Mid-term evaluation of the Investment Facility and EIB own resources operations in ACP countries and the OCTs

Final Report

Volume II: Annexes

September 2010

Evaluation for the European Commission

Analysis for Economic decisions
Belgium

PARTICIP GmbH
Germany

Development Researchers' Network
Italy

European Centre for Development Policy Management
Belgium

Overseas Development Institute
United Kingdom

Deutsches Institut für Entwicklungspolitik
German Development Institute

Deutsches Institut für Entwicklungspolitik
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Framework contract for
Multi-country thematic and regional/country-level strategy evaluation studies and synthesis in the area of external co-operation

LOT 1
Multi-Country Evaluation Studies of Economic sectors/themes of EC External Cooperation

Ref.: EuropeAid/122888/C/SER/Multi

Mid-term evaluation of the Investment Facility and EIB own resources operations in ACP countries and the OCTs

Final Report

Volume II – Annexes

This report has been prepared by

September 2010

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Terms of Reference

Mid-term evaluation of the Investment Facility and EIB own resources operations in ACP countries and the OCTs

1 BACKGROUND FOR THE EVALUATION

1.1 Description of the programme to be evaluated

The European Investment Bank (EIB) supports the EU cooperation and development policies in the African, Caribbean and Pacific (ACP) countries and the Overseas Countries and Territories (OCT) under the ACP-EC Partnership Agreement signed in Cotonou in 2000 and revised in 2005 (the "Cotonou Agreement"), and the Overseas Association Decision, and related financial protocols. The EIB provides reimbursable financing under two separate windows:

a) the "Investment Facility" (IF), which is funded out of EU Member States' budgetary funds and under which the EIB provides loans, risk capital, as well as guarantees to ACP and OCT countries. The IF which has a capital endowment of EUR 3,137 billion (EUR 50 million for OCT)[1] is a risk bearing instrument, structured as a revolving fund aimed at being financially sustainable over the 20 year horizon of the Cotonou Agreement.

b) The EIB can also lend from its own resources (OR) up to an amount of EUR 2 billion (EUR 30 million for OCT) for the period 2008-2013[2]. Operations carried out under the Bank's own resources are covered by a specific guarantee of the EU Member States.

In addition to the above, grant financing is also made available for interest rate subsidies and technical assistance. For the period 2003-2008, the EIB was entrusted with the management of a EUR 187 million grant envelope, of which up to EUR 18,7 million could be used for technical assistance. The second financial protocol, for 2008-2013, provides for a grant envelope of EUR 400 million of grants for interest rates subsidies and technical assistance (EUR 1,5 million for OCT). Up to 40 million of this envelope can be used for project related technical assistance.

The activities in the framework of EIB external mandate based on the Council decision 633/2009/EC will not be covered by the present evaluation and are the subject of a separate review.

1.2 Rationale and aims for the evaluation

The rationale and aims for the evaluation are embedded in the Cotonou Agreement. In particular, Article 6b (Review of performance of the Investment Facility) of Annex II (Terms and conditions of financing) of this Agreement states that: "The overall performance of the Investment Facility shall be subject to a joint review at the mid-term and end-term of a financial protocol. Such an exercise may include a recommendation on how to improve the

[1] EUR 2,037 million (EUR 20 million for OCT) for the period 2003-2008 to which was added a further EUR 1,1 million (EUR 30 million for OCT) when Cotonou's second financial protocol entered into force.
[2] For the period 2003-2008, the EIB could lend up to EUR 1,7 billion (EUR 20 million for OCT)

implementation of the Facility." Although this is not specified in the Cotonou Agreement, it is proposed to expand the scope of the evaluation to include projects financed from the own resources of the EIB.

The framework of the evaluation will include:

a) an evaluation of the EIB's financing activities in ACP/OCT countries, in the framework of the Investment Facility and Own Resources, including both quantitative aspects (commitments, disbursements) and qualitative aspects (development impact).

b) an assessment of the complementarity between the EIB's activities in ACP and OCT countries - which are focused on the private sector and consist in the provision of loans and other debt instruments - and EC national and regional indicative programs in ACP/OCTs

c) an assessment of the wider impact of the EIB's operations in ACP/OCT countries on the availability of finance within beneficiary countries.

The evaluation will be supervised and managed by a Reference Group comprising of representatives from the following institutions: EIB, EC, ACP Secretariat and the Investment Facility Committee (representing EU Member States).

The principal role of the Reference Group will be to facilitate and monitor the evaluation process and more specifically:

- advise on the scope and focus of the evaluation and the elaboration of Terms of Reference;
- review the reports produced by the consultants;
- where necessary, facilitate contacts between the consultants and the concerned services, including as regards access to information and documentation;
- advise on the quality of the work of the consultants.

The evaluation will be carried out by external experts (referred in the text either as the evaluators and the consultant(s)), selected through the Evaluation Framework Contract procedure, Lot 1 and financed from the Intra ACP Technical Cooperation Facility. The criteria for the selection of the external experts are listed in this document.

The final evaluation report submitted will draw conclusions and recommendations for future activities in the framework of Investment Facility and the Own Resources operations, and their relations with EU development policy and other IFIs.

1.3. Scope of the evaluation

The evaluation will cover, in appropriate ways:

1) the EIB mandate under the Cotonou Agreement covering the period 2003-2008 (first financial protocol),
2) the EIB mandate under the Cotonou Agreement covering the period 2008-2013 (second financial protocol), as at end-2009

Indicatively, investment projects financed during the period 2003-2008 in terms of signed commitments amount to just over EUR 2 billion under the IF (including EUR 20 mln for the OCTs) and slightly under EUR 1 billion under OR. It is equivalent to some 150 projects.

2. COMMISSIONING BODY AND USER(S) OF THE EVALUATION

This evaluation is commissioned by ACP Secretariat and managed by EC, Unit Aidco C4 (Evaluation Manager).

The review will be conducted in close cooperation with Unit DEV B1, the evaluation Unit AIDCO 03, DG ECFIN and with the EIB, including the evaluation department. The final report will be transmitted to the ACP Secretariat, the Commission, the EIB and will be presented to the Investment Facility Committee. It will be published on EC, the EIB's and ACP Secretariat web sites.

3. DOCUMENTATION AND INFORMATION AVAILABLE

The main legal bases of the EIB activities are:

- The ACP-EC Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States, signed at Cotonou (Benin) on 23 June 2000, as revised in Luxembourg on 25 June 2005 (the "Cotonou Partnership Agreement II") and in particular Annex I and Annex II thereof.

- Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories (the "OCTs") with the European Community, as amended by Council Decision 2007/249/EC of 19 March 2007 (the "Overseas Association Decision").

- The Internal Agreement of 18 September 2000 on the financing of Community aid under the multiannual financial framework for the period 2003 to 2007, in accordance with the Cotonou Partnership Agreement

- The Internal Agreement of 17 July 2006 on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013, in accordance with the revised Cotonou Partnership Agreement

- Council Regulation (EC) No 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund under the ACP-EC Partnership Agreement

- Council Regulation (EC) of 27 March 2003 on the financial regulation applicable to the 9th European Development Fund and, in particular Part Two thereof.

- Council Regulation (EC) No 215/2008 of 18 February 2008 on the financial regulation applicable to the 10th European Development Fund and, in particular Part Two thereof.

The Annual Reports on "Investment Facility", including audited financial statements, since 2003 are available on EIB's web site, and are an important source of information. The evaluators will also have access to reports produced by the EIB Evaluation Department, as well as to projects specific documents (board report and related due diligence reports).

A more complete list of the EIB background documents is available in annex 3.

4. OBJECTIVES AND TASKS OF THE ASSIGNMENT

4.1. Evaluation objectives

The evaluation will review the overall performance of the Investment Facility and Own Resources operations. It will review the portfolio in terms of project financing volumes (approvals, signatures and disbursements), by sector and by country/region, and instruments used, as well as technical assistance and interest rates subsidies. The evaluation will base its conclusions on:

i) in-depth evaluation of the relevance and performance (effectiveness, efficiency and sustainability) of EIB operations against their specific objectives as originally set within the Cotonou Agreement;

ii) the assessment of consistency with the national and regional EU development policies and strategies in ACP countries, as well as with national policies of the partner countries, and of the value added of EIB operations since 2003.

In the assessment, the value-added of EIB operations will be measured against three elements: support of EU policy objectives and those of the Cotonou Agreement, the quality of the projects themselves and the financial and non-financial advantages brought in by the EIB operations compared to potential alternative sources of financing.

The assessment should cover:

- selective analysis of the financial needs of the ACP and OCT beneficiaries, their absorption capacity and the availability of other sources of private or public financing for the relevant investments;
- the assessment of the cooperation and complementarity of actions between the EIB and the Commission,
- the assessment of the cooperation and synergies between the EIB and international and bilateral finance institutions and agencies.
- the assessment of the long term financial sustainability of the IF in the specific ACP environment related to its expected development impact[3].
- the assessment of the risk profile of EIB's own resources operations and their performance, impact as well as coherence in relation to IF measures

4.2. Evaluation tasks

[3] The objective of ensuring the financial sustainability of the IF, which is managed as a revolving fund, entails maintaining the real value of the original endowment of the IF over the 20 year horizon of the Cotonou Agreement.

The specific tasks of the evaluator are to collect, analyse, judge and present primary and secondary data that addresses the evaluation objectives, to identify and answer evaluation questions, as well as to formulate recommendations in relation to the purpose of the evaluation exercise. They shall as a minimum include:

1. Validating and refining the proposed methodological approach to the evaluation work.

2. Identifying, in collaboration with the competent services, a set of evaluation questions; appropriate judgement criteria for each evaluation question; relevant quantitative and qualitative indicators for each criteria

3. Collecting and analysing the relevant necessary data to answer the evaluation questions regarding the selected evaluation criteria in relation to the evaluated activities.

4. Drawing conclusions based on the findings.

5. Formulating recommendations in relation with the purpose of the exercise and the evaluation questions – in particular the evaluator will endeavour to answer all evaluation questions, and thereby provide robust and useable conclusions and recommendations to improve the implementation of the programme and/or any future activities in this area.

6. Presenting findings and recommendations in a final evaluation according to the requirements listed in point 5.2 below.

7. Presenting findings and recommendations to the Reference Group, the Commission, the EIB and the Investment Facility Committee.

4.3. Common evaluation themes

The evaluation will be based on the seven evaluation criteria: relevance, impact, effectiveness, efficiency, sustainability, coherence and the EIB value added notably, but not exclusively, as measured by the Environmental and Social Impact Assessment Framework (ESIAF). The first five correspond to the traditional practice of evaluation of development aid and have been formalised by the OECD (DAC). The criteria will be given different weightings based on the priority accorded to the evaluation questions.

In general, questions (to a maximum of 10) will refer to the following main areas:

- **Achievement of main impacts/effects*:*** the Consultants shall identify all recorded results and impacts, including any unintended ones, and compare these to the intended results and/or impacts. The Consultants will also identify the changes, which occurred in the areas in which the EIB interventions - through IF or OR investments - were supposed to produce an impact, including at a sectoral and/or country as well as regional level [4].
- **Relevance:** The extent to which the Programme's objectives are pertinent to the needs, priorities, problems and issues it was designed to address and, more generally, to broader EU policies and strategies; and the optimisation of the relevance of the Programme is to be assessed. It will further consider the way in which activities are prioritised and a

[4] The regions can include countries covered by other mandates. In such case synergies between the IF and other mandates in those regions should be examined.

pipeline developed, including the role of key stakeholders in the ACP partner countries and the EIB identifying projects.

- **Effectiveness:** The extent to which the Programme has contributed to the EU development policy objectives and specific objectives assigned to the EIB under its mandated, as specified in the Cotonou Agreement, and in particular in Annex II thereof.
- **Efficiency:** For the activities which were effective, it will be necessary to question to what extent funding, human resources, regulatory and/or administrative resources available contributed to, or hindered the achievement of the objectives and results.
- **Sustainability*:*** an analysis of the extent to which the results and impacts are being, or are likely to be maintained over time.
- **Co-ordination and complementarity :** The extent to which (i) the intervention logic of the Investment Facility and EIB own resources investments are coherent with and complementary to EC and/or Member State interventions that are designed to contribute to the EU external policy objectives, and (ii) there is a logical distinction in the mandates and in practice between the function of the own resources envelope and the IF.

4.4. Approach and methodology

The overall methodological guidance to be used is available on the web page of the EuropeAid evaluation unit under the following address:

http://ec.europa.eu/europeaid/evaluation/methodology/index_en.htm

The evaluation basic approach will consist of **five phases** in the course of which several methodological stages will be developed. The Consultant's contribution is essentially but not only the area marked grey in the table below, to which the launch note should be added.

Phases of the evaluation:	*Methodological Stages:*
1. Preparation Phase	▪ Reference group constitution ▪ ToR's drafting ▪ Launch Note (Consultant)
2. Desk Phase[5] 3. Field Phase 4. Synthesis phase	▪ Structuring of the evaluation ▪ Data Collection[6], verification of hypotheses ▪ Analysis ▪ Judgements on findings
5. Feedback and Dissemination	▪ The Consultant will be called upon to make up to five interactive audio-visual presentations based on their findings, conclusions and recommendations

[5] It includes interviews in Brussels and Luxembourg

[6] The study will draw on the contents of (i) all relevant documentation supplied by the Commission Services and the EIB and (ii) documentation from other sources (e.g. project documentation gathered during filed visits).

The field visits will have to represent a balanced approach in terms of regional coverage. There will be four field visits, including at least one to the Caribbean and one to the Pacific region.

5. REPORTING AND/OR DELIVERABLES

5.1. List of deliverables and meetings

Within 15 days after the reception of the ToR, the Consultants will present a **launch note** which should contain:

- their understanding of the ToR;
- a methodological note including the implementation of the quality control;
- the provisional composition of the evaluation team with CVs[7];
- a proposed budget.

Following the launch note, the main key deliverables are:

- The inception meeting;
- The inception report;
- The desk report;
- The final report.

The language of the reports shall be English.

5.1.2. The inception meeting

Upon approval of the launch note, the Consultant proceeds to the structuring stage leading to the production of an inception report.

The main part of the work consists in the analysis of all key relevant documents regarding the EIB's operations in ACP countries**.** The Consultants will also take into account the documentation produced by other donors and international agencies.

On the basis of the information collected and analysed, the Consultants will propose evaluation questions and prepare explanatory comments for each. The choice of the questions determines the subsequent phases of information and data collection, elaboration of the methods of analysis, and elaboration of final judgements. The consultants will also identify appropriate judgement criteria.

A meeting will be held with the Reference Group to discuss and validate:

- the evaluation's regulatory framework, it's context, main users and expected uses;
- the evaluation's central scope;
- the scope extended to related policies;
- the intervention logic according to official documents;

[7] All birthday dates must be written in the following Format: dd/mm/yyyy

- the evaluation questions;

- explanatory comments associated to each evaluation questions (when possible, indicate judgement criteria).Upon validation by the Reference Group, the evaluation questions become part of the ToR.

