Annual Report 2009

European Investment Bank • European Investment Bank • European Investment Bank • European Investment Bank • European Investment Bank

Investment Facility

ACP-EU Cotonou Partnership Agreement
OCT-EU Overseas Association Decision

EIB Operations

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Investment Facility

ACP-EU Cotonou Partnership Agreement
OCT-EU Overseas Association Decision

EIB Operations

The European Investment Bank directed all its efforts and attention at helping its partner countries to weather the crisis.

A word from **the Vice-President**

The protracted financial crisis has interrupted a period of sustained economic performance in sub-Saharan Africa and the Pacific islands. Although the impact of the crisis has gradually trickled down to the African, Caribbean and Pacific countries as well as to the overseas countries and territories, its impact on their economies should be milder than in developed or emerging economies. However, investments to support the private sector and stimulate growth remain paramount.

Accordingly, in 2009 the European Investment Bank directed all its efforts and attention at helping its partner countries to weather the crisis.

Evolving in such a challenging environment encouraged the Bank to "take more risks, in a controlled manner for more value added in support of EU policies."

Throughout the year the European Investment Bank strived to do more, better and faster, notably by bridging the financial gap left by commercial banks, maintaining the focus on high impact and streamlining procedures.

Concentrating on what we do best, we supported investments in sustainable and reliable infrastructure projects and financial sector operations. We promoted regional integration and responsible investments, notably low carbon growth initiatives. A lot of attention continued to be focused on supporting the most vulnerable segments of the population, notably by encouraging microfinance undertakings. The Bank remained flexible and innovative, supporting equity operations and exploring new market segments such as micro-insurance.

In 2010, we expect our efforts to step up lending to materialise gradually. This should contribute to restoring confidence and to providing a positive impulse to developing economies.

Looking ahead, the EIB stands ready to embrace the challenges and changes that will flow from the review of the Bank's external mandates, the mid-term review of the Investment Facility and the second revision of the ACP-EU Cotonou Partnership Agreement.

Given the wealth of interesting investment opportunities, the region's natural and human resources and the ambitious policy and institutional reforms undertaken in recent years, we are convinced that the African, Caribbean and Pacific economies will recover.

Dedicated to our partner countries, we will continue to support good projects, even in difficult environments where institutions may be weak and risk is high. We are, now more than ever, determined to make a difference in the areas where we have the remit, expertise and appropriate instruments to operate.

Plutarchos Sakellaris
EIB Vice-President
responsible for lending operations
in the ACPs and OCTs

Institutional **framework**

"Supporting the European Union's cooperation and development policies"

"As the bank of the European Union, the EIB uses its special expertise and resources to make a difference to the future of Europe and its partners by supporting sound investments which further EU policy goals."

In 2009, 27% of financial sector operations were directed to the microfinance sector (ADA microfinance)

The European Investment Bank (EIB) has been an active development finance partner in the African, Caribbean and Pacific countries (ACPs)[1] and in the Overseas Countries and Territories (OCTs) since 1963 and 1968 respectively.

Currently, the EIB operates in these regions under the ACP-EC Partnership Agreement and the Overseas Association Decision. Financing under these frameworks is provided from EU Member States' budgets[2], alongside EIB own resources[3] (OR), which the Bank manages on a broadly self-financing basis by borrowing on the capital markets.

Within these frameworks, the EIB is entrusted with the management of the Investment Facility[4], which meets the financing needs of investment projects in the regions with a broad range of flexible risk-bearing instruments such as junior loans, equity, quasi-capital, guarantees and, in particular cases, interest rate subsidies.

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[1] *The EIB extends long-term financing to the Republic of South Africa from its own resources to promote the country's economic development under a separate mandate of up to EUR 900m for the period 2008-2013.*

[2] *EU community aid for financing development cooperation in the ACPs and OCTs is mainly channelled through the European Development Fund (EDF). The EDFs are a succession of financial protocols implemented for multiannual periods. The period 2008-2013 is covered by the 10th European Development Fund.*

[3] *Operations carried out under the Bank's own resources are covered by a specific guarantee from the EU Member States.*

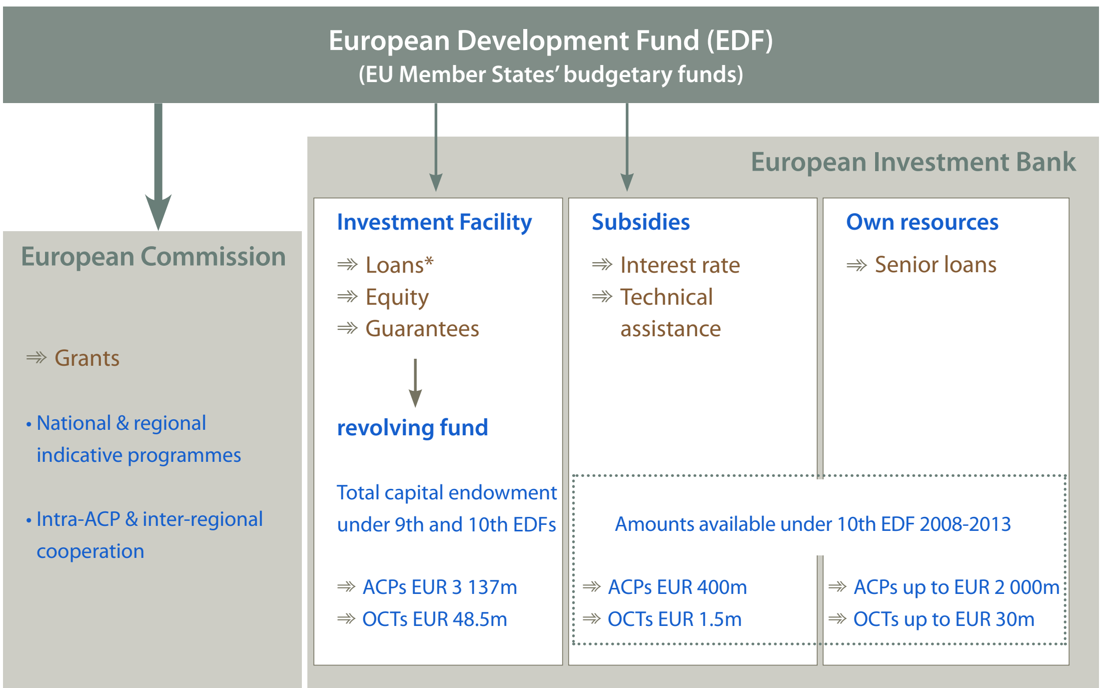
[4] *The ACP Investment Facility, as defined in the ACP-EC Partnership Agreement signed in June 2000 in Cotonou, Benin, for a period of twenty years, and revised in 2005; and the OCT Investment Facility, as defined in the Overseas Association Decision signed in 2001, for a duration of twelve years, and revised in 2007.*

"The Investment Facility shall operate in all economic sectors and support investments of private and commercially run public sector entities, including revenue-generating economic and technological infrastructure critical for the private sector. The Facility shall:

- be managed as a revolving fund and aim at being **financially sustainable**. Its operations shall be on market-related terms and conditions and shall avoid creating distortions on local markets and displacing private sources of finance;
- **support the ACP financial sector** and have a catalytic effect by encouraging the mobilisation of long-term local resources and attracting foreign private investors and lenders to projects in the ACPs;
- **bear part of the risk of the projects it funds**, its financial sustainability being ensured through the portfolio as a whole and not from individual interventions; and
- seek to channel funds through ACP national and regional institutions and programmes that promote the development **of small and medium-sized enterprises (SMEs)."**

Revised Cotonou Partnership Agreement, Annex II, Article 3

Funds managed by the EIB: the Cotonou Partnership Agreement and Overseas Association Decision



** Senior, junior, subordinated and intermediated loans, as well as quasi-equity operations.*

"Committed to sustainable private sector development"

The EIB concentrates its efforts on fostering private sector-led initiatives that promote economic growth and have a positive impact on the wider community and region. It also supports public sector projects, typically in infrastructure, that are critical for private sector development and the creation of a competitive business environment.

In line with the objectives set out by the international community in the United Nations (UN) Millennium Development Goals (MDGs), as well as the European Consensus on Development, the EIB's overriding aim is to support projects that deliver sustainable economic, social and environmental benefits whilst ensuring strict accountability for public funds. This involves:

- **supporting responsible private and public investments;**
- **fostering regional cooperation and integration;**
- **mobilising domestic savings and acting as a catalyst for foreign direct investment;**
- **encouraging the broadening, deepening and strengthening of the local financial sector;**
- **relying on/promoting partnerships.**

This report covers ACP and OCT Investment Facility projects[5], as well as EIB own resources lending operations carried out in these regions.

[5] *For a detailed list of ACP countries and OCTs covered by the Bank's mandate, refer to Annex 1.*

Bujagali Hydropower project, Uganda

Executive **summary**

In line with the orientations and objectives of the Cotonou Agreement and the OCT Decision, the Bank's lending activity remained focused on infrastructure and financial sector development.

Limited exposure to international financial markets shielded financial sectors from the crisis in most ACP countries and the OCTs. However, the global economic downturn has affected their economies, reducing trade and investment opportunities.

Committed to helping countries weather the negative effects of the crisis, the Bank stepped up its support throughout 2009. Signed commitments during the year totalled EUR 863m, providing assistance to 29 development projects in the ACPs and OCTs. Compared to 2008, own resources and Investment Facility lending rose by EUR 188m and EUR 124m respectively.

Regional integration was encouraged, accounting for 41% of signed commitments.

The response to the crisis entailed taking – temporarily – more risks. However, by drawing on a wide range of available financial instruments and relying on selective, early-stage project screening and regular monitoring, the Bank managed to maintain a balanced portfolio.

In 2009 the EIB also increased its support for sustainable economic development in the Republic of South Africa, extending funding to four projects for a total of EUR 280m.

Building key infrastructure and a strong financial sector

Relying on its expertise and operational strategy, the EIB focused its attention on infrastructure projects and private enterprises. Projects taking into account climate change considerations, generating a positive impact on development and encouraging regional integration remained centre stage.

Throughout 2009, the Bank contributed to improving the quality, availability and accessibility of financial services, as well as to the development of sustainable microfinance institutions.

Key projects included:

- climate change mitigation in Vanuatu by lending support to the country's first wind farm;
- boosting regional integration in Mozambique via the rehabilitation of the Beira corridor (Beira port and strategic rail link to the southern African network);
- supporting local entrepreneurs and businesses across Africa through the GroFin Africa Fund.

Encouraging cooperation and partnerships

In the wake of the financial crisis, the EIB's efforts to enhance coordination and cooperation with other donors remained firmly on track. The EIB joined forces with international donors and funding agencies to respond to the withdrawal of private sources of funds, actively contributing to providing additional capital and putting the emphasis on capacity building through technical assistance support. Some 21 of the 29 projects in the ACP and OCT regions were co-financed with other European and international development finance institutions.

Key projects/initiatives included:

- the Microfinance Enhancement Facility, a specialised investment fund designed to provide liquidity support for microfinance institutions;
- the Global Energy Efficiency and Renewable Energy Fund (GEEREF), a fund of funds that will stimulate medium-sized projects and enterprises focusing on energy efficiency and renewable energy projects.

Looking ahead, the EIB will remain committed to performance and stands ready to embrace the challenges and changes that will flow from the review of the Bank's external mandates, the mid-term review of the Investment Facility and the second revision of the ACP-EU Cotonou Partnership Agreement. The Bank will strive to take cooperation a step further and, in line with its expertise and strategy, encourage infrastructure initiatives and financial sector development. Climate change and public sector investments will be further encouraged.

Contents

Investment conditions in the ACP countries and OCTs

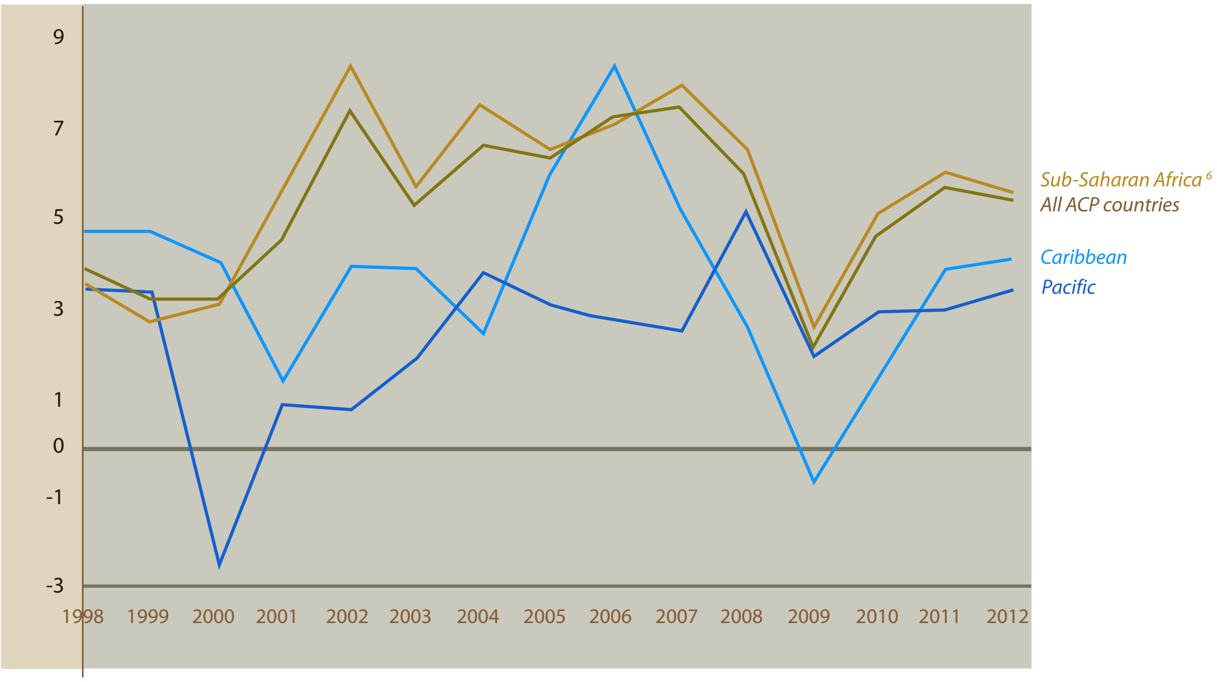
"Weathering the crisis"

General trend

Although the economies of these regions have been affected differently:

- overall, throughout 2009, the impact of the crisis has not been as marked as in the developed world or in emerging economies.
- limited exposure to international financial markets shielded financial sectors in most ACP countries from direct contagion. However, the global economic downturn has affected their economies, reducing trade and investment opportunities.

GDP-weighted average real economic growth in the ACP regions



[6] Excludes South Africa

Source: EIB calculations, based on data from the World Economic Outlook, October 2009.

Box 1: The Bank's response to the financial crisis

While the world economy is showing signs of stabilisation, uncertainty remains as to the timing of what could be characterised as a sustained economic recovery.

Despite the expected acceleration of real GDP growth in the ACP region, the Bank will continue, throughout 2010, to implement measures to counterbalance the negative effects of the crisis and take advantage of the challenges it generates, notably when it comes to increasing the use of renewable energy sources and energy efficiency.

The Bank intends to remain flexible in its response to funding needs as they arise and to "frontload"[1] finance whenever possible, making up for the contraction in commercial lending.

In parallel, the Bank will pursue and consider the following additional measures:

➥ **Extending the framework loan concept to operations outside Europe**. The Bank is appraising a few specific regional and national credit lines, as well as intermediated operations with selected financial institutions for infrastructure framework loans.

➥ **Stepping up support to microfinance institutions and the banking sector**

- Recapitalisation of banks affected by the crisis will be taken forward on a prudent basis. The subordinated convertible loan related to the infrastructure framework loan in Nigeria and a similar transaction of EUR 50m with Ecobank, approved in November 2009, incorporate an instrument of capital support. Both operations are intended to provide a strong response to the current financial crisis.

Sub-Saharan Africa[7]

As global trade collapsed, the economic and financial crisis mainly affected oil, manufacturing and commodity exporters.

Accordingly, after five consecutive years of real economic growth in excess of 6.5%, it is expected that growth in sub-Saharan Africa (SSA) will have plunged to below 2.75% in 2009.

The global economic and financial crisis brought down inflation in SSA. At the same time, the decrease in demand for the goods exported by many countries of the region led to a swing in the average current account balances from a surplus of 3% of gross domestic product (GDP) in 2008 to a forecast deficit of about 3% in 2009.

Governments have relied on fiscal balances as shock absorbers, sustaining domestic demand and helping to contain employment losses. Nevertheless, per capita income stagnated in 2009 for the first time since 1995. Attainment of the Millennium Development Goals

[7] In this section the term "sub-Saharan Africa" does not include the Republic of South Africa. It refers to African ACP countries signatory to the Cotonou Partnership Agreement.

Such operations will, in turn, support the provision of funding to local entrepreneurs and small and medium-sized enterprises (SMEs).

- **The Bank will continue to use its full range of instruments (loans, equity, guarantees) to strengthen its support for financial institutions in order to help them weather the crisis and consolidate their long-term viability. In parallel equity instruments will, owing to the credit crunch, play an increasingly important role in the funding of private sector investment projects. Traditional lines of credit will continue to be considered as another efficient way of mobilising and leveraging Bank resources in response to the crisis.**

- **In the financial sector, alongside other investors, including the International Finance Corporation (IFC) and Kreditanstalt für Wiederaufbau (KfW), the Bank is already investing USD 50m in the ACP component of a USD 500m global Microfinance Enhancement Facility (see p. 35). The fund will enhance liquidity support for microfinance institutions for a limited period of time in order to protect them from the impact of crisis-related funding shortages.**

- **The Bank is also working, in collaboration with the IFC and the OPEC Fund for International Development (OFID), on a proposal for an equity fund for bank recapitalisation in Africa – the Africa Bank Capitalisation Fund – which is due to be set up in 2010.**

➥ **Cooperation, coordination and reinforcement of synergies with the EC, European bilateral development finance institutions and other IFIs, including co-financing** (see section on Partnerships, p. 50).

[1] *Frontload, i.e. to bring forward the use of the bulk of the funds available (accelerate contractually agreed disbursements and commitments). As the Bank operates with a predetermined amount of financial resources, accelerated disbursements will have to be offset by a corresponding reduction in the longer run.*

Macroeconomic indicators for African ACP countries*

	Real GDP growth (%)				Inflation (%)				Current account balance (% of GDP)			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
African ACPs	6.8	5.5	2.7	5.2	7.1	15.5	8.2	8.0	3.9	3.1	-3.2	-1.2

**Excludes South Africa, GDP-weighted averages.*
Source: EIB calculations, based on data from the World Economic Outlook, October 2009.

Seph Nouadhibou project, Mauritania

therefore became even more unlikely for the majority of countries.

Although the number of open military conflicts appears to be waning and political stability is on the rise, the region continues to occupy the lowest positions/rankings in indicators such as the 2009 Failed States Index published by the Washington-based Fund for Peace[8]. Even some of the more stable countries still face significant institutional challenges and governance problems. Reforms undertaken to address economic and social bottlenecks often remain tentative.

Should the global economy gradually pick up, leading to an improvement in financial conditions and the recovery of commodity prices, SSA growth rates should improve and reach levels above 5% in 2010.

Consequently, investment climates remain difficult. This notwithstanding, there are promising signs, notably in Rwanda and Liberia, two countries undergoing sweeping reforms.

[8] The Fund for Peace is an independent research and educational organisation (http://www.fundforpeace.org).
The Failed States Index is an annual ranking of 177 countries across a combination of twelve social, economic and political indicators.

Caribbean countries

The Caribbean region was severely affected by the global financial and economic crisis. It is expected that real economic growth will have contracted by 0.75% in 2009 – the first decline since 1991.

As a result of tighter external financing conditions, lower worker remittances and the deterioration in the region's external demand, which was exacerbated by a fall in tourism earnings, consumption, investment and exports fell sharply in 2009.

Kingston Container Terminal project, Jamaica

The Caribbean region is showing some signs of stabilisation and recovery as tourist arrivals and financial inflows bottom out. Growth levels should recover somewhat, albeit to very low levels of around 1.5% – far below the 5.5% growth rates of the previous four years.

Box 2: Solidarity with Haiti

In early January 2010 an earthquake of magnitude 7 hit Haiti, devastating the country's capital, Port-au-Prince, and its surroundings.

The human losses and material damage are very heavy, leaving Haiti, one of the poorest countries in the world, in a terrible state.

Humanitarian assistance is pouring into the country and coordination is improving. The international community, including the United Nations, the World Bank, the US Government and the European Union, has been mobilised.

The Bank, in line with its mandate, expects to step in at a later stage to support the country's reconstruction efforts, putting its expertise and resources at the service of Haiti. Once the damage and reconstruction needs have been assessed and potential intermediaries identified, the Bank's support could take the form of a subsidised loan from the ACP Investment Facility.

In the meantime the Bank has decided to express its solidarity with the people of Haiti through a EUR 600 000 donation from its general budget to finance a much-needed project such as a school or orphanage, to be supplemented by voluntary staff contributions.

Initiatives carried out by the Bank will be decided in close consultation with the European Commission and the EU Member States. The Bank's regional office in Fort-de-France, Martinique, will play a leading role in assisting with post-earthquake reconstruction efforts.

Head of the Caribbean and Pacific Division, Haiti

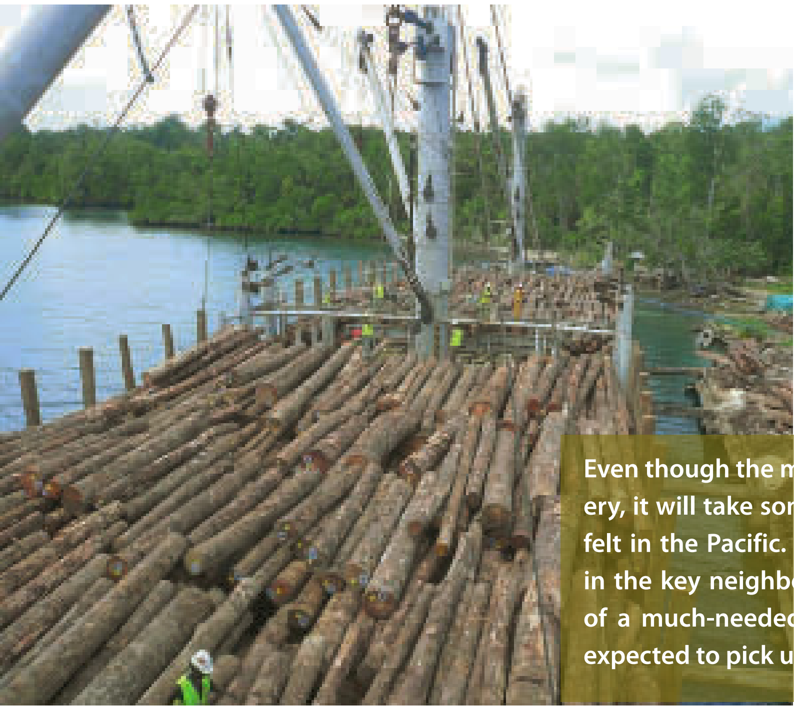
Macroeconomic indicators for Caribbean ACP countries*												
	Real GDP growth (%)				Inflation (%)				Current account balance (% of GDP)			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
Caribbean ACPs	5.3	2.8	-0.7	1.6	8.9	9.5	4.1	5.2	-2.0	-3.7	-4.1	-2.3

**GDP-weighted averages of Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago.*
Source: EIB calculations, based on data from the World Economic Outlook, October 2009.

The slowdown in tourism-related real estate and construction activity had a direct impact on growth and employment and also reverberated throughout the banking system via heightened credit risk.

The main difference compared with SSA is that the Caribbean countries had already been hit in 2008 by high food and oil prices, most of these countries being net food and fuel importers. The decline in food and fuel prices in the last quarter of 2008 brought some relief. However, the effects of the global crisis more than offset these positive developments and led to a further deterioration of the current account balances of most countries in 2009.

Pacific islands



Kolombangara Forestry project, Solomon Islands

Of the three ACP/OCT regions, the Pacific region was the least affected by the crisis. The explanation partly lies in the fact that prior to the crisis, growth rates had already been held back by other factors, such as conflicts or natural disasters.

It is expected that real economic growth will have fallen to 2% in 2009 – a low level compared to the 5.25% achieved in 2008, but higher than the 1.75% average growth rates experienced since 2000.

With a narrow production base, the Pacific islands are all dependent on imported goods, mainly from Australia and New Zealand. Apart from Papua New Guinea and Timor Leste, trade deficits are a regular feature

Even though the main economies in Asia are on the path to recovery, it will take some time for the full effect of this recovery to be felt in the Pacific. In particular, unemployment is still on the rise in the key neighbouring economies. This will delay the prospect of a much-needed turnaround in remittance inflows. Growth is expected to pick up to about 3% in 2010.

of these countries' balance of payments. Private and official transfers, as well as remittances from nationals living overseas, have contributed considerably to offsetting these trade deficits.

High fuel prices boosted the current account surpluses of Papua New Guinea and Timor-Leste in 2008. The subsequent fall in prices reduced these surpluses significantly and led to the first current account deficit in six years in Papua New Guinea.

After peaking in 2008 owing to global price developments, inflation in most Pacific ACP countries returned to previous levels in 2009.

