<tr>
<td>88.7</td>
<td>10</td>
<td>FI/TA</td>
<td>Signed</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>204</td>
<td>26.08</td>
<td>FI/TA</td>
<td>Approved</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>1216.2</td>
<td>40.24</td>
<td>FI/TA</td>
<td>Signed</td>
<td>Procurement to be launched</td>
<td>N/A</td>
</tr>
<tr>
<td>324</td>
<td>23.5</td>
<td>FI/TA</td>
<td>Approved</td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>
# ANNEX - EU

Operations supported by NIP in 2017 and 2018

<table>
<thead>
<tr>
<th>Country</th>
<th>Year of approval</th>
<th>Title of the project</th>
<th>Rio Marker</th>
<th>Consortium of Finance Institutions</th>
<th>Sector</th>
<th>Total project cost (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia</td>
<td>2017</td>
<td>Adjara</td>
<td>KfW</td>
<td>Water/Sanitation</td>
<td>59.86</td>
<td></td>
</tr>
<tr>
<td>Armenia</td>
<td>2017</td>
<td>Armenia – Road Safety Improvement</td>
<td>EIB</td>
<td>Transport</td>
<td>23.17</td>
<td></td>
</tr>
<tr>
<td>Jordan</td>
<td>2017</td>
<td>As-Samra Wastewater Treatment Plant Expansion BOT</td>
<td>EBRD</td>
<td>Water/Sanitation</td>
<td>170.60</td>
<td></td>
</tr>
<tr>
<td>Belarus</td>
<td>2017</td>
<td>ESP Expansion to other Eastern Partnership countries: Belarus</td>
<td>EBRD</td>
<td>Environment</td>
<td>113.20</td>
<td></td>
</tr>
<tr>
<td>Regional East</td>
<td>2017</td>
<td>EFSE Local Currency</td>
<td>KfW</td>
<td>Private Sector</td>
<td>53.18</td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>2017</td>
<td>Enguri HPP</td>
<td>EBRD</td>
<td>Water/Sanitation</td>
<td>35.35</td>
<td></td>
</tr>
<tr>
<td>Regional East</td>
<td>2017</td>
<td>EU DCFTA Facility, EBRD, Phase 2</td>
<td>EBRD</td>
<td>Private sector</td>
<td>751.90</td>
<td></td>
</tr>
<tr>
<td>Regional South</td>
<td>2017</td>
<td>EU Trade and Competitiveness Programme in Egypt and Jordan – EIB component</td>
<td>EIB</td>
<td>Private Sector</td>
<td>265.60</td>
<td></td>
</tr>
<tr>
<td>Regional South</td>
<td>2017</td>
<td>Extending the EBRD’s Small Business Initiative to Lebanon, West Bank and Gaza</td>
<td>EBRD</td>
<td>Private Sector</td>
<td>6.40</td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>2017</td>
<td>Fayoum Wastewater Expansion Programme</td>
<td>EBRD, EIB</td>
<td>Water/Sanitation</td>
<td>456.49</td>
<td></td>
</tr>
<tr>
<td>Regional East</td>
<td>2017</td>
<td>Green for Growth Fund Top-Up</td>
<td>KfW</td>
<td>Environment</td>
<td>53.20</td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>2017</td>
<td>Kitchener Drain</td>
<td>EIB, EBRD</td>
<td>Environment</td>
<td>482.30</td>
<td></td>
</tr>
<tr>
<td>Moldova</td>
<td>2017</td>
<td>Moldova-Romania Interconnection Phase I</td>
<td>EIB, EBRD</td>
<td>Energy</td>
<td>270.75</td>
<td></td>
</tr>
<tr>
<td>Tunisia</td>
<td>2017</td>
<td>Programme de Relance de l’Investissement de Modernisation des Exploitations Agricoles (PRIMEA)</td>
<td>AFD</td>
<td>Agriculture</td>
<td>300.78</td>
<td></td>
</tr>
<tr>
<td>Tunisia</td>
<td>2017</td>
<td>Proville 2</td>
<td>AFD, EIB</td>
<td>Social</td>
<td>235.69</td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>2017</td>
<td>Rehabilitation of Alexandria’s Raml Tram</td>
<td>AFD, EIB</td>
<td>Transport</td>
<td>363.30</td>
<td></td>
</tr>
<tr>
<td>Armenia</td>
<td>2017</td>
<td>Road links between Yerevan and E60 in Georgia</td>
<td>EIB</td>
<td>Transport</td>
<td>0.58</td>
<td></td>
</tr>
<tr>
<td>Palestine*</td>
<td>2017</td>
<td>SUNREF PALESTINE : Sustainable Use of Natural Resources and Energy Finance</td>
<td>AFD</td>
<td>Energy/environment/Private sector</td>
<td>42.45</td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>2017</td>
<td>Transport Connectivity (Georgia)</td>
<td>EIB, ADB, WB, JICA</td>
<td>Transport</td>
<td>1137.24</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td>2017</td>
<td>Transport Connectivity (Ukraine)</td>
<td>EIB</td>
<td>Transport</td>
<td>2.64</td>
<td></td>
</tr>
<tr>
<td>Morocco</td>
<td>2017</td>
<td>Université Euro-méditerranéenne de Fès (UEMF)</td>
<td>EIB</td>
<td>Education</td>
<td>147.57</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td>2017</td>
<td>Urban Road Safety</td>
<td>EIB, EBRD</td>
<td>Transport</td>
<td>176.82</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td>2018</td>
<td>Ukrenergo: Support to Integration of the Ukrainian Power Grid into the Synchronous Area Continental Europe (CESA)</td>
<td>KfW</td>
<td>Energy</td>
<td>53.37</td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>2018</td>
<td>Energy Sector Reform</td>
<td>KfW, AFD</td>
<td>Energy</td>
<td>307.85</td>
<td></td>
</tr>
<tr>
<td>Moldova</td>
<td>2018</td>
<td>EFSE Local Currency Initiative</td>
<td>KfW</td>
<td>Private Sector</td>
<td>110.20</td>
<td></td>
</tr>
<tr>
<td>Regional East</td>
<td>2018</td>