5.1.3. Inception report

At the end of the inception phase, the consultants must deliver an **inception report,** which finalises the evaluation questions and describes the main lines of the methodological design including the indicators to be used, the strategy of analysis and a detailed work plan for the next stage.

The inception report contains the following elements:

- the intervention logic;
- the validated evaluation questions;
- a limited number of appropriate judgment criteria per evaluation question;
- a limited number of quantitative and/or qualitative indicators related to each judgment criterion;
- a proposal containing suitable working methods to collect data and information in the EIB Headquarters/Regional Offices and the EC Headquarters and Delegations, including information coming from the country itself and other donors in the country;
- a first outline of the strategy and the methods used to analyse the collected data and information indicating any limitations;
- a chain of reasoning for answering the question;
- a concise description of the EIB operations in ACP countries related to the evaluation questions;
- a detailed work plan for the next stage.

The report will also confirm if necessary:

- the final composition of the evaluation team and
- the final work plan and schedule.

The two latter points will be agreed and confirmed through a formal exchange of letters between the Consultants and the Commission.

This phase will include a short preparatory and exploratory visit of the Consultants to Luxembourg and/or Brussels.

5.1.4. Desk report

Upon approval of the inception report the Consultants proceed to the final stage of the desk phase. At the end of this phase, the Consultants will present a desk report setting out the results of this phase of the evaluation including all the following listed elements (the major part of the inception report will be in the annex of the desk phase report):

- the evaluation questions with the agreed judgement criteria and its quantitative and qualitative indicators;

- the first elements of answer to the evaluation questions when available and the hypotheses to be tested in the field;
- progress in the gathering of data. The complementary data needed for the analysis and to be collected in the field have to be identified;
- methodological design, including evaluation tools ready to be applied in the field phase: (i) suitable methods of data collection within the country indicating any limitations, describing how the data should be cross-checked and specifying the sources, (ii) appropriate methods for data collection and to analyse the information, again indicating any limitations of those methods;
- an exhaustive list of all the activities covered during the period and an exhaustive list of all activities examined during the desk phase, bearing in mind that activities analysed in the desk phase and the field phase have to be representative;
- a work plan for the field phase: a list with brief descriptions of activities, projects and programmes for in-depth analysis in the field. The consultants must explain the value added of the visits.

The field mission cannot start before the Evaluation Manager has approved the desk report.

5.1.5. Field reporting

The fieldwork shall be undertaken on the basis set out in the desk report and approved by the Reference Group. The work plan and schedule of the mission are agreed in advance with the relevant services concerned. Fieldwork will be organised in close coordination with the EIB (Head Office and regional representations). If during the course of the fieldwork it appears necessary to deviate from the agreed approach and/or schedule, the Consultants must ask the approval of the Evaluation Manager before any changes may be applied.

At the conclusion of the field study the Consultants shall present the preliminary findings of the evaluation to the Reference Group in writing.

5.1.6. Final report

The Consultants will submit the draft final report in conformity with the structure set out in annex 1. Comments from the Reference Group and the Evaluation Manager must be taken into consideration.

The Consultants may either accept or reject the comments but in case of rejection they must justify (in writing) the reasons for rejection (the comments and the Consultants' responses are annexed to the report). If the Consultants don't want to take them in the report, they must explain the reasons why in a separate document..

If the Evaluation Manager considers the report to be of sufficient quality, he/she will circulate it for comments to the Reference Group. The Reference Group will convene to discuss it in the presence of the evaluation team.

The final report will include an executive summary of not more than 5 pages and shall be accompanied by a 1 page key findings and recommendations synthesis report. The presentation (Power point) will be prepared and revised in accordance with the final report.

The final version of the report, which shall be drafted in English, will need to be translated into French by the contractor. If the result of the translation is not appropriate, the contractor will need to include requested modifications.

The final report will have to be sent electronically and in hard copies to EC (10 copies), ACP secretariat (10 copies), EIB (10 copies), both in English and in French, and the IF Committee representatives (27 copies), the language to be specified.

The evaluators have to hand over on an appropriate support (electronical or paper) all relevant data gathered during the evaluation.

The contractor shall submit a methodological note explaining how the quality control and the capitalisation of lessons learned have been addressed.

The Evaluation Manager makes a formal judgement on the quality of the evaluation (cf. annex 2).

5.1.7. Presentation of the results

The evaluator will also be called upon to make up to five interactive audio-visual presentations including to the IF Committee (in Luxembourg) and the ACP Committee of Ambassadors (in Brussels) based on their findings, conclusions and recommendations.

5.2. Format and timing of documents, reports, publications

The evaluator must ensure that the desk study and first findings reports under this contract are clear, concise, and operational. Each report must focus and clearly report on what is new, the status of any findings/ conclusions/ recommendations (e.g. whether they are tentative or more final), any problems encountered and how they will be surmounted, and the next steps and timetable

The final report shall conform to the following schema:

1. Title page
2. Table of Contents
3. Executive Summary (including the recommendations)
4. Introduction
5. Research Methodology
6. Evaluation Results
7. Conclusions and recommendations
8. Annexes

As all evaluation reports shall be available to the public, no form of confidential data[8] shall be contained in the final report (they shall be included in a separate Annex).

[8] In particular, in view of the confidential or commercially sensitive nature of some of the project-related information to be exchanged in the course of this evaluation, the consultant undertakes not to disclose such information received from the Bank or any other Party without written consent.

The Reference Group will assess the quality of all reports. For a report to be considered as being of adequate quality, the minimum requirements are that:

- Conclusions are clearly and unambiguously based on evaluation findings, which themselves follow logically from, and are justified by, sound analyses and interpretations based on carefully described assumptions and reasoning.
- Recommendations flow directly from the conclusions and provide a basis for addressing weaknesses and/or reinforcing strengths.

6. ORGANISATION AND TIMETABLE

6.1. Work plan

The estimated work plan for the evaluation is the following: starting date in September 2009, draft final report in May 2010.

Evaluation Phases and Stages	*Notes and Reports*	*Dates*	*Meetings/Communications*
Preparatory phase			
	Draft ToRs	27 July 2009	RG meeting
	Launch note and CVs of experts	End August 2009	Consultation by email
Desk Phase			
Structuring Stage	Short presentation of the approach and the Evaluation Questions	beginning November 2009	RG Meeting (kick –off/inception meeting)
	Draft Inception Report	end November 2009	Optional: Short preparatory visit of the consultants to Luxembourg and/or Brussels.
	Final Inception Report	December 2009	A formal exchange of letters between the Consultants and the Commission confirms the final composition of the evaluation team and the final work plan and schedule.
Desk Study	Draft Desk Report	end January 2010	RG Meeting
	Final Desk Report	February 2010	
Field Phase			De-briefing meeting with the Delegation / or EIB Regional office
	Information on findings	May 2010	RG meeting
Synthesis phase			
	1st draft Final report	June 2010	RG Meeting
	Revised draft Final report	mid-June 2010	
	Final Main Report	July 2010	

6.2 Evaluation team

This evaluation is to be carried out by a team with advanced knowledge, and experience in at least the following fields:

- Strong professional experience in evaluation and familiarity with the methodological approach set by the EC. Ability to draw out lessons and implications for country and sector policies. Sound and proven experience in evaluation methods and techniques, preferably in ACP countries, including at the programme and policy level plus relevant field experience. Ability to assess and communicate best practices.
- State of the art knowledge of international finance architecture, including access to specific expertise related to activities of the EIB.
- In-depth understanding of EC external policies and practices. Appropriate experience across the range of instruments, programmes and types of external co-operation, and access to knowledge on the ACP region.
- The team must be prepared to work in English, and possess excellent drafting skills.

Consultants must be strictly neutral. Conflicts of interests must be avoided.

6.3. Budget

The overall costs include:

- The **evaluation** as such;
- 2.5% of the total budget excluding the costs of the seminar are to be used for **quality control**;
- Presentation of the results

The total of these 3 elements must not exceed € 300.000.

6.5 Payments Modalities

The payments modalities shall be as follows: 30% on acceptance of the inception note; 50% on acceptance of draft final report; 20% on acceptance of final report.

ANNEX: 1. OVERALL STRUCTURE OF THE FINAL REPORT

The final report shall conform to the following schema:
1. Title page
2. Table of Contents
3. Executive Summary (including the recommendations)
4. Introduction
5. Research Methodology
6. Evaluation Results
7. Conclusions and recommendations
8. Annexes

Length: the final report must be kept short (70 pages maximum excluding annexes). Additional information regarding the context, the programme and the comprehensive aspects of the methodology and of the analysis will be put in the annexes.

(1) Conclusions

– The conclusions have to be assembled by homogeneous "clusters" (groups). It is not required to set out the conclusions according to the 5 DAC criteria;

– The chapter on "Conclusions" has to contain a paragraph or a sub-chapter with the 3 to 4 principal conclusions presented in order of importance;

– The chapter on "Conclusions" must also make it possible to identify subjects, for which there are good practices and the subjects, for which it is necessary to think about modifications or re-orientations;

(2) Recommendations

– Recommendations have to be linked to the conclusions without being a direct copy of them;

– Recommendations have to be treated on a hierarchical basis and prioritised within the various clusters (groups) of presentation selected;

– Recommendations have to be realistic, operational and feasible. As far as it is practicable, the possible conditions of implementation have to be specified;

– The chapter on "Recommendations" has to contain a sub-chapter or a specific paragraph corresponding to the paragraph with the 3 to 4 principal conclusions. Therefore, for each conclusion, options for action and the conditions linked to each action as well as the likely consequences should be set out.

• **Annexes (non exhaustive)**

- Methodological approach
- Information matrix
- Monograph, case studies

- List of institutions and persons met
- List of documents consulted

NOTE ON THE EDITING OF REPORTS

- The final report must:
    - be consistent, concise and clear;
    - be well balanced between argumentation, tables and graphs;
    - be free of linguistic errors;
    - include a table of contents indicating the page number of all the chapters listed therein, a list of annexes (whose page numbering shall continue from that in the report) and a complete list in alphabetical order of any abbreviations in the text;
    - contain one (or several) summaries presenting the main ideas. For example, the answers to the evaluation questions and the main conclusions could be summarised and presented in a box.
- The executive summary has to be very short (max. 5 pages);
- The final version of the report shall be typed in 1,5 lines spacing and printed double sided, in DIN-A-4 format;
- The font shall be easy to read (indicative size of the font: Times New Roman 12);
- The presentation shall be well spaced (the use of graphs, tables and small paragraphs is strongly recommended). The graphs must be clear (shades of grey produce better contrasts on a black and white printout);
- The main report shall not exceed 70 pages including the cover page, the table of content, the lists of annexes and abbreviations. The annexes shall not be too long;
- The content must have a good balance between main report and annexes;
- Reports shall be glued or stapled; plastic spirals are not acceptable due to storage problems.

Please, note that:

- The Consultant is responsible for the quality of translations and their conformity with the original;
- All data produced in the evaluation are property of the EC.

ANNEX 2 - QUALITY ASSESSMENT GRID

Concerning these criteria, the evaluation report is:	**Unacceptable**	**Poor**	**Good**	**Very good**	**Excellent**
1. Meeting needs: Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?					
2. Relevant scope: Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?					
3. Defensible design: Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?					
4. Reliable data: To what extent are the primary and secondary data selected adequate. Are they sufficiently reliable for their intended use?					
5. Sound analysis: Is quantitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way?					
6. Credible findings: Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?					
7. Validity of the conclusions: Does the report provide clear conclusions? Are conclusions based on credible results?					
8. Usefulness of the recommendations: Are recommendations fair, unbiased by personnel or shareholders' views, and sufficiently detailed to be operationally applicable?					
9. Clearly reported: Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?					
Taking into account the contextual constraints on the evaluation, the overall quality rating of the report is considered.					

ANNEX 3 – A LIST OF EIB BACKGROUND DOCUMENTS

3.1 Governing instruments

- The ACP-EC Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States, signed at Cotonou (Benin) on 23 June 2000, as revised in Luxembourg on 25 June 2005 (the "Cotonou Partnership Agreement II") and in particular Annex I and Annex II thereof.

- Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories (the "OCTs") with the European Community, as amended by Council Decision 2007/249/EC of 19 March 2007 (the "Overseas Association Decision").

- The Internal Agreement of 18 September 2000 on the financing of Community aid under the multiannual financial framework for the period 2003 to 2007, in accordance with the Cotonou Partnership Agreement

- The Internal Agreement of 17 July 2006 on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013, in accordance with the revised Cotonou Partnership Agreement

- Council Regulation (EC) No 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund under the ACP-EC Partnership Agreement

- Council Regulation (EC) of 27 March 2003 on the financial regulation applicable to the 9th European Development Fund and, in particular Part Two thereof.

- Council Regulation (EC) No 215/2008 of 18 February 2008 on the financial regulation applicable to the 10th European Development Fund and, in particular Part Two thereof.

3.2 Related evaluations can be found at http://www.eib.org/evaluation

- AIDCO – Evaluation of Commission's aid delivery through development banks and EIB
- EIB/EV – Evaluation of the EIB financing of water and sanitation projects outside the EU

3.3 EIB internal documents

- Investment Facility Operational Guidelines (October 2002)
- Guidelines for equity investments under the Investment Facility (CA Doc 05/218)
- Guarantees – Operational principles to guide the implementation of guarantees under the Investment Facility (CA Doc 04/379)
- Technical note on the use of interest subsidies in the ACP
- ACP-IF Local currency lending
- Credit Risk Policy Guidelines and procedures for Investment Facility Operations (March 2004) and first revision thereof (June 06 – CA Doc 06/248)

- EIB Strategic orientations for financial sector operations in ACP countries (CA Doc 08/53)
- Cotonou Partnership Agreement - Summary of activities in Micro-Finance and operational outlook (CA Doc 07/465)
- EIB participation in regional development banks in the ACP (CA Doc 07/183)

- The ACP-EU Water Facility and EIB's involvement in ACP water and sanitation sectors (CA Doc 07/195)

- Development Impact Assessment Framework (DIAF) of Investment Facility projects (CA Doc 05/123)
- Development Impact and Value Added of investment loans in ACP countries (CA Doc 06/510)
- Extension and adaptation of the Economic and Social Impact Assessment Framework (ESIAF, ex-DIAF) to all operations (including financial sector operations) outside the EU and pre-accession countries (CA Doc 08/52)

- Investment Facility Annual Reports (2003, 2004, 2005, 2006, 2007, 2008)

- ACP - Investment Facility Business Plans
  2004-2006 – CA Doc 04/113
  2005-2007 – CA Doc 05/71
  2006-2008 – CA Doc 06/130
  2007-2009 – CA Doc 07/196
  2008-2010 – CA Doc 08/49
  2009-2011 – CA Doc 09/56

Annexe 2 - Concise overview of EIB portfolio in ACP countries and OCTs

This annexe provides a concise descriptive overview of the portfolio of EIB operations in ACP and OCTs financed under the Investment Facility (IF) and EIB Own Resources (OR). It also addresses Interest Rate Subsidies (IRS) to IF and OR loans and Technical Assistance (TA) provided by the EIB in ACP countries and OCTs. It also presents an analysis of the IF and OR portfolio.