Macroeconomic indicators for Pacific ACP countries*

	Real GDP growth (%)				Inflation (%)				Current account balance (% of GDP)			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
Pacific ACPs	2.7	5.2	2.0	3.1	4.3	9.8	6.2	4.3	4.1	8.1	-7.7	-7.8

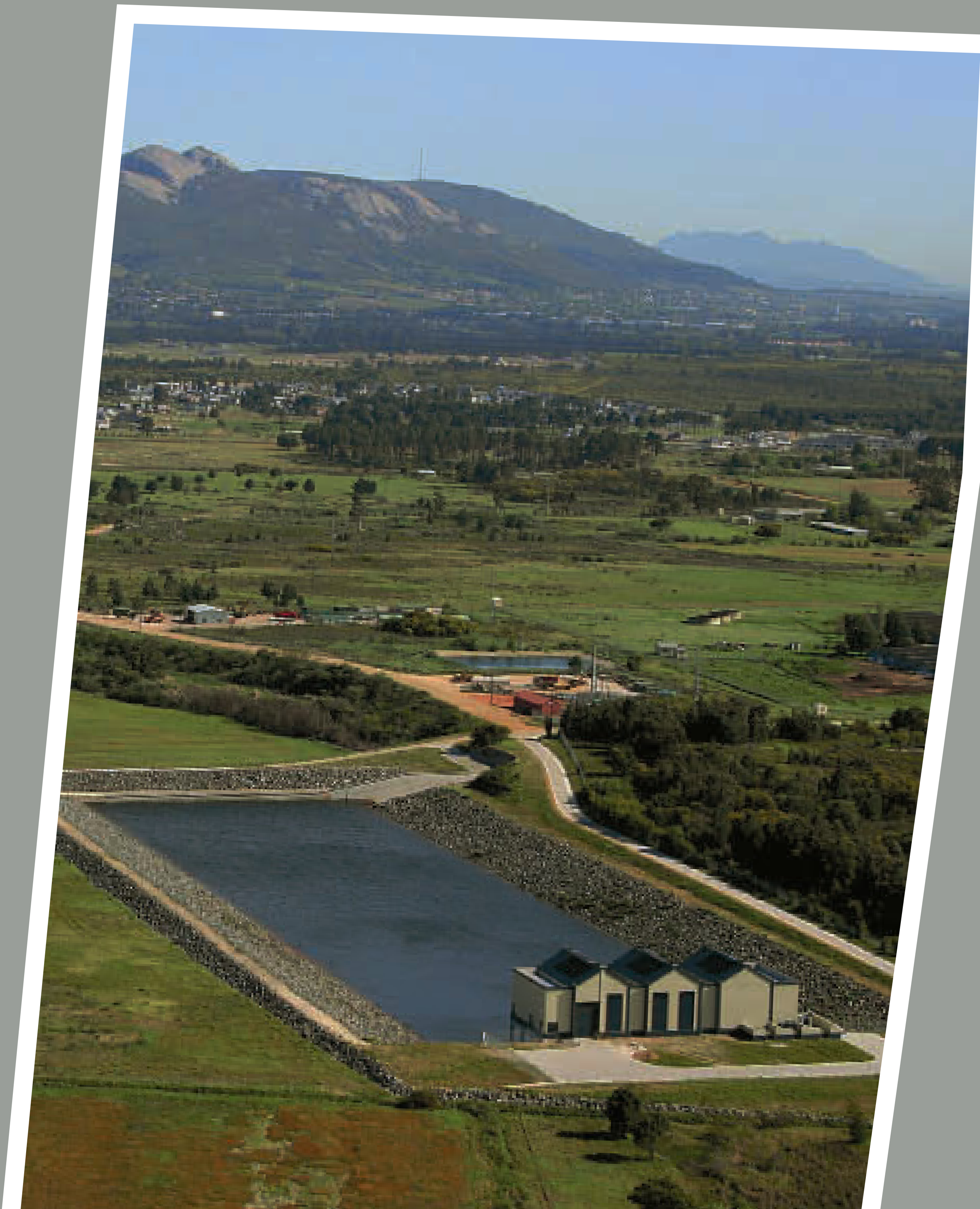
**GDP-weighted averages of Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga and Vanuatu.*
Source: EIB calculations, based on data from the World Economic Outlook, October 2009.

Looking ahead

- **The economic and financial crisis is affecting the ACP and OCT regions with a time lag, as it mainly feeds through indirect channels such as trade, remittances and foreign direct investment. Hence, even though global recovery is in sight, some countries may still suffer from the crisis in the future while waiting for a rebound of employment and demand in advanced economies.**

- **Once the storm has been weathered, there is ground for optimism as these regions could outperform their previous growth levels, relative to the global situation. When international financial markets have fully recovered, increased openness to trade and foreign capital should enable the private sector throughout the region to take better advantage of rising world demand. Near-term domestic policies can and probably will remain supportive of growth, bolstered by more robust fiscal positions than in the past, particularly among commodity exporters.**

Operational highlights for 2009



"Stepping up support"

Tackling the crisis:

Taking more risks, in a controlled manner for more value added in support of EU policies. Throughout 2009, efforts were directed at maintaining and generating a sustainable portfolio of projects. The Bank concentrated its efforts on financing projects that make a difference, insisting on the development impact of its operations, notably via an increased proportion of equity investments and intensive upstream and downstream monitoring of projects.

Consolidating the Bank's strategy:

"Doing more, better and faster"

Prioritising and stepping up support in two areas:

- infrastructure, including energy and climate change-related activities;
- development of the financial sector, in particular by supporting microfinance institutions and the banking sector.

Regional integration and coordinated operations remained centre stage.

In parallel, procedures were streamlined, encouraging flexibility and responsiveness to promoters' needs.

Coordination, complementarity and coherence, the 3 "Cs"

Strengthening cooperation with financing partners, donor agencies and the European Commission (EC), including through delegated cooperation and blending of resources.

Going beyond traditional cooperation, the Bank initiated discussions to harmonise its procedures and encouraged partial or full delegation of project appraisal and monitoring, heading towards "mutual reliance".

In 2009, the Bank joined a number of (multilateral) initiatives to support developing countries cope with the crisis, notably via the Joint Action Plan for Africa.

Supporting green growth

Encouraging renewable energy and climate change-related operations, notably through new initiatives such as the EU's Global Energy and Renewable Energy Fund (GEEREF).

Key Figures

ACP/OCT lending in EUR m	Investment Facility	Own resources	Total
2007	324.6	431.8	756.4
2008	336.3	224.8	561.0
2009	450.1	413.2	863.3

In 2009, signed commitments totalled EUR 863m, providing support to 29 development projects in the ACPs and OCTs, bringing signatures in the ACPs and OCTs since the entry into force of the Cotonou mandate in 2003 to a total of EUR 3 965m.

The Bank also supported sustainable economic development in the Republic of South Africa by signing four projects totalling EUR 280m, bringing aggregate ACP/OCT signatures in 2009 to EUR 1.1bn.

Berg Water project, Republic of South Africa

Out of the 29 projects signed in 2009:

- 72% are being co-financed with other European and international development finance institutions to optimise investment impact and efficiency;
- 41% support cross-border schemes, which help to promote integration and access to IF funding for smaller ACP and OCT economies;
- 76% support investments in the private sector, the development of which is a key driver of economic growth;
- 59% support investments in the financial sector, including microfinance, contributing to the diversification and strengthening of local financial markets;
- 24% support investments in public infrastructure, of which 57%[9] with the involvement of the EU-Africa Infrastructure Trust Fund.

Technical assistance, Development Bank of Southern Africa

The Investment Facility:

- provided EUR 450m in loans, equity and guarantees, to which can be added EUR 413m from the Bank's own resources;
- supported 12 cross-border schemes and 8 individual ACP and OCT countries;
- provided EUR 11.5m in technical assistance to help identify and prepare projects, or to help with their smooth implementation.

Demarcation in the allocation of IF and OR resources

Funds from the Investment Facility and the EIB's own resources are complementary. The main difference lies in the higher level of risk that can be borne by IF financial instruments.

Thus **IF** operations focus on the riskier end (market segment) of private and public sector projects, i.e. those projects that do not meet the Bank's own resources prudential limits and require the use of risk-bearing financial instruments. In 2009, apart from the loan granted to Kenya's electricity distributor via the Government for the extension of a geothermal power station (Olkaria II Extension B), all the operations signed under the IF were concerned with the private sector (99% of 2009 IF amounts signed.) The bulk of IF resources – 74% of amounts signed in 2009 – was directed to financial sector projects, including equity investments.

Funding from the **EIB's own resources** is more focused on public sector and large-scale private sector industrial undertakings, following on the approval by member states of new modalities for OR lending in the ACP, whereby the Bank is allowed to take more risks compared to other regions in the world. In line with these principles, in 2009 71% of signed OR commitments were concerned with public sector support and exclusively infrastructure undertakings. Private sector support was shared between two industrial undertakings, accounting for 27% of signed OR commitments, and a line of credit for financing projects with tangible environmental benefits in the Pacific region (2% in terms of volume).

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[9] This figure includes the technical assistance and subsidy package extended by the EU-Africa Infrastructure Trust Fund to the AFD loan directed at the Port Autonome de Pointe Noire.

List of Projects Signed

(Detailed lists of cumulative signatures since the inception of the Cotonou mandate are presented in Annexes 2 and 3).

IF projects signed in 2009			
ACPs			
Olkaria II Extension B – Kenya	Energy	Public	4.30
Unelco Wind Power ☼ – Vanuatu	Energy	Private	4.30
BTA toll road – Dominican Republic	Transport	Private	32.00
SNIM – Guelb II Iron Ore – Mauritania	Industry	Private	75.00
Bank of St Lucia GL II	Lines of credit	Private	10.50
BDEAC Global Loan IV – Regional: Central Africa	Lines of credit	Private	25.00
Microcred II ★ – Regional: ACP	Lines of credit	Private	2.00
Microfinance Enhancement Facility – Regional: ACP	Lines of credit	Private	50.00
Pacific Islands Financing Facility II – C ★	Lines of credit	Private	3.00
Rwanda GL III – Private Sector Support ★	Lines of credit	Private	5.00
EDFI European Financing Partners III (B+C) – Regional: Africa	Agency agreement	Private	100.00
Banque de dépôt et de crédit Djibouti	Quasi-equity	Private	2.00
Advans SA SICAR II ★ – Regional: ACP	Equity	Private	6.00
Agri Vie Fund PCC – Regional: Africa	Equity	Private	9.00
CAPE III – Regional: West Africa	Equity	Private	30.00
FIPA – Angola private equity fund	Equity	Private	5.00
Grofin Africa Fund – Regional: Africa	Equity	Private	20.00
Leapfrog Microinsurance Investments – Regional: ACP	Equity	Private	20.00
Pan-African Investment Partners II LTD – Regional: Africa	Equity	Private	32.00
Shorecap II ◆ – Regional: Africa	Equity	Private	15.00
TOTAL			**450.10**

EIB own resources projects signed in 2009			
ACPs			
Camwater ☼ ◆ – Cameroon	Water, sewerage	Public	40.00
Benin – Togo power rehabilitation ☼	Energy	Public	35.00
Mombasa-Nairobi Transmission Line ☼ – Kenya	Energy	Public	60.00
Beira Corridor Project (A+B) ☼ – Mozambique	Transport	Public	65.00
JKIA upgrading and rehabilitation – Kenya	Transport	Public	63.87
Port Autonome de Pointe Noire ☼ – Congo	Transport	Public	29.00
Mauritius Sugar Industry Reform Project (B) ☼	Industry	Private	28.00
Ohorongo Cement Namibia	Industry	Private	82.30
TOTAL			403.17
OCTs			
SocGen French Polynesia Environment GL ☼	Lines of credit	Private	10.00
TOTAL			413.17

☼ Operations receiving/to receive an interest rate subsidy appropriation.

★ Operations receiving a technical assistance grant.

◆ TA operations approved but not signed at end-2009.

Spotlight on Projects

"Fostering economic development"

Infrastructure sectors

Infrastructure is a key development priority, both because it delivers essential services such as clean water and access to electric power and because it plays an essential role in supporting trade, productivity and growth.

Radio trunking system,
KPLC Grid Development project, Kenya

In the context of the current crisis, existing infrastructure projects have been affected and many sponsors – from the public and private sector – are reluctant to embark on new projects, making it difficult for projects to materialise.

Consequently the EIB, relying on its expertise, focused its attention on bridging the commercial lending gap, enabling infrastructure projects to go ahead. Projects taking into account climate change considerations, generating a positive impact on development and encouraging regional integration remained the Bank's priority.

Throughout 2009, the Bank considered a number of **innovative approaches** to infrastructure projects, working hand in hand with other international finance and development institutions, notably by:

- providing ongoing support to other instruments sponsored by the European Commission and the EU Member States, such as the EU Water Facility and the EU Africa Infrastructure Trust Fund (ITF). Such initiatives are essential to channel technical assistance or grant finance to projects. In 2009, the support provided to the ITF, managed by the Bank, increased substantially, by EUR 200m[10];
- encouraging renewable energy and energy efficiency lending by becoming involved in the management of the Global Energy Efficiency and Renewable Energy Fund (see p. 26);
- joining the Infrastructure Crisis Facility, providing support to private infrastructure and public-private partnerships in emerging and developing countries (see p. 54).

The impact of the Bank's efforts to step up infrastructure financing will be felt over time.

As already underlined, in line with IF and OR lending modalities, **a clear demarcation in the allocation of resources** in favour of private sector rather than public sector **infrastructure operations** was maintained in 2009. Apart from the Olkaria project (see p. 21), IF resources were directed to private sector undertakings while the Bank's own resources focused on public sector operations.

[10] *http://www.eu-africa-infrastructure-tf.net/*

Water

"Increasing the coverage of safe water supply"

Cameroon: CamWater	
Borrower	Republic of Cameroon
Currency	EUR
Amount	40m
Source of funding	- EIB own resources - IF: technical assistance and an interest rate subsidy
Co-financiers	AFD*

* Balance from CAMWATER's own resources and other development institutions.

The Government of Cameroon undertook a far-reaching reform of its urban water sector, which became effective in May 2008 and included the delegation of water supply services to a private company. The reform paved the way for a strategic, large-scale investment programme to be launched by CAMWATER, the state utility in charge of maintaining and developing the drinking water infrastructure. The project underpins Cameroon's efforts to achieve the UN Millennium Development Goals. By 2015, it will provide approximately 180 000 consumers with access to drinking water through household connections and standpipes, of which 50 000 in the three provincial towns of Edéa, Bertoua and Ngaoudéré. In addition, it will contribute to improving water services for 200 000 existing customers in Yaoundé.

Various components of the investment programme are being supported by different development finance institutions (DFIs) in an effort to revive drinking water production and rehabilitate and expand the distribution network.

The EIB loan will be on-lent by the Government to CAMWATER and implemented in close cooperation with Agence Française de Développement (AFD), applying the principles of donor harmonisation flagged in the Paris Declaration on Aid Effectiveness.

The financing operation targets the construction and rehabilitation of water treatment plants and the upgrading of facilities for the transfer, storage and distribution of drinking water to the inhabitants of Yaoundé, Edéa, Bertoua and Ngaoundéré. The programme provides for a number of capacity-building measures supported by both the EIB and the AFD. In this context, the IF is providing TA grants to assist CAMWATER, notably in project planning and environmental management, as well as interest rate subsidies to comply with the country's restrictive borrowing conditions under the Heavily Indebted Poor Countries (HIPC) initiative. The subsidy will be passed on to CAMWATER and will, ultimately, benefit the consumers via water tariffs. An additional TA grant from the IF will support a study on water savings by the public authorities in Cameroon.

In parallel to the project, the Cameroonian water sector could also benefit from a subsidy from the ACP Water Project Preparation Facility ("Water PPF")[11] for the preparation of a national master plan for developing waste water sanitation capacities and related project feasibility studies.

[11] *The Facility funds technical assistance for the preparation of sound water and sanitation projects: http://www.eib.org/projects/publications/eib-water-project-preparation-facility.htm*

Energy

"Promoting clean energy"

Benin and Togo: Benin-Togo Power Rehabilitation	
Borrower	Communauté Electrique du Bénin (CEB)
Currency	EUR
Amount	35m
Source of funding	- EIB own resources - EU-Africa Infrastructure Trust Fund subsidy
Co-financiers	IDA, KfW*

* Balance made up from borrower's own resources and other finance/development institutions

The project will provide CEB, the bi-national public utility in charge of electricity generation and transmission, with the financial means to increase its production capacity. By supporting a public infrastructure of vital importance for private sector development and economic growth, the project will improve the reliability and efficiency of electricity supply, reduce the use of low-efficiency local generators and decrease network losses. It will also have a direct impact on employment through the workforce hired to maintain the network. As HIPC countries, both Benin and Togo benefit from an interest rate subsidy from the ITF. In the context of ever-closer donor cooperation, the monitoring of the project will be shared with the International Development Agency (IDA) and KfW.

Box 3: The Global Energy Efficiency and Renewable Energy Fund (GEEREF)

"Investing in tomorrow"

Through GEEREF, public and private investors invest together in support of renewable energy production and energy efficiency.

As a fund-of-funds, GEEREF supports private equity funds, which in turn provide equity finance to small and medium-sized projects and enterprises focusing on energy efficiency and renewable energy projects.

The three policy goals are:

- **people: to increase access to sustainable energy services;**
- **planet: fight against climate change; and**
- **profit: financial sustainability.**

Additional information on the Fund:

Geographical coverage:	Non-EU countries, with a particular emphasis on ACPs
Size of the Fund:	EUR 110m (donors to date: EC, Germany and Norway)
Size of equity stakes:	up to EUR 10m
Target:	Projects that fill a market gap and contribute to applying, transferring and developing environmentally sound energy conservation or production technologies
Advisers:	European Investment Bank and European Investment Fund
Contact:	geeref@eif.org
Website:	http://www.geeref.eu

Vanuatu: Unelco Wind Power	
Borrower	Union Electrique du Vanuatu Ltd. (Unelco)
Currency	EUR
Amount	4.3m
Source of funding	IF: loan and interest rate subsidy*

* Balance from borrower's own resources. The loan exceptionally represents 75% of the total project cost under the flexible financing terms and conditions provided for in the EIB's Climate Change Strategy.

Unelco has been supplying energy to local consumers since 1939 through four long-term electricity generation and distribution concessions. The country's distinctive topography poses significant challenges to the delivery of fossil fuels to remote island locations. In addition, the diesel generators they supply are costly to run, particularly given current high oil prices, and produce considerable carbon dioxide (CO_2) emissions.

In this context, Unelco established a strategy in 2004 to develop renewable energy production based on wind turbines, biofuel (such as coconut oil) and solar energy. The loan is supporting Unelco's construction of a (2.75Mwe) wind farm on the Island of Efate, 12 km west of Port Vila, Vanuatu's capital. It is the first of its type to be implemented in the country, and the first to be financed by the EIB in the Pacific region. The farm, comprising 10 new wind turbines, supplies renewable energy to the public grid serving Port Vila, where there is a growing demand for electricity.

The project clearly has a number of intrinsic environmental benefits. The substitution of renewable energy for fossil fuels eliminates emissions of carbon dioxide and other polluting gases. The operation also marks an important first step in diversifying sources of electricity supply and reducing dependence on fossil fuel imports. Furthermore, the project serves as a valuable demonstration to the wider region of the viability of alternative environmentally responsible energy sources.

The nature of the project makes it eligible for the flexible financial terms and conditions provided for in the Bank's Climate Change Strategy. Thus, the project has been granted a loan covering 75% instead of the usual 50% of the total cost, as well as an interest rate subsidy, the savings from which will be passed on to consumers through lowered tariffs.

UNELCO Wind Power project, Vanuatu

Transport

"Boosting regional integration"

Mozambique: Beira Corridor	
Borrower	Republic of Mozambique
Currency	EUR
Amount	65m
Source of funding	- EIB own resources - EU-Africa Infrastructure Trust Fund subsidy
Co-financiers	Danish International Development Agency (Danida), IDA/World Bank, ORET.nl, EU States' subsidies*

* Balance from borrower's own resources and other finance/development institutions.

Mozambique's Beira corridor is the main transport link providing access between the port of Beira and the interior of the country as well as to the neighbouring landlocked Zimbabwe, Zambia and Malawi. As an important gateway for cargo transport in the region, an extensive refurbishment of the corridor infrastructure was undertaken in the 1980s and 1990s. However, the improvements have not been maintained, and the port and access to it are a major bottleneck for regional transport and trade.

The EIB loan supports the rehabilitation of the Beira corridor through two components: a port component, the main purpose of which is the dredging of the port of Beira channel in order to allow access to much larger cargo ships and improve safety conditions; and a rail component comprising the rehabilitation of the Sena line, which links Beira to the interior of the country and the surrounding region. The Beira Corridor project is emblematic for Mozambique as it will allow the reopening of the Sena railway line, closed for over 20 years due to the civil war. The subsidy granted to the project by the EU-Africa Infrastructure Trust Fund highlights the project's strategic importance and its positive regional impact on transport links across southern Africa.

Congo-Brazzaville: Port Autonome de Pointe-Noire	
Borrower	Port Autonome de Pointe-Noire (PAPN)
Currency	EUR
Amount	29m
Source of funding	- EIB own resources - EU-Africa Infrastructure Trust Fund subsidy (extended via the AFD loan)
Co-financiers	AFD, Banque de Développement des États de l'Afrique Centrale (BDEAC)*

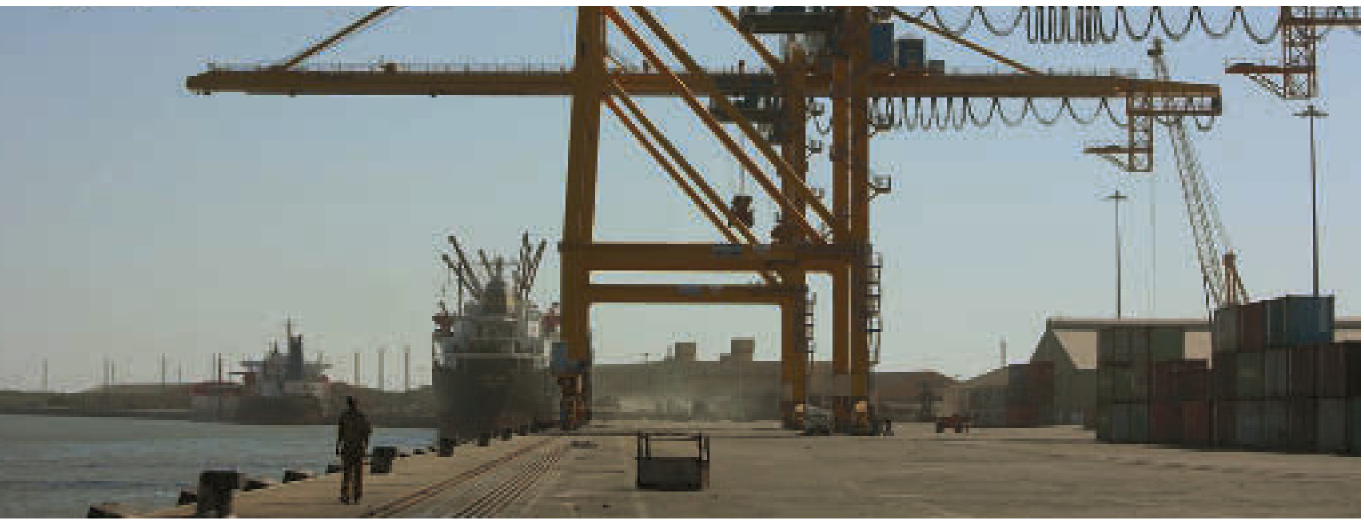
* Balance from borrower's own resources and other development/finance institutions.

PAPN is a crucial communication axis in equatorial Africa. As one of the main deep-water ports on the western coast of Central Africa, it services the entire sub-region. To meet the expected increase in traffic and enhance its performance, the Government has included the modernisation of the Port in the list of priority regional projects for the New Partnership for Africa's Development (NEPAD).

The loan supports the rehabilitation, modernisation and extension of the Port and its facilities. By supporting a public-private partnership, strengthening an independently managed public enterprise, providing a long maturity and co-financing perspectives, the Bank is a key partner.

The enhanced competitiveness of the Port – reduced handling time and costs and compliance with MARPOL[12] obligations – should have a positive impact on the economic activity of the country and the sub-region's integration, thereby boosting external trade, and safeguarding and possibly creating jobs.

[12] The International Convention for the Prevention of Pollution From Ships.



Industry

"Generating new opportunities"

As an engine of economic growth, industry adds value and generates employment, having an impact on all the activities of a country.

The Bank, through its operations in the industrial sector, supports the optimisation of natural resources and encourages productivity gains. It also endeavours to support projects that rely on innovative technologies.

For all projects, the focus is on meeting market demand, whether at national level or for the export market.

In 2009, out of the three private sector projects signed, the Bank financed, via its OR, two industrial undertakings: a sugar reform project in Mauritius and a cement plant in Namibia (see project briefs below).

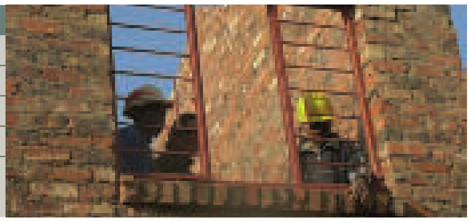
Mauritius: Sugar Industry Reform Project	
Borrower	Compagnie Sucrière du Sud Ltée, FUEL Refinery Ltd
Currency	EUR
Amount	28m
Source of funding	- EIB own resources - IF interest rate subsidy
Co-financiers	Mauritius Commercial Bank, State Bank of Mauritius*

* Balance from borrower's own resources.

The Mauritian sugar industry, as the largest ACP beneficiary of the old EU preferential quota volumes for Sugar Protocol (SP) countries, was greatly affected by the EU's 2001 sugar sector reforms. The Government of Mauritius therefore put in place a multiannual adaptation strategy (MAAS) aimed at ensuring that the country's sugar industry remained commercially viable. One of the main components of the restructuring of the local industry is the changeover of production from raw sugar to the higher-value refined white sugar for export.

The EIB loan, the first to be linked to one of the SP countries' national adaptation strategies, supports the construction of two sugar refineries, along with related improvement investments, on the sites of two existing sugar mills in the south and east of the country. As well as supporting private industrial investment in Mauritius, the EIB contribution will lend weight to the reform of the EU sugar market policy, particularly through the interest rate subsidy element of the project, which will partly fund the social components of the reform.

Namibia: Ohorongo Cement Namibia	
Borrower	Ohorongo Cement (Pty) Ltd.
Currency	EUR
Amount	82.3m
Source of funding	- EIB own resources
Co-financiers	Development Bank of Southern Africa (DBSA), DEG, First National Bank (FNB), commercial banks*



* Balance from borrower's own resources and other development/finance institutions.

The Namibian construction industry, fuelled by foreign investment in commercial projects, private sector investments and government capital spending, has experienced positive growth. However, in spite of having the quality raw material to produce cement, Namibia currently has no cement plant. The project helps to fill this gap by supporting the construction and operation of a small integrated greenfield cement plant, including a grinding mill and clinker terminal. It also addresses one of the Government's concerns, namely to limit the country's overdependence on primary sector activities by adding value to natural resources.