<td>DCFTA East Local Currency Solution</td>
<td>EIB</td>
<td>Private Sector</td>
<td>125.30</td>
<td></td>
</tr>
<tr>
<td>Regional East</td>
<td>2018</td>
<td>DCFTA East Guarantee Facility II</td>
<td>EIB</td>
<td>Private Sector</td>
<td>240.80</td>
<td></td>
</tr>
</tbody>
</table>

* This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.
<table>
<thead>
<tr>
<th>EU contribution (€ million)</th>
<th>Amount to be reported as Climate Action support (€ million)</th>
<th>Type of EU support</th>
<th>Status</th>
<th>Tendering of EU financed project components started?</th>
<th>Construction of the project started?</th>
<th>EU financed TA/Guarantee/Risk Capital started?</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.36</td>
<td>2.80</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>5.41</td>
<td>0.00</td>
<td>TA, IG</td>
<td>Approved</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>30.80</td>
<td>30.20</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>10.20</td>
<td>4.00</td>
<td>IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>43.75</td>
<td>17.20</td>
<td>Guarantee</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7.35</td>
<td>7.01</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>38.90</td>
<td>0.00</td>
<td>TA, IG, Guarantee</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>25.60</td>
<td>0.00</td>
<td>TA, IG, Guarantee</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>5.20</td>
<td>0.00</td>
<td>TA</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>38.09</td>
<td>14.88</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>10.20</td>
<td>10.00</td>
<td>TA, Equity</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>46.98</td>
<td>18.32</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>40.75</td>
<td>0.00</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>10.30</td>
<td>4.00</td>
<td>TA</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>30.69</td>
<td>0.00</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>8.30</td>
<td>3.20</td>
<td>TA</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>0.58</td>
<td>0.00</td>
<td>TA</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>8.35</td>
<td>3.20</td>
<td>IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>6.14</td>
<td>0.00</td>
<td>TA</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>2.14</td>
<td>0.00</td>
<td>TA</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>13.57</td>
<td>5.32</td>
<td>IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>4.42</td>
<td>0.00</td>
<td>TA</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>8.95</td>
<td>3.46</td>
<td>TA</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>8.80</td>
<td>3.4</td>
<td>TA</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>6.20</td>
<td>0</td>
<td>Equity</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>5.30</td>
<td>0</td>
<td>IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>40.80</td>
<td>0</td>
<td>Guarantee</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Country</td>
<td>Year of approval</td>
<td>Title of the project</td>
<td>Rio Marker</td>
<td>Consortium of Finance Institutions</td>
<td>Sector</td>
<td>Total project cost (€ million)</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------</td>
<td>---------------------------------------------------------------</td>
<td>------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Georgia</td>
<td>2018</td>
<td>Hazardous Waste Management</td>
<td>EBRD</td>
<td>EBRD</td>
<td>Environment</td>
<td>36.64</td>
</tr>
<tr>
<td>Egypt</td>
<td>2018</td>
<td>MSME Promotion Programme</td>
<td>KfW</td>
<td>KfW</td>
<td>Private Sector</td>
<td>50.10</td>
</tr>
<tr>
<td>Egypt</td>
<td>2018</td>
<td>Suez Oil Processing Company Energy Efficiency</td>
<td>EBRD</td>
<td>EBRD</td>
<td>Energy</td>
<td>171.50</td>
</tr>
<tr>
<td>Morocco</td>
<td>2018</td>
<td>Noor Midelt I and II Solar Power Plants</td>
<td>KfW, AFD, EIB</td>
<td>KfW, AFD, EIB</td>
<td>Energy</td>
<td>2137.25</td>
</tr>
<tr>
<td>Palestine*</td>
<td>2018</td>
<td>Palestine Credit Guarantee Foundation Gaza</td>
<td>KfW</td>
<td>KfW</td>
<td>Private Sector</td>
<td>33.18</td>
</tr>
<tr>
<td>Regional South</td>
<td>2018</td>
<td>MENA SANAD</td>
<td>KfW</td>
<td>KfW</td>
<td>Private Sector</td>
<td>182.44</td>
</tr>
<tr>
<td>Lebanon</td>
<td>2018</td>
<td>PEURL</td>
<td>AFD, EIB</td>
<td>EBRD, AFD, EIB</td>
<td>Urban/Social</td>
<td>100.56</td>
</tr>
<tr>
<td>Lebanon</td>
<td>2018</td>
<td>SEMED Financial Inclusion -extension to Leb</td>
<td>EBRD</td>
<td>EBRD</td>
<td>Private Sector</td>
<td>0.00</td>
</tr>
<tr>
<td>Morocco</td>
<td>2018</td>
<td>GEFF</td>
<td>EBRD</td>
<td>EBRD</td>
<td>Private Sector</td>
<td>197.11</td>
</tr>
<tr>
<td>Egypt</td>
<td>2018</td>
<td>Alexandria West WWTP</td>
<td>EIB</td>
<td>EIB</td>
<td>Water/Sanitation</td>