This annexe is structured as follows:

- Section 1: Descriptive overview of the IF and OR portfolio
- Section 2: Analysis of the IF and OR portfolio

1. Descriptive overview of EIB operations in ACP and OCTs

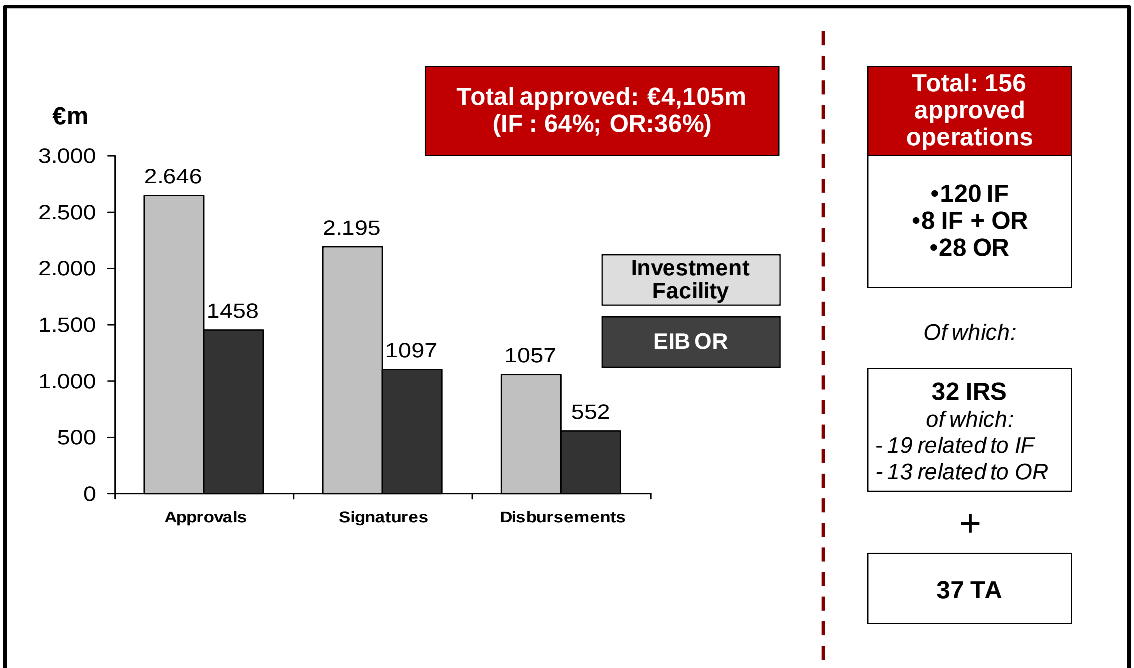
1.1 General overview

Over the period 2003 to September 2009, a total of **€4,105m[1] was approved for EIB operations in the ACP countries and OCTs under the Investment Facility (64%) and EIB Own Resources (36%)**. Of these funds, €3,292m[2] was contracted and €1,608m disbursed, that is respectively 80% and 39% of the total *(see figure below)*.

[1] Approvals net of cancellation. The total amount approved, including cancellation after approval, was €4,266m over the period 2003 to September 2009.

[2] Signatures net of cancellation. The total amount signed, including cancellation after signature, was €3,459m

Figure 1.1 - Overview of EIB operations in ACP countries and OCT– 2003 to 09/2009



Note: Approvals and signatures amounts are net of cancellation. Number of operations are net of cancellation
Source: EIB data and ADE analysis

Cumulative **Investment Facility** (IF) approvals from 2003 to September 2009 amounted to €2,646m (€2,616m for ACP countries and €30m for OCTs). They represented 74% of the total financial allocation for the IF under EDFs 9 and 10 (€2,037m[3] for ACP and €20m for OCTs under EDF 9; €1,500m and €30m respectively for ACP and OCTs under EDF 10). The total amounts signed (€2,195m) and disbursed (€1,057m) represented respectively 83% and 40% of the amounts approved.

The loans financed under **EIB Own Resources** (OR) amounted to €1,067m under Cotonou I and €391m under Cotonou II[4] (€20m for OCTs under Cotonou II and the rest for ACP countries). Under Cotonou I, signatures and disbursements totalled €943m and €545m respectively, or 88% and 51% of the approvals. Under Cotonou II, €154m was signed and €6.4m was disbursed or 39% and 1% of the approvals.

[3] The initial endowment of EUR 2 200 million for the IF has been revised downwards proportionally to EUR 2 037 million following the setting-up during 2004 of the EUR 500 million EU Water Facility and the EUR 250 million EU Energy Facility under the 9th EDF (Source : EIB, Annual Press Conference, Briefing Note n°8, Luxembourg 9 February 2006).

[4] Cotonou II came into force in July 2008

Over the period 2003 to September 2009, 120 operations were approved under the IF, 28 under OR, and a further eight under both IF and OR. In total 156 operations were approved and 177 contracts were signed[5].

Interest Rate Subsidies (IRS) were granted to 32 loans financed under IF loans (19) and OR loans (13). The IRS estimates amounted to €134m[6] and €33m was used.

Technical assistance (TA) is provided to support directly or indirectly EIB operations. TA started in 2007 and cumulative amounts of €30m were approved up to September 2009 for a total number of 37 TA operations; a total of €18m was contracted and €9m disbursed.

The table below provides more details on the amounts contracted and disbursed, differentiating between the Cotonou Agreement's first and second financial protocols. It shows for instance that the first IF envelope for ACP countries was largely contracted (94%) and the second envelope is also well underway in terms of contracting (17% contracted after 2 years out of a 5.5 year duration). Disbursements relating to the first IF envelope for ACP countries amounted to 55% at the end of September 2009.

Table 1.1 : Overview of EIB operations in ACP countries and OCT, per financial protocol – 2003 to 09/2009

Mandate		Endowment	Contracted		Disbursements	
		€m	€m	% of endow.	€m	% of contr.
1st Fin. Prot. 2003-June2008	IF - ACP	2,037	1,918	94%	1,048	55%
	IF - OCT	20	20	100%	-	0%
	OR - ACP	1,700	943	55%	545	58%
	OR - OCT	20	-	0%	1,593	N/A
	Total	***3,777***	***2,881***	***76%***	***1,593***	***55%***
2nd Fin. Prot. July2008-2013	IF - ACP	1,500	257	17%	7	3%
	IF - OCT	30	-	0%	-	N/A
	OR - ACP	2,000	154	8%	6	4%
	OR - OCT	30	-	0%	-	N/A
	Total	***3,560***	***411***	***12%***	***14***	***3%***
TOTAL 1st + 2nd Fin. Prot. 2003-2013	**IF - ACP**	**3,537**	**2,175**	**61%**	**1,055**	**49%**
	IF - OCT	**50**	**20**	**40%**	**-**	**0%**
	OR - ACP	**3,700**	**1,097**	**30%**	**552**	**50%**
	OR - OCT	**50**	**-**	**0%**	**-**	**N/A**
	TOTAL	***7,337***	***3,292***	***45%***	***1,607***	***49%***

Notes. Contracts after adjustments. Details on endowments provided further in this section.
Source: EIB data and ADE analysis

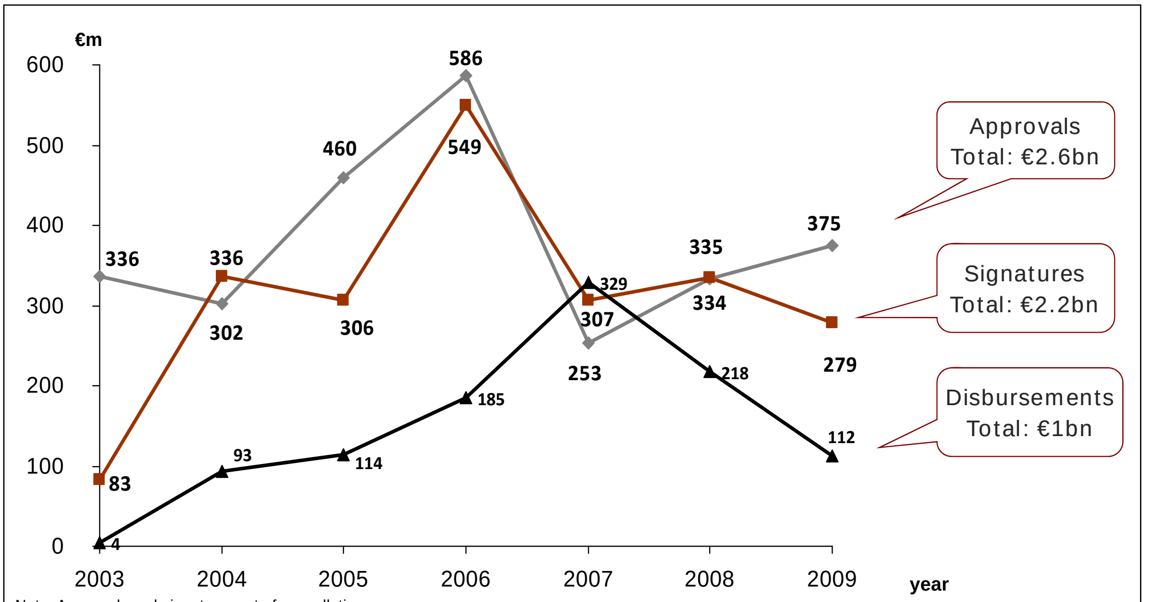
5 Number of operations and contracts are net of cancellation. The operations and contracts number including those cancelled were respectively 160 and 184.

6 Estimations net of cancellation.

1.2 Investments Facility portfolio

The following section presents the trends in, and the various breakdowns of, the IF portfolio. The figure below shows the trend in IF funds in terms of approvals, signatures and disbursements. The other figures in this section are based only on the amounts signed during the period 2003 to September 2009.

Figure 1.2 – IF: Trend in the amounts approved, signed and disbursed - 2003 to 09/2009 - €m

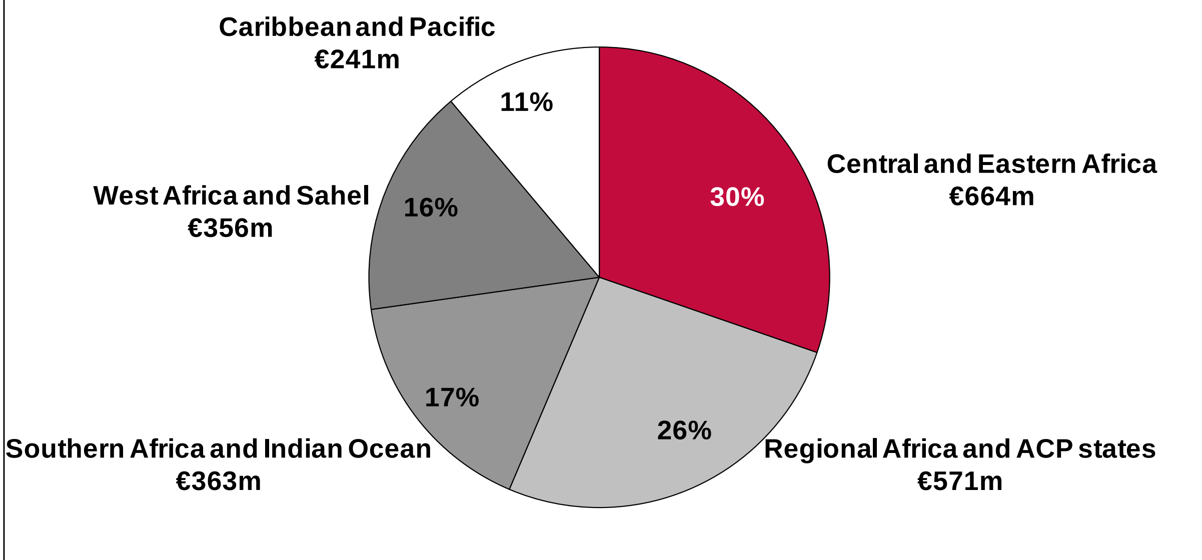


Note: Approvals and signatures net of cancellation
Source: EIB data and ADE analysis

The evolution of the IF funds is characterised by a general upward trend from 2003 to 2006. In 2007 approvals and signatures decreased compared to 2006 and then remained relatively stable in 2008 and 2009 (September 2009). Disbursements increased up until 2007, reaching a total amount of €329m for that year, and then fell back in 2008 and 2009.

In terms of **geographic breakdown**, the IF finances operations in both ACP countries and OCTs. As shown in the figure below, the main sub-region is Central and Eastern Africa (30% of IF signatures). Regional operations across African countries and ACP States also represent a substantial proportion of IF signatures (26%).

Figure 1.3 – IF: Regional breakdown - 2003 to 09/2009 - signatures €m



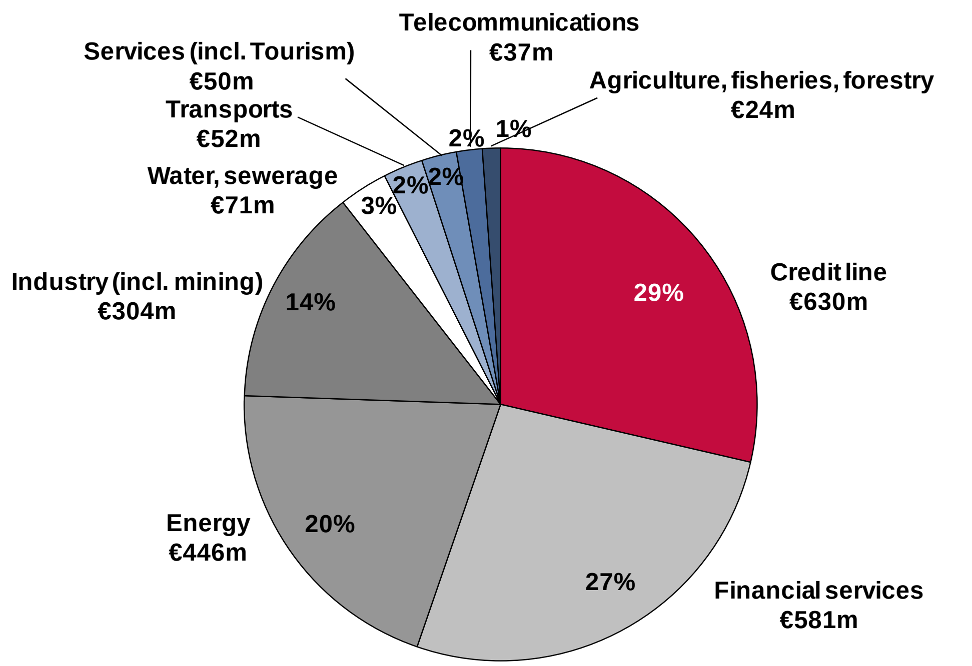
Note: signatures net of cancellation
Source: EIB data and ADE analysis

Country specific IF operations amounted to €1,124m (51% of total IF signatures) in 35 countries. Regional (Africa and ACP) and sub-regional operations represent 49% of overall IF signatures, or €1,071m. In terms of number of contracts undertaken under IF operations[7], 58 were regional and 87 were country-specific.