This foreign investment will help meet the domestic demand for cement, contribute to reducing its price and limit relatively costly imports. The remainder of the production will be sold to southern Angola.

Located in a region with limited economic prospects, the project will help to combat unemployment, generating 300 jobs on site, which could have positive spillover effects on some 900 people. The roads constructed to access the plant and the housing facilities created for the workforce should have an impact on the economy of the region as a whole.

The project generates an influx of foreign direct investment into the country. Its promoter, Schwenk Zement KG, considered a market leader in low-CO_2 production and the use of alternative fuels, will transfer its skills and technology locally. With no previous experience of project finance or investments outside Europe, the promoter has benefited from the EIB's and DEG's expertise – technical, financial, legal and environmental. Furthermore, the existence of a sufficiently large market within range of the plant has been confirmed by a market study commissioned by the Bank, helping to strengthen the case for the project.

Financial sector

"Providing development finance"

Throughout 2009, the Bank contributed to improving the quality, availability and accessibility of financial services, as well as to the development of sustainable microfinance institutions.

For each operation, the objective pursued was to maximise the impact on development, the demonstration effect and financial returns.

Risk Capital Facility, supporting SMEs, Republic of South Africa

Accordingly, in the context of the credit crunch, operations focused on:

- the provision of scarce equity resources, providing high risk profile, emerging or established companies with much-needed patient capital;
- a wide range of productive enterprises, including SMEs, by extending credit lines to local or regional banking groups;
- improving access to financial services for the poorest and underserved. Some 27% of financial sector operations were directed to the microfinance sector at large, providing capital to microfinance investment vehicles and debt funds, supporting the creation of microfinance institutions or their transition to regulated banking institutions, and to the launch of new activities (microinsurance);
- supporting the countries' development process through bond issues and the development of local currency products;
- appraising its first ever "framework loan"[13] in Africa, encouraging the funding of much-needed infrastructure projects.

The EIB joined forces with international donors and funding agencies to respond to the withdrawal of private sources of funds, actively contributing to provide additional capital and putting the emphasis on capacity building through technical assistance support, notably in the microfinance sector.

Some 97% (EUR 344.5m) of the support provided to the financial sector in 2009 was drawn from IF resources, offering risk-bearing financial instruments better suited to meet the needs of financial sectors in the ACPs. The Bank financed one operation via its OR, a line of credit for projects with tangible environmental benefits in the Pacific region (see p. 34).

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[13] A framework loan consists of a list of potential projects meeting objectives identified and approved at the appraisal stage. It may include further appraisal work and further contractual documentation after signature. In all cases, framework loans involve multi-scheme investments.

Lines of credit

"Reaching out to entrepreneurs"

Rwanda: Rwanda Global Loan III – Private Sector Support	
Borrower	Banque de Kigali
Currency	EUR and Rwandan franc (RWF)
Amount	EUR 5m
Source of funding	Investment Facility*

* Balance from borrower's own resources.

The development of SMEs is one of the strategic objectives of IF operations in the financial sector.

Following the successful implementation of two previous operations, the line of credit extended to Banque de Kigali will finance long-term loans in EUR and the local currency, the RWF, for commercial investment projects in Rwanda. Final beneficiaries are corporates, mostly small and medium-sized companies, hitherto underserved by the banking sector, operating in the productive and services sectors, including agriculture and agro-processing, manufacturing, telecommunications, tourism, mining, education and health as well as the service industry. The project will enhance future private sector development as well as stimulate the diversification and strengthening of Rwanda's financial sector.

MOMA Titanium project, Mozambique

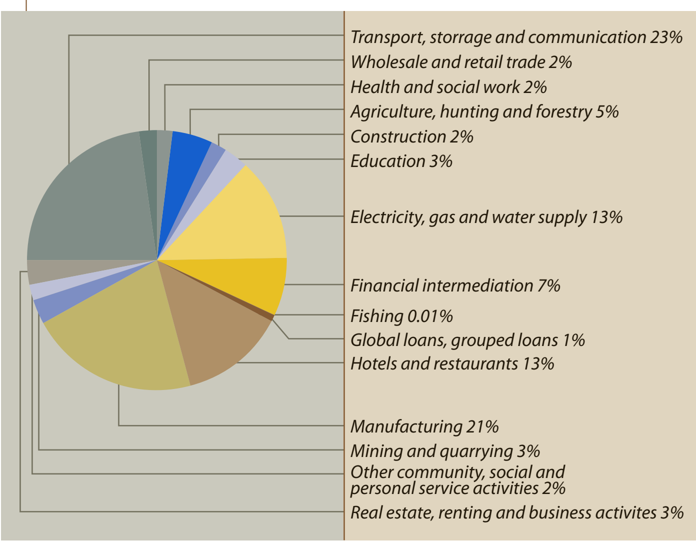
Box 4: Lines of credit for SMEs

At the end of 2009, the Bank had signed 48 financing agreements under the IF and via its own resources with ACP/OCT financial sector counterparts – of which 6 in 2009 – for a total of just over EUR 813m (see Annex 4 for the detailed list of signed agreements).

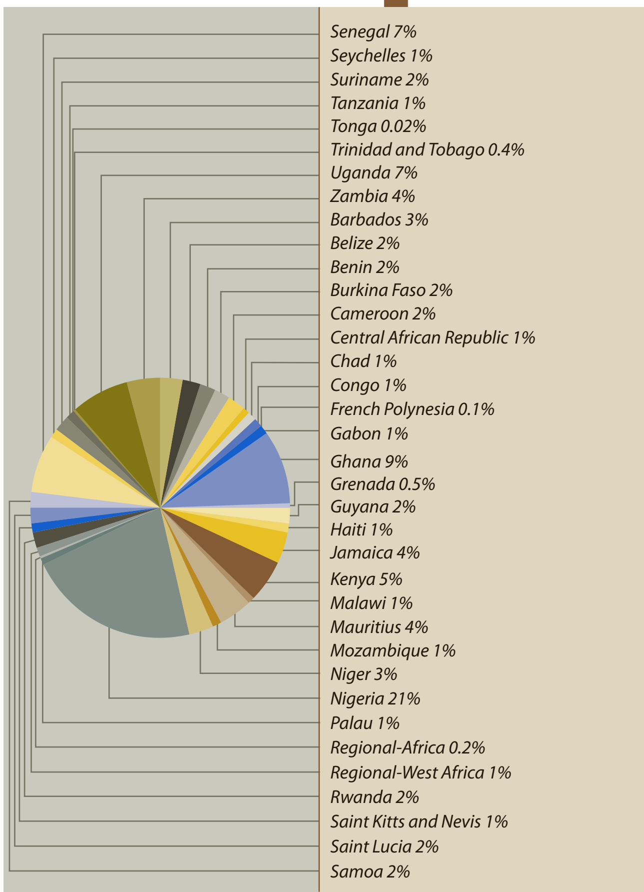
These agreements funded 648 allocations[1], covering 36 countries, as well as regional initiatives in Africa and West Africa. The average amount per allocation stands at EUR 593 000. Lines of credit enable the Bank to:

- reach a greater number of sectors, diversifying its operations away from its traditional sectors of activity, for example by supporting undertakings in the agriculture and forestry sector (5% of allocations), education (3%), and health and social work (2%);
- reach out to small and micro local entrepreneurs, notably in remote and rural areas, that support their country's economic growth and employment;
- reach out to smaller countries and dispersed territories (in particular through lines of credit in favour of regional banks such as Bank of St Lucia Ltd), where it is sometimes difficult for the Bank to operate directly, thereby supporting the regional diversification of its portfolio.

Breakdown by sector:

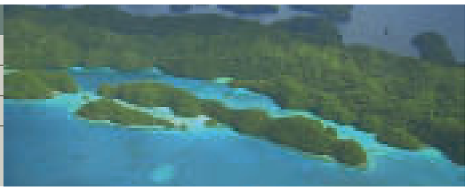


Breakdown by country:



[1] Operations supporting the development of the microfinance sector in the Dominican Republic, via Banco de Ahorro y Credito Ademi (ADEMI) and Banco De Ahorro Y Credito Adopem (ADOPEM), are not taken into account in the following figures. These operations support local entrepreneurs via average allocations of around EUR 1 000. Such allocations cater for the specific needs of one of the poorest segments of the population but make a significant contribution to economic growth and poverty reduction.

French Polynesia: SocGen French Polynesia Environment Global Loan	
Borrower	Société Générale Banque de Polynésie
Currency	EUR
Amount	10m
Source of funding	- IF interest rate subsidy - EIB own resources*



* Balance from borrower's own resources.

Two central themes currently attracting international attention are the global financial crisis and the drive to decrease greenhouse gas emissions. The Pacific region's specific geographical characteristics make it susceptible to the effects of climate change. As an oil importer, the region has suffered considerable reductions in foreign exchange reserves as a result of recent high oil prices, generating a corresponding interest in renewable energy projects. Environmental financing is thus increasingly in demand but lacks sufficient adequate providers.

The EIB is extending a line of credit to Société Générale Banque de Polynésie to finance projects in French Polynesia with tangible environmental benefits in sectors such as renewable energy, energy efficiency, pollution abatement technology and environmental municipal services.

Apart from the obvious environmental impact, the project will not only improve access to finance for environmental services, but also support the development of local SMEs. The loan will set an effective precedent in environmental financing, underlining the fact that the recently adapted regulatory framework is conducive to investment in sustainable development, thus acting as a convincing catalyst for further foreign direct investment (FDI).

Access Bank, Madagascar

Microfinance

"Fighting inequalities"

In 2009 the IF supported a number of microfinance initiatives, notably by committing patient capital to pioneering projects such as LeapFrog Microinsurance or by providing mezzanine-type financing to specialised funds, such as the Microfinance Enhancement Facility.

Regional-ACP: Microfinance Enhancement Facility	
Investment fund	Microfinance Enhancement Facility SA
Currency	USD
Amount	EUR 50m
Source of funding	Investment Facility
Co-financiers	Federal Ministry for Economic Cooperation and Development (BMZ), IFC, KfW, Development Bank of Austria, FMO*

* Balance from borrower's own resources.

The Microfinance Enhancement Facility (MEF) is a specialised investment fund designed to provide liquidity support for microfinance institutions for a limited period of time in order to protect them from the impact of financial crisis-related funding shortages. By providing refinancing to more than 100 microfinance institutions in up to 40 countries, MEF is expected to quickly counteract the downward trend in microfinance lending and thus ensure continued support to low-income borrowers in many of the world's poorest countries.

The key **strategic objectives** of the operation are:

- emergency liquidity support for commercially viable microfinance institutions that meet rigorous eligibility criteria;
- the provision of credit to micro and small enterprises through microfinance institutions targeted by MEF.

The Bank's role is to ensure that adequate MEF resources are allocated to sub-Saharan Africa and other ACP countries that are frequently overlooked. As such it is one of a series of EIB operations that are running concurrently in the microfinance sector.

The successful implementation of the project will support microfinance institutions created with the help of IF resources by increasing available short-term liquidity for commercially viable microfinance institutions. In the long-run, it will pave the way for further development of microfinance products and services for micro-entrepreneurs and small enterprises in developing countries.

Box 5: Supporting the development of a responsible and sustainable microfinance industry

In 2009 the EIB endorsed the **Client Protection Principles for microfinance**, committing itself to taking concrete steps to "ensure that providers of financial services to low-income populations protect their clients from potentially harmful financial products and ensure that they are treated fairly".

Protection of microfinance clients will occur through implementation of appropriate policies, practices and products in line with the following six core principles:

- avoidance of over-indebtedness;
- transparent pricing;
- appropriate collection practices;
- ethical staff behaviour;
- mechanisms for redressing grievances;
- privacy of client data.

The EIB is incorporating these Principles in its lending activities, thus encouraging the microfinance providers it supports to abide by these Principles.

Well-targeted capacity-building programmes can considerably speed up the sustainability of microfinance undertakings. Accordingly, the EIB supports, via an **IF technical assistance package directed at microfinance**[1] **and small business intermediaries across sub-Saharan Africa**, the enhancement of management skills, as well as the daily business of microfinance operators, via, inter alia:

- **managerial support**, through the identification, recruitment and retention of key managers, including from other ACP countries, until local staff are in a position to take over management functions;
- the **training of local staff**, contributing to a reduction in the costs borne by MFIs and in the time required for its teams to become operational and reach out to a significant number of clients;
- the implementation of reliable and modern **management information systems** during the initial years of operations.

[1] *In 2009: AfriCap Microfinance Investment Company II, ShoreCap International and Investisseur et Partenaire pour le développement for a total amount of EUR 5.55m. In 2008: MicroCred, Access Bank and Advans for another EUR 6m.*

Regional – ACP: LeapFrog Microinsurance Investments	
Investment fund	LeapFrog Investments Ltd.
Currency	USD
Amount	EUR 20m
Source of funding	Investment Facility
Co-financiers	FMO, private investors (ACCION, Calvert Investments, Omidyar Network, Triodos Bank) and institutional investors

Lack of access to insurance products is considered a socioeconomic impediment to poverty reduction and economic growth. The LeapFrog Microinsurance Fund was established for the purpose of making equity and equity-related investments in companies that deliver insurance products and services to low-income people in developing countries. The Fund will take minority and majority positions in relatively small, rapidly growing private microinsurance companies at various stages of development. These companies will develop the market and distribute life, as well as other non-life, insurance products to low-income people, with a primary focus on sub-Saharan Africa. LeapFrog will create a grant-funded technical assistance facility, to finance the development and marketing of microinsurance products and services that are socially valuable but may not initially be sustainable or commercially feasible without initial grant capital, which is indispensable to get such businesses to a point where they are fully commercially viable. LeapFrog may also use grant funding for client education.

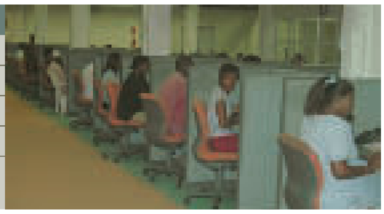
Microfinance, Nigeria

IF equity portfolio[14]

"Investing with, in and for our partner countries"

Throughout 2009 the Bank further diversified the IF equity portfolio, supporting and substantiating the merits of initiatives such as the Angola private equity fund and GroFin Africa Fund.

Regional – Africa: GroFin Africa Fund	
Investment fund	GroFin Africa Fund (GAF)
Currency	USD
Amount	EUR 20m
Source of funding	Investment Facility
Co-financiers	AfDB, CDC, IFC, GroFin Capital (Pty) Ltd, Netherlands Development Finance Company (FMO), Norfund, Proparco, Shell Foundation



A broad range of SMEs across Africa lack access to commercial bank funding due to their size – they are either too big to be entitled to support from micro-finance institutions or too small to attract the interest of generalist private equity funds. This segment is referred to as the 'missing middle', and is the target of the GroFin Africa Fund.

The IF is participating in this USD 170m closed-end private equity fund, which provides loans and equity products, as well as business support, to growing businesses in various African countries. The GroFin Fund is expected to be invested in roughly 500 companies over a period of five years, making it the largest growth finance fund to date, a remarkable achievement for Africa.

GroFin plays a unique role in turning small businesses into sustainable companies that will constitute the driving force of the African economy through the current financial crisis. A cornerstone of GroFin's investment model is the provision of Business Development Assistance to support entrepreneurs from the time of submission of an application for financing until full repayment with business advice and guidance, including the development of a bankable business plan, financial modelling, market research and skills development. As a result, the project assists in the transfer of business knowledge to the entrepreneurs involved. Through its investments in relatively small businesses with generally labour-intensive activities, GroFin contributes in a significant way to the creation of jobs and industrial skills in Africa.

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[14] *The Bank's equity and quasi-equity operations are channelled exclusively through IF funding.*

Box 6: Illustration of the EIB's support for equity funds

The EIB strongly believes in the growth potential of emerging and developing markets in Africa, whose attractiveness to foreign investors has increased considerably over the past few years on the back of infrastructure enhancements, greater political stability and a friendlier business climate due to recent improvements in the economic, legal and fiscal environment in many countries.

Accordingly, in order to support local entrepreneurs and businesses, the EIB has participated with significant amounts in the equity raising of a number of Africa-focused investment funds providing venture capital, early stage investment or expansion/growth capital.

The Bank's commitment is illustrated in particular by its participation – via IF funding – in the closing of Emerging Capital Partners (ECP) Africa Fund and in AfricInvest Fund, both of which have a regional dimension and the capacity to engage across the continent.

By providing long-term capital in the form of equity to Africa's growing private sector, the Bank supports the region's economic growth and development, contributing to: developing local financial markets, professionalising businesses (encouraging transfers of skills and expertise and good corporate governance), diversifying economies, generating employment and tax revenue for governments and, last but not least, delivering healthy market returns to investors.

Both funds support a large number of companies with wide sector coverage, including the financial sector, manufacturing, utilities and infrastructure, agribusiness and telephony.

For example, AfricInvest supported the diversification of LaGray Chemical Company's product range. LaGray, a pharmaceutical company located in Ghana, strives to provide "practical solutions to Africa's healthcare problems through sustainable technological growth", producing dermatological and topical products, as well as capsules and tablets.

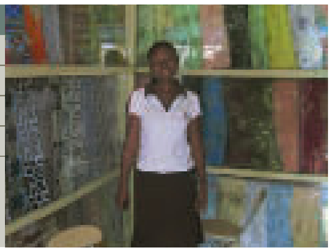
ECP provided growth capital and guidance to Société d'Articles Hygiéniques (SAH), a leading producer of absorbent hygiene products (baby care, feminine care and related paper products), supporting its development in sub-Saharan Africa and the expansion of its product range.

By applying stringent project-screening methodologies, notably relating to the social and environmental impact, both funds promote responsible investment and contribute to the Bank's ongoing objective of supporting the deployment of Africa's business potential.

Box 7: Local currency financing

The EIB continues to take an active role, together with relevant local authorities and domestic and international banking partners, in the issuance of local currency debt aimed at contributing to the development of local currency debt markets. Over the last five years the Bank has issued the equivalent of EUR 1.5bn in ACP local currency bonds. Since 2005 the EIB has issued bonds in five ACP partner countries in synthetic format, namely in Botswanan pula, Ghanaian cedis, Mauritian rupees, Namibian dollars and Zambian kwacha. The EIB was the first non-domestic issuer in Botswana (2005), Mauritius (2007) and Zambia (2008). The Bank also maintains a leadership role in South African rand. The ZAR 6bn issue due October 2013 is the largest AAA fixed rate Euro-rand bond. Through its operations in local currencies, the Bank contributes to the development of local capital markets by improving liquidity, yield curve development and product diversification. Such issuance also provides a platform for issuance in support of potential future lending activities in relevant local currencies.

Angola: FIPA – Angola private equity fund	
Borrower	Fundo de Investimendo Privado, SICAV-SIF ("FIPA")
Currency	USD
Amount	EUR 5m
Source of funding	Investment Facility
Co-financiers	Norwegian Investment Fund for Developing Countries (Norfund), Banco Africano de Investimentos (BAI), Industrialiserings Fonden For Udviklingslandene (IFU), Banco Privado Atlantico



The first private equity fund in Angola, focusing on established and start-up SMEs and aimed at tackling the absence of a formal private equity market and the limited availability of long-term finance for local companies. By moving away from the capital-intensive oil sector, the fund, managed by Angola Capital Partners, will play a part in diversifying the economy and stimulating private sector activity and contribute to reducing poverty.

Access Bank, Oshodi Branch, Nigeria

Box 8: Operations in the Republic of South Africa (RSA)

In figures

2007-2013:	**the EIB can allocate up to EUR 900m to development in RSA**
2000-2009:	**- signed loans: EUR 1 307m**
	- disbursed loans: EUR 755m
	- a portfolio of 24 projects

The EIB has been lending in the Republic of South Africa (RSA) since its transition to a democratic government in 1994. Following the conclusion of the EU-South Africa Trade, Cooperation and Development Agreement, the EIB has been entrusted with successive lending mandates for a total lending volume of EUR 2.4bn.

In cooperation with the South African authorities, public agencies, private enterprise and the financial sector, the specific objectives pursued through this mandate encompass: the strengthening of infrastructure and basic services, support for the development of SMEs and the private sector, modernisation of industry, and poverty reduction. The EIB also supports energy efficiency undertakings and contributes to reliable energy supplies.

In 2009, the EIB supported sustainable economic development in South Africa by concluding finance contracts for four projects, amounting to a total of EUR 280m. The funding will benefit:

➥ South African small and medium-sized companies through a line of credit extended to the Industrial Development Corporation (IDC);

➥ municipal infrastructure investments (including water, sanitation, electricity, education and waste management) through a line of credit to the Development Bank of Southern Africa (DBSA);

➥ the upgrading and extension of two national toll roads in northern South Africa carried out by the South African National Roads Agency (Sanral);

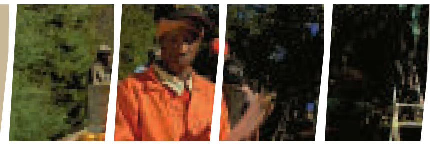
➥ energy efficiency and renewable energy investments through a loan to Rand Merchant Bank. The operation will finance investments in a range of climate change mitigation activities and facilitate economic development by improving the reliability of electricity supplies in the country.

"FirstRand welcomes the EIB's significant contribution and looks forward to sourcing energy efficiency and renewable energy projects that can provide power for South Africans and help reduce greenhouse gas emissions."

Sizwe Nxasana, Chief Executive Officer, FirstRand Bank.

In addition, the EIB co-manages, on behalf of the European Commission and in partnership with the Industrial Development Corporation of South Africa Ltd (IDC), the second EUR 50m Risk Capital Facility, which targets SMEs owned and operated by persons previously disadvantaged under the apartheid regime.

Grants



"Adding further value"

Target: - projects with social and economic and/or environmental benefits; and
- infrastructure projects in Heavily Indebted Poor Countries.

The blending of loans and grants is particularly relevant in the ACP countries and OCTs as it:

- bridges a financial gap when resources are scarce;
- contributes to enhancing the quality of operations, increasing their effectiveness and impact;
- supports the promoter by "perfecting" the financial package; and
- encourages synergies among IFIs, notably the pooling of resources.

(Detailed lists of operations that have received grant financing since the inception of the Cotonou mandate are presented in Annexes 5 and 6).

Concessional funding

Projects are eligible for subsidies under specific conditions (see box 9), notably for operations carried out in countries subject to **restrictive borrowing conditions** and for **ACP sugar producers** having to deal with changing world market conditions following the phasing-out of the EU-ACP Sugar Protocol (see the sugar project on p. 29 for an illustration). In cases of concessional funding, part of the interest rate subsidy can be channelled to leverage certain additional **environmentally or socially desirable components** of the project.

The subsidy amount varies according to the specific conditions and benefits of each operation. However, the subsidy never exceeds the value of the incremental benefit so as to not generate an unwarranted transfer to the shareholder of the project.

Technical assistance, Development Bank of Southern Africa

Box 9: Interest rate subsidies

Under the Cotonou Framework, IF operations and own resources loans are eligible for an interest rate subsidy allocation, the purpose of which is to increase their concessionality under certain specific conditions:

- " for infrastructure projects in the Least Developed Countries, in post-conflict countries and post-natural disaster countries that are prerequisites for private sector development…;
- for infrastructure projects by commercially-run public entities that are prerequisites for private sector development in countries subject to restrictive borrowing conditions under the Heavily Indebted Poor Countries (HIPC) initiative or another internationally agreed debt sustainability framework…;
- for projects which involve restructuring operations in the framework of privatisation or for projects with substantial and clearly demonstrable social or environmental benefits…"

Revised Cotonou Partnership Agreement, Annex II, Article 2(7)

The second Financial Protocol provides new amounts of EUR 400m for the ACPs and EUR 1.5m for the OCTs. Up to 10% of the subsidies may be used for project-related technical assistance.

At the end of 2009,

- EUR 160m had been earmarked for 27 ACP projects;
- EUR 1.5m had been earmarked for 3 OCT projects.

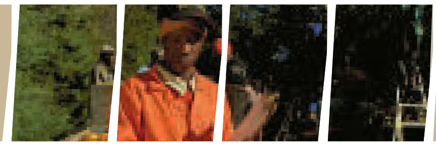
Technical assistance

Technical assistance support is largely project-focused, supporting the maturation/preparation phase of projects, rather than the identification of potential projects.

To date, a number of TA operations have focused on capacity-building and supporting microfinance undertakings (see p. 36).

For both interest rate subsidies and grant-funded technical assistance, the Bank cooperates closely with other IFIs and the European Commission, making sure operations are harmonised and complementary. A number of initiatives – notably the EU Africa Infrastructure Trust Fund and phase II of the EU-ACP Energy and Water Facilities (see p. 52) – channel this type of assistance to projects in accordance with their own eligibility rules.

In 2009, the IF extended a contribution of EUR 3m to the Africa Regional Technical Assistance Centers (the East, West and Central AFRITACs). These centres stem



from collaboration between the IMF, recipient countries and donors. They focus on building the institutional capacity of African countries to implement poverty reduction strategies. Demand-driven, these centres also coordinate the delivery of various technical assistance initiatives.

A number of joint initiatives are under consideration, notably with the African Development Bank, to support microfinance, and with the Development Bank of Southern Africa.

Debt sustainability

At the 34th ACP-EU Council of Ministers meeting, formal approval was given to the EIB to increase the concessionality of its own resources lending in highly indebted countries subject to restrictions under World Bank/IMF programmes.

In addition, the EIB committed itself to debt relief schemes for the Ivory Coast, Liberia and Togo. These agreements, signed within the framework of the Heavily Indebted Poor Countries (HIPC) initiative, will generate important benefits for the three countries:

- reducing their overall debt owed to the Bank;
- suspending outstanding debt repayments until 2012; and
- resuming lending operations with the Bank.

Box 10: Technical assistance supporting environmentally responsible energy generation

In 2009, the Investment Facility provided technical assistance to the Government of the Solomon Islands to support the development of renewable energy.

The assistance concerns a full technical and economic feasibility study for the development of a hydroelectric scheme on the Tina River, on the island of Guadalcanal. The feasibility study will cover a detailed technical assessment, preliminary design and costing, and a financial viability assessment of the hydropower development, including a preliminary environmental and social assessment. The study will include the preparation of the essential technical and economic documentation to be presented to potential private sector investors for the financing of the project.