<td>185.15</td>
</tr>
<tr>
<td>Armenia</td>
<td>2018</td>
<td>Masrik-1 Solar Power Plant</td>
<td>EBRD, IFC</td>
<td>EBRD, IFC</td>
<td>Energy</td>
<td>53.92</td>
</tr>
<tr>
<td>Armenia</td>
<td>2018</td>
<td>Meghri Border Crossing</td>
<td>EBRD, EIB</td>
<td>EBRD, EIB</td>
<td>Transport</td>
<td>22.76</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2018</td>
<td>Ternopil Bypass</td>
<td>EIB</td>
<td>EIB</td>
<td>Transport</td>
<td>28.65</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2018</td>
<td>Municipal Transport and Investment Programme</td>
<td>EIB</td>
<td>EIB</td>
<td>Transport</td>
<td>205.86</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2018</td>
<td>Ukraine Water System Modernisation</td>
<td>NEFCO</td>
<td>NEFCO</td>
<td>Water/Sanitation</td>
<td>19.71</td>
</tr>
</tbody>
</table>

* This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.
<table>
<thead>
<tr>
<th>EU contribution (€ million)</th>
<th>Amount to be reported as Climate Action support (€ million)</th>
<th>Type of EU support</th>
<th>Status</th>
<th>Tendering of EU financed project components started?</th>
<th>Construction of the project started?</th>
<th>EU financed TA/ Guarantee/Risk Capital started?</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.34</td>
<td>3.2</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>15.05</td>
<td>0</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>13.50</td>
<td>13</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>61.10</td>
<td>61.10</td>
<td>IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>10.24</td>
<td>0</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>22.44</td>
<td>0</td>
<td>Equity</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>20.56</td>
<td>0</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>0.00</td>
<td>0</td>
<td>Guarantee</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>21.11</td>
<td>20.65</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>20.65</td>
<td>8.1</td>
<td>IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>3.23</td>
<td>3.02</td>
<td>IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>11.67</td>
<td>0</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>14.65</td>
<td>5.7</td>
<td>IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>15.71</td>
<td>6.068</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>5.21</td>
<td>5</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>10.51</td>
<td>4.25</td>
<td>TA, IG</td>
<td>Approved</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2030 Agenda</td>
<td>United Nations 2030 Agenda for Sustainable Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABC Fund</td>
<td>Agri-Business Capital Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADA</td>
<td>Austrian Development Agency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AECID</td>
<td>Agencia Española de Cooperación Internacional para el Desarrollo</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFD</td>
<td>Agence Française de Développement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AfDB</td>
<td>African Development Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGF</td>
<td>African Guarantee Fund for SMEs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGR</td>
<td>Alliance for Green Revolution in Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGREENFI</td>
<td>Agricultural and Rural Finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AIP</td>
<td>Africa Investment Platform (formerly the AfIF)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALCBGP</td>
<td>African Local Currency Bond Guarantee Programme</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BADEA</td>
<td>Arab Bank for Economic Development in Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAT</td>
<td>Best Available Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BMZ</td>
<td>German Federal Ministry of Economic Cooperation and Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BN&amp;P</td>
<td>Good Growth Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDP</td>
<td>Cassa Depositi e Prestiti</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CESA</td>
<td>Continental Europe Synchronous Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COFIDES</td>
<td>Compañía Española de Financiación del Desarrollo</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DANIDA</td>
<td>Danish International Development Agency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DCFTA</td>
<td>Deep and Comprehensive Free Trade Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DCI</td>
<td>Development Cooperation Instrument</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEF</td>
<td>Digital Energy Facility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEG</td>