[7] One operation can have more than one contract when the operation has for example several borrowers or several financing instruments.

The **sector breakdown** of IF portfolio is presented in the figure below:

Figure 1.4 – IF: Sector breakdown - 2003 to 09/2009 - signatures €m



Note: signatures net of cancellation
Source: EIB data and ADE analysis

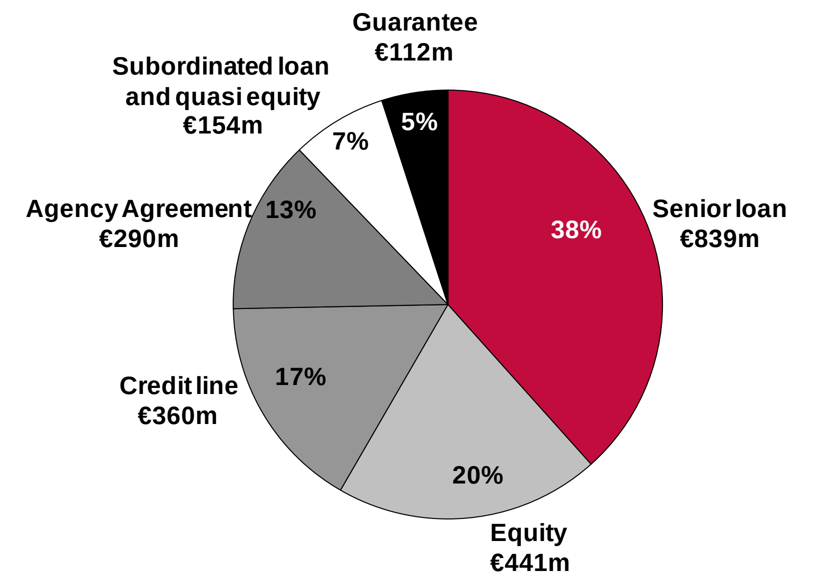
Investment in the financial sector, including credit lines, amounted to 56% of the IF portfolio (€1,211m). It is the main sector supported by the IF. The energy sector is the second main sector accounting for 20% of total IF signatures. The operations in this sector are mainly led by public institutions (12 out of 16 contracts). In the industry sector (including mining), which accounts for 14%, all the contracts (17) are led by the private sector. The other sectors are:

- water & sewerage (3%),
- transport (2%),
- services (including tourism) (2%),
- telecommunications (2%) and
- agriculture, fisheries & forestry (1%).

The majority of the IF portfolio is led by the private sector (€1,719m) for operations in financial services and in industry. Public sector-led operations account for €475m, mainly in the energy sector.

The breakdown by **financial instrument** used by the EIB under the IF is shown below:

Figure 1.5 – IF: Financial instrument breakdown - 2003 to 09/2009 - signatures €m



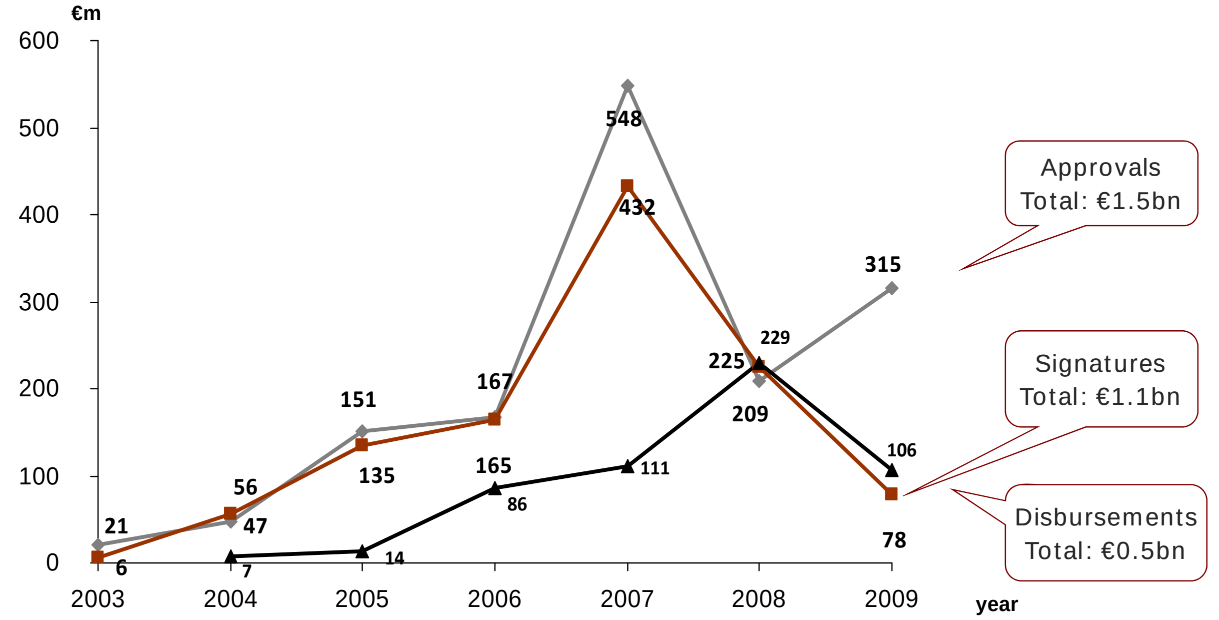
Note: signatures net of cancellation
Source: EIB data and ADE analysis

Senior loan is the main instrument used in term of amount signed (38%) and number of contracts signed (44) over the period 2003 to September 2009. For equity investments, 44 contracts were signed but funds invested *via* this instrument were less than those invested through senior loans (20% of total amount signed for Equity). Agency Agreements are used in the framework of European Financing Partners (EFP) I, II and III.

1.3 EIB Own Resources portfolio

The following section presents the trends in, and various breakdowns of, the EIB Own Resources portfolio. The figure below shows the trends in OR in terms of approvals, signatures and disbursements. The other figures of this section are based only on the amount signed during the period 2003 to September 2009.

Figure 1.6 – OR : Trends in the amounts approved, signed and disbursed 2003 to 09/2009 [€m]

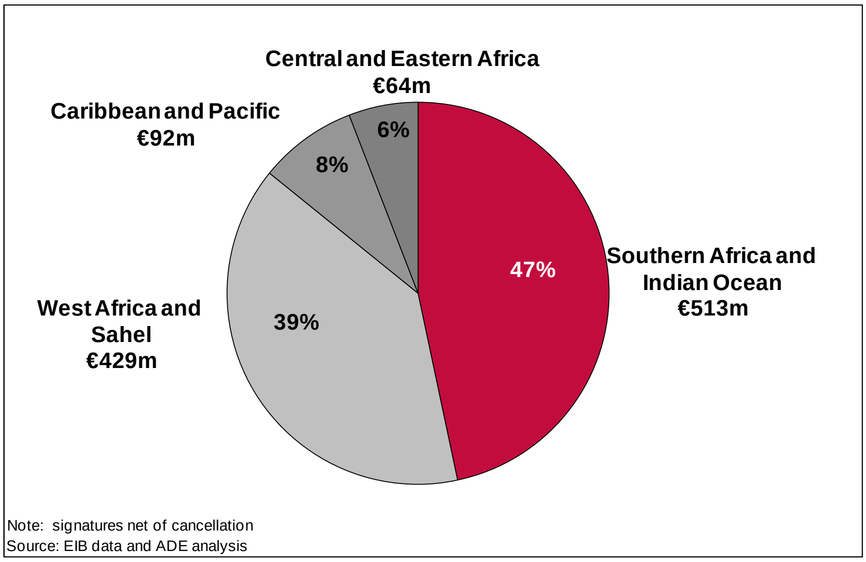


Note: Approvals and signatures net of cancellation
Source: EIB data and ADE analysis

OR approvals, signatures and disbursements increased between 2003 and 2007, reaching a peak of €548m of approvals in 2007. While disbursements kept on increasing in 2008, approvals and signatures decreased during that year. Approvals have increased in 2009 but signatures and disbursements have not followed the same trend. This can maybe be explained by the fact that data showed in this figure go up to September 2009 and thus do not cover the last months of the year.

Most of the OR portfolio goes to ACP countries (€1,438m) and only a small proportion to OCTs (€20m approvals but no signatures up to September 2009). In terms of **sub-regional breakdown**, 47% of the amounts signed are for contracts in Southern Africa and Indian Ocean and 37% in West Africa and the Sahel.

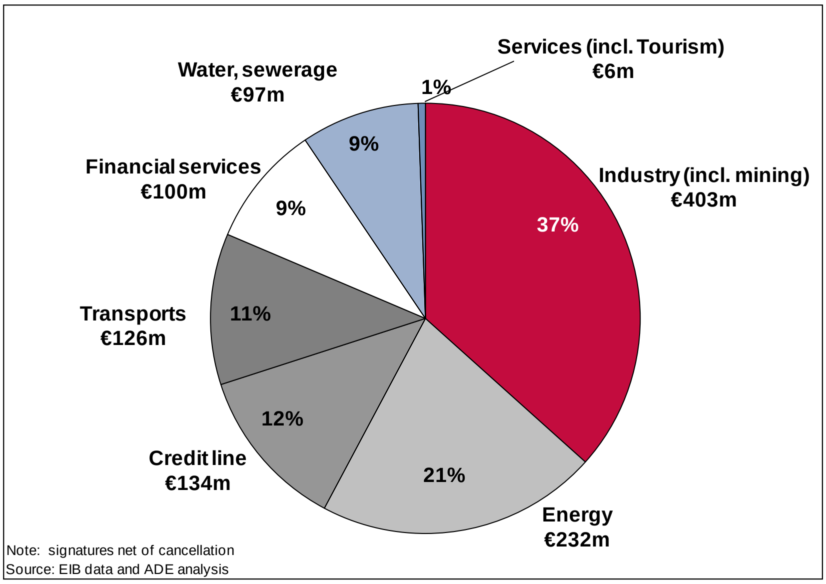
Figure 1.7 – OR: Regional breakdown 2003 to 09/2009 - signatures [€m]



The OR portfolio is earmarked more to country-specific than to regional operations. Indeed, 11% of the signatures are for regional contracts whereas the remainder goes to 18 countries, of which Madagascar (€285m), Nigeria (€125m) and Ghana (€115m) are the main beneficiaries. In terms of number of operations per region, 11 have been financed in Southern Africa & Indian Ocean, 8 in West Africa & Sahel, 6 in the Caribbean & Pacific and 3 in Central & Eastern Africa.

The **sector breakdown** of OR is shown here below:

Figure 1.8 – OR: Sector breakdown - 2003 to 09/2009 - signatures €m



The OR portfolio mainly supports the industrial sector (37%) and the energy sector (21%). The financial sector, including credit lines, represents 21% of the total amount signed. The other sectors supported are transport (11%), water & sewerage (9%) and services (including tourism) (1%).

These OR contracts are shared almost equally between the private sector (56%, mainly for industry and financial services) and the public sector (44%, in this case for energy, transport and water).

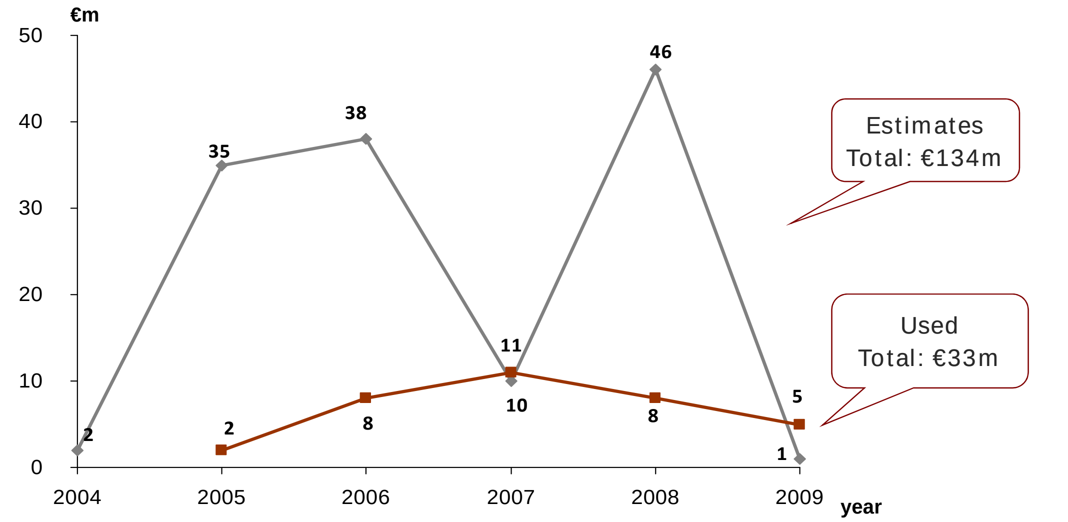
The EIB uses two **financial instruments** for OR contracts:

- Senior loans (€963m, or 88% of the total amount signed)
- Credit lines (€134m or 12%)

1.4 Interest Rate Subsidies

This section describes the Interest Rate Subsidies (IRS) provided under IF and OR loan arrangements. As mentioned above, IRS were granted in respect of 32 loans, namely 19 financed by the IF, and 13 loans out of OR over the period 2004 to September 2009. Out of these 32 loans, 2 were in OCTs and 30 in ACP countries. The trends in the IRS amounts estimated and used are presented in the figure below:

Figure 1.9 – IRS: Trends in amounts estimated and used - 2004 to 09/2009 - €m

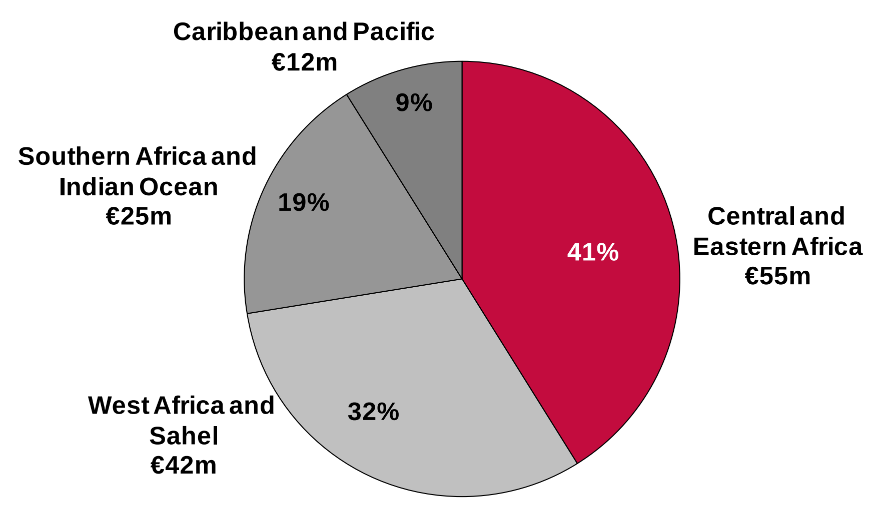


Note: Estimates net of cancellation
Source: EIB data and ADE analysis

IRS amounts estimated (at the time of the contract signature) increased between 2004 and 2008 with a drop in 2007. The resources used (at the time of disbursement) were relatively stable over the period.