The study supports the involvement of the private sector in the energy sector. It will also generate significant environmental benefits, substituting the provision of electricity from a fossil fuel-fired generating plant with a renewable source (hydroelectricity), thus contributing to combating climate change.

The World Bank Group is also involved in the preparation and implementation of the project, providing assistance to the Solomon Islands Electricity Authority and the Government.

Economic and Social Impact Assessment Framework

"Focusing on impact"

The Economic and Social Impact Assessment Framework (ESIAF) is a framework for assessing, at the appraisal stage, some of the key features of potential projects. ESIAF constitutes a benchmark against which to evaluate a project's strengths, weaknesses and potential throughout the project cycle.

Lac de sel, Sones Bimao, Mozambique

Figures

When considering a project, the Bank carefully balances financial and economic considerations with the project's expected social and development impact. ESIAF concurs with this objective, helping to identify – from the outset – the economic, financial and environmental sustainability of operations, as well as other qualitative elements. Project promoters benefit from the Bank's technical and economic know-how.

In 2009, ESIAF was applied to benchmark all IF and OR operations appraised. The outcome for projects approved[15] is reflected in the table below:

	2008	2009
"High" on all pillars	14%	20%
Two "highs" and a "medium"	57%	51%
Two "mediums" and a "high"	10%	20%
Three "mediums"	19%-	9%

As illustrated by the table below, a lot of attention and effort is directed as a matter of priority at meeting the Bank's mandate in the regions of operation, i.e. by contributing to economic growth, development and, ultimately, to poverty reduction (Pillar 1). The Bank concentrates on projects where it can bring the highest value added (Pillar 3), notably by providing promoters with long maturities, grace periods and risk-capital instruments. Staff also devote a lot of attention to improving the design of the projects, enhancing their management, providing technical support and financing fairly risky and pioneering initiatives. Pillar 2 ratings also provide a good indication that the Bank has approved projects that meet an expanded set of economic, financial, environmental and social criteria.

Out of the 35 projects approved during the year, 20% received a "high" rating on all three pillars, while 9% received a "medium" rating on all pillars.

Impact		Low	Medium	High
Pillar 1	Consistency with the objectives/priorities of the Bank's mandate	-	5	30
Pillar 2	Quality and soundness of the project/operation			
	* Financial sector	-	15	3
	* Non-financial sector	-	9	8
Pillar 3	The Bank's contribution/additionality	-	12	23

[15] This section refers to projects approved in 2009. Projects signed in 2009 may have been appraised prior to 2009.

Illustrations of projects with "high" and "medium" ratings

In 2009, the IF extended a credit line to Banque de Kigali to finance long-term loans for commercial projects in Rwanda. This operation, **Rwanda Global Loan III**, received a "high" rating on all three pillars for the following reasons in particular:

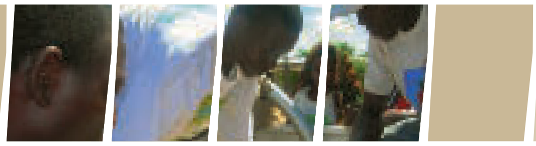
Mombasa-Nairobi transmission line project, Kenya

- **its focus:** small and medium-sized companies under-served by the banking sector;
- **its flexibility:** on-lending will be in EUR and local currency, the Rwandan franc (RWF), in which the vast majority of companies conduct their business;
- **its broad coverage:** agriculture, agro-processing, manufacturing, telecommunications, tourism, mining, education, health and other segments of the service industry;
- **its impact:**
  - enhancing private sector development;
  - strengthening and broadening of Rwanda's financial sector; and
  - increasing the productive capacity of final beneficiaries.

The **Mombasa-Nairobi Transmission Line** project backs the construction of a high-voltage transmission line and supporting infrastructure. The project will contribute to:

- improving the security and reliability of electricity supplies and reduce system losses between Nairobi and the coastal town of Mombasa;
- enabling the transmission of cheaper hydroelectricity;
- generating, through reliance on thermal electricity, savings in fuel consumption and associated environmental emissions;
- meeting the ambitious target set by the Government of Kenya to add 1 million consumers to the power grid over the coming five years, doubling the current customer base.

In spite of the aforementioned elements and the long tenure of the loan, the project received a "medium" rating on all three pillars. The rating is justified by the fact that the operation is fairly straightforward, not requiring complex or innovative financial structuring. In addition, the financial and economic performance of the operation is limited and there is some environmental impact.



Box 11: One year down the road

In 2008, the Bank extended a loan to the private mobile phone operator Digicel (Digicel Pacific Limited), supporting the development, upgrading and expansion of competitive Global System for Mobile (GSM) communications networks.

Investments were concentrated on a number of Pacific island states characterised by extensive monopolies and a high suppressed demand for communication services.

"Since its launch in the South Pacific in November 2006, Digicel has become the fastest-growing mobile operator in the South Pacific. With the support of the EIB and other financial institutions, Digicel has revolutionised the market, introducing competition and delivering first-class nation-wide telecommunications services in Fiji and Vanuatu and greatly improving competition and services to Samoa and Tonga" (Vanessa Slowey, CEO of Digicel Pacific Ltd.).

Whilst fuelling competition, the project has contributed to the region's economic growth by:

- generating employment. Some 400 direct jobs and 2 000 indirect jobs have been created;
- increasing the coverage of the mobile network, reaching remote areas and providing new opportunities to local populations;
- enhancing the quality and reliability of the coverage, improving the business environment;
- reducing social inequalities by helping disadvantaged groups to increase their income.

Digicel introduced new technologies in the region, relying – partly – on alternative power generation methods such as solar and wind power, thus mitigating the impact of the project on the environment.

Donor coordination was paramount in moving the project forward, notably in Vanuatu where the "EC-EIB brotherhood worked very well; the Delegation of the European Union in Port Vila provided its know-how of the social and economic reality and is analysing the impact; the EIB ensured the technical and financial support. The intervention constituted a formidable step in the development of the country" (Nicolás Berlanga Martínez, acting Chargé d'Affaires, Delegation of the European Union to Vanuatu).

Partnerships

"A coordinated response to growth and development issues"

Out of 158 projects signed to date, 85 are being co-financed with development finance institutions.

Investment Facility (ACPs & OCTs – IF & OR)

In keeping with the spirit of the Paris Declaration on Aid Effectiveness, the Bank took part in initiatives aimed at channelling financial assistance in a harmonised and coordinated manner.

Existing partnerships were pursued and at times strengthened, while new initiatives emerged, building on the particular strengths of each institution.

In the wake of the financial crisis, a general consensus emerged on the need to give greater substance to cooperation between international financial institutions (IFIs) and to improve the coherence and effectiveness of external EU development cooperation.

Promoting closer cooperation

Cooperation with the European development finance institutions (EDFIs) was further strengthened, notably through a third contribution to the **European Financing Partners (EFP)** initiative (see project brief below).

Regional – ACP: EDFI European Financing Partners III	
Borrower	European Financing Partners SA (EFP)
Currency	EUR
Source of funding	Investment Facility
Co-financiers	European development finance institutions

Following the successful implementation of its two predecessors, the EIB is providing a third contribution to the European Financing Partners. This private sector financing vehicle is implemented under the Framework Agreement on Financial Cooperation and Exchange of Services between the Investment Facility and the European Development Finance Institutions, signed in January 2003. Individual allocations consist of loans, quasi-equity and equity financing, and are required to be in line with the IF's operational guidelines, the EIB's environmental guidelines and the Cotonou Agreement.

The EFP funding scheme has proved to be an effective and efficient instrument in strengthening cooperation among financing partners and acts as a catalyst for mobilising investment in private sector operations.

Cooperation with peer institutions and development and financial partners was also pursued, notably through upstream dialogue on project identification, joint appraisal, monitoring work and co-financing.

Encouraging energy efficiency and renewable energy initiatives

The EIB and the KfW launched a second EUR 100m **Carbon Fund**, focusing on programmes of activities eligible under the Kyoto Protocol's Clean Development Mechanism (CDM) and located in least developed countries. Carbon credits will be purchased until 2020. Under this new Carbon Fund, sellers can be provided with an eligibility guarantee and advance payment financing. The buyers of the certificates will be primarily European enterprises that have to meet their obligations under the European Emissions Trading System (ETS).

The Bank Group (EIB and European Investment Fund) took on the task of advising the **Global Energy Efficiency and Renewable Energy Fund** (see box 3). This fund of funds supports private equity funds which, in turn will provide equity finance to small and medium-sized projects and enterprises focusing on energy efficiency and renewable energy projects.

The 15th United Nations Climate Change Conference held in Copenhagen last December provided a unique opportunity to take part in discussions on innovative ways of implementing, in practice, the goal of stabilising the amount of greenhouse gases in the atmosphere at levels that will prevent dangerous man-made climate change. At the Conference the EIB, heads of multilateral development banks (MDBs) and the IMF issued a joint statement reiterating their support for the United Nations Framework Convention on Climate Change (UNFCCC) and pledging, *"in accordance with our respective mandates, expertise, and resources, to further coordinate our financing and analyses of climate change actions and enable our client partners to maximise the effective use of new financial flows."*

An integrated approach to infrastructure development

Investment in infrastructure, as both a countercyclical response tool and as a critical measure to ensure continued economic growth in developing countries, received particular attention. IFIs stood in to fill the gap left by commercial lenders, demonstrating their willingness to support infrastructure projects during the crisis.

Recognising the key role of regional infrastructure in supporting economic growth, the European Council agreed to an additional contribution from the EC of EUR 200m to the **EU-Africa Infrastructure Trust Fund**[16], and requested Member States to respond in a similar fashion. The Bank is closely associated with this initiative, housing its Secretariat and providing valuable inputs.

The second-round **EC-EU-ACP Energy and Water Facilities** were thoroughly discussed. They will include contributions – EC grants – to a "pooling mechanism" of EUR 40m each. The EIB intends to collaborate with other development banks, private investors, NGOs and community-based organisations to support the financing of medium-sized projects directed at pro-poor water, sanitation and energy projects.

In view of the expansion of the Bank's co-financing activities in the framework of the ITF, the AFD, EIB and KfW launched, in early 2009, the **Mutual Reliance Initiative (MRI)**. The initiative should lead to the emergence of common operational guidelines and to the delegation of tasks among participating IFIs (due diligence, evaluation and monitoring documentation, etc.). A two-year pilot programme is under way, involving ACP-IF operational staff, including field offices.

The EIB contributed up to EUR 300 000 to support the operation of the **Infrastructure Consortium for Africa (ICA)** Secretariat and its future working programme for the period 2010-2012. The ICA platform seeks to catalyse infrastructure development in Africa. The EIB's and EU-Africa Infrastructure Trust Fund's participation and involvement contribute vital expertise and support to the initiative.

[16] *The fund fosters closer collaboration between EU donors and project financiers in order to finance regional infrastructure projects in sub-Saharan Africa: http://www.eu-africa-infrastructure-tf.net/*

Box 12: Supporting green growth

The ambitious climate change reduction targets endorsed by the European Union set the tone for EIB operations, both within and outside the Union. At the United Nations Framework Convention on Climate Change the EIB, alongside other multilateral development banks and the IMF, reiterated its readiness to support action on climate change and its commitment to doing so.

The Bank's expertise and financial resources support energy efficiency and renewable energy investments, helping to meet the MDGs. The Bank's Economic and Social Impact Assessment Framework complies with this objective by identifying, from the outset, a project's environmental sustainability.

The Bank mobilises and leverages finance for low-carbon growth initiatives in the ACPs and OCTs through various undertakings:

- the **Energy Sustainability and Security of Supply Facility (ESF)**. The ESF enables the EIB to commit up to EUR 3bn from its own resources for projects in developing countries on top of its 2007-2013 external lending mandates. The facility promotes the transfer of clean technologies between the EU and developing countries;
- the EU's **Global Energy Efficiency and Renewable Energy Fund (GEEREF)**. Both the EIB and the European Investment Fund (EIF) are actively involved – as advisers – in the fund, which invests in regional risk capital funds, catalysing private investments in energy efficiency and renewable energy projects in developing/transition economies (see p. 26);
- the **EIB's** and **KfW's** two **Carbon Funds**, one of which (see p. 52) supports small programme projects in least developed countries;
- the **Investment Facility**: extending grants and technical assistance support to a number of projects (see Annexes 5 and 6);
- the **Bank's own resources**, by financing projects that promote access to the development of sustainable energy solutions while contributing to reducing the environmental impact of energy activities.

The EIB is expanding its product range in order to enhance its role in the financing of clean energy investments in particular, and in support of the carbon market in general. In the coming years, the Bank will seek to promote the existence of strong, liquid international and regional carbon markets, including initiatives to attract technology transfer to countries and regions that have seen a lower share of carbon market flows to date. Technical assistance to support promoters' access to carbon markets is also under consideration.

With regard to reducing emissions from deforestation and forest degradation (REDD), the EIB – acknowledging its role in the preservation of biological diversity – will explore the scope for providing support to these countries within the framework of EU policy, in collaboration with the other MFIs.

With a contribution on a parallel co-financing basis of up to EUR 1bn, the EIB is involved in the Debt Component of the **Infrastructure Crisis Facility (ICF)**. The facility, initiated by the IFC, aims to provide support for sound private and PPP infrastructure projects in a context where commercial finance has virtually disappeared. The facility targets emerging and developing countries. A Framework Agreement between participating institutions will contribute to streamlining the due diligence and project approval processes.

The Bank also participated in **Infrastructure Recovery and Assets (INFRA)** (see box 1), a World Bank initiative aimed at providing countercyclical spending on infrastructure and infrastructure maintenance in developing countries.

Taking part in international debates to tackle the crisis and reflect on development policies

Events, workshops and conferences attended and organised by the Bank throughout 2009 primarily focused on ways of tailoring and coordinating development finance in the best possible manner to mitigate the effects of the global financial crisis.

Meeting with the ACP Committee of Ambassadors, Luxembourg

Forums such as the IMF/IBRD and AfDB annual meetings – reinforcing cooperation between the World Bank and the EC – and the Making Finance Work for Africa (MFW4A) partnership[17] were paramount in refining possible responses to the financial crisis (see box 1) and launching:

- the Joint International Financial Institutions (IFI)/ Development Finance Institutions (DFI) Action Plan for Private Sector Development in Africa;
- the **Africa Bank Capitalisation Fund** – a joint DFI response to combat the adverse effects of the financial crisis on African banks and address any potential systemic risks; and
- the global **Microfinance Enhancement Facility** (see p. 35), alongside other investors such as the IFC and KfW, providing liquidity support to microfinance institutions.

Throughout the year, the Bank attended and hosted events and workshops to raise awareness of the IF and the Bank's mandate in the ACPs, OCTs and RSA. The presentation of the IF Annual Report to the ACP Committee of Ambassadors, which will be repeated on a regular basis, took place in the new EIB premises in Luxembourg and led to fruitful discussions.

The EIB participated once again in the annual European Development Days held in Stockholm. The themes of the 2009 event were democracy, adapting to climate change, promoting energy efficiency and the global recession. EIB staff were represented at the event in various panels and meetings covering a range of issues from green growth to aid architecture.

[17] A partnership launched in 2007 to contribute to the development of local financial sectors in ACP countries: http://www.mfw4a.org/

Box 13: Interacting with civil society

The EIB attaches great importance to engaging with civil society and building cooperative relations with its representatives, including non-governmental organisations (NGOs), that take a particular interest in development issues and the Bank's activities in the ACP States.

Active dissemination of information and a constructive dialogue with civil society organisations (CSOs) are essential to improve public knowledge of and trust in the EIB as well as the Bank's ability to respond to public expectations. The EIB acknowledges that CSOs can have a valuable input – given their understanding of local issues – in the development of its policies and activities and provide useful information on projects the Bank is considering financing.

Accordingly, in 2009 the EIB engaged with a number of CSOs regarding mining, oil and gas pipeline and hydropower projects in several African countries. This dialogue included participation in conferences and field trips to meet with CSOs representing people affected by projects financed by the Bank. The EIB also entered over the years into supportive partnerships such as those developed with Transparency International, the International Union for the Conservation of Nature and the Extractive Industry Transparency Initiative.

Public consultations carried out in 2009 included discussions on the Bank's:

- **Complaints Mechanism Principles and Transparency Policy**, which provide EIB stakeholders in ACP States and elsewhere with a procedure enabling the resolution of disputes. The EIB actively seeks contacts with organisations that can help the public and, more specifically, citizens affected by its operations to obtain information about the Bank; and

- the third revision of its **Statement of Environmental and Social Principles and Standards**. The EIB intends to pursue lending in the mining sector on a selective basis and only in countries committed to improving the governance and transparency of their extractive industry. In equity, the Bank invests only in funds with a commitment to make investments in investee companies with full consideration of environmental and social factors in accordance with best international practice.

Both consultations were fuelled by the valuable inputs and interesting feedback from CSOs. In addition, the EIB supports a number of associations, ranging from the Consultative Group to Assist the Poor[1] to the Extractive Industries Transparency Initiative[2].

[1] *http://www.cgap.org/*
[2] *http://eitransparency.org/*

Working together

"Putting our expertise at your service"

The EIB relies on a pool of dedicated professionals to balance financial and economic considerations with a project's expected social and development impact.

EIB head office in Luxembourg and external regional offices in the ACP countries

To carry out its mandate(s), the ACP-IF Department in Luxembourg, in close cooperation with the project promoter, relies on multidisciplinary teams and regional offices. At the end of 2009, a total of 114 full-time staff were assigned/dedicated to ACP/OCT/RSA-related operations throughout the Bank. Tasks carried out at the EIB head office in Luxembourg cover the whole project cycle, from identification to appraisal and actual project implementation and operation.

The presence of staff locally is instrumental in raising the profile of the Bank, notably by attending key events in the region. Through its regional presence, the Bank can more readily visit projects regularly and facilitate communication and cooperation/coordination with project promoters, donors, national authorities, European Commission delegations and civil society. A swift reaction to local needs as they arise contributes to improving the portfolio, often preempting problems and mitigating risks.

By channelling local and regional information to headquarters and promoting enduring close relations with operational divisions in Luxembourg, the regional offices are essential to identify project opportunities and add value at the project development stage.

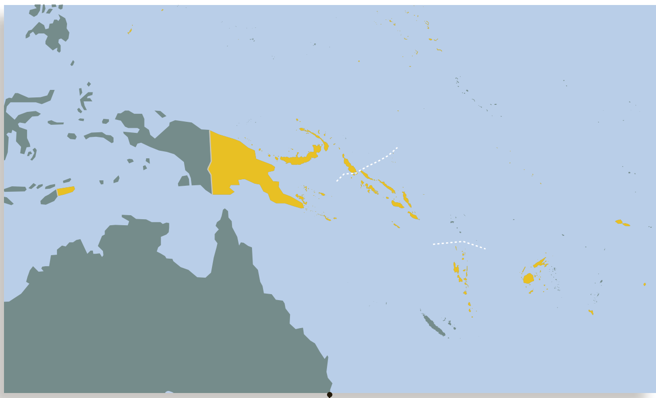
EIB staff on mission, Kenya

EIB staff on mission, Vanuatu

Regional office, Dakar	
Increased visibility and local ties	• Focus on enhancing knowledge on specific infrastructure financing facilities such as the EU Africa Infrastructure Trust Fund and the Water Project Preparation Facility. • EC delegations (Nigeria, Ghana, Burkina Faso, Mali and Senegal), local authorities and multilateral partners, notably in the donor coordination group for infrastructure.
Business development	Strategic focus on the financial sector and energy, adopting a regional approach. The office increased contacts with regional banking groups and was involved in early project development discussions.
Support/ad hoc operations	Project origination and follow-up missions.

Regional office, Tshwane (Pretoria)	
Increased visibility and local ties	• Attending key events such as the North-South Corridor Conference, NEPAD-OECD Africa Investment Initiative, NEPAD Transport Summit. • EC delegations, local authorities, multilateral partners such as the World Bank, COMESA, SADC, IOC.*
Business development	Identification and development of new projects (more than 80% of the region's new approvals), focus on economic integration (ports/corridors, railways, telecoms).
Support/ad hoc operations	Project origination and follow-up missions.

**COMESA: Common Market for Eastern and Southern Africa; SADC: Southern African Development Community; IOC: Indian Ocean Community.*



Regional office, Sydney	
Increased visibility and local ties	• Contributing to the new Cairns Compact objectives, i.e. closer alignment of regional aid efforts and a higher level of development coordination. • EC delegations, local authorities and multilateral partners.
Business development	Identification of a pipeline of projects in various countries Involvement in the signing of loans, mainly to: - the financial sector (lines of credits to financial intermediaries) and, indirectly, local SMEs; - the renewable energy sector (wind farm).
Support/ad hoc operations	Project origination and follow-up missions.

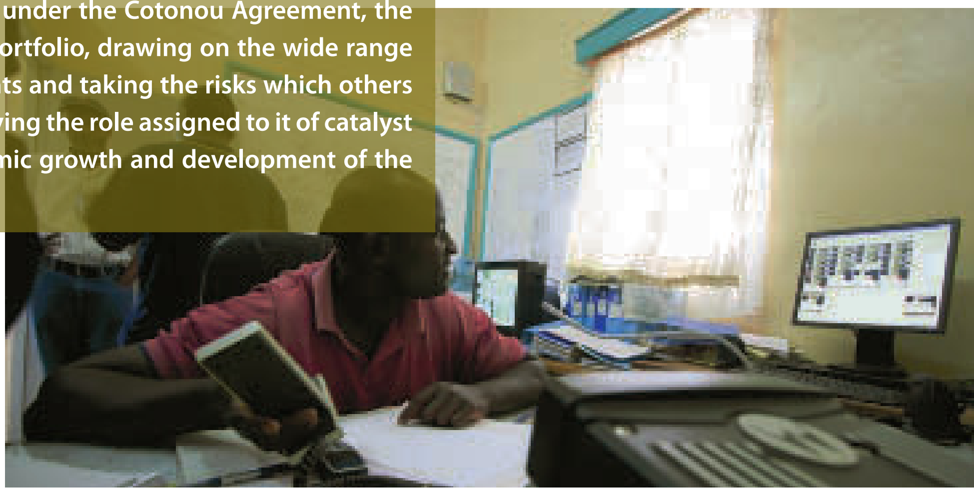
Regional office, Nairobi	
Increased visibility and local ties	• Attending key events and investment conferences in Kenya, Tanzania, Rwanda and Uganda. • EC delegations, local authorities and multilateral partners, notably in the donor coordination groups for the energy, transport and private sectors. • Representing the Bank in various investment funds.
Business development	Identification and preparation of a number of projects in Ethiopia, Kenya and Tanzania (infrastructure and financial sectors).
Support/ad hoc operations	Project origination and follow-up missions (infrastructure projects in Chad, Ethiopia, Kenya and Uganda).

Regional office, Fort-de-France	
Increased visibility and local ties	• Attending key events such as a Special ACP Ministerial Conference on Sugar (Guyana) and a Cariforum-EC Seminar (Antigua and Barbuda). • EC delegations, local authorities and multilateral partners, including the Inter-American Development Bank and the IFC.
Business development	Preparatory discussions, notably on a renewable energy project in the Netherlands Antilles.
Support/ad hoc operations	Project origination and follow-up missions.

Portfolio overview

"A balanced portfolio"

Over its seven years of activity under the Cotonou Agreement, the Bank has built up a balanced portfolio, drawing on the wide range of available financial instruments and taking the risks which others were reluctant to take, thus playing the role assigned to it of catalyst and contributing to the economic growth and development of the ACP partner countries.



Overall figures[18]

		2003	2004	2005	2006	2007	2008	2009	Total
EDF 3 185.50[19]	Approvals	368.9	318.2	476.8	586.0	261.5	338.0	622.5	**2 971.9**
	Signatures	140.2	337.2	351.2	569.6	324.6	336.3	450.1	**2 509.2**
	Disbursements	4.0	93.1	113.7	185.2	329.2	218.0	198.0	**1 141.3**
EIB OR 3 750	Approvals	43.1	47.3	170.0	207.3	550.3	209.0	663.2	**1 890.2**
	Signatures	6.1	62.2	150.9	167.3	431.8	224.8	413.2	**1 456.2**
	Disbursements	0.0	6.7	13.6	86.0	110.6	229.3	180.8	**627.0**

[18] The following sections present a global overview of the portfolio for the ACP and OCT Investment Facility and under the Bank's own resources since the inception of the Cotonou Agreement and OCT Decision in April 2003. The figures do not take into account cancellations.
[19] This amount represents the capital endowment of the Investment Facility provided under the 9th and 10th EDF. Due to its revolving nature, actual commitments will in future years exceed this amount as reflows are reinvested into new financing operations.

The levels of approvals, signatures and disbursements reflect a fairly standard pattern for project financing in the ACP and OCT environment. Discrepancies between the different levels are linked to the nature of operations financed by the EIB, i.e. large operations, often involving co-financiers and complex financial packages. Disbursements tend to lag behind signatures by two to three years. The economic context in which an operation takes place and the current crisis may lead to further delays in a project's implementation.

Portfolio breakdown

Private versus public sector operations

Private sector-led initiatives accounted for 70% of the signed portfolio, reflecting the Bank's objective of fostering private sector development and economic growth. Following the introduction of new modalities for OR lending in the ACPs in 2007, a larger share of IF resources was gradually allocated to private sector operations, reaching 99% of signed commitments in 2009, whilst an additional share of public sector operations was supported through OR.