<td>Deutsche Investitions- und Entwicklungsgesellschaft mbH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DFI</td>
<td>Development Finance Institution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABF</td>
<td>EU-Africa Business Forum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EAEU</td>
<td>Eurasian Economic Union</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBCAM</td>
<td>European Business Council for Africa and the Mediterranean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECDPM</td>
<td>European Centre for Development Policy Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDF</td>
<td>European Development Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDFI</td>
<td>Association of European Development Finance Institutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EFF</td>
<td>Extended Fund Facility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EFSD</td>
<td>European Fund for Sustainable Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EFSE</td>
<td>European Fund for Southeast Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EIB</td>
<td>European Investment Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EIP</td>
<td>External Investment Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ElectriFI</td>
<td>Electrification Financing Initiative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENTSO-E</td>
<td>European Network of Transmission System Operators for Electricity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPCGF</td>
<td>European Palestinian Credit Guarantee Foundation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FEI</td>
<td>Facility for Energy Inclusion (AfDB)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FI</td>
<td>Financial Institution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ACRONYMS

FiM  Finance in Motion
FISEA  Fonds d’Investissement et de Soutien aux Entreprises en Afrique
FMO  Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden
FSG  Forest Stewardship Council
GCF  Green Climate Fund
GDP  Gross Domestic Product
GEF  Global Environment Facility
GEFF  Green Economy Financing Facility
GHG  Greenhouse Gas
GESR  Georgian Energy Sector Reform
GLS Bank  Gemeinschaftsbank für Leihen und Schenken
HT  High Tension
ICT  Information and Communication Technology
IFAD  International Fund for Agriculture Development
IFC  International Finance Corporation
IFI  international financial institution
IMF  International Monetary Fund
INSTC  International North-South Transport Corridor
IPP  Independent Power Producers
KfW  Kreditanstalt für Wiederaufbau
MASEN  Moroccan Agency for Sustainable Energy
MENA  Middle East and North Africa
MIBMA  Support to Migration and International Border Management in Armenia
MorSEFF  Morocco Sustainable Energy Financing Facility
MSME  Micro, Small and Medium-sized Enterprise
MSME-DA  Micro, Small and Medium Enterprise Development Agency (Egypt)
NASIRA  First Guarantee Agreement, led by the FMO
NBA  Niger Basin Authority
NEAR  EU Neighbourhood
NEFCO  Nordic Environment Finance Corporation
NGO  Non-Governmental Organisation
NIP  EU Neighbourhood Investment Platform (formerly Neighbourhood Investment Facility - NIF)
OeEB  Oesterreichische Entwicklungsbank
OFID  OPEC Fund for International Development
ONE4A  One Platform for Africa
PBL  Policy-Based Loan
PIDA  Programme for Infrastructure Development in Africa
PIDACC/BN  Integrated Development and Climate Adaptation Programme in the Niger Basin
PLI  Partner Lending Institutions
PV  Photovoltaic
RCI  Reform Contract for Investment
SB4A  Sustainable Business for Africa
SBEE  Benin Electricity (or Power) Distribution Company
SDC  Swiss Agency for Development and Cooperation
SDG  Sustainable Development Goal
SE4ALL  Sustainable Energy for All
SECO  State Secretariat for Economic Affairs (Switzerland)
SIFA  Social Impact Fund for Africa
SLGP  Small Loans and Guarantee Programme
SME  Small and Medium-sized Enterprise
SOPC  Suez Oil Processing Company
SPV  Special Purpose Vehicle
SSA  Sub-Saharan Africa
SUMP  Sustainable Urban Mobility Plan
TA  Technical Assistance
TAP  Technical Assistance Programme
TEN-T  Trans-European Transport Network
TPSD  Trade and Private Sector Development
TRACEA  Transport Corridor Europe-Caucasus-Asia
TVET  Technical, Vocation Education and Training
UN  United Nations
UMIP  Ukraine Municipal Infrastructure Programme
UMTIP  Ukraine Municipal Transport and Investment Programme
UPT  Urban Public Transport
WB  World Bank
WEE  Women’s Economic Empowerment
WFIF  Women’s Financial Inclusion Facility
WWBCP II  Women’s World Banking Capital Partners II
WWTP  Wastewater Treatment Plant
FOR MORE INFORMATION
Secretariat of the External Investment Plan European Commission
41, rue de la Loi/Wetstraat, 1040
Bruxelles/Brussels, Belgium
EC-EIP-EFSD-SECRETARIAT@ec.europa.eu
http://www.ec.europa.eu/eu-eip