In terms of **geographical breakdown**, the figure below shows the sub-regions benefiting from IF and OR contracts with an IRS (amounts estimated in €m):

Figure 1.10 – IRS : Regional breakdown - 2004 to 09/2009 - estimates €m



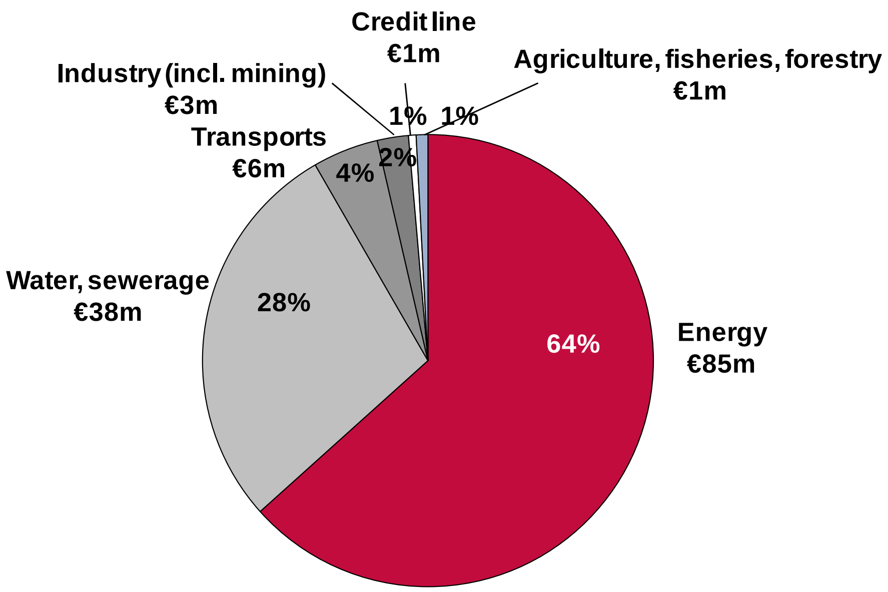
Note: Estimates net of cancellation
Source: EIB data and ADE analysis

IRS are provided mainly for loans in Central and Eastern Africa in terms of amounts estimated (41% of the total estimates for seven loans). The other sub-regions are:

- West Africa and Sahel (32% for 11 loans)
- Southern Africa and Indian Ocean (19% for 6 loans) *and*
- Caribbean and Pacific (9% for 8 loans).

As presented in the figure below on **sector breakdown**, 64% of the IRS granted (in terms of estimates) are for loans in the energy sector, mainly led by public institutions. The second main sector is water and sewerage, representing 28% of the total amount estimated. These operations are led by the public sector only. The other sectors are: transport (4%); industry (2%); credit lines (1%) *and a*griculture, fisheries and forestry (1%).

Figure 1.11 – IRS: Sector breakdown - 2004 to 09/2009 - estimates €m



Note: Estimates net of cancellation
Source: EIB data and ADE analysis

The justification for granting an IRS in respect of loans financed under the IF or OR concerns mainly **HIPC** countries (84% of the total amount estimated). Other justifications relate to issues concerning environment (7%), social sector (6%), privatisation (3%), EC sugar policy (0.5%) and natural disaster recovery (0.5%)

1.5 Technical assistance

Provision of Technical Assistance (TA) started in 2007. The total amount approved for TA up to September 2009 was €30m (€18m under Cotonou 1 and €12m under Cotonou 2). Over the period, 59% of the amounts approved were contracted and 29% disbursed. The following table shows the evolution of these amounts over the three years:

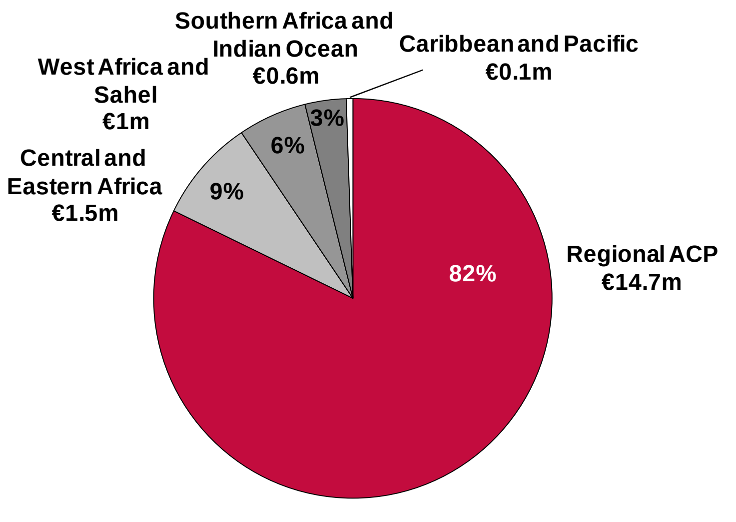
Table 1.1 – TA: Evolution of approvals, contracts and disbursements - 2007 to 09/2009 - €m

TA	2007	2008	2009
Approvals	5,8	14,0	10,4
Contracts	3,6	7,9	6,5
Disbursements	1,7	1,8	5,3

Source: EIB data and ADE analysis
Note: contracts after adjustments

The following figure presents the **geographical breakdown** of TA contracts:

Figure 1.12 – TA: Regional breakdown - 2007 to 09/2009 – contracts - €m



Note: Contracts after adjustements
Source: EIB data and ADE analysis

Most of the TA funds contracted are for regional operations in the ACP countries (82% of the total amount contracted for 15 contracts). Other TA were contracted in:

- Central and Eastern Africa (9%, 12 contracts);
- West Africa and Sahel (6%, 4 contracts);
- Southern Africa and Indian Ocean (2.6%, 2 contracts); *and*
- Caribbean and Pacific (0.4%, 4 contracts).

Over the period 2007 and 2009, the TA focused mainly on:

- financial sector operations (62% of the total amount contracted);
- global loans (16%) ;
- the energy sector (15%) ; *and*
- the communication sector (7%).

2. Analysis of the IF and OR portfolio

The objective of this section is to provide a synthetic overview of the deployment of OR and IF resources in view of assessing the main needs they have addressed.

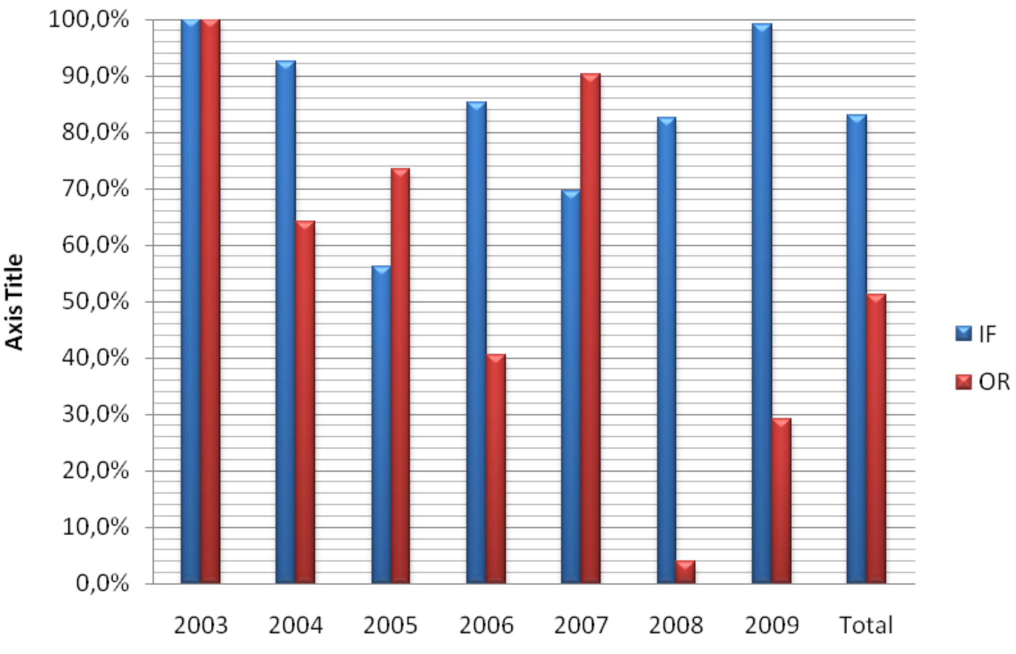
It includes three sets of tables, presented at the end of this Annexe.

The first set (tables 1a to 1c) is based on the 2009 Annual Report of the Investment Facility.

It provides the yearly evolution of signed operations (numbers and amount) from 2003, date of entry into force of the Cotonou Agreement) to 2009, and the cumulated operations over the whole period, for respectively the IF, the OR, and in the ACP and the OCTs. The distinction is made between private led and public initiatives.

These tables convey the following messages:

- The Bank has, according to its mandate, effectively targeted its interventions to private sector led initiatives. They represent 83% of IF and 51% of OR cumulated signatures.



Share of private sector led initiatives in IF and OR operations

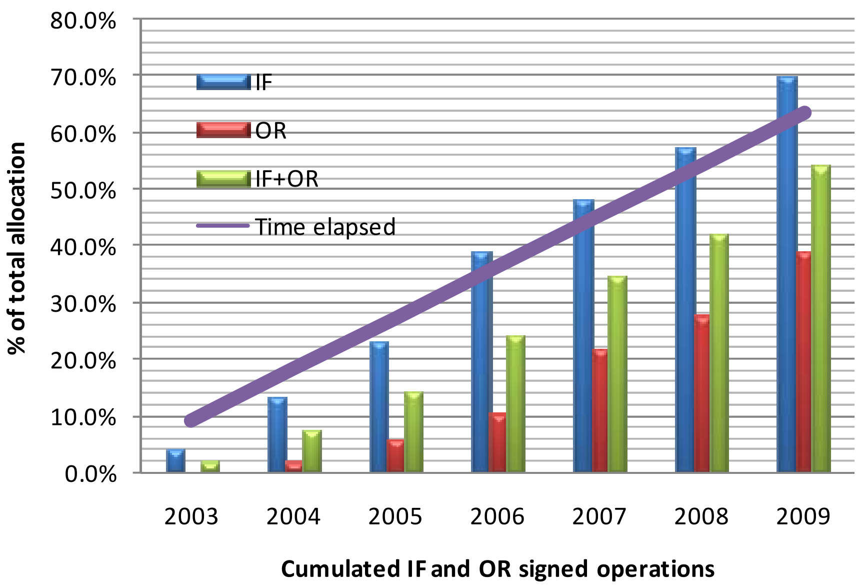
- The average project size of OR interventions (€ 35.4 m) is more than twice that of IF (€ 15.3 m). Some explanatory factors can be found in the examination of tables 2 and 3.

- The overview of the Bank's signed operations in the ACP and the OCT's since 2003 shows that at the end of 2009 signed commitments under EDF 9 and EDF 10 amounted to nearly € 4 billion i.e. 54% of the total combined IF and OR allocations. As the 10th EDF portfolio is still being built up this amount will further increase.

The following diagram shows the cumulated IF and OR signed operations at the end of each year, i.e. the pace at which the portfolios of IF and OR interventions have been built up.

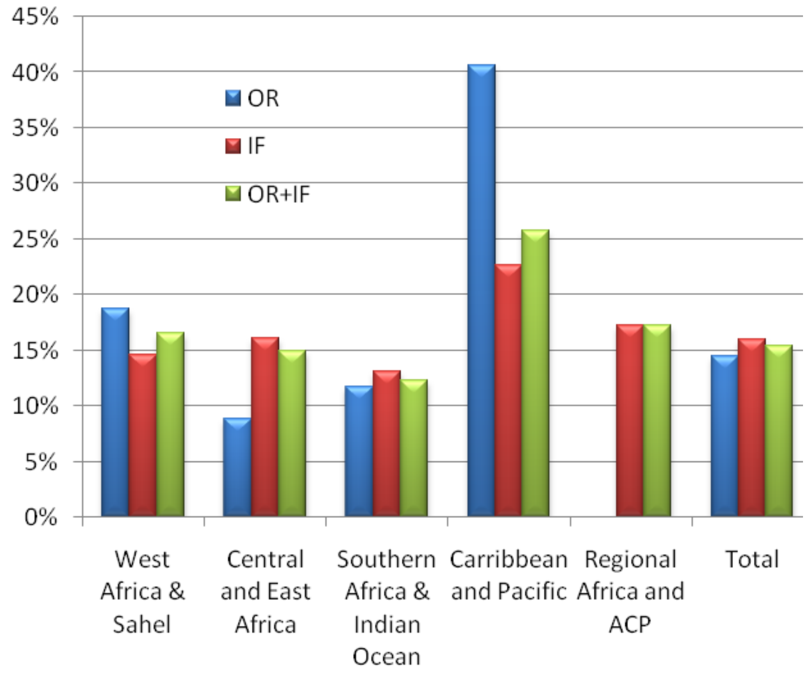
The purple coloured line corresponds to a linear distribution of operations along the whole period. Taking into account the fact that the Cotonou mandate entered into force in 2003 and extends to 2013, roughly 64% of the time available for building up the portfolio was elapsed by end 2009.

Cumulated signed operations under the IF and OR amount to 54%. This average ratio, however, covers two different evolutions. The building up of the IF portfolio has been much faster, with signatures already amounting to 70% of allocation, than that of the OR with only 39%.