ACPs and OCTs Amounts in EUR m	IF		OR		IF + OR (%)	
	public	private	public	private	public	private
Signatures	480	2030	713	743	1 193	2 773
	19%	81%	49%	51%	30%	70%

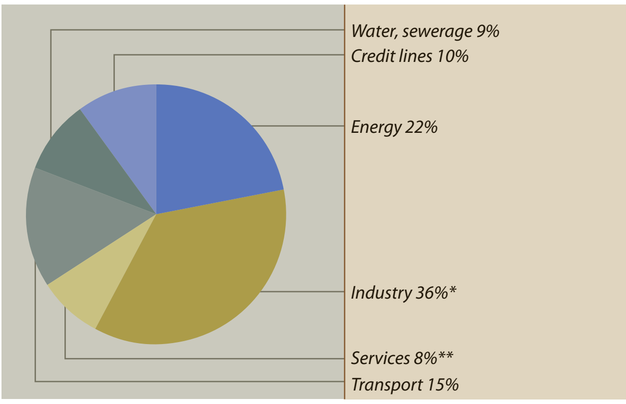
MRM plant and training institute

Breakdown by sector

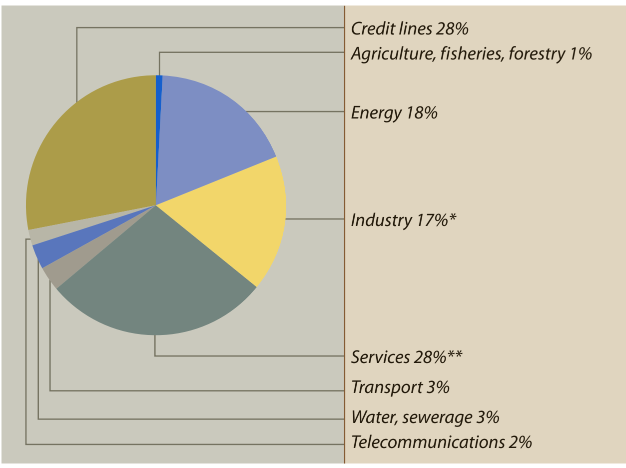
In line with the orientations and objectives of the Cotonou Agreement and the OCT Decision, over the years the Bank's lending activity has remained focused on infrastructure and financial sector development.

The breakdown of own resources and IF operations differs as operations carried out under the IF are mainly directed at the financial sector (credit lines) and services, while own resources operations focus mainly on industrial undertakings and infrastructure, notably energy and transport projects.

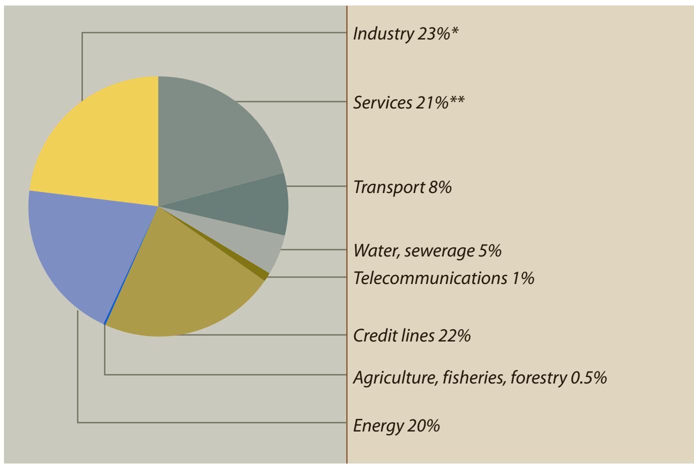
OR cumulative signatures



IF cumulative signatures



OR and IF cumulative signatures



* includes mining.
** includes financial services (equity investments in funds, agency agreements) and tourism (hotels).

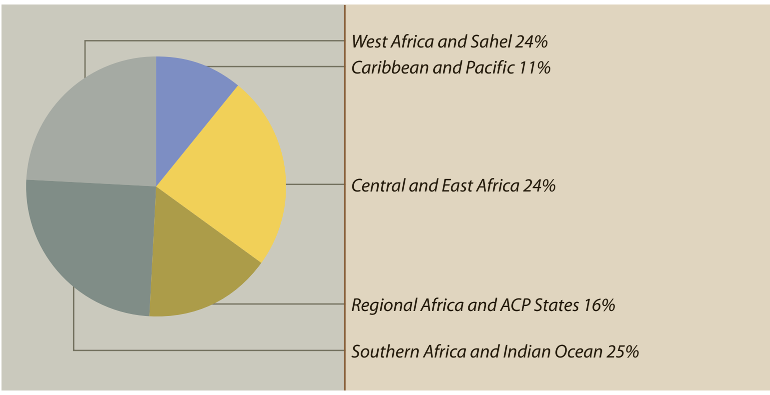
Geographical breakdown

So far, financing has been provided to 53 ACP countries and OCTs, either directly or through lines of credit.

The substantial proportion of regional projects, notably in the financial or related sectors, has been very effective in enabling a large number of ACP countries and OCTs to benefit from EIB funding.

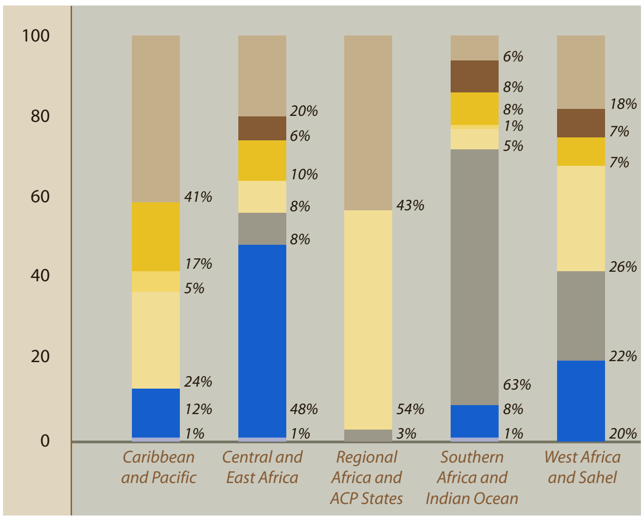
The Bank adapts to the specificities of each regional grouping. Accordingly, the chart below depicts the different regional economic structures and priorities, whether it be industrial undertakings for Southern Africa, energy projects in Central and East Africa or SME and microfinance support in the Caribbean and Pacific region.

OR and IF cumulative signatures



OR and IF cumulative signatures (by sector and region)

Agriculture, fisheries, forestry
Energy
*Industry**
*Services***
Telecommunications
Transport
Water, sewerage
Credit lines



* Industry includes mining.
** Services includes financial services (equity investments in funds, agency agreements) and tourism (hotels).

Financial instrument

The breakdown of financial instruments continues to evolve over time, with IF risk-bearing financial instruments gradually accounting for a growing number of operations.

If we take cumulative signatures, senior loans constitute the bulk of the portfolio in terms of volume. Such loans mainly concern large infrastructure or industrial projects, for which lending volumes are more significant than those involving equity or quasi-equity.

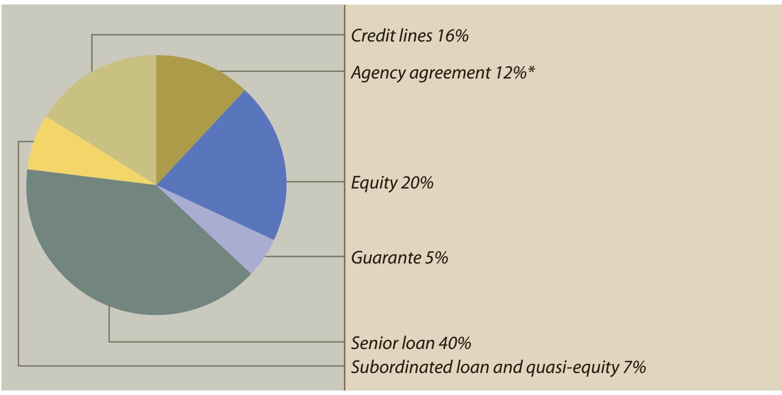
Credit lines, consisting of indirect financing via financial intermediaries, account for a significant share of the portfolio. Such operations encourage the development of local financial markets and local SMEs.

Over the years the share of subordinated and conditional loans, as well as quasi-equity and equity instruments (provided for by the IF), has increased.

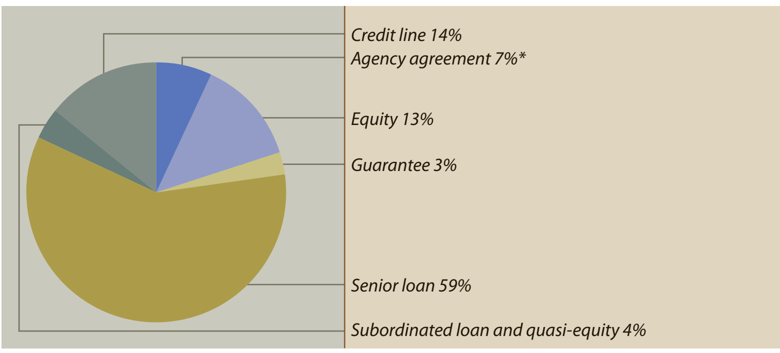
The appetite for long-term financing in local currencies remains, with Uganda, Kenya and the Dominican Republic making the biggest use of currency operations.

Guarantees, which to date include local currency loans and bond guarantees, are gradually being developed.

IF cumulative signatures

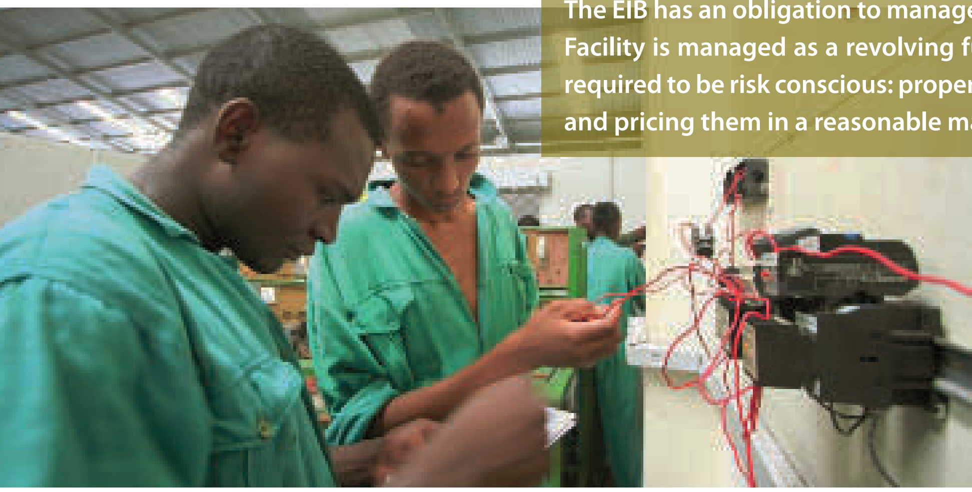


OR and IF cumulative signatures



* EFP Framework Agreement

Sustainability



The EIB has an obligation to manage the IF in a responsible way. The Facility is managed as a revolving fund. In that respect, the Bank is required to be risk conscious: properly assessing and mitigating risks and pricing them in a reasonable manner.

Risk profile

The response to the crisis entails taking – temporarily – more risks in areas where commercial funding is more limited. To counter the higher credit risk embedded in new operations, as well as the possible negative repercussions of the crisis on our existing counterparties, a watchlist of potentially risky operations is regularly updated. The Bank's internal monitoring activity has been strengthened accordingly.

At the end of 2009, the bulk of the IF portfolio was characterised by a concentration of operations at so-called "satisfactory" and "acceptable" risk levels. Prudential limits relating to foreign exchange and high-risk instruments were complied with in spite of growing levels of provisioning, which is directly related to the effects of the global crisis in developing countries, notably in the mining sector.

The quality of the portfolio is assured by selective, early-stage project screening, regular monitoring of the Bank's operations and ex post evaluations.

Reflows

Reflows are key to ensuring the long-term sustainability of the IF (excluding interest rate subsidies), as they will enable further commitments to be made, exceeding the EU Member States' capital contribution of EUR 3 185m. The objective is to ensure that the IF can sustain a yearly level of EUR 450m. From a cash perspective, reflows are accounted for before drawing on further cash contributions from Member States.

At the end of 2009 accumulated reflows stood at EUR 380m, of which EUR 110m for 2009 alone. Principal repayments on loans, interest income, sales of shares and dividend income on ongoing projects account for the bulk of this figure.

Box 14: Dealing with challenging projects

Mozambique — Ecocimento Fibre Cement (2006)
Source of funding IF: EUR 1.30m, including a EUR 0.157m subsidy

In 2006, an IF-subsidised loan was extended to Ecocimento Fibre Cement to support the conversion of its plant from asbestos[1] to clean-fibre cement. The project concentrated on the environmental decontamination and upgrading of the site. Unfortunately, sourcing local raw materials proved to be challenging, putting the company in a difficult financial situation. Lack of cash flow pushed the promoter to reach out to new financial partners and to review its business plan and funding options. In 2009, new shareholders joined the company, bringing in the necessary additional funds to revamp the project. The new shareholders are also in the process of fully repaying the EIB loan.

Zambia- Lumwana (2006)
Source of funding IF: EUR 67m and OR: EUR 18m

The exploitation of an indigenous natural resource – copper – thereby creating local employment, developing local skills, increasing Zambia's export earnings and generating tax revenues for the country, were key drivers behind the Bank's involvement in the Lumwana project. The Bank provided initial assistance to the project by co-financing a feasibility study and relied on a mix of risk-bearing financial instruments to support the development of a large-scale copper mine with two open pits, a copper ore-processing plant and related infrastructure, including the first new town development since Zambia's independence in 1964. The cyclical nature of copper prices and a combination of adverse events and performance hurdles slowed down the ramp-up of the mine's production. However, active measures are being taken by the management team of Lumwana to address these challenges. The mine planning was reviewed and productivity improvements are being achieved on the ground, resulting in a 23% increase in copper concentrate production over the second half of 2009.

[1] *Asbestos cement is a composite material used for various applications, notably as a building material, and is currently considered to be "hazardous" in most countries.*

Outlook for 2010

"Committed to performance"

In accordance with our expertise, helping countries to cope with the crisis

The Bank will prioritise the identification and launch of projects and initiatives pertaining to:

- the infrastructure sector, in particular challenging cross-border and regional trade corridors, keeping climate change-related activities in the spotlight. A Caribbean Trust Fund, along the lines of the EU-Africa Infrastructure Trust Fund, could also be initiated. Extending this approach further, the EU Commission and multilateral and regional partners could join the Pacific Regional Infrastructure Facility (PRIF), thereby contributing to harmonising the delivery of financial support for the development of infrastructure in the region;
- financial sector development, with equity and microfinance playing a key role. Initiatives targeting SMEs and the enhancement of local capital and financial markets will also remain centre stage;
- public sector investment, a provider of basic infrastructure, which is crucial for attaining the MDGs;
- climate change, whether energy efficiency projects or adjustment to climate change.

The Bank will increasingly rely on equity, guarantees, infrastructure framework loans and technical assistance.

Taking cooperation a step further

The Bank will proactively take part in initiatives aimed at blending grant and loan funding, thereby helping to support projects that will result in bankable and sustainable undertakings. The Bank will collaborate with the European Commission, increasing the efficiency of financial cooperation mechanisms.

Interinstitutional cooperation will be pursued, notably delegated cooperation undertakings with other peer institutions, IFIs and EDFIs.

Embracing change

The mid-term review of all the EIB's external mandates and evaluation of the Investment Facility and EIB own resources operations in ACP countries and the OCTs will impact the way the EIB operates. Accordingly, the EIB is actively gearing up to face the various challenges ahead, in particular through the forthcoming reorganisation of its ACP lending department. Reinforcement of the Bank's presence in the field is also being considered.

Box 15: Post-tsunami assistance: a swift and coordinated reaction

A tsunami struck Samoa last September, devastating its south-eastern shore. The tsunami damaged infrastructure – roads, houses, schools, power and water facilities – inflicting a heavy social and economic toll on one of the country's most vulnerable regions.

The Bank, an active development finance partner in the region, decided to support the reconstruction efforts following the natural disaster by swiftly putting in place a EUR 5m IF credit line for the Development Bank of Samoa (DBS), under the framework of the Pacific Islands Finance Facility (PIFF II). Finalisation of the legal arrangements is due to take place in the first few weeks of 2010.

By providing a significant source of long-term finance to small and medium-sized enterprises, this line of credit will support the private sector, thereby helping to restore the country's economic activity and employment. The operation, taking place in a post-natural disaster context, will benefit from an interest subsidy.

The initiative is being carried out in close cooperation with the Government of Samoa and in coordination with the European Commission, complementing the latter's emergency assistance to the country.

Supporting reconstruction efforts

Financial review

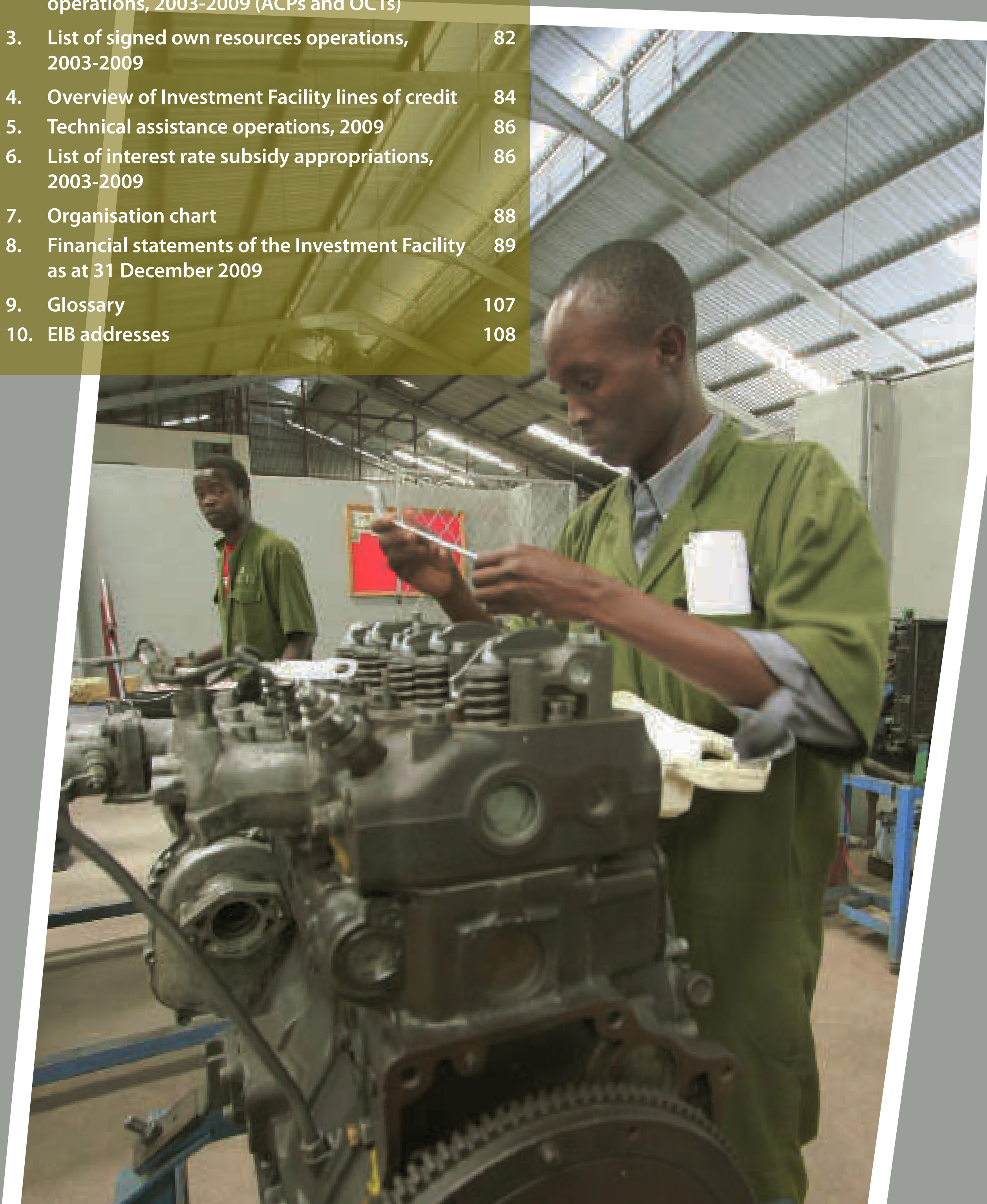
The 2009 financial year continued to be marked by the impact of the global economic downturn on ACP economies. Despite signs of stabilisation during the second half of the year, the Bank remained cautious in its approach to the year-end review of the IF portfolio and subsequent valuation of individual investments, notably those in the mining sector, where the trend of increased commodity prices remains to be confirmed.

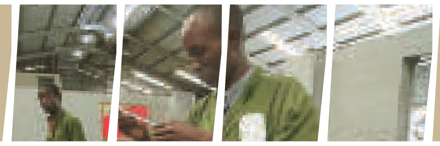
The 2009 allowance for impairment stood at EUR 44.4m and concerned mainly operations in the mining and tourism sectors as well as small-scale industrial projects, which tend to be more susceptible to the negative impact of adverse market conditions. Considering the difficult environment in which the IF operates, the current level of provisioning, equivalent to some 12.5% of the outstanding portfolio, is considered reasonable. On the revenue side, 2009 was characterised by lower interest income – on both treasury and the outstanding portfolio – in line with overall market trends and declining interest rates during the period under review. Net administrative expenses stood at EUR 36.4m, up by only 2% from 2008. The combined effect of impairment and the need for the IF to absorb in full for the first time the cost of the Bank's management fee resulted in a net loss for the second consecutive year, equivalent to EUR 21.6m, compared to EUR 26.3m in 2008. The consequent decrease in retained earnings was partly offset by an increase in the fair value reserve to EUR 19.7m, reflecting the encouraging prospects of the IF portfolio, invested in venture capital and similar vehicles. Assuming a gradual recovery during 2010 and a sustained effort by the Bank's team to apply stringent monitoring of the IF portfolio, the outlook for the year to come is more favourable.

Total assets rose by 12.6% to EUR 1 289m, the bulk of which consisted of outstanding loans and receivables totalling EUR 693.4m at year-end, bearing in mind, however, significant growth in the IF equity portfolio, which was up by 27% to EUR 165m. A significant portion – nearly 45% – of disbursements on loans and equity investments were financed from IF portfolio reflows from previous operations.

The full IF financial statements as well as related notes are presented in Annex 8.

Annexes





1. List of ACP countries and OCTs

Africa

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

Caribbean

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

Pacific

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

OCTs

- Anguilla
- Aruba
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands
- Falkland Islands
- French Polynesia
- French Southern and Antarctic Lands
- Greenland
- Mayotte
- Montserrat
- Netherlands Antilles
- New Caledonia
- Pitcairn Islands
- Saint Helena
- Saint Pierre and Miquelon
- South Georgia and the South Sandwich Islands
- Turks and Caicos Islands
- Wallis and Futuna

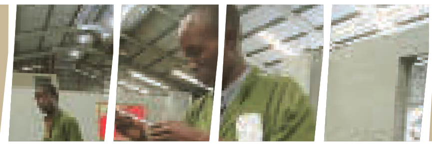
* *ACP countries not signatory to the Cotonou Partnership Agreement.*

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

2. Investment Facility portfolio of signed operations 2003-2009 (ACPs and OCTs)

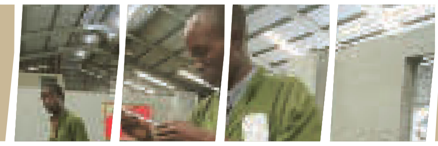
ACP States					
Contract name	**Region/Country**	**Sector**	**Nature of operation**	**Private or public sector**	**Signed amount in EUR m**
2003					
AFRICAN BANKS HOLDINGS, LLC	Regional - Africa	Services	Equity	Private	30.00
AUREOS EAST AFRICA FUND	Regional - East Africa	Services	Equity	Private	6.80
AUREOS SOUTHERN AFRICA VENTURE CAPITAL	Regional - Southern Africa	Services	Equity	Private	10.50
AUREOS WEST AFRICA FUND	Regional - West Africa	Services	Equity	Private	8.75
BEL OMBRE HOTEL B (SUBORDINATED LOAN)	Mauritius	Services	Subordinated loan and quasi equity	Private	3.30
BEL OMBRE HOTEL C (INDIRECT EQUITY)	Mauritius	Services	Equity	Private	2.80
DEV. DU SECTEUR PRIVE PG II A CAMEROUN	Cameroon	Credit lines	Credit line *	Private	3.00
DEV. DU SECTEUR PRIVE PG II B CAMEROUN	Cameroon	Credit lines	Credit line *	Private	25.00
EBTR MAURITANIE	Mauritania	Urban infrastructure	Senior loan *	Private	4.00
KANSANSHI COPPER MINE	Zambia	Industry	Subordinated loan and quasi equity	Private	34.00
PG BURKINA FASO CREDIT BAIL II	Burkina Faso	Credit lines	Credit line *	Private	2.00
PG BURKINA FASO II	Burkina Faso	Credit lines	Credit line *	Private	10.00
Sub-total for 2003					**140.15**
2004					
AFRICAN LION MINING FUND II	Regional - ACP	Services	Equity	Private	7.00
BOAD IV B FACILITE DE GARANTIE	Regional - West Africa	Services	Guarantee	Private	25.00
BOAD IV C PRISE DE PARTICIPATION	Regional - West Africa	Services	Equity	Private	4.60
DFCU LEASING GLOBAL LOAN	Uganda	Credit lines	Credit line *	Private	5.00
EDFI EUROPEAN FINANCING PARTNERS (EFP)	Regional - ACP	Services	Agency agreement	Private	90.00
EUROPEAN FINANCING PARTNERS (EFP)	Regional - ACP	Services	Agency agreement	Private	0.01
FABULOUS FLOWERS	Botswana	Agriculture, fisheries, forestry	Subordinated loan and quasi equity	Private	2.00
MAGADI SODA PURE ASH PROJECT / B (IF)	Kenya	Industry	Senior loan	Private	11.37
MAGADI SODA PURE ASH PROJECT / C (IF)	Kenya	Industry	Subordinated loan and quasi equity	Private	1.65
MOMA TITANIUM MINERALS	Mozambique	Industry	Senior loan	Private	15.00
MOMA TITANIUM MINERALS	Mozambique	Industry	Subordinated loan and quasi equity	Private	40.00
MOZ/RSA NATURAL GAS-UPSTREAM COMPONENT	Mozambique	Energy	Senior loan	Public	10.00
NIGERIA GLOBAL LOAN	Nigeria	Credit lines	Credit line	Private	50.00
NOVOTEL DENARAU PROJECT (IF)	Fiji	Services	Equity	Private	5.00
PRET GLOBAL II (GABON)	Gabon	Credit lines	Credit line *	Private	6.50

** in local currency*



Contract name	Region/Country	Sector	Nature of operation	Private or public sector	Signed amount in EUR m
PRET GLOBAL II (GABON) B	Gabon	Credit lines	Credit line *	Private	3.50
SAMOA VENTURE CAPITAL FUND	Samoa	Services	Equity	Private	0.35
SHORECAP INTERNATIONAL LTD (SCI)	Regional - ACP	Services	Equity	Private	2.50
SNIM VII	Mauritania	Energy	Senior loan	Private	22.50
SONABEL III	Burkina Faso	Energy	Senior loan	Public	15.25
WESTIN ROCO KI BEACH AND GOLF RESORT	Dominican Republic	Services	Subordinated loan and quasi equity	Private	20.00
Sub-total for 2004					**337.23**
2005					
ALBION RESORT MAURITIUS B	Mauritius	Services	Equity	Private	5.00
AQUALMA III	Madagascar	Agriculture, fisheries, forestry	Senior loan	Private	5.00
BANQUE REGIONALE DES MARCHES B	Regional - West Africa	Services	Equity	Private	0.61
BIMAO	Regional - West Africa	Services	Guarantee *	Private	5.00
CAPE FUND II	Regional - West Africa	Services	Equity	Private	11.90
CAP VERT - SECTEUR FINANCIER PG II	Cape Verde	Credit lines	Credit line	Private	8.00
CLICO GLOBAL LOAN	Trinidad and Tobago	Credit lines	Credit line	Private	20.00
COMPAGNIE SUCRIERE DU TCHAD	Chad	Industry	Guarantee	Private	11.80
DANGOTE CEMENT - C	Nigeria	Industry	Senior loan	Private	33.06
DEVELOPMENT FINANCE LIMITED IX	Trinidad and Tobago	Credit lines	Credit line	Private	7.00
ETUDE EL AOUJ	Mauritania	Industry	Equity	Private	5.00
GILGEL GIBE II HYDROPOWER PLANT	Ethiopia	Energy	Senior loan	Public	50.00
GRENLEC III PROJECT	Grenada	Energy	Senior loan	Private	5.00
KPLC GRID DEVELOPMENT	Kenya	Energy	Senior loan	Public	43.00
LA FAYETTE INVESTISSEMENTS 5LFI)	Regional - ACP	Services	Equity	Private	3.50
LIAISON MARITIME DAKAR-ZIGUINCHOR	Senegal	Transport	Senior loan	Public	10.00
MOMA TITANIUM C	Mozambique	Industry	Subordinated loan and quasi equity	Private	2.75
MOPANI COPPER PROJECT	Zambia	Industry	Senior loan	Private	48.00
NIGER - PG SECTEUR FINANCIER II	Niger	Credit lines	Credit line *	Private	8.00
OLKARIA II EXTENSION	Kenya	Energy	Senior loan	Public	32.50
PACIFIC ISLANDS FINANCING FACILITY	Regional - Pacific	Credit lines	Credit line	Private	7.00
PACIFIC ISLANDS FINANCING FACILITY B	Regional - Pacific	Credit lines	Credit line	Private	6.00
SEPH-NOUADHIBOU	Mauritania	Agriculture, fisheries, forestry	Senior loan	Private	2.50
SEPH-NOUADHIBOU	Mauritania	Industry	Senior loan	Private	2.50
VRA VII	Ghana	Energy	Senior loan	Public	10.50
ZESCO KARIBA NORTH II	Zambia	Energy	Senior loan	Public	7.60
Sub-total for 2005					**351.22**

Contract name	Region/Country	Sector	Nature of operation	Private or public sector	Signed amount in EUR m
2006					
ACCESS MICROFINANCE HOLDING	Regional - ACP	Services	Equity	Private	3.46
ADEMI V	Dominican Republic	Services	Equity	Private	0.23
ADEMI V B	Dominican Republic	Credit lines	Credit line *	Private	3.00
AES SONEL-ELECTRICITY SUPPLY	Cameroon	Energy	Senior loan	Private	55.00
AES SONEL-ELECTRICITY SUPPLY B	Cameroon	Energy	Senior loan	Private	10.00
ALBION RESORT MAURITIUS	Mauritius	Services	Senior loan	Private	14.00
AMENAGEMENT HYDROELECTRIQUE DE FELOU	Regional - West Africa	Energy	Senior loan	Public	11.00
AMENAGEMENT HYDROELECTRIQUE DE FELOU B	Regional - West Africa	Energy	Senior loan	Public	11.00
AMENAGEMENT HYDROELECTRIQUE DE FELOU C	Regional - West Africa	Energy	Senior loan	Public	11.00
ASTRUM TRAVEL HELICOPTER SERVICES	Belize	Transport	Senior loan	Private	3.74
BDEAC PRET GLOBAL III	Regional - Central Africa	Credit lines	Credit line	Private	15.00
BDEAC PRET GLOBAL III B	Regional - Central Africa	Services	Guarantee	Private	5.00
BPI KENYA SME FUND	Kenya	Services	Equity	Private	4.24
BPI MADAGASCAR SME FUND	Madagascar	Services	Equity	Private	2.00
CARIBBEAN DEV BANK IV B	Regional - Caribbean	Services	Guarantee	Private	20.00
DFCU LEASING GLOBAL LOAN II	Uganda	Credit lines	Credit line *	Private	10.00
EADB REGIONAL FINANCE FACILITY	Regional - East Africa	Credit lines	Credit line	Private	25.00
ECOCIMENTO FIBRE CEMENT	Mozambique	Industry	Senior loan	Private	1.30
EDFI EUROPEAN FINANCING PARTNERS II	Regional - ACP	Credit lines	Agency agreement	Private	90.00
EDFI EUROPEAN FINANCING PARTNERS II B	Regional - ACP	Services	Agency agreement	Private	5.00
EDFI EUROPEAN FINANCING PARTNERS II C	Regional - ACP	Services	Agency agreement	Private	5.00
EMP AFRICA FUND II	Regional - Africa	Services	Equity	Private	40.00
FIRST BANK OF NIGERIA	Nigeria	Services	Senior loan	Private	35.00
FIRST BANK OF NIGERIA B	Nigeria	Services	Senior loan	Private	15.00
GHANA FINANCIAL SECTOR GLOBAL LOAN II B	Ghana	Credit lines	Credit line	Private	15.00
I & P	Regional - Africa	Services	Equity	Private	3.25
KOLOMBANGARA FOREST PROJECT	Solomon Islands	Agriculture, fisheries, forestry	Senior loan	Private	3.50
KOUILOU MAGNESIUM PHASE I	Congo	Industry	Subordinated loan and quasi equity	Private	13.00
KULA FUND II	Regional - Pacific	Services	Equity	Private	4.40
LUMWANA COPPER PROJECT A	Zambia	Industry	Subordinated loan and quasi equity	Private	48.00
LUMWANA COPPER PROJECT B	Zambia	Industry	Senior loan	Private	19.00
MAPUTO WATER SUPPLY	Mozambique	Water, sewerage	Senior loan	Public	31.00
NAMIBIA - OLD MUTUAL MIDINA FUND	Namibia	Credit lines	Credit line	Public	4.00
PACIFIC ISLANDS FINANCING FACILITY II	Regional - Pacific	Credit lines	Credit line	Private	5.00
RW - GL II PRIVATE SECTOR SUPPORT A	Rwanda	Credit lines	Credit line *	Private	3.00



Contract name	Region/Country	Sector	Nature of operation	Private or public sector	Signed amount in EUR m
SMALL ENTERPRISES GLOBAL LOAN	Dominican Republic	Credit lines	Credit line *	Private	4.00
SMALL TOWN WATER & SANITATION PROGRAMME	Ethiopia	Water, sewerage	Senior loan	Public	16.50
SOCIETE GENERALE MAURITANIE	Mauritania	Services	Equity	Private	5.00
Sub-total for 2006					569.62
2007					
ACCORD CADRE GARANTIE AFRIQUE CENTRALE	Regional - Central Africa	Services	Guarantee *	Private	50.00
ADEMI V C	Dominican Republic	Services	Equity *	Private	0.52
AFRICAP II	Regional - Africa	Services	Equity	Private	5.00
AIC CARIBBEAN FUND BARBADOS	Regional - Caribbean	Services	Equity	Private	45.00
BUJAGALI HYDROELECTRIC PROJECT	Uganda	Energy	Senior loan	Public	98.50
CAPITAL FINANCIAL HOLDING	Regional - Central Africa	Services	Equity	Private	5.00
CLICO GLOBAL LOAN B	Trinidad and Tobago	Credit lines	Credit line	Private	10.00
I&P CAPITAL II INVESTMENT FUND	Regional - Indian Ocean	Services	Equity	Private	4.61
MARTIN S DRIFT KIMBERLITE PROJECT	Botswana	Industry	Senior loan	Private	5.00
MICROCRED (PLANET BANK)	Regional - Africa	Services	Equity	Private	3.00
PACIFIC ISLANDS FINANCING FACILITY II B	Regional - Pacific	Credit lines	Credit line	Private	2.00
PEFF-UGANDA	Uganda	Credit lines	Credit line *	Private	30.00
PRET GLOBAL III (GABON)	Gabon	Credit lines	Credit line *	Private	7.00
PRET GLOBAL PRO-PME II	Cameroon	Credit lines	Credit line *	Private	4.00
PRIVATE ENTERPRISE FINANCE FACILITY	Kenya	Credit lines	Credit line *	Private	20.00
RURAL IMPULSE MICROFINANCE FUND (EQUITY)	Regional - ACP	Services	Equity	Private	1.30
RURAL IMPULSE MICROFINANCE FUND MEZZ	Regional - ACP	Services	Equity	Private	1.70
RW - GL II PRIVATE SECTOR SUPPORT B	Rwanda	Credit lines	Credit line *	Private	7.00
TVCABO MULTIMEDIA	Angola	Telecommunications	Senior loan	Private	15.00
Sub-total for 2007					314.63
2008					
JIRAMA WATER II (MADAGASCAR)	Madagascar	Water, sewerage	Senior loan	Public	23.50
MALAWI GLOBAL LOAN III	Malawi	Credit lines	Credit line	Private	15.00
DERBA MIDROC CEMENT COMPANY	Ethiopia	Industry	Senior loan	Private	29.05
AFRICAN LION MINING FUND III	Regional - Africa	Services	Equity	Private	11.00
ATLANTIC COAST REGIONAL FUND	Regional - Africa	Services	Equity	Private	15.00
ACCESS BANK LIBERIA	Liberia	Services	Equity	Private	1.00
DR FINANCING FACILITY	Dominican Republic	Credit lines	Credit line*	Private	5.00
DR FINANCING FACILITY B	Dominican Republic	Credit lines	Credit line*	Private	10.00
DR FINANCING FACILITY C	Dominican Republic	Credit lines	Credit line*	Private	3.50
AUREOS AFRICA FUND	Regional - Africa	Services	Equity	Private	27.00
ADLEVO CAPITAL AFRICA	Regional - Africa	Services	Equity	Private	15.00
PMND C (DIGICEL TONGA)	Regional - Pacific	Telecommunications	Senior loan	Private	3.90

Contract name	Region/Country	Sector	Nature of operation	Private or public sector	Signed amount in EUR m
PMND B (DIGICEL VANUATU)	Regional - Pacific	Telecommunications	Senior loan	Private	4.80
PMND (DIGICEL SAMOA)	Regional - Pacific	Telecommunications	Senior loan	Private	3.70
PMND D (DIGICEL FIJI)	Regional - Pacific	Telecommunications	Senior loan	Private	10.70
CAPITAL INVESTMENT LINE GL III	Zambia	Credit lines	Credit line	Private	20.00
INGA POWER REHABILITATION B	Congo (Democratic Republic)	Energy	Senior loan	Private	55.00
SMALL ENTERPRISES GLOBAL LOAN B	Dominican Republic	Services	Equity*	Private	1.00
NFC FORESTRY PROJECT	Uganda	Agriculture, fisheries, forestry	Senior loan	Private	5.00
NIGER - PG SECTEUR FINANCIER III	Niger	Credit lines	Credit line*	Private	8.00
AFRICINVEST FUND II LLC	Regional - Africa	Services	Equity	Private	20.00
NORMAN MANLEY INTERNATIONAL AIRPORT	Jamaica	Transport	Senior loan	Public	35.00
SOCIETE DES PLANTATIONS DE MBANGA	Cameroon	Agriculture, fisheries, forestry	Senior loan	Private	4.10
Sub-total for 2008					**326.25**
2009					
LEAPFROG MICROINSURANCE INVESTMENTS	Regional - ACP	Services	Equity	Private	20.00
EDFI EUROPEAN FINANCING PARTNERS III	Regional - ACP	Credit lines	Agency agreement	Private	90.00
EDFI EUROPEAN FINANCING PARTNERS III B	Regional - ACP	Services	Agency agreement	Private	5.00
EDFI EUROPEAN FINANCING PARTNERS III C	Regional - ACP	Services	Agency agreement	Private	5.00
CAPE III	Regional - West Africa	Services	Equity	Private	30.00
BANQUE DE DEPOT ET DE CREDIT DJIBOUTI	Djibouti	Services	Equity	Private	2.00
PAN-AFRICAN INVESTMENT PARTNERS II LTD	Regional - Africa	Services	Equity	Private	32.00
GROFIN AFRICA FUND	Regional - Africa	Services	Equity	Private	20.00
BDEAC PRET GLOBAL IV	Regional - Central Africa	Credit lines	Credit line	Private	25.00
MICROFINANCE ENHANCEMENT FACILITY	Regional - ACP	Services	Equity	Private	50.00
RWANDA GL III - PRIVATE SECTOR SUPPORT	Rwanda	Credit lines	Credit line*	Private	5.00
UNELCO WIND POWER	Vanuatu	Energy	Senior loan	Private	4.30
PACIFIC ISLANDS FINANCING FACILITY II C	Regional - Pacific	Credit lines	Credit line	Private	3.00
FIPA - ANGOLA PRIVATE EQUITY FUND	Angola	Services	Equity	Private	5.00
OLKARIA II EXTENSION B	Kenya	Energy	Senior loan	Public	4.30
SNIM GUELB II	Mauritania	Industry	Senior loan	Private	75.00
MICROCRED II	Regional - ACP	Services	Equity	Private	2.00
BTA TOLL ROAD	Dominican Republic	Transport	Senior loan	Private	32.00
ADVANS SA SICAR II	Regional - ACP	Services	Equity	Private	6.00
BANK OF SAINT LUCIA GLOBAL LOAN II	Saint Lucia	Credit lines	Credit line	Private	10.50

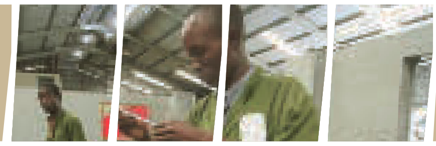
Contract name	Region/Country	Sector	Nature of operation	Private or public sector	Signed amount in EUR m
SHORECAP II	Regional - Africa	Services	Equity	Private	15.00
AGRI-VIE FUND PCC	Regional - Africa	Services	Equity	Private	9.00
Sub-total for 2009					**450.10**
TOTAL					**2 489.20**

OCT					
Contract name	**Region/Country**	**Sector**	**Nature of operation**	**Private or public sector**	**Signed amount in EUR m**
2007					
BCI - LIGNE DE CREDIT ENVIRONNEMENTALE	New Caledonia	Credit lines	Credit line	Private	5.00
SOCREDO LIGNE DE CREDIT ENVIRONNEMENT	French Polynesia	Credit lines	Credit line	Private	5.00
Sub-total for 2007					**10.00**
2008					
OCT FINANCING FACILITY	Regional - OCT	Credit lines	Credit line	Private	10.00
Sub-total for 2008					**10.00**
TOTAL					**20.00**

Microfinance, Support for Autonomous Development (ADA)

3. List of signed own resources operations, 2003-2009

ACP States					
Contract name	**Region/Country**	**Sector**	**Nature of operation**	**Private or public sector**	**Signed amount in EUR m**
2003					
BEL OMBRE HOTEL A (SENIOR LOAN)	Mauritius	Services	Senior loan	Private	6.10
Sub-total for 2003					**6.10**
2004					
BOAD PG IV A	Regional - West Africa	Credit lines	Senior loan	Private	25.00
MAGADI SODA PURE ASH PROJECT / A	Kenya	Industry	Senior loan	Private	8.93
MAURITIUS CONTAINER TERMINAL II	Mauritius	Transport	Senior loan	Public	14.00
NOVOTEL DENARAU PROJECT	Fiji	Services	Senior loan	Private	6.00
VINLEC IV	Saint Vincent and Grenadines	Energy	Senior loan	Public	8.30
Sub-total for 2004					**62.23**
2005					
CARIBBEAN DEV BANK III FACILITY	Regional - Caribbean	Credit lines	Senior loan	Public	40.00
DANGOTE CEMENT - A	Nigeria	Industry	Senior loan	Private	57.85
DANGOTE CEMENT - B	Nigeria	Industry	Senior loan	Private	33.06
SBM GLOBAL LOAN	Mauritius	Credit lines	Senior loan	Private	20.00
Sub-total for 2005					**150.91**
2006					
BLPC IV WIND POWER	Barbados	Energy	Senior loan	Private	9.75
FIJI POWER	Fiji	Energy	Senior loan	Public	24.50
GHANA FINANCIAL SECTOR GLOBAL LOAN II C	Ghana	Credit lines	Senior loan	Private	40.00
LUMWANA COPPER PROJECT C	Zambia	Industry	Senior loan	Private	18.00
WEST AFRICAN GAS PIPELINE (WAGP)	Ghana	Energy	Senior loan	Public	75.00
Sub-total for 2006					**167.25**
2007					
AMBATOVY NICKEL PROJECT	Madagascar	Industry	Senior loan	Private	260.00
ECOBANK REGIONAL FACILITY	Regional - West Africa	Services	Senior loan	Private	50.00
INTERCONTINENTAL BANK	Nigeria	Services	Senior loan	Private	50.00
MASERU WASTEWATER PROJECT	Lesotho	Water, sewerage	Senior loan	Public	14.30
MUNALI NICKEL PROJECT	Zambia	Industry	Senior loan	Private	29.51
PROGRAMME EAU SENEGAL	Senegal	Water, sewerage	Senior loan	Public	15.00
SONEB-ALIMENTATION EN EAU URBAINE	Benin	Water, sewerage	Senior loan	Public	13.00
Sub-total for 2007					**431.81**
2008					
JIRAMA ANDEKALEKA HYDRO	Madagascar	Energy	Senior loan	Public	24.50
AEP OUAGADOUGOU II	Burkina Faso	Water, sewerage	Senior loan	Public	18.50



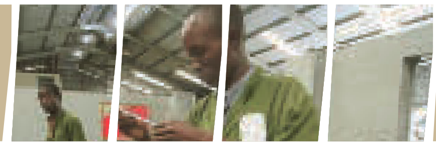
Contract name	Region/Country	Sector	Nature of operation	Private or public sector	Signed amount in EUR m
PORTS OF CAPE VERDE	Cape Verde	Transport	Senior loan	Public	47.00
INGA POWER REHABILITATION A	Congo (Democratic Republic)	Energy	Senior loan	Public	55.00
MALAWI PERI-URBAN WATER & SANITATION	Malawi	Water, sewerage	Senior loan	Public	15.75
CAPRIVI INTERCONNECTOR PROJECT	Namibia	Energy	Senior loan	Public	35.00
DFL REGIONAL SME	Regional - Caribbean	Credit lines	Senior loan	Private	9.00
ASSAINISSEMENT DAKAR	Senegal	Water, sewerage		Public	20.00
Sub-total for 2008					224.75
2009					
BEIRA CORRIDOR (PORT COMPONENT)	Mozambique	Transport	Senior loan	Public	65.00
MAURITIUS SUGAR INDUSTRY REFORM	Mauritius	Industry	Senior loan	Private	13.00
MAURITIUS SUGAR INDUSTRY REFORM PROJECT B	Mauritius	Industry	Senior loan	Private	15.00
OHORONGO CEMENT NAMIBIA	Namibia	Industry	Senior loan	Private	82.30
JKIA UPGRADING AND REHABILITATION	Kenya	Transport	Senior loan	Public	63.87
MOMBASA-NAIROBI TRANSMISSION LINE	Kenya	Energy	Senior loan	Public	60.00
BENIN-TOGO POWER REHABILITATION (BENIN)	Benin	Energy	Senior loan	Public	32.00
BENIN-TOGO POWER REHABILITATION (TOGO)	Togo	Energy	Senior loan	Public	3.00
PORT AUTONOME DE POINTE NOIRE	Congo	Transport	Senior loan	Public	29.00
CAMWATER	Cameroon	Water, sewerage	Senior loan	Public	40.00
Sub-total for 2009					403.17
TOTAL					1 446.22

OCT

Contract name	Region/Country	Sector	Nature of operation	Private or public sector	Signed amount in EUR m
2009					
SOCGEN – LIGNE DE CREDIT ENVIRONNEMENTALE	French Polynesia	Credit lines	Credit line	Private	10.00
Sub-total for 2009					10.00
TOTAL					10.00

4. Overview of Investment Facility lines of credit

ACP STATES					
Country	Name	Date of signature	Signed amount	Amount allocated	Number of allocations
INVESTMENT FACILITY					
Burkina Faso	PG BURKINA FASO II	08/12/2003	10.00	6.85	19
Burkina Faso	PG BURKINA FASO CREDIT BAIL II	08/12/2003	2.00	2.00	11
Cameroon	DEV. DU SECTEUR PRIVE PG II A CAMEROUN	16/12/2003	3.00	3.00	44
Regional – ACP	EDFI EUROPEAN FINANCING PARTNERS (EFP)	13/05/2004	90.00	100.27	20
Uganda	DFCU LEASING GLOBAL LOAN	09/08/2004	5.00	5.00	11
Gabon	PRET GLOBAL II (GABON) B	18/10/2004	3.50	3.50	4
Gabon	PRET GLOBAL II (GABON)	18/10/2004	6.50	0.00	0
Nigeria	NIGERIA GLOBAL LOAN	06/12/2004	50.00	49.63	25
Regional – Pacific	PACIFIC ISLANDS FINANCING FACILITY (Development Bank of Samoa)	15/10/2005	7.00	6.88	279
Niger	NIGER – PG SECTEUR FINANCIER II	26/10/2005	8.00	8.00	45
Trinidad and Tobago	CLICO GLOBAL LOAN	03/11/2005	20.00	10.71	5
Regional – Pacific	PACIFIC ISLANDS FINANCING FACILITY B (Tonga Development Bank)	15/12/2005	6.00	0.07	1
Trinidad and Tobago	DEVELOPMENT FINANCE LIMITED IX	20/12/2005	7.00	7.17	10
Namibia	NAMIBIA – OLD MUTUAL MIDINA FUND	10/03/2006	4.00	0.00	0
Regional – ACP	EDFI EUROPEAN FINANCING PAR-TNERS II	12/05/2006	90.00	8.70	1
Regional – Central Africa	BDEAC PRET GLOBAL III	24/05/2006	15.00	15.00	4
Uganda	DFCU LEASING GLOBAL LOAN II	28/06/2006	10.00	6.23	12
Regional – East Africa	EADB REGIONAL FINANCE FACILITY	17/11/2006	25.00	2.94	2
Regional – Pacific	PACIFIC ISLANDS FINANCING FACILITY II (National Bank of Palau)	05/12/2006	5.00	2.95	41
Dominican Republic	SMALL ENTERPRISES GLOBAL LOAN	19/12/2006	3.20	4.00	7 800
Dominican Republic	ADEMI V B	19/12/2006	3.00	3.00	234
Rwanda	RW – GL II PRIVATE SECTOR SUPPORT A	21/12/2006	3.00	3.00	4
Ghana	GHANA FINANCIAL SECTOR GLOBAL LOAN II B	22/12/2006	15.00	12.07	6
Rwanda	RW – GL II PRIVATE SECTOR SUPPORT B	02/02/2007	7.00	5.52	16
Regional – Pacific	PACIFIC ISLANDS FINANCING FACILITY II B (Development Bank of Niue)	23/02/2007	2.00	0.00	0
Cameroon	PRET GLOBAL PRO-PME II	28/06/2007	4.00	3.97	29
Uganda	PEFF-UGANDA	31/08/2007	30.00	17.27	22
Kenya	PRIVATE ENTERPRISE FINANCE FACILITY	07/12/2007	20.00	0.00	0
Malawi	MALAWI GLOBAL LOAN III	04/06/2008	15.00	2.80	2
Dominican Republic	DR FINANCING FACILITY	12/08/2008	5.00	0.00	0
Dominican Republic	DR FINANCING FACILITY B	12/08/2008	10.00	0.00	0



Country	Name	Date of signature	Signed amount	Amount allocated	Number of allocations
Dominican Republic	DR FINANCING FACILITY C	12/08/2008	3.50	0.00	0
Zambia	CAPITAL INVESTMENT LINE GL III	26/11/2008	20.00	0.89	1
Niger	NIGER - PG SECTEUR FINANCIER III	19/12/2008	8.00	2.84	9
Regional - ACP	EDFI EUROPEAN FINANCING PARTNERS III	08/05/2009	90.00	0.00	0
Regional - Central Africa	BDEAC PRET GLOBAL IV	26/08/2009	25.00	0.00	0
Rwanda	RWANDA GL III - PRIVATE SECTOR SUPPORT	05/10/2009	5.00	0.00	0
Regional - Pacific	PACIFIC ISLANDS FINANCING FACILITY II C	20/10/2009	3.00	0.00	0
Saint Lucia	BANK OF SAINT LUCIA GLOBAL LOAN II	18/12/2009	10.50	0.00	0
OWN RESOURCES					
Regional - West Africa	BOAD PG IV A	10/12/2004	25.00	25.00	6
Mauritius	SBM GLOBAL LOAN	28/07/2005	20.00	20.00	4
Regional - Caribbean	CARIBBEAN DEV BANK III FACILITY	22/12/2005	40.00	39.98	9
Ghana	GHANA FINANCIAL SECTOR GLOBAL LOAN II C	22/12/2006	40.00	11.35	3
Regional - Caribbean	DFL REGIONAL SME	22/12/2008	9.00	0.00	0
Total for the ACP States			**783.20**	**390.59**	**8 679**