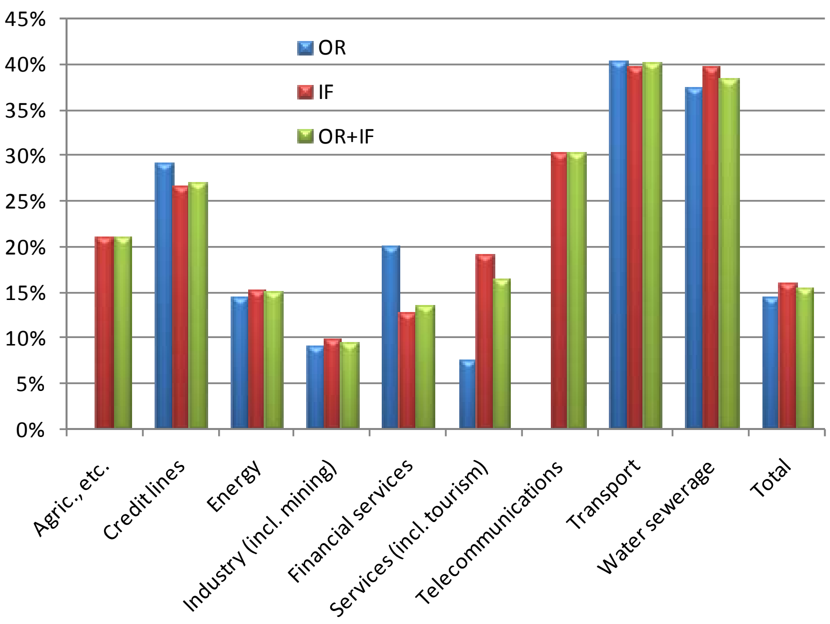
The other sets of tables are based on data provided by the EIB and used for the exhaustive inventory of EIB operations presented in annexe 2. They are more detailed than those provided in the 2009 Annual Report of the IF but they cover only the period 2003 to end September 2009. However, they enter into more details on the deployments of instruments and their direction to regions and sectors.

Table 2 show the geographical distribution of the net cumulative amount of contracts over the period 2003-Sept. 2009. For each region the contracts are distributed by sector. The table indicates for each region and sector the percentage of the total projects costs that was funded by the EIB.



Share of total project cost funded by the EIB per region (cumulated contracts 2003-sept 2009)

Under the IF, EIB funding covered 16% of the total cost of all operations. This coverage was relatively similar in all regions except the Caribbean and the Pacific where it is significantly higher with 23%. For the OR the average share of funding was 14% with a higher variance that for IF, the ratio mounting to 41% in the Caribbean and the Pacific. These differences reflect the variations in the sector distribution of operations across the region. The funding provided to telecommunications, transport and water tend to cover a higher proportion (30% to 40%) of the total costs of projects than in the other sectors. This is true for both the IF and the OR. Contributions to the sectors energy, industry, financial services and tourism cover a much smaller share of the total costs of the projects (10% to 15%).



Share of total project cost funded by the EIB per sector (cumulated contracts 2003-sept 2009)

Table 3 gives the breakdown of cumulated contracts by sector and by financial instrument with identification of the proportion of operations that were addressing private led initiatives.

Under the IF (table 3a) and the OR (Table 3b) the infrastructure sectors (energy, transport and water) are supported exclusively with senior loans offered to a majority of public sector led initiatives. The other sectors under the IF and the OR are supported with senior loans and the other financial instruments; for these other sectors all financial instruments were targeted to private sector led initiatives.

As a result 78% of IF operations and 59% of OR were directed to the private sector[8] with an average of 72% for the consolidated IF and OR operations. The main factor is higher share of infrastructure projects in the OR than in the IF portfolio. The fact that these projects tend to be both large projects and projects for which the share of the total cost funded by the Bank is higher than in other sectors is one factor that contributes to the higher average size of OR projects compared to IF ones.

[8] These figures differ slightly from those of table 1 because the periods covered do not coincide.

Table 1 IF/OR Signed operations 2003-2009 (ACP and OCTs)

Table 1a: Investment Facility

		2003	2004	2005	2006	2007	2008	2009	Total	% of 9th & 10th EDF allocations	Aver. Proj. Size (€ m.)
ACP	N° of operations	12	21	26	38	19	23	22	161		
	of which private	*12*	*19*	*20*	*32*	*18*	*21*	*21*	*143*		
	of which public	*0*	*2*	*6*	*6*	*1*	*2*	*1*	*18*		
	Amount in € m.	140,15	337,23	351,22	569,62	314,63	326,25	450,10	2.489,20	70%	15,46
	of which private	*140,15*	*311,98*	*197,62*	*485,12*	*216,13*	*267,75*	*445,80*	*2.064,55*		*14,44*
	in %	*100,0%*	*92,5%*	*56,3%*	*85,2%*	*68,7%*	*82,1%*	*99,0%*	*82,9%*		
	of which public	*0,00*	*25,25*	*153,60*	*84,50*	*98,50*	*58,50*	*4,30*	*424,65*		*23,59*
OCT	N° of operations					2	1		3		
	of which private					*2*	*1*		*3*		
	of which public					*0*	*0*		*0*		
	Amount in € m.					10,00	10,00		20,00	40%	6,67
	of which private					*10,00*	*10,00*		*20,00*		*6,67*
	in %					*100,0%*	*100,0%*		*100,0%*		
	of which public					*0,00*	*0,00*		*0,00*		*0,00*
ACP + OCT	N° of operations	12	21	26	38	21	24	22	164		
	of which private	*12*	*19*	*20*	*32*	*20*	*22*	*21*	*146*		
	of which public	*0*	*2*	*6*	*6*	*1*	*2*	*1*	*18*		
	Amount in € m.	140,15	337,23	351,22	569,62	324,63	336,25	450,10	2.509,20	70,0%	15,30
	of which private	*140,15*	*311,98*	*197,62*	*485,12*	*226,13*	*277,75*	*445,80*	*2.084,55*		*14,28*
	in %	*100,0%*	*92,5%*	*56,3%*	*85,2%*	*69,7%*	*82,6%*	*99,0%*	*83,1%*		
	of which public	*0,00*	*25,25*	*153,60*	*84,50*	*98,50*	*58,50*	*4,30*	*424,65*		*23,59*

Table 1b: Own Resources

		2003	2004	2005	2006	2007	2008	2009	Total	% of 9th & 10th EDF allocations	Aver. Proj. Size (€ m.)
ACP	N° of operations	1	5	4	5	7	8	10	40		
	of which private	*1*	*3*	*3*	*3*	*4*	*2*	*3*	*19*		
	of which public	*0*	*2*	*1*	*2*	*3*	*6*	*7*	*21*		
	Amount in € m.	6,10	62,23	150,91	167,25	431,81	224,75	403,17	1.446,22	39,1%	36,16
	of which private	*6,10*	*39,93*	*110,91*	*67,75*	*389,51*	*9,00*	*110,30*	*733,50*		*38,61*
	in %	*100,0%*	*64,2%*	*73,5%*	*40,5%*	*90,2%*	*4,0%*	*27,4%*	*50,7%*		
	of which public	*0,00*	*22,30*	*40,00*	*99,50*	*42,30*	*215,75*	*292,87*	*712,72*		*33,94*
OCT	N° of operations							1	1		
	of which private							*1*	*1*		
	of which public							*0*	*0*		
	Amount in € m.							10,00	10,00	20,0%	10,00
	of which private							*10,00*	*10,00*		*10,00*
	in %							*100,0%*	*100,0%*		
	of which public							*0,00*	*0,00*		*0,00*
ACP + OCT	N° of operations	1	5	4	5	7	8	11	41		
	of which private	*1*	*3*	*3*	*3*	*4*	*2*	*4*	*20*		
	of which public	*0*	*2*	*1*	*2*	*3*	*6*	*7*	*21*		
	Amount in € m.	6,10	62,23	150,91	167,25	431,81	224,75	413,17	1.456,22	38,8%	35,52
	of which private	*6,10*	*39,93*	*110,91*	*67,75*	*389,51*	*9,00*	*120,30*	*743,50*		*37,18*
	in %	*100,0%*	*64,2%*	*73,5%*	*40,5%*	*90,2%*	*4,0%*	*29,1%*	*51,1%*		
	of which public	*0,00*	*22,30*	*40,00*	*99,50*	*42,30*	*215,75*	*292,87*	*712,72*		*33,94*

Table 1c: Total IF + OR

		2003	2004	2005	2006	2007	2008	2009	Total	% of 9th & 10th EDF allocations	Aver. Proj. Size (€ m.)
ACP + OCT	N° of operations	13	26	30	43	28	32	33	205		
	of which private	*13*	*22*	*23*	*35*	*24*	*24*	*25*	*166*		
	of which public	*0*	*4*	*7*	*8*	*4*	*8*	*8*	*39*		
	Amount in € m.	146,25	399,46	502,13	736,87	756,44	561,00	863,27	3.965,42	54,0%	19,34
	of which private	*146,25*	*351,91*	*308,53*	*552,87*	*615,64*	*286,75*	*566,10*	*2.828,05*		*17,04*
	in %	*100,0%*	*88,1%*	*61,4%*	*75,0%*	*81,4%*	*51,1%*	*65,6%*	*71,3%*		
	of which public	*0,00*	*47,55*	*193,60*	*184,00*	*140,80*	*274,25*	*297,17*	*1.137,37*		*29,16*

Source: EIB Investment Facilty, Annual Report 2009, annexes 2 and 3

Table 2a: Net cumulative amount contracted 2003-Sept. 2009: IF

	Agriculture, fisheries, forestry	Credit lines	Energy	Industry (incl. mining)	Financial services	Services (incl. tourism)	Telecom munications	Transport	Water sewerage	**Total**	*Share of total cost funded by EIB*
West Africa & Sahel	3.98	89.03	81.25	32.65	135.32			13.69		**355.92**	*15%*
Caribbean and Pacific	3.50	77.16	3.20		71.46	25.00	21.85	38.74		**240.91**	*23%*
Central and East Africa	9.10	154.50	344.00	66.76	73.04				16.50	**663.91**	*16%*
Regional Africa and ACP		270.00		16.74	284.15					**570.89**	*17%*
Southern Africa & Indian Ocean		46.00	17.60	187.78	17.11	25.10	15.00		54.50	**363.09**	*13%*
Total	**16.58**	**636.69**	**446.05**	**303.93**	**581.08**	**50.10**	**36.85**	**52.43**	**71.00**	**2 194.71**	***16%***
Share of total cost funded by EIB	21%	27%	15%	10%	13%	19%	30%	40%	40%	16%	

Table 2b: Net cumulative amount contracted 2003- Sept. 2009: OR

	Agriculture, fisheries, forestry	Credit lines	Energy	Industry (incl. mining)	Financial services	Services (incl. tourism)	Telecom munications	Transport	Water sewerage	**Total**	*Share of total cost funded by EIB*
West Africa & Sahel		65.00	75.00	75.48	100.00			47.00	66.50	**428.98**	*19%*
Caribbean and Pacific		49.00	42.55			0.00				**91.55**	*41%*
Central and East Africa			55.00	8.93						**63.93**	*9%*
Regional Africa and ACP										**0.00**	
Southern Africa & Indian Ocean		20.00	59.50	318.22		6.10		79.00	30.05	**512.87**	*12%*
Total	**0.00**	**134.00**	**232.05**	**402.63**	**100.00**	**6.10**	**0.00**	**126.00**	**96.55**	**1 097.33**	***14%***
Share of total cost funded by EIB		29%	14%	9%	20%	8%		40%	37%	14%	

Table 2c: Net cumulative amount contracted 2003-Sept. 2009: IF + OR

	Agriculture, fisheries, forestry	Credit lines	Energy	Industry (incl. mining)	Financial services	Services (incl. tourism)	Telecom munications	Transport	Water sewerage	**Total**	*Share of total cost funded by EIB*
West Africa & Sahel	3.98	154.03	156.25	108.13	235.32	0	0	60.69	66.50	**784.90**	*17%*
Caribbean and Pacific	3.50	126.16	45.75	0.00	71.46	25.00	21.85	38.74	0.00	**332.46**	*26%*
Central and East Africa	9.10	154.50	399.00	75.69	73.04	0.00	0.00	0.00	16.50	**727.84**	*15%*
Regional Africa and ACP	0.00	270.00	0.00	16.74	284.15	0.00	0.00	0.00	0.00	**570.89**	*17%*
Southern Africa & Indian Ocean	0.00	66.00	77.10	506.00	17.11	31.20	15.00	79.00	84.55	**875.96**	*12%*
Total	**16.58**	**770.69**	**678.10**	**706.56**	**681.08**	**56.20**	**36.85**	**178.43**	**167.55**	**3 292.04**	***15%***
Share of total cost funded by EIB	21%	27%	15%	10%	13%	16%	30%	40%	38%	15%	

Source: Inventory file provided by EIB and own calculations.

Table 3a: Net cumulative amount contracted 2003- Sept. 2009: IF

	Agriculture, fisheries, forestry	Credit lines	Energy	Industry (incl. mining)	Financial services	Services (incl. tourism)	Telecom municatio ns	Transport	Water sewerage	**Total**	*Share of total cost funded by EIB*
Senior loan	21.58		446.05	146.69	50.00	14.00	36.85	52.43	71.00	**838.60**	*15%*
of w. private	100%		20%	100%	100%	100%	100%	14%	0%	44%	
Credit line		359.69								**359.69**	*20%*
of w. private		99%								99%	
Guarantee				11.80	100.00					**111.80**	
of w. private				100%	100%					100%	
Equity and quasi equity	2.00			145.44	411.07	36.10				**594.61**	*12%*
of w. private	100%			100%	100%	100%				100%	
Agency agreement		270.00			20.06					**290.00**	
of w. private		100%			100%					100%	
Total	**23.58**	**629.69**	**446.05**	**303.93**	**581.13**	**50.10**	**36.85**	**52.43**	**71.00**	**2 194.71**	***16%***
of w. private	100%	99%	20%	100%	100%	100%	100%	14%	*0%*	*78%*	
Share of total cost funded by EIB		26%	15%	10%	13%	19%		40%	40%	16%	

Table 3b: Net cumulative amount contracted 2003- Sept. 2009: OR

	Agriculture, fisheries, forestry	Credit lines	Energy	Industry (incl. mining)	Financial services	Services (incl. tourism)	Telecom municatio ns	Transport	Water sewerage	**Total**	*Share of total cost funded by EIB*
Senior loan			232.05	402.63	100.00	6.10		126.00	96.55	**963.33**	*13%*
of w. private			4%	100%	100%	100%		0%	0%	**54%**	
Credit line		134.00								**134.00**	*29%*
of w. private		100%								**100%**	
Guarantee											
of w. private											
Equity and quasi equity											
of w. private											
Agency agreement											
of w. private											
Total		**134.00**	**232.05**	**402.63**	**100.00**	**6.10**		**126.00**	**96.55**	**1 097.33**	***14%***
of w. private		*100%*	*4%*	*100%*	*100%*	*100%*		*0%*	*0%*	*59%*	
Share of total cost funded by EIB		29%	14%	9%	20%	8%		40%	37%	14%	

Table 3c: Net cumulative amount contracted 2003- Sept. 2009: IF+OR

	Agriculture, fisheries, forestry	Credit lines	Energy	Industry (incl. mining)	Financial services	Services (incl. tourism)	Telecom municatio ns	Transport	Water sewerage	**Total**	*Share of total cost funded by EIB*
Senior loan	21.58		678.10	549.32	150.00	20.10	36.85	178.43	167.55	**1 801.93**	*14%*
of w. private	100%		15%	100%	100%	100%	100%	4%	0%	49%	
Credit line		493.69								**493.69**	*22%*
of w. private		99%								99%	
Guarantee				11.80	100.00					**111.80**	
of w. private				100%	100%					**1.00**	
Equity and quasi equity	2.00			145.44	411.07	36.10				**594.61**	*12%*
of w. private	100%			100%	100%	100%				**100%**	
Agency agreement		270.00			20.06					**290.00**	
of w. private		100%			100%					**100%**	
Total	**23.58**	**763.69**	**678.10**	**706.56**	**681.13**	**56.20**	**36.85**	**178.43**	**167.55**	**3 292.04**	***15%***
of w. private	*100%*	*99%*	*15%*	*100%*	*100%*	*100%*	*100%*	*4%*	*0%*	*72%*	
Share of total cost funded by EIB		27%	15%	10%	13%	16%		40%	38%	15%	

Source: Inventory file provided by EIB and own calculations.