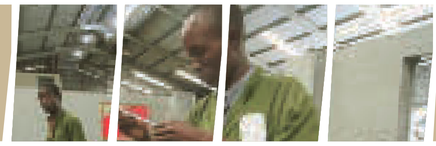
OCT					
Country	**Name**	**Date of signature**	**Signed amount**	**Amount allocated**	**Number of allocations**
INVESTMENT FACILITY					
New Caledonia	BCI - LIGNE DE CREDIT ENVIRONNEMENTALE	29/11/2007	5.00	0.00	0
French Polynesia	SOCREDO LIGNE DE CREDIT ENVIRONNEMENT	10/12/2007	5.00	0.56	3
Regional - OCT	OCTS FINANCING FACILITY	09/05/2008	10.00	0.00	0
OWN RESOURCES					
French Polynesia	SOCGEN - LIGNE DE CREDIT ENVIRONNEMENTALE	19/10/2009	10.00	0.00	0
Total for the OCTs			**30.00**	**0.56**	**3**

5. Technical assistance operations, 2009

Project-related technical assistance operations			
Contracts signed in 2009	**Country/region**	**Sector**	**Grant amount in EUR**
Actualisation "Plan d'assainissement Dakar 2025"	Senegal	Sewerage	594 675
AFRICAP	Regional – Africa	Financial sector	2 000 000
AFRITACs – IMF African Technical Assistance Centres	Regional – Africa	Financial sector	3 000 000
Due diligence studies for GIBE III Power Plant	Ethiopia	Energy	200 000
Establishment of a detailed TA programme in Rwanda (two banks: BRD and BCR)	Rwanda	Financial sector	559 750
ESIAS for the GIBE III Hydropower project	Ethiopia	Energy	283 200
I&P Etudes et Conseils	Regional – Africa	Financial sector	1 550 000
Institutional capacity building for financial institutions in the Dominican Republic, Phase II	Dominican Republic	Financial sector	649 400
Niue Development Bank- asset recovery unit	Niue	Financial sector	30 625
Promotion of Private Enterprise Finance Facility (PEFF)	Uganda	Financial sector	46 992
REGMIFA FX Risk Study	Regional – Africa	Financial sector	70 000
Shorecap Exchange Corporation	Regional – Africa	Financial sector	2 000 000
Solomon Islands Hydropower	Solomon Islands	Energy	560 000
TOTAL			**11 544 642**

6. List of interest rate subsidy appropriations (2003-2009)

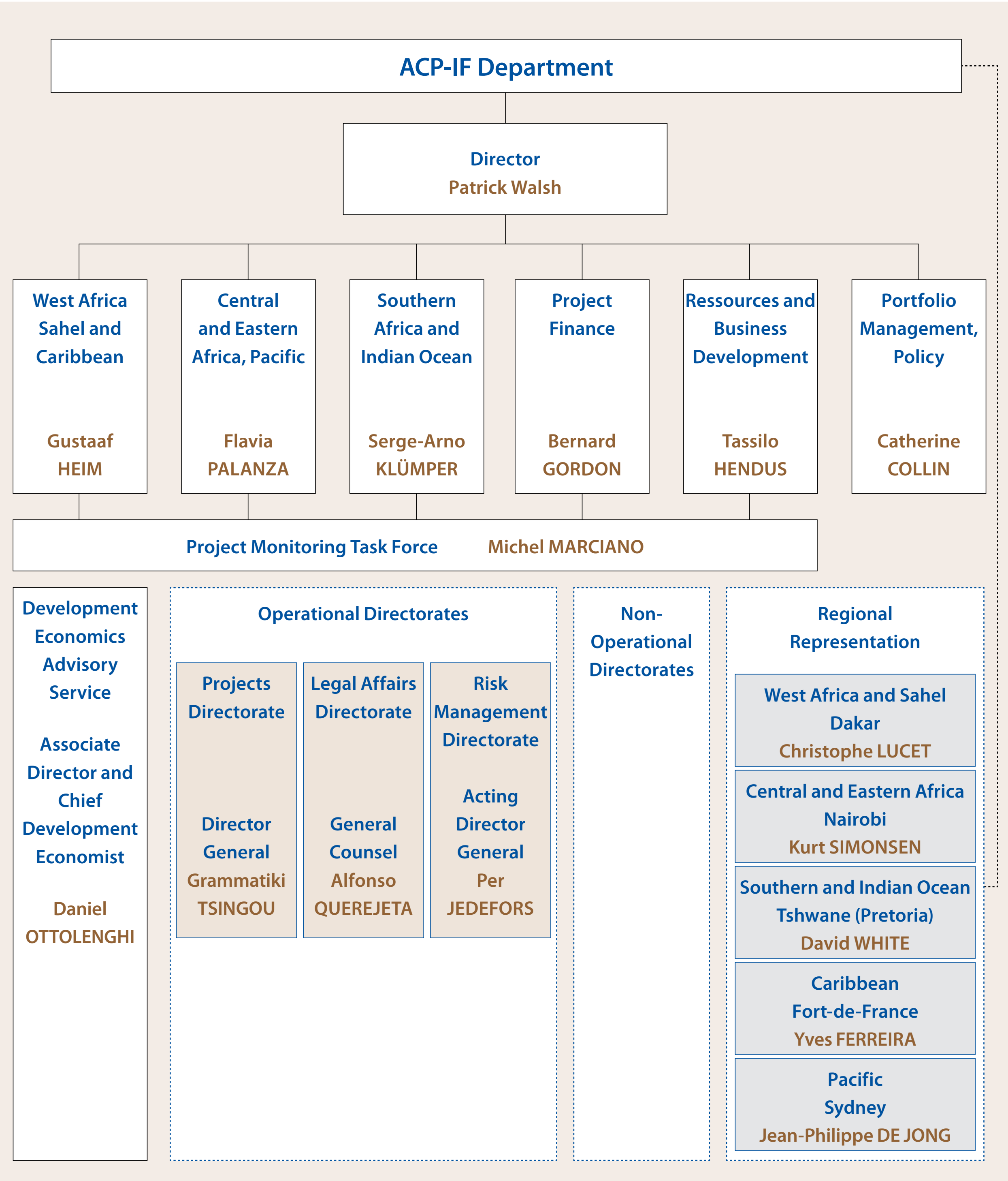
ACP contract name	Country/region	Sector	Justification	Estimated subsidy amount in EUR	Loan amount in EUR
First Financial Protocol: amount of interest rate subsidy appropriation: 187 000 000					
SONABEL III	Burkina Faso	Energy	Social	2 160 000	15 250 000
Liaison maritime Dakar-Ziguinchor	Senegal	Transport	HIPC	2 396 000	10 000 000
Compagnie Sucrière du Tchad – Garantie	Chad	Agro-industry	Environmental and social	1 800 000	11 800 000
Gilgel Gibe II – Hydropower Plant	Ethiopia	Energy	HIPC	18 410 000	50 000 000
KPLC Grid Development Project	Kenya	Energy	HIPC	10 290 000	43 000 000
VRA VII	Ghana	Energy	HIPC	2 580 000	10 500 000
Maputo Water Supply	Mozambique	Water	HIPC	9 152 000	31 000 000

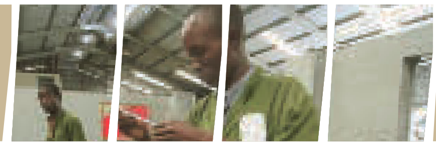


Fiji Power	Fiji	Energy	Environment	4 251 000	24 500 000
Ecocimento Fibre Cement Project	Mozambique	Industry	Environment	157 070	1 300 000
West African Gas Pipeline	Regional-West Africa	Energy	HIPC	18 148 000	75 000 000
Small Town Water and Sanitation Project	Ethiopia	Water	HIPC	4 608 000	16 500 000
BLPC IV Wind Power Project	Barbados	Energy	Environment	1 960 000	9 750 000
Pacific Islands Financing Facility II-B	Regional – Pacific	Financial sector	Natural disaster recovery	327 000	2 000 000
Maseru Wastewater Project	Lesotho	Water	Social	3 176 000	14 300 000
Programme Eau Sénégal – SONES water programme	Senegal	Water	Social	1 408 000	15 000 000
SONEB - Alimentation en Eau Urbaine	Benin	Water	HIPC	4 011 000	13 000 000
Jirama Andekaleka Hydro	Madagascar	Energy	HIPC	8 028 000	24 500 000
AEP Ouagadougou II	Burkina Faso	Water	HIPC	5 917 000	18 500 000
NFC Forestry Project	Uganda	Forestry	Environment	677 000	5 000 000
Malawi Peri-Urban Water and Sanitation	Malawi	Water	HIPC	3 895 000	15 750 000
INGA Power Rehabilitation	Congo (DR)	Energy	HIPC	18 786 000	110 000 000
Norman Manley International Airport	Jamaica	Infrastructure	Privatisation	3 500 000	35 000 000
TOTAL				**125 637 070**	**551 650 000**
Second Financial Protocol: amount of interest rate subsidy appropriation: 400 000 000					
Assainissement Dakar	Senegal	Sewerage	HIPC	5 644 000	20 000 000
Unelco Wind Power	Vanuatu	Energy	Environmental and social	648 000	4 300 000
Mauritius Sugar Industry Reform Project (+B)	Mauritius	Industry	Sugar sector – reform	1 398 000	28 000 000
Mombasa-Nairobi Transmission Line	Kenya	Energy	Social	15 597 000	60 000 000
Camwater	Cameroon	Water	HIPC	10 944 000	40 000 000
TOTAL				**34 231 000**	**152 300 000**

OCT contract name	Country/region	Sector	Justification	Estimated subsidy amount in EUR	Loan amount in EUR
First Financial Protocol: amount of interest rate subsidy appropriation: 2 000 000					
BCI credit line	New Caledonia	Financial sector	Environment	500 000	5 000 000
SOCREDO credit line	French Polynesia	Financial sector	Environment	500 000	5 000 000
TOTAL				**1 000 000**	**10 000 000**
Second Financial Protocol: amount of interest rate subsidy appropriation: 1 500 000					
SocGen FR Polynesia Env GL	French Polynesia	Financial sector	Environment	491 000	10 000 000
TOTAL				**491 000**	**10 000 000**

7. Organisation chart





8. Financial statements of the Investment Facility as at 31 December 2009

Income Statement for the year 2009 (In EUR'000)

	Notes	2009	2008
Interest and similar income	5	49 923	61 097
Interest and similar expense	5	-1 878	-68
Net interest and similar income		**48 045**	**61 029**
Fee and commission income	6	1 985	2 632
Net fee and commission income		**1 985**	**2 632**
Net result on financial operations	7	9 124	-17 700
Impairment on loans and receivables	11	-44 350	-52 675
Impairment on available-for-sale financial assets	12	-2	-1 725
Member States special contribution to general administrative expenses	8	-	17 871
General administrative expenses	8	-36 410	-35 741
Loss for the year		**-21 608**	**-26 309**

Balance Sheet as at 31 december 2009 (In EUR'000)

	Notes	31.12.2009	31.12.2008
ASSETS			
Cash and cash equivalents	9	330 057	293 416
Derivative financial instruments	10	12 870	8 495
Loans and receivables	11	693 441	647 449
Available-for-sale financial assets	12	164 606	129 146
Amounts receivable from contributors	13/18	87 310	65 891
Other assets	14	925	525
Total assets		**1 289 209**	**1 144 922**
LIABILITIES AND CONTRIBUTORS' RESOURCES			
LIABILITIES			
Derivative financial instruments	10	5 522	15 746
Deferred income	15	24 317	20 186
Amounts owed to third parties	16	213 850	193 733
Other liabilities	17	1 560	4 277
Total Liabilities		**245 249**	**233 942**
CONTRIBUTORS' RESOURCES			
Member States Contribution called	18	995 000	845 000
Retained earnings		29 250	50 858
Fair value reserve		19 710	15 122
Total Contributors' resources		**1 043 960**	**910 980**
Total Liabilities and Contributors' resources		**1 289 209**	**1 144 922**

The accompanying notes form an integral part of these financial statements.

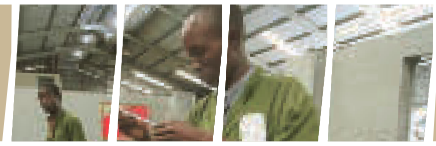
Statement of changes in contributors' resources

as at 31 december 2009 (In EUR'000)

	Contribution called	Retained earnings	Fair Value Reserve	Total
At 1 January 2008	**830 000**	**77 167**	**19 312**	**926 479**
Net unrealised gains and losses on available-for-sale financial assets	-	-	-4 190	-4 190
Member States contribution called during the year	15 000	-	-	15 000
Loss for the year	-	-26 309	-	-26 309
Changes in contributors' resources	**15 000**	**-26 309**	**-4 190**	**-15 499**
At 31 December 2008	**845 000**	**50 858**	**15 122**	**910 980**

	Contribution called	Retained earnings	Fair Value Reserve	Total
At 1 January 2009	**845 000**	**50 858**	**15 122**	**910 980**
Net unrealised gains and losses on available-for-sale financial assets	-	-	4 588	4 588
Member States contribution called during the year	150 000	-	-	150 000
Loss for the year	-	-21 608	-	-21 608
Changes in contributors' resources	**150 000**	**-21 608**	**4 588**	**132 980**
At 31 December 2009	**995 000**	**29 250**	**19 710**	**1 043 960**

The accompanying notes form an integral part of these financial statements.



Cash flow statement

as at 31 december 2009 (In EUR'000)

	2009	2008
OPERATING ACTIVITIES		
Loss for the financial year	-21 608	-26 309
Adjustments		
Impairment on available-for-sale financial assets	2	1 725
Impairment on loans and receivables	44 350	52 675
Interest capitalised on loans and receivables	-4 889	-12 022
Change in accrued interest and amortised cost on loans and receivables	890	352
Increase in deferred income	4 131	-190
Profit on operating activities before changes in operating assets and liabilities	22 876	16 231
Loan disbursement	-158 400	-176 614
Repayments of loans	61 094	73 748
Effect of exchange rate changes on loans	10 963	-10 315
Fair value changes on derivatives	-14 599	31 689
Increase in available-for-sale financial assets	-40 306	-41 641
Sale of available-for-sale financial assets	7 497	15 005
Effect of exchange rate changes on available-for-sale financial assets	1 935	938
Increase / Decrease in other assets	-400	3 369
Increase / Decrease in other liabilities	-2 717	3 361
Increase in other amounts payable to the European Investment Bank	669	2 985
Net cash flows from operating activities	**-111 388**	**-81 244**
FINANCING ACTIVITIES		
Contribution from Member States	150 000	15 000
Increase / Decrease in amounts receivable from contributors	-21 419	115 292
Increase in amounts payable from interest subsidies not yet disbursed	19 448	59 596
Net cash flows from financing activities	**148 029**	**189 888**
Net increase in cash and cash equivalents	**36 641**	**108 644**
Cash and cash equivalents at beginning of financial year	293 416	184 772
Cash and cash equivalents at end of financial year	**330 057**	**293 416**

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

1. General information

The Investment Facility ("the Facility") has been established within the framework of the Cotonou Agreement (the "Agreement") on co-operation and development assistance negotiated between the African, Caribbean and Pacific Group of States (the "ACP States") and the European Union and its Member States on 23 June 2000 and revised on 25 June 2005.

Financing under the Agreement is provided from EU Member States' budgets and is disbursed according to financial protocols defined for successive five- to six-year periods. Within the framework of the Agreement and following the entry into force of a second financial protocol on 1st July 2008 (covering the period 2008-2013), referred to as the 10th European Development Fund ("EDF"), the European Investment Bank ("EIB") is entrusted with the management of:

- the Facility, a EUR 3 137 million risk-bearing revolving fund geared to fostering private sector investment in ACP countries;
- grants for the financing of interest rate subsidies worth EUR 400 million, of which up to EUR 40 million can be used to fund project-related technical assistance.

These financial statements present the situation of the Facility and of the utilisation of the grants.

The Board of Directors of the EIB adopted the financial statements, on 11 March 2010, and authorised their submission to the Board of Governors for approval at their meeting on 8 June 2010.

2. Significant accounting policies

2.1. Basis of preparation

In line with the Investment Facility Management Agreement the preparation of the financial statements of the Facility is guided by International Financial Reporting Standards, as adopted by the European Union. The Facility's financial statements have been prepared on the basis of the following significant accounting principles:

2.2. Significant accounting judgments and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the European Investment Bank's Management to exercise its judgment in the process of applying the Investment Facility's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed hereafter.

The most significant use of judgments and estimates are as follows:

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

Impairment losses on loans and receivables

The Facility reviews its problem loans and receivables at each reporting date to assess whether an allowance for impairment should be recorded in the income statement. In particular, judgment by the European Investment Bank's Management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. In addition to specific allowance against individually significant loans and receivables, the Facility may also book a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted.

In principle, a loan is considered as non performing when payment of interest and principal are past due by 90 days or more and, at the same time, the European Investment Bank's Management considers that payment will be completely unlikely.

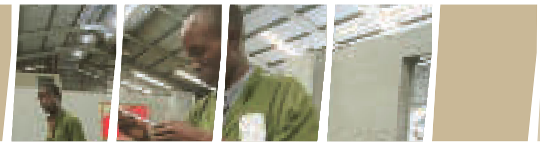
Valuation of unquoted available-for-sale equity investments

Valuation of unquoted available-for-sale equity investments is normally based on one of the following:

- recent arms length market transactions;
- current fair value of another instrument that is substantially the same;
- the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics;

or

- other valuation models.



The determination of the cash flows and discount factors for unquoted available-for-sale equity investments requires significant estimation. The Facility calibrates the valuation techniques periodically and tests them for validity using either price from observable current market transactions in the same instrument or from other available observable market data.

Impairment of available-for-sale financial assets

The Facility treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Facility treats "significant" generally as 30% or more and "prolonged" greater than 12 months. In addition, the Facility evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

2.3. Change in accounting policies

The accounting policies adopted are consistent with those used in the previous financial years.

2.4. Summary of significant accounting policies

The balance sheet represents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items.

2.4.1. Foreign currency translation

The Facility uses the Euro (EUR) for presenting its financial statements, which is also the functional currency.

Foreign currency transactions are translated, at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in currencies other than Euro are translated into Euro at the exchange rate prevailing at the balance sheet date. The gain or loss arising from such translation is recorded in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement.

The elements of the income statement are translated into Euro on the basis of the exchange rates prevailing at the end of each month.

2.4.2. Cash and cash equivalents

The Facility defines cash and cash equivalents as current accounts and short-term deposits with original maturities of three months or less.

2.4.3. Financial assets other than derivatives

Financial assets are accounted for using the settlement date basis.

Loans

Loans originated by the Facility are recognised in the assets of the Facility when cash is advanced to borrowers. They are initially recorded at cost (net disbursed amounts), which is the fair value of the cash given to originate the loan, including any transaction costs, and are subsequently measured at amortised cost, using the effective yield method, less any provision for impairment or uncollectability.

Available-for-sale financial assets

Available-for-sale financial assets are those which are designated as such or do not qualify to be classified as designated at fair value through profit or loss, held-to-maturity or loans and receivables. They include equity instruments, investments in venture capital funds and other debt instruments.

After initial measurement, available-for-sale financial assets are subsequently carried at fair value. Note the following details for the fair value measurement of equity investments, which cannot be derived from active markets:

a. Venture capital funds

The fair value of each venture capital fund is based on the latest available Net Asset Value (NAV), reported by the fund, if calculated based on international valuation guidelines recognised to be in line with IFRS (for example: the International Private Equity and Venture Capital Valuation guidelines, IPEV Guidelines, as published by the European Venture Capital Association). The Facility may however decide to adjust the NAV reported by the fund if there are issues that may affect the valuation.

b. Direct equity investments

The fair value of the investment will be based on the latest set of financial statements available, re-using, if applicable, the same model as the one used at the acquisition of the participation.

Unrealised gains or losses on venture capital funds and direct equity investments are reported in contributors' resources until such investments are sold, collected or disposed of, or until such investments are determined to be impaired. If an available-for-sale investment is determined to be impaired, the cumulative unrealised gain or loss previously recognised in equity is included in the income statement.

For unquoted investment, the fair value is determined by applying recognised valuation technique (for example discounted cash flows or multiple). These investments are accounted for at cost when the fair value cannot be reliably measured.

Guarantees

At initial recognition, the financial guarantees are recognised at fair value corresponding to the Net Present Value (NPV) of expected premium inflows. This calculation is performed at the starting date of each transaction and is recognised on balance sheet as "Financial guarantees" under "other assets" and "other liabilities".

Subsequent to initial recognition, the Facility's liabilities under such guarantees are measured at the higher of:

- the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee, which is estimated based on all relevant factors and information existing at the balance sheet date.
- the amount initially recognised less cumulative amortisation. The amortisation of the amount initially recognised is done using the actuarial method.

Any increase or decrease in the liability relating to financial guarantees is taken to the income statement under "fee and commission income".

In addition, when a guarantee agreement is signed, it is presented as a contingent liability for the Facility and when the guarantee is engaged, as a commitment for the Facility.

2.4.4. Impairment of financial assets

The Facility assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the loans outstanding at the end of the financial year and carried at amortised cost, impairments are made when presenting objective evidence of risks of non recovery of all or part of their amounts according to the original contractual terms or the equivalent value. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount based on the effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

The Facility conducts credit risk assessments based on which there is no need for a collective impairment provision.

For the available-for-sale financial assets, the Facility assesses at each balance sheet date whether there is objective evidence that an investment is impaired. Objective evidence would include a significant or prolonged decline in the fair value of the investment below its costs. Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement) is removed from contributors' resources and recognised in the income statement. Impairment losses on available-for-sale financial assets are not reversed through the income statement; increases in their fair value after impairment are recognised directly in contributors' resources.

The European Investment Bank's Risk Management reviews financial assets for impairment at least once a year. Resulting adjustments include the unwinding of the discount in the income statement over the life of the asset, and any adjustments required in respect of a reassessment of the initial impairment.

2.4.5. Derivative financial instruments

Derivatives include cross currency swaps, cross currency interest rate swaps, currency forwards and warrants.

In the normal course of its activity, the Facility may enter into swap contracts with a view to hedge specific lending operations or into currency forward contract with a view to hedge its currency positions, denominated in actively traded currencies other than the Euro, in order to offset any gain or loss caused by foreign exchange rate fluctuations.

However, the Facility has not entered into any hedge accounting transactions as at December 31, 2008 and 2009. Therefore, all derivatives are measured at fair value through the income statement. Fair values are derived primarily from discounted cash-flow models, option-pricing models and from third party quotes.

Warrants have been received by the Facility as ancillary fees in the context of a lending operation.

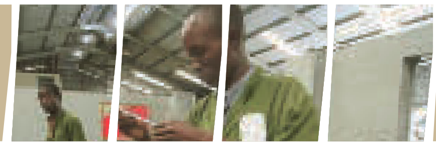
Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivative financial instruments are included in "Net result on financial operations".

2.4.6. Contributions

Contributions from Member States are recognised as receivable in the balance sheet on the date of the Council Decision fixing the financial contribution to be paid by the Member States to the Facility.

2.4.7. Interest income on loans

Interest on loans originated by the Facility is recorded in the income statement ('Interest and similar income') and on the balance sheet ('Loans and receivables') on an accrual basis using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the loan to the net carrying amount of the loan. Once the recorded value of a loan has been reduced due to impairment, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.



2.4.8. Interest subsidies and technical assistance

As part of its activity, the Facility manages interest subsidies and technical assistance on behalf of the Member States.

The part of the Member States contributions allocated to the payment of interest subsidies is not accounted for in the Facility's contributors' resources but is classified as amounts owed to third parties. The Facility operates the disbursement to the final beneficiaries and then decreases the amounts owed to third parties.

2.4.9. Interest income on treasury

Interest income on treasury is recognised in the income statement of the Facility on an accrual basis.

2.4.10. Fees, commissions and dividends

Fees received in respect of services provided over a period of time are recognised as income as the services are provided. Commitment fees are deferred and recognised in income using the effective interest method over the period from disbursement to repayment of the related loan.

Dividends relating to available-for-sale financial assets are recognised when received.

2.4.11. Taxation

The Protocol on the Privileges and Immunities of the European Communities, appended to the Treaty of 8 April 1965 establishing a Single Council and a Single Commission of the European Communities, stipulates that the assets, revenues and other property of the Institutions of the Union are exempt from all direct taxes.

2.4.12. Reclassification of prior year figures

Where necessary, certain prior year figures have been reclassified to conform to the current year's presentation for comparative purpose.

3. Risk management

3.1. Credit risk

This section presents financial information about the investments made by the Facility.

3.1.1. Exposure on loans and receivables and available for sale financial assets disbursed, by nature of borrower/issuer (in EUR'000)

The table hereafter analyses the Facility exposure disbursed by nature of borrower.

	2009	2008
Banks/ Financial Institutions.	267 986	258 824
Project Finance / Structured Operation	330 654	314 705
Sovereign / Public Authorities	100 042	76 319
Venture Capital Fund	136 179	102 975
Corporates	23 186	23 772
Total	**858 047**	**776 595**

3.1.2. Exposure on loans and receivables and available for sale financial assets disbursed, by nature of instrument (in EUR'000)

The table hereafter analyses the Facility exposure disbursed by nature of investment instrument used.

	2009	2008
Senior Loans	604 354	524 168
of which Global Loans and Agency Agreement	224 859	205 598
Subordinated Loans	89 087	123 281
Equity	164 606	129 146
Total	**858 047**	**776 595**

3.1.3. Risk concentrations of the exposure on loans and receivables and available for sale financial assets disbursed (in EUR'000)

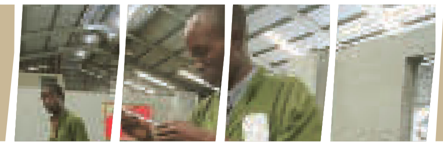
The table below analyses the Facility exposure disbursed by sector. The operations which are first disbursed to a financial intermediary before being disbursed to the final beneficiary are reported under global loans.

	2009	2008
Global loans	178 860	150 430
Energy	236 198	153 985
Industry	141 826	155 811
Services	241 072	241 957
Transports	7 938	9 148
Water, sewerage	2 998	2 549
Agriculture, fisheries, forestry	3 156	7 537
Agency agreements	45 999	55 168
Total	**858 047**	**776 595**

3.2. Liquidity risk and funding management

The table below sets out the Facility's assets and liabilities by relevant maturity groupings based on the remaining period to the contractual maturity date (in EUR'000).

	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undefined	Total
ASSETS						
Cash and cash equivalents	330 057	-	-	-	-	330 057
Derivative financial instruments	2 211	656	5 923	4 080	-	12 870
Loans and receivables	8 164	5 100	86 565	593 612	-	693 441
Available for sale financial assets	-	-	-	151 049	13 557	164 606
Amounts receivable from contributors	87 310	-	-	-	-	87 310
Other assets	490	-	-	435	-	925
Total assets	**428 232**	**5 756**	**92 488**	**749 176**	**13 557**	**1 289 209**
LIABILITIES						
Derivative financial instruments	379	155	320	4 668	-	5 522
Deferred income	-	-	-	24 317	-	24 317
Amounts owed to third parties	36 410	-	-	-	177 440	213 850
Other liabilities	707	418	-	435	-	1 560
Total liabilities	**37 496**	**573**	**320**	**29 420**	**177 440**	**245 249**
Net liquidity position at 31 December 2009	**390 736**	**5 183**	**92 168**	**719 756**	**-163 883**	**1 043 960**
Net liquidity position at 31 December 2008	**324 695**	**4 855**	**60 735**	**675 416**	**-154 721**	**910 980**



3.3. Market risk

3.3.1. Interest rate (in EUR'000)

The table below summarises the Facility's exposure to interest rate through its loans and receivables.

	2009	2008
Fixed rate interest	354 638	329 111
Floating rate interest	338 803	318 338
Total	**693 441**	**647 449**

3.3.2. Currency risk (or Foreign exchange risk) (in EUR'000)

	EUR	USD	CAD	ACP/OCT Currencies	Total
ASSETS					
Cash and cash equivalents	297 717	32 340	-	-	330 057
Derivative financial instruments	12 870	-	-	-	12 870
Loans and receivables	332 474	297 427	-	63 540	693 441
Available-for-sale financial assets	30 422	121 146	7 782	5 256	164 606
Amounts receivable from contributors	87 310	-	-	-	87 310
Other assets	490	-	-	435	925
Total assets	**761 283**	**450 913**	**7 782**	**69 231**	**1 289 209**
LIABILITIES AND CONTRIBUTORS' RESOURCES					
Liabilities					
Derivative financial instruments	5 522	-	-	-	5 522
Deferred income	24 317	-	-	-	24 317
Amounts owed to third parties	213 850	-	-	-	213 850
Other liabilities	559	566	-	435	1 560
Total liabilities	**242 248**	**566**	**-**	**435**	**245 249**
Contributors' resources					
Member States Contribution called	995 000	-	-	-	995 000
Retained earnings	29 250	-	-	-	29 250
Fair value reserve	-1 443	22 606	-	-1 453	19 710
Total contributors' resources	**1 022 807**	**22 606**	**-**	**-1 453**	**1 043 960**
Total liabilities and contributors' resources	**1 267 055**	**23 172**	**-**	**-1 018**	**1 289 209**
Currency position as at 31 December 2009	**-505 772**	**427 741**	**7 782**	**70 249**	**-**
Currency position as at 31 December 2008	**-486 885**	**428 467**	**2 171**	**66 247**	**-**
As a 31 December 2009 :					
COMMITMENTS					
Un-disbursed loans and equity investments	885 667	150 899	-	-	1 036 566
Guarantees drawn	11 800	-	-	-	11 800
CONTINGENT LIABILITIES					
Guarantees undrawn	105 000	-	-	-	105 000

4. Segment information

The primary segment of the Facility is business operation and the secondary segment is geographical.

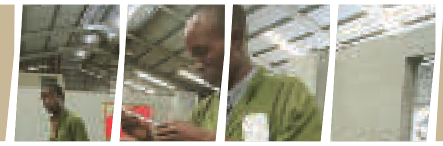
4.1. By business segment (in EUR '000)

The activity of the Facility is divided into two main business segments on a worldwide basis:

- Banking operations – incorporating investments in projects which are made with the purpose of supporting investments of private and commercially run public sector entities. The main investment products are loans, available-for-sale equity investments and financial guarantees.
- Treasury activities – including investing surplus liquidity and managing the Facility foreign exchange risk.

At 31 December 2009	Treasury	Banking	Total
Revenue from segments	10 904	51 225	62 129
Expenses and charges from segments	-2 975	-44 352	-47 327
Unallocated expenses			-36 410
Loss for the year			**-21 608**
Segment assets	343 417	858 483	1 201 900
Unallocated assets			87 309
Total assets			**1 289 209**
Segment liabilities	39 325	25 336	64 661
Unallocated liabilities			180 588
Total liabilities			**245 249**
Other segment information			
Commitments and contingent liabilities	-	1 153 366	1 153 366

At 31 December 2008	Treasury	Banking	Total
Revenue from segments	14 979	48 767	63 746
Expenses and charges from segments	-17 787	-54 398	-72 185
Unallocated expenses			-17 870
Loss for the year			**-26 309**
Segment assets	301 911	777 120	1 079 031
Unallocated assets			65 891
Total assets			**1 144 922**
Segment liabilities	54 235	21 715	75 950
Unallocated liabilities			157 992
Total liabilities			**233 942**
Other segment information			
Commitments and contingent liabilities	-	1 082 456	1 082 456



4.2. By geographical segment (in EUR '000)

The Facility's activities are divided into five regions for internal management purposes.

At 31 December 2009	Revenues (*)	Total assets	Total liabilities	Commitments and contingent liabilities
Caribbean and Pacific	-22 796	102 363	1 173	143 297
Central and Eastern Africa	9 410	249 261	21 425	371 286
Regional Africa and ACP states	3 260	153 006	-	340 437
Southern Africa and Indian ocean	13 195	202 809	524	104 654
West Africa and Sahel	3 804	151 043	2 214	193 692
Others (**)	-	430 727	219 913	-
Total	**6 873**	**1 289 209**	**245 249**	**1 153 366**

At 31 December 2008	Revenues (*)	Total assets	Total liabilities	Commitments and contingent liabilities
Caribbean and Pacific	3 694	116 572	-	146 588
Central and Eastern Africa	9 418	152 838	18 222	498 066
Regional Africa and ACP states	1 094	115 534	-	231 628
Southern Africa and Indian ocean	-31 530	206 744	554	108 892
West Africa and Sahel	11 693	182 160	2 427	97 282
Others (**)	-	371 074	212 739	-
Total	**-5 631**	**1 144 922**	**233 942**	**1 082 456**

(*) Revenues represent the net profit on the Facility's banking activity (i.e. interest and similar income, interest subsidies, net fee and commission income, impairment on loans and receivables and impairment on available-for-sale financial assets).

(**) Under geographical segment "Others" are considered the amount payable to or receivable from the Member States or the European Investment Bank and the Facility cash and cash equivalents.

5. Net interest income (in EUR '000)

The main components of interest and similar income are as follows:

	2009	2008
Cash and short-term funds	2 978	12 452
Loans and receivables	45 359	43 966
Interest subsidies	1 586	1 242
Derivative financial instruments	-	3 437
Total interest and similar income	**49 923**	**61 097**

The main components of interest and similar expense are as follows:

	2009	2008
Derivative financial instruments	-1 878	-
Remuneration paid to European Commission	-	- 68
Total interest and similar expense	**-1 878**	**- 68**

6. Fee and commission income (in EUR '000)

The main components of fee and commission income are as follows:

	2009	2008
Fee and commission on loans and receivables	1 709	2 340
Fee and commission of financial guarantees	276	292
Total fee and commission income	**1 985**	**2 632**

7. Net result on financial operations (in EUR '000)

The main components of net result on financial operations are as follows:

	2009	2008
Fair value change on derivatives	14 599	-31 689
Foreign exchange	-6 673	13 972
Dividend income from available-for-sale financial assets	1 198	17
Net result on financial operations	**9 124**	**-17 700**

8. General administrative expenses (in EUR '000)

General administrative expenses represent the actual costs incurred by the EIB for managing the Facility less income generated from standard appraisal fees directly charged by the EIB to clients of the Facility.

	2009	2008
Actual cost incurred by the EIB	-37 653	-36 766
Income from appraisal fees directly charged to clients of the Facility	1 243	1 025
Net general administrative expenses	**-36 410**	**-35 741**

Under Council Decision of 8 April 2003, the Member states agreed to cover in full the expenses incurred by the EIB for the management of the Facility for the first 5 years of the 9th European Development Fund.

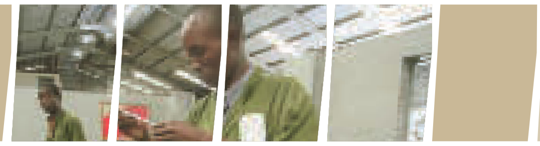
Following the entry in force of the revised Cotonou Partnership Agreement on the 1st of July 2008, general administrative expenses are not covered anymore by the Member States. As a consequence, for the year 2008, the contribution from the Member States to the general administrative expenses covered only 50% of the total incurred during the year, representing KEUR 17 871.

9. Cash and cash equivalents (in EUR '000)

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition.

The cash and cash equivalents can be broken down between the funds received from the Member States and not yet disbursed and the funds from the Facility's operational and financial activities.

	2009	2008
Member states contributions received and not yet disbursed	120 807	9 028
Funds from the Facility's financial and operational activities	209 250	284 388
Cash and cash equivalents	**330 057**	**293 416**



10. Derivative financial instruments (in EUR '000)

The main components of derivative financial instruments are as follows:

At 31 December 2009	Fair Values		Notional amount
	Assets	Liabilities	
Cross currency swaps	8 542	-237	87 720
Cross currency interest rate swaps	2 041	-5 285	95 713
FX Forwards	2 287	-	290 000
Derivative financial instruments	**12 870**	**-5 522**	

At 31 December 2008	Fair Values		Notional amount
	Assets	Liabilities	
Cross currency swaps	8 045	-947	104 446
Cross currency interest rate swaps	450	-13 305	109 739
FX Forwards	-	-1 494	211 000
Warrants	-	-	719
Derivative financial instruments	**8 495**	**-15 746**	

11. Loans and receivables (in EUR '000)

The main components of loans and receivable are as follows:

	Global loans (*)	Senior loans	Subordinated loans	Total
Nominal as at 1 January 2009	**205 430**	**334 397**	**153 109**	**692 936**
Disbursement	67 275	91 125	-	158 400
Repayments	-37 035	-14 361	-9 698	-61 094
Interest capitalised	-	553	4 336	4 889
FX Difference	-4 681	-4 915	-2 265	-11 861
Nominal as at 31 December 2009	**230 989**	**406 799**	**145 482**	**783 270**
Impairment as at 1 January 2009	**-2 996**	**-19 749**	**-31 947**	**-54 692**
Net change in impairment	-5 375	-11 018	-27 957	-44 350
FX Difference	-	550	348	898
Impairment as at 31 December 2009	**-8 371**	**-30 217**	**-59 556**	**-98 144**
Amortised Cost	-1 355	-1 801	-1 628	-4 784
Accrued interest	3 596	4 714	4 789	13 099
Loans and receivables as at 31 December 2009	**224 859**	**379 495**	**89 087**	**693 441**
Nominal as at 1 January 2008	**144 288**	**268 903**	**154 542**	**567 733**
Disbursement	82 696	92 992	926	176 614
Repayments	-25 282	-31 322	-17 144	-73 748
Interest capitalised	-	676	11 346	12 022
FX Difference	3 728	3 148	3 439	10 315
Nominal as at 31 December 2008	**205 430**	**334 397**	**153 109**	**692 936**
Impairment as at 1 January 2008	**-**	**-2 242**	**-2 121**	**-4 363**
Increase	-2 996	-17 484	-29 826	-50 306
FX Difference	-	-23	-	-23
Impairment as at 31 December 2009	**-2 996**	**-19 749**	**-31 947**	**-54 692**
Amortised Cost	-292	-1 576	-364	-2 232
Accrued interest	3 456	5 498	2 483	11 437
Loans and receivables as at 31 December 2008	**205 598**	**318 570**	**123 281**	**647 449**

(*) including agency agreements

12. Available-for-sale financial assets

The main components of available-for-sale equity financial assets are as follows:

	Venture Capital Fund	Direct Equity Investment	Total
Cost as at 1 January 2009	**89 919**	**26 194**	**116 115**
Disbursement	36 624	3 682	40 306
Repayments	-7 497	-	-7 497
FX Difference	-2 395	585	-1 810
Cost as at 31 December 2009	**116 651**	**30 461**	**147 114**
Unrealised gain and losses as at 1 January 2009	**20 190**	**-7 159**	**13 031**
Net change in unrealised gains and losses	-2 052	6 640	4 588
Impairment	-2	-	-2
Realised FX Difference	-	-125	-125
Unrealised gain and losses as at 31 December 2009	**18 136**	**- 644**	**17 492**
Available-for-sale financial assets as at 31 December 2009	**134 787**	**29 817**	**164 606**

	Venture Capital Fund	Direct Equity Investment	Total
Cost as at 1 January 2008	**63 760**	**26 657**	**90 417**
Disbursement	40 994	647	41 641
Repayments	-15 005	-	-15 005
FX Difference	170	-1 110	- 938
Cost as at 31 December 2008	**89 919**	**26 194**	**116 115**
Unrealised gain and losses as at 1 January 2008	**4 546**	**14 400**	**18 946**
Net change in unrealised gains and losses	15 644	-19 834	-4 190
Impairment	-	-1 725	-1 725
Unrealised gain and losses as at 31 December 2008	**20 190**	**-7 159**	**13 031**
Available-for-sale financial assets as at 31 December 2008	**110 109**	**19 035**	**129 146**

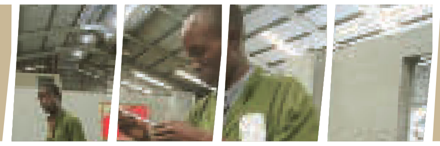
As at 31 December 2009, the split of the available-for-sale financial assets between quoted and unquoted instruments was as follows:

	Fair Value as at 31.12.2009	Fair Value as at 31.12.2008
Quoted instrument	13 557	3 272
Unquoted instrument	151 049	125 874
Total	**164 606**	**129 146**

13. Amounts receivable from contributors (in EUR '000)

The main components of amounts receivable from contributors are as follows:

	2009	2008
Contribution called but not paid	87 310	48 020
Special contribution to general administrative expenses	-	17 871
Total amount receivable from contributors	**87 310**	**65 891**



14. Other assets (in EUR '000)

The main components of other assets are as follows:

	2009	2008
Amount receivable from EIB	490	-
Financial guarantees	435	525
Total amount of other assets	**925**	**525**

15. Deferred income (in EUR '000)

The main components of deferred income are as follows:

	2009	2008
Deferred interest subsidies	23 888	19 962
Deferred commissions on loans and receivables	429	224
Total deferred income	**24 317**	**20 186**

16. Amounts owed to third parties (in EUR '000)

The main components of amounts owed to third parties are as follows:

	2009	2008
Net general administrative expenses payable to EIB	36 410	35 741
Interest subsidies not yet disbursed	177 440	157 992
Total amounts owed to third parties	**213 850**	**193 733**

17. Other liabilities (in EUR '000)

The main components of other liabilities are as follows:

	2009	2008
Amount repayable to EIB	-	2 257
Financial guarantees	435	525
Other	1 125	1 495
Total amount of other liabilities	**1 560**	**4 277**

18. Member States Contribution called (in EUR '000)

Member States	Contribution to the Facility	Contribution to interest subsidies	Total contributed	Called and not paid (*)
Austria	26 368	6 095	32 463	2 650
Belgium	39 004	9 016	48 020	3 920
Denmark	21 293	4 922	26 215	2 140
Finland	14 727	3 404	18 131	1 480
France	241 785	55 890	297 675	24 300
Germany	232 432	53 728	286 160	23 360
Greece	12 437	2 875	15 312	1 250
Ireland	6 169	1 426	7 595	620
Italy	124 773	28 842	153 615	12 540
Luxembourg	2 885	667	3 552	290
Netherlands	51 939	12 006	63 945	5 220
Portugal	9 651	2 231	11 882	970
Spain	58 108	13 432	71 540	5 840
Sweden	27 164	6 279	33 443	2 730
United Kingdom	126 265	29 187	155 452	-
Total at 31 December 2009	**995 000**	**230 000**	**1 225 000**	**87 310**
Total at 31 December 2008	**845 000**	**190 000**	**1 035 000**	**48 020**

(*) On 17.11.2009, the Council fixed the amount of financial contributions to be paid by each Member State by 21.01.2010.

19. Contingent liabilities and commitments (in EUR '000)

	2009	2008
Commitments		
Undisbursed loans	784 612	777 597
Undisbursed commitment in respect of available-for-sale financial assets	251 954	188 059
Guarantees drawn	11 800	11 800
Contingent liabilities		
Guarantees undrawn	105 000	105 000
Total	**1 153 366**	**1 082 456**

20. Subsequent events

There have been no material post balance sheet events which could require disclosure or adjustment to the 31 December 2009 financial statements.

Report of the Réviseur d'Entreprises

To the Chairman of the Audit Committee of EUROPEAN INVESTMENT BANK
98-100, Boulevard Konrad Adenauer
L-2950 LUXEMBOURG

We have audited the accompanying financial statements of the INVESTMENT FACILITY, which comprise the balance sheet as at 31 December 2009 and the income statement, statement of changes in contributors' resources and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

EUROPEAN INVESTMENT BANK Management's responsibility for the financial statements

The EUROPEAN INVESTMENT BANK's Management is responsible for the preparation and presentation of these financial statements in accordance with the accounting rules set out in note 2 to the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Réviseur d'Entreprises

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Luxembourg Institut des Réviseurs d'Entreprises. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the EUROPEAN INVESTMENT BANK's Management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements of the INVESTMENT FACILITY for the year ended 31 December 2009 have been prepared, in all material respects, in accordance with the accounting rules set out in note 2 to the financial statements.

Luxembourg, 11 March 2010
KPMG Audit S.à r.l.
Réviseurs d'Entreprises

Emmanuel Dollé

The Audit Committee

The Financial Regulation applicable to the 10th European Development Fund in Article 134 with regard to the operations managed by the European Investment Bank states that these operations shall be subject to the audit and discharge procedures laid down in the Statute of the Bank for all of its operations. On this basis, the Audit Committee issues this statement.

Statement by the Audit Committee on the Investment Facility financial statements prepared in accordance with the accounting rules as set out in Note 2 to the financial statements

The Committee, instituted in pursuance of Article 12 of the Statute and Article 27 of the Rules of Procedure of the European Investment Bank for the purpose of verifying that the operations of the Bank are conducted and its books kept in a proper manner, having

- designated KPMG as external auditors, reviewed their audit planning process, examined and discussed their reports,
- noted that the opinion of KPMG on the financial statements of the Investment Facility for the year ended 31 December 2009 is unqualified,
- convened on a regular basis with the Heads of Directorates and relevant services, and studied the documents which it deemed necessary to examine in the discharge of its duties,
- received assurance from the Management Committee concerning the effectiveness of the internal control structure and internal administration,

and considering

- the financial statements for the financial period ending on 31 December 2009 as drawn up by the Board of Directors at its meeting on 11 March 2010,
- that the foregoing provides a reasonable basis for its statement and,
- Articles 24, 25 and 26 of the Rules of Procedure,

to the best of its knowledge and judgement:

- confirms that the activities of the Investment Facility are conducted in a proper manner, in particular with regard to risk management and monitoring;

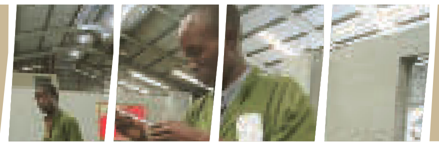
- has verified that the operations of the Investment Facility have been conducted and its books kept in a proper manner and that to this end, it has verified that the Investment Facility's operations have been carried out in compliance with the formalities and procedures laid down by the Statute and Rules of Procedure;

- confirms that the financial statements, comprising the balance sheet, the income statement, the statement of changes in equity, the cash flow statement and a summary of significant accounting policies and other explanatory notes give a true and fair view of the financial position of the Investment Facility as at 31 December 2009 in respect of its assets and liabilities, and of the results of its operations for the year then ended, in accordance with the accounting rules as set out in Note 2 to the financial statements.

Luxembourg, 11 March 2010
The Audit Committee

O. KLAPPERG G. SMYTH E. MATHAY

J. RODRIGUES DE JESUS D. NOUY J. GALEA



9. Glossary

A	
ACP	Africa, Caribbean and Pacific
ACPs	Africa, Caribbean and Pacific countries
ADEMI	Banco de Ahorro y Crédito Ademi
AFD	Agence Française de Développement
AfDB	African Development Bank
ADOPEM	Banco De Ahorro Y Crédito Adopem
Approvals	Projects approved for financing by the EIB's decision-making bodies
B	
BAI	Banco Africano de Investimentos
BDEAC	Banque de Développement des États de l'Afrique Centrale
BMZ	German Ministry for Development
BOAD	Banque Ouest Africaine de Développement
C	
CAMWATER	Cameroon Water Utilities Corporation
CDC	Capital for Development Group Plc
CDM	Clean Development Mechanism (Kyoto Protocol)
CEB	Communauté Électrique du Bénin
CGAP	Consultative Group to Assist the Poor
CO2	Carbon dioxide
COMESA	Common Market for Eastern and Southern Africa
Commitments	Signed loans, equity, quasi-equity investment, agency and guarantee agreements
CSOs	Civil society organisations
D	
Danida	Danish International Development Agency
DBS	Development Bank of Samoa
DBSA	Development Bank of Southern Africa
DEG	Deutsche Investitions- und Entwicklungsgesellschaft mbH
DFIs	Development finance institutions
Disbursements	Loans and investments paid out
E	
EASSY	East African Submarine Cable System
EC	European Commission
ECP	Emerging Capital Partners
EDF	European Development Fund
EDFIs	European development finance institutions
EFP	European Financing Partners SA
EIB	European Investment Bank
ESIAF	Economic and Social Impact Assessment Framework
EU	European Union
EUR	Euro
F	
FDI	Foreign direct investment
FinnFund	Finnish Fund for Industrial Cooperation Ltd
FIPA	Fundo de Investimento Privado, SICAV-SIF
FMO	Netherlands Development Finance Company
FNB	First National Bank
G	
GAF	GroFin Africa Fund
GDP	Gross domestic product
GEEREF	Global Energy Efficiency and Renewable Energy Fund
GSM	Global system for mobile communications
H	
HIPC	Heavily Indebted Poor Country
I	
IBRD	International Bank for Reconstruction and Development
ICA	Infrastructure Consortium for Africa
ICF	Infrastructure Crisis Facility
IDA	International Development Agency
IDC	International Development Corporation
IF	Investment Facility
IFC	International Finance Corporation
IFIs	International financial institutions
IFU	Industrialiseringsfonden for Udviklingslandene
IMF	International Monetary fund
INFRA	Infrastructure Recovery and Assets
ITF	EU-Africa Infrastructure Trust Fund
K	
KfW	Kreditanstalt für Wiederaufbau
M	
MDBs	Multilateral development banks
MDGs	Millennium Development Goals
MEF	Microfinance Enhancement Facility
MFIs	Microfinance institutions
MFW4A	Making Finance Work for Africa Partnership
MRI	Mutual reliance initiative
MSMEs	Micro, small and medium-sized enterprises
N	
NEPAD	New Partnership for Africa's Development
NFC	New Forests Company (Uganda)
NGOs	Non-governmental organisations
Norfund	Norwegian Investment Fund for Developing Countries (Norwegian EDFI)
NSC	North-South Corridor
O	
OBNA	Development Bank of the Netherlands Antilles
OCTs	Overseas Countries and Territories
OFID	OPEC Fund for International Development
OR	Own resources
P	
PAPN	Port Autonome de Pointe-Noire
PROPARCO	Société de Promotion et de Participation pour la Coopération Économique
PPF	ACP Water Project Preparation Facility
PPP	Public-private partnership
PRIF	Pacific Regional Infrastructure Facility
Q	
Quasi-equity	Instruments incorporating both loans and equity features
R	
RSA	Republic of South Africa
RWF	Rwandan franc
S	
SADC	Southern African Development Community
Sanral	South African National Roads Agency
SMEs	Small and medium-sized enterprises
SONATEL	Société Nationale des Télécommunications du Sénégal
SP	Sugar Protocol
SSA	Sub-Saharan Africa
T	
TA	Technical assistance
U	
UN	United Nations
Unelco	Union Électrique du Vanuatu Ltd.
UNFCC	United Nations Framework Convention on Climate Change
U.S./U.S.A.	United States of America
USD	US dollar
W	
WB	World Bank
WF	Water Facility
WIOCC	West Indian Cable Company
X	
XOF (F CFA)	Franc de la Communauté Financière Africaine
Z	
ZAR	South African rand

10. EIB addresses

European Investment Bank

98-100, boulevard Konrad Adenauer ☎ (+352) 43 79 1
L-2950 Luxembourg ℻ (+352) 43 77 04

www.eib.org/acp – ✉ info@eib.org

ACP and OCT External Regional Offices

Caribbean/Fort-de-France

1, boulevard du Général de Gaulle ☎ (+596) 596 74 73 10
F-97200 Fort-de-France ℻ (+596) 596 56 18 33

Central and East Africa/Nairobi

Africa Re Centre, 5th Floor, ☎ (+254-20) 273 52 60
Hospital Road, PO Box 40193 ℻ (+254-20) 271 32 78
KE-00100 Nairobi

Pacific/Sydney

Level 32, ABN AMRO Tower ☎ (+61-2) 82 11 05 36
88 Phillip Street ℻ (+61-2) 82 11 05 38
Sydney NSW 2000
Australia

Southern Africa and Indian Ocean/Tshwane (Pretoria)

5, Greenpark Estate ☎ (+27-12) 425 04 60
27, George Storrar Drive ℻ (+27-12) 425 04 70
Groenkloof 0181, Tshwane Pretoria
South Africa

West Africa and Sahel/Dakar

3, rue du Docteur Roux ☎ (+221) 33 889 43 00
BP 6935 Dakar-Plateau ℻ (+221) 33 842 97 12
Senegal

Layout: EIB GraphicTeam.

Printed by Imprimerie Jouve on MagnoSatin paper using vegetable oil-based inks. Certified in accordance with Forest Stewardship Council (FSC) rules, the paper consists of 100% virgin fibre (of which at least 50% from well-managed forests).

FSC Mixed Sources

Investment Facility Report 2009

European Investment Bank • European Investment Bank • European Investment Bank • European Investment Bank • European Investment Bank

European Investment Bank

ISBN 978-92-861-1149-5

QH-AG-10-001-EN-C

ISSN 1725-924X