Annexe 3 – List of EIB operations in ACP countries and OCTs

EIB operation number (Serapis)	Operation name	Start date (operation signature)	Net Amount approved (€)	EIB contract number (FI)	Contract name	Type of portfolio (IF, OR, GA - ACP, OCT)	Start date (contract signature)	Status	Net Amount signed (€)	Total amount disbursed (€)	Total amount estimated of IRS	Region	Country	Sector	Financial instrument	Private or Public sector
20000279	MAGADI SODA PURE ASH PROJECT	18/11/2003	8.930.000	22507	MAGADI SODA PURE ASH PROJECT / A	OR - ACP	7/04/2004	Fully Reimb	8.930.000	8.930.000		Central and Eastern Africa	Kenya	Industry (incl. mining)	Senior loan	Private
			13.020.000	22508	MAGADI SODA PURE ASH PROJECT / B (IF)	IF - ACP	7/04/2004	Fully Reimb	11.265.500	11.264.466		Central and Eastern Africa	Kenya	Industry (incl. mining)	Senior loan	Private
				22509	MAGADI SODA PURE ASH PROJECT / C (IF)	IF - ACP	7/04/2004	Fully Reimb	1.654.719	1.654.719		Central and Eastern Africa	Kenya	Industry (incl. mining)	Subordinated loan and quasi equity	Private
20010242	MOMA TITANIUM	29/04/2003	57.750.000	22604	MOMA TITANIUM MINERALS	IF - ACP	18/06/2004	Disbursed	15.000.000	15.000.000		Southern Africa and Indian Ocean	Mozambique	Industry (incl. mining)	Senior loan	Private
				22605	MOMA TITANIUM MINERALS	IF - ACP	18/06/2004	Disbursed	40.000.000	40.000.000		Southern Africa and Indian Ocean	Mozambique	Industry (incl. mining)	Subordinated loan and quasi equity	Private
				23084	MOMA TITANIUM C	IF - ACP	30/06/2005	Disbursed	2.750.000	2.750.000		Southern Africa and Indian Ocean	Mozambique	Industry (incl. mining)	Subordinated loan and quasi equity	Private
20010417	NIGERIA GLOBAL LOAN	30/03/2004	50.000.000	22824	NIGERIA GLOBAL LOAN	IF - ACP	6/12/2004	Disbursed	49.944.175	49.944.175		West Africa and Sahel	Nigeria	Credit line	Credit line	Private
20020186	*ACPGLOB.AUTHOR. PROJ.COTONOU-IF CA2003*	17/12/2003	*30.000.000*	22712	FABULOUS FLOWERS	IF - ACP - GA	4/10/2004	Disbursed	2.000.000	2.000.000		Southern Africa and Indian Ocean	Botswana	Agriculture, fisheries, forestry	Subordinated loan and quasi equity	Private
20030054				22932	ETUDE EL AOUJ	IF - ACP - GA	10/02/2005	Canc Aft Sig	-	-		West Africa and Sahel	Mauritania	Industry (incl. mining)	Equity	Private
20040012				22600	SHORECAP INTERNATIONAL LTD (SCI)	IF - ACP - GA	29/06/2004	Signed	2.500.000	1.417.453		Regional Africa and ACP states	Regional - ACP	Financial services	Equity	Private
20040060				23422	NAMIBIA - OLD MUTUAL MIDINA FUND	IF - ACP - GA	10/03/2006	Signed	4.000.000	-		Southern Africa and Indian Ocean	Namibia	Credit line	Credit line	Public
20040107				22662	DFCU LEASING GLOBAL LOAN	IF - ACP - GA	9/08/2004	Disbursed	5.000.000	5.000.000		Central and Eastern Africa	Uganda	Credit line	Credit line	Private
20040203				22951	AQUALMA III	IF - ACP - GA	2/03/2005	Disbursed	5.000.000	5.000.000		Southern Africa and Indian Ocean	Madagascar	Agriculture, fisheries, forestry	Senior loan	Private
20040447				22897	SAMOA VENTURE CAPITAL FUND	IF - ACP - GA	30/12/2004	Signed	350.000	3.183		Caribbean and Pacific	Samoa	Financial services	Equity	Private
20040540				23192	ADVANS	IF - ACP - GA	27/09/2005	Disbursed	3.500.000	3.500.000		Regional Africa and ACP states	Regional - ACP	Financial services	Equity	Private
20050041				23346	BANQUE REGIONALE DES MARCHES B	IF - ACP - GA	16/12/2005	Disbursed	609.796	609.796		West Africa and Sahel	Regional - West Africa	Financial services	Equity	Private
20020283	ECONET WIRELESS NIGERIA	22/07/2003	-					Canc Aft Approval								
20020376	KANSANSHI COPPER MINE	16/09/2003	34.000.000	22358	KANSANSHI COPPER MINE	IF - ACP	11/12/2003	Disbursed	34.000.000	34.000.000		Southern Africa and Indian Ocean	Zambia	Industry (incl. mining)	Subordinated loan and quasi equity	Private
20020377	SONABEL III	9/11/2004	15.250.000	22885	SONABEL III	IF - ACP	28/12/2004	Signed	15.250.000	11.524.892	2.160.000	West Africa and Sahel	Burkina Faso	Energy	Senior loan	Public
20020481	EBTR MAURITANIE	29/04/2003	4.000.000	22065	EBTR MAURITANIE	IF - ACP	2/06/2003	Disbursed	3.694.897	3.694.897		West Africa and Sahel	Mauritania	Transports	Senior loan	Private
20020506	WESTIN ROCO KI BEACH AND GOLF RESORT	9/11/2004	20.000.000	22887	WESTIN ROCO KI BEACH AND GOLF RESORT	IF - ACP	29/12/2004	Signed	20.000.000	18.148.820		Caribbean and Pacific	Dominican Republic	Services (incl. Tourism)	Subordinated loan and quasi equity	Private
20020722	AES SONEL-ELECTRICITY SUPPLY	18/07/2006	65.000.000	23767	AES SONEL-ELECTRICITY SUPPLY	IF - ACP	8/12/2006	Signed	55.000.000	36.446.195		Central and Eastern Africa	Cameroon	Energy	Senior loan	Private
				23768	AES SONEL-ELECTRICITY SUPPLY B	IF - ACP	8/12/2006	Signed	10.000.000	-		Central and Eastern Africa	Cameroon	Energy	Senior loan	Private

EIB operation number (Serapis)	Operation name	Start date (operation signature)	Net Amount approved (€)	EIB contract number (FI)	Contract name	Type of portfolio (IF, OR, GA - ACP, OCT)	Start date (contract signature)	Status	Net Amount signed (€)	Total amount disbursed (€)	Total amount estimated of IRS	Region	Country	Sector	Financial instrument	Private or Public sector
20030010	BEL OMBRE HOTEL	22/07/2003	6.100.000	22172	BEL OMBRE HOTEL A (SENIOR LOAN)	OR - ACP	12/08/2003	Disbursed	6.100.000	6.100.000		Southern Africa and Indian Ocean	Mauritius	Services (incl. Tourism)	Senior loan	Private
			6.100.000	22173	BEL OMBRE HOTEL B (SUBORDINATED LOAN)	IF - ACP	12/08/2003	Disbursed	3.300.000	3.300.000		Southern Africa and Indian Ocean	Mauritius	Services (incl. Tourism)	Subordinated loan and quasi equity	Private
				22174	BEL OMBRE HOTEL C (INDIRECT EQUITY)	IF - ACP	12/08/2003	Disbursed	2.800.000	2.800.000		Southern Africa and Indian Ocean	Mauritius	Services (incl. Tourism)	Equity	Private
20030042	AFRICAN BANKS HOLDINGS, LLC	24/06/2003	30.000.000	22199	AFRICAN BANKS HOLDINGS, LLC	IF - ACP	9/09/2003	Signed	2.032.606	3.552.689		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20030052	SNIM VII	5/05/2004	22.500.000	22795	SNIM VII	IF - ACP	27/11/2004	Disbursed	22.500.000	22.500.000		West Africa and Sahel	Mauritania	Energy	Senior loan	Private
20030142	LIAISON MARITIME DAKAR-ZIGUINCHOR	9/11/2004	10.000.000	23093	LIAISON MARITIME DAKAR-ZIGUINCHOR	IF - ACP	1/07/2005	Signed	10.000.000	7.850.000	2.396.000	West Africa and Sahel	Senegal	Transports	Senior loan	Public
20030150	AUREOS WEST AFRICA FUND	24/06/2003	8.750.000	22124	AUREOS WEST AFRICA FUND	IF - ACP	30/06/2003	Signed	8.750.000	6.544.920		West Africa and Sahel	Regional - West Africa	Financial services	Equity	Private
20030152	AUREOS SOUTHERN AFRICA VENTURE CAPITAL	24/06/2003	10.500.000	22125	AUREOS SOUTHERN AFRICA VENTURE CAPITAL	IF - ACP	30/06/2003	Signed	10.500.000	7.533.297		Southern Africa and Indian Ocean	Regional - Southern Africa	Financial services	Equity	Private
20030160	AUREOS EAST AFRICA FUND	24/06/2003	6.800.000	22126	AUREOS EAST AFRICA FUND	IF - ACP	30/06/2003	Signed	6.800.000	6.596.009		Central and Eastern Africa	Regional - East Africa	Financial services	Equity	Private
20030167	MAURITIUS CONTAINER TERMINAL II	14/12/2004	14.000.000	22871	MAURITIUS CONTAINER TERMINAL II	OR - ACP	21/12/2004	Disbursed	14.000.000	14.000.000		Southern Africa and Indian Ocean	Mauritius	Transports	Senior loan	Public
20030179	PRET GLOBAL BURKINA FASO II	18/11/2003	12.000.000	22343	PG BURKINA FASO II	IF - ACP	8/12/2003	Disbursed	6.084.720	6.084.720		West Africa and Sahel	Burkina Faso	Credit line	Credit line	Private
				22344	PG BURKINA FASO CREDIT BAIL II	IF - ACP	8/12/2003	Disbursed	2.000.000	2.000.000		West Africa and Sahel	Burkina Faso	Credit line	Credit line	Private
20030186	BOAD PG IV	5/05/2004	25.000.000	22844	BOAD PG IV A	OR - ACP	10/12/2004	Disbursed	25.000.000	25.000.000		West Africa and Sahel	Regional - West Africa	Credit line	Credit line	Private
			29.600.000	22845	BOAD IV B FACILITE DE GARANTIE	IF - ACP	10/12/2004	Signed	25.000.000	-		West Africa and Sahel	Regional - West Africa	Financial services	Guarantee	Private
				22846	BOAD IV C PRISE DE PARTICIPATION	IF - ACP	10/12/2004	Signed	4.600.000	-		West Africa and Sahel	Regional - West Africa	Financial services	Equity	Private
20030201	DEV. DU SECTEUR PRIVE PG II (CAMEROUN)	16/09/2003	28.000.000	22371	DEV. DU SECTEUR PRIVE PG II A CAMEROUN	IF - ACP	16/12/2003	Disbursed	3.000.000	3.000.000		Central and Eastern Africa	Cameroon	Credit line	Credit line	Private
				22372	DEV. DU SECTEUR PRIVE PG II B CAMEROUN	IF - ACP	16/12/2003	Canc Aft Sig	-	-		Central and Eastern Africa	Cameroon	Credit line	Credit line	Private
20030241	VINLEC IV	20/07/2004	8.300.000	22837	VINLEC IV	OR - ACP	8/12/2004	Signed	8.300.000	6.837.632		Caribbean and Pacific	Saint Vincent and Grenadines	Energy	Senior loan	Public
20030292	COMPAGNIE SUCRIERE DU TCHAD	14/12/2004	11.800.000	23094	COMPAGNIE SUCRIERE DU TCHAD	IF - ACP	4/07/2005	Signed	11.800.000	-	1.800.000	Central and Eastern Africa	Chad	Industry (incl. mining)	Guarantee	Private
20030317	MOZ/RSA NATURAL GAS-UPSTREAM COMPONENT	2/03/2004	10.000.000	22733	MOZ/RSA NATURAL GAS-UPSTREAM COMPONENT	IF - ACP	22/10/2004	Disbursed	10.000.000	10.000.000		Southern Africa and Indian Ocean	Mozambique	Energy	Senior loan	Public
20030347	AMENAGEMENT HYDROELECTRIQUE DE FELOU	18/07/2006	33.000.000	23700	AMENAGEMENT HYDROELECTRIQUE DE FELOU	IF - ACP	23/11/2006	Signed	11.000.000	-	Cancelled	West Africa and Sahel	Regional - West Africa	Energy	Senior loan	Public
				23701	AMENAGEMENT HYDROELECTRIQUE DE FELOU B	IF - ACP	23/11/2006	Signed	11.000.000	-	Cancelled	West Africa and Sahel	Regional - West Africa	Energy	Senior loan	Public
				23702	AMENAGEMENT HYDROELECTRIQUE DE FELOU C	IF - ACP	23/11/2006	Signed	11.000.000	-	Cancelled	West Africa and Sahel	Regional - West Africa	Energy	Senior loan	Public
20030405	VRA VII	19/07/2005	10.500.000	23332	VRA VII	IF - ACP	15/12/2005	Signed	10.500.000	-	2.580.000	West Africa and Sahel	Ghana	Energy	Senior loan	Public

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20030441	*ACPGLOB AUTHOR PROJ COTONOU-IF CA2004*	14/12/2004	*50.000.000*	23427	SOCIETE GENERALE MAURITANIE	IF - ACP - GA	17/03/2006	Disbursed	3.458.175	3.458.175		West Africa and Sahel	Mauritania	Financial services	Equity	Private
20040102				23743	ECOCIMENTO FIBRE CEMENT	IF - ACP - GA	5/12/2006	Disbursed	1.300.000	1.300.000	157.070	Southern Africa and Indian Ocean	Mozambique	Industry (incl. mining)	Senior loan	Private
20040216				23352	SEPH-NOUADHIBOU	IF - ACP - GA	21/12/2005	Disbursed	3.980.000	3.976.528		West Africa and Sahel	Mauritania	Agriculture, fisheries, forestry	Senior loan	Private
20050016				23834	ASTRUM TRAVEL HELICOPTER SERVICES	IF - ACP - GA	22/12/2006	Signed	3.737.000	1.487.731		Caribbean and Pacific	Belize	Transports	Senior loan	Private
20050310				23409	BPI MADAGASCAR SME FUND	IF - ACP - GA	14/02/2006	Signed	2.000.000	1.086.618		Southern Africa and Indian Ocean	Madagascar	Financial services	Equity	Private
20050339				23325	BIMAO	IF - ACP - GA	10/12/2005	Canc Aft Sig	-	-		West Africa and Sahel	Regional - West Africa	Financial services	Guarantee	Private
20050360				23617	KULA FUND II	IF - ACP - GA	22/05/2006	Signed	4.400.000	1.883.450		Caribbean and Pacific	Regional - Pacific	Financial services	Equity	Private
20050413				23812	SMALL ENTERPRISES GLOBAL LOAN	IF - ACP - GA	19/12/2006	Disbursed	4.000.000	4.000.000		Caribbean and Pacific	Dominican Republic	Credit line	Credit line	Private
				24750	SMALL ENTERPRISES GLOBAL LOAN B	IF - ACP - GA	12/12/2008	Signed	1.000.000	-		Caribbean and Pacific	Dominican Republic	Financial services	Equity	Private
20050441				23904	MICROCRED (PLANET BANK)	IF - ACP - GA	28/02/2007	Disbursed	3.000.000	3.000.000		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20050463				23644	ACCESS MICROFINANCE HOLDING	IF - ACP - GA	20/10/2006	Signed	3.460.000	2.098.874		Regional Africa and ACP states	Regional - ACP	Financial services	Equity	Private
20050544				23402	ADEMI V	IF - ACP - GA	1/02/2006	Disbursed	215.975	215.975		Caribbean and Pacific	Dominican Republic	Financial services	Equity	Private
				23811	ADEMI V B	IF - ACP - GA	19/12/2006	Disbursed	3.000.000	3.000.000		Caribbean and Pacific	Dominican Republic	Credit line	Credit line	Private
				24122	ADEMI V C	IF - ACP - GA	10/10/2007	Disbursed	492.175	492.175		Caribbean and Pacific	Dominican Republic	Financial services	Equity	Private
20060121				24140	MARTIN S DRIFT KIMBERLITE PROJECT	IF - ACP - GA	24/10/2007	Disbursed	5.000.000	5.000.000		Southern Africa and Indian Ocean	Botswana	Industry (incl. mining)	Senior loan	Private
20070016				24074	RURAL IMPULSE MICROFINANCE FUND MEZZ	IF - ACP - GA	10/08/2007	Disbursed	1.369.630	1.369.630		Regional Africa and ACP states	Regional - ACP	Financial services	Equity	Private
				24075	RURAL IMPULSE MICROFINANCE FUND (EQUITY)	IF - ACP - GA	10/08/2007	Disbursed	1.027.210	1.027.210		Regional Africa and ACP states	Regional - ACP	Financial services	Equity	Private
20030461	AFRICAN LION MINING FUND II	20/07/2004	7.000.000	22721	AFRICAN LION MINING FUND II	IF - ACP	12/10/2004	Fully Reimb	5.739.697	5.739.697		Regional Africa and ACP states	Regional - ACP	Industry (incl. mining)	Equity	Private
20030471	NORMAN MANLEY INTERNATIONAL AIRPORT	3/05/2006	35.000.000	24818	NORMAN MANLEY INTERNATIONAL AIRPORT	IF - ACP	23/12/2008	Signed	35.000.000	-	3.500.000	Caribbean and Pacific	Jamaica	Transports	Senior loan	Public
20030476	EDFI EUROPEAN FINANCING PARTNERS (EFP)	18/11/2003	6.000	22519	EUROPEAN FINANCING PARTNERS (EFP)	IF - ACP	30/04/2004	Disbursed	6.000	6.000		Regional Africa and ACP states	Regional - ACP	Financial services	Agency Agreement	Private
			90.000.000	22551	EDFI EUROPEAN FINANCING PARTNERS (EFP)	IF - ACP	13/05/2004	Signed	90.000.000	89.480.745		Regional Africa and ACP states	Regional - ACP	Credit line	Agency Agreement	Private
20030482	DANGOTE CEMENT	10/05/2005	90.909.091	23153	DANGOTE CEMENT - A	OR - ACP	12/08/2005	Fully Reimb	57.430.000	57.430.000		West Africa and Sahel	Nigeria	Industry (incl. mining)	Senior loan	Private
				23154	DANGOTE CEMENT - B	OR - ACP	12/08/2005	Fully Reimb	18.050.000	18.050.000		West Africa and Sahel	Nigeria	Industry (incl. mining)	Senior loan	Private
			33.057.851	23155	DANGOTE CEMENT - C	IF - ACP	12/08/2005	Fully Reimb	32.650.000	32.650.000		West Africa and Sahel	Nigeria	Industry (incl. mining)	Senior loan	Private
20030494	NOVOTEL DENARAU PROJECT	18/11/2003	6.000.000	22442	NOVOTEL DENARAU PROJECT	OR - ACP	27/01/2004	Canc Aft Sig	-	-		Caribbean and Pacific	Fiji	Services (incl. Tourism)	Senior loan	Private
			5.000.000	22443	NOVOTEL DENARAU PROJECT (IF)	IF - ACP	27/01/2004	Disbursed	5.000.000	5.000.000		Caribbean and Pacific	Fiji	Services (incl. Tourism)	Equity	Private
20040005	GRENLEC III	20/07/2004	5.000.000	23150	GRENLEC III PROJECT	IF - ACP	28/07/2005	Disbursed	3.200.000	3.200.000		Caribbean and Pacific	Grenada	Energy	Senior loan	Private

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20040026	WEST AFRICAN GAS PIPELINE (WAGP)	12/12/2006	75.000.000	23786	WEST AFRICAN GAS PIPELINE (WAGP)	OR - ACP	14/12/2006	Signed	75.000.000	56.218.835	18.148.000	West Africa and Sahel	Ghana	Energy	Senior loan	Public
20040101	MOPANI COPPER PROJECT	14/12/2004	48.000.000	22941	MOPANI COPPER PROJECT	IF - ACP	25/02/2005	Disbursed	38.952.615	38.952.615		Southern Africa and Indian Ocean	Zambia	Industry (incl. mining)	Senior loan	Private
20040134	MCEL MOBILE PHONES	20/09/2005	-					Canc Aft Approval								
20040138	PACIFIC ISLANDS FINANCING FACILITY	14/10/2004	13.000.000	23209	PACIFIC ISLANDS FINANCING FACILITY	IF - ACP	15/10/2005	Disbursed	7.000.000	7.000.000		Caribbean and Pacific	Regional - Pacific	Credit line	Credit line	Private
				23322	PACIFIC ISLANDS FINANCING FACILITY B	IF - ACP	15/12/2005	Disbursed	70.825	70.825		Caribbean and Pacific	Regional - Pacific	Credit line	Credit line	Private
20040146	LUMWANA COPPER PROJECT	26/09/2006	67.000.000	23717	LUMWANA COPPER PROJECT A	IF - ACP	29/11/2006	Disbursed	37.299.515	37.299.515		Southern Africa and Indian Ocean	Zambia	Industry (incl. mining)	Subordinated loan and quasi equity	Private
				23718	LUMWANA COPPER PROJECT B	IF - ACP	29/11/2006	Disbursed	13.476.989	13.476.989		Southern Africa and Indian Ocean	Zambia	Industry (incl. mining)	Senior loan	Private
			18.000.000	23719	LUMWANA COPPER PROJECT C	OR - ACP	29/11/2006	Disbursed	15.710.646	15.710.646		Southern Africa and Indian Ocean	Zambia	Industry (incl. mining)	Senior loan	Private
20040147	ZESCO KARIBA NORTH II	19/07/2005	7.600.000	23309	ZESCO KARIBA NORTH II	IF - ACP	9/12/2005	Signed	7.600.000	6.509.428		Southern Africa and Indian Ocean	Zambia	Energy	Senior loan	Public
20040173	PRET GLOBAL II (GABON)	14/09/2004	10.000.000	22737	PRET GLOBAL II (GABON)	IF - ACP	18/10/2004	Signed	6.500.000	-		Central and Eastern Africa	Gabon	Credit line	Credit line	Private
				22738	PRET GLOBAL II (GABON) B	IF - ACP	18/10/2004	Disbursed	3.500.000	3.500.000		Central and Eastern Africa	Gabon	Credit line	Credit line	Private
20040175	BGFIBANK APPUI AU SECT FINANCIER GABON	14/09/2004	-					Canc Aft Approval								
20040179	CLICO GLOBAL LOAN	20/09/2005	30.000.000	23226	CLICO GLOBAL LOAN	IF - ACP	3/11/2005	Disbursed	10.587.745	10.587.745		Caribbean and Pacific	Trinidad and Tobago	Credit line	Credit line	Private
				24317	CLICO GLOBAL LOAN B	IF - ACP	21/12/2007	Canc Aft Sig	-	-		Caribbean and Pacific	Trinidad and Tobago	Credit line	Credit line	Private
20040181	BLPC IV WIND POWER	21/11/2006	9.750.000	23835	BLPC IV WIND POWER	OR - ACP	21/12/2006	Signed	9.750.000	-	1.960.000	Caribbean and Pacific	Barbados	Energy	Senior loan	Private
20040255	OLKARIA II EXTENSION	13/04/2005	36.800.000	23027	OLKARIA II EXTENSION	IF - ACP	31/05/2005	Signed	32.500.000	-		Central and Eastern Africa	Kenya	Energy	Senior loan	Public
20040257	KPLC GRID DEVELOPMENT	13/04/2005	43.000.000	23324	KPLC GRID DEVELOPMENT	IF - ACP	16/12/2005	Signed	43.000.000	17.221.938	10.290.000	Central and Eastern Africa	Kenya	Energy	Senior loan	Public
20040265	MAPUTO WATER SUPPLY	28/03/2006	31.000.000	23573	MAPUTO WATER SUPPLY	IF - ACP	20/07/2006	Signed	31.000.000	2.000.000	9.152.000	Southern Africa and Indian Ocean	Mozambique	Water, sewerage	Senior loan	Public
20040290	GILGEL GIBE II HYDROPOWER PLANT	3/03/2005	50.000.000	23224	GILGEL GIBE II HYDROPOWER PROJECT	IF - ACP	31/10/2005	Signed	50.000.000	48.995.133	18.410.000	Central and Eastern Africa	Ethiopia	Energy	Senior loan	Public
20040460	CAPITAL INVESTMENT LINE III	12/06/2007	40.000.000	24727	CAPITAL INVESTMENT LINE GL III	IF - ACP	26/11/2008	Signed	20.000.000	886.462		Southern Africa and Indian Ocean	Zambia	Credit line	Credit line	Private
20040703	SBM GLOBAL LOAN	10/05/2005	20.000.000	23147	SBM GLOBAL LOAN	OR - ACP	28/07/2005	Disbursed	20.000.000	20.000.000		Southern Africa and Indian Ocean	Mauritius	Credit line	Credit line	Private
20050036	CAPE II	19/07/2005	11.900.000	23349	CAPE FUND II	IF - ACP	20/12/2005	Signed	11.900.000	10.761.095		West Africa and Sahel	Regional - West Africa	Financial services	Equity	Private
20050069	JIRAMA WATER II (MADAGASCAR)	28/03/2006	23.500.000	24391	JIRAMA WATER II (MADAGASCAR)	IF - ACP	19/03/2008	Signed	23.500.000	-		Southern Africa and Indian Ocean	Madagascar	Water, sewerage	Senior loan	Public
20050137	NIGER - PG SECTEUR FINANCIER II	19/07/2005	8.000.000	23219	NIGER - PG SECTEUR FINANCIER II	IF - ACP	26/10/2005	Disbursed	8.000.000	8.000.000		West Africa and Sahel	Niger	Credit line	Credit line	Private
20050170	CARIBBEAN DEV BANK III FACILITY	10/05/2005	40.000.000	23355	CARIBBEAN DEV BANK III FACILITY	OR - ACP	22/12/2005	Disbursed	40.000.000	40.000.000	Cancelled	Caribbean and Pacific	Regional - Caribbean	Credit line	Credit line	Public
20050230	PORTS OF CAPE VERDE	15/07/2008	47.000.000	24594	PORTS OF CAPE VERDE	OR - ACP	26/09/2008	Signed	47.000.000	3.400.000		West Africa and Sahel	Cape Verde	Transports	Senior loan	Public
20050251	BDEAC PRET GLOBAL III	31/01/2006	15.000.000	23483	BDEAC PRET GLOBAL III	IF - ACP	24/05/2006	Disbursed	15.000.000	15.000.000		Central and Eastern Africa	Regional - Central Africa	Credit line	Credit line	Private
			5.000.000	23484	BDEAC PRET GLOBAL III B	IF - ACP	24/05/2006	Signed	5.000.000	-		Central and Eastern Africa	Regional - Central Africa	Financial services	Guarantee	Private
20050253	*ACP&OCTGLOBAUTHOR IIICOTONOU-IF-CA2006*	31/01/2006	*40.000.000*	24265	CAPITAL FINANCIAL HOLDING	IF - ACP - GA	11/12/2007	Signed	5.000.000	-		Central and Eastern Africa	Regional - Central Africa	Financial services	Equity	Private

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20050312				23777	KOLOMBANGARA FOREST PROJECT	IF - ACP - GA	12/12/2006	Signed	3.500.000	2.525.345		Caribbean and Pacific	Solomon Islands	Agriculture, fisheries, forestry	Senior loan	Private
20050584				23588	BPI KENYA SME FUND	IF - ACP - GA	3/08/2006	Signed	4.240.000	1.731.831		Central and Eastern Africa	Kenya	Financial services	Equity	Private
20060035				23844	I & P	IF - ACP - GA	22/12/2006	Disbursed	3.249.950	3.249.950		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20060099				24143	AFRICAP II	IF - ACP - GA	25/10/2007	Signed	5.000.000	2.502.993		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20060325				24009	PRET GLOBAL PRO-PME II	IF - ACP - GA	28/06/2007	Signed	4.000.000	3.518.400		Central and Eastern Africa	Cameroon	Credit line	Credit line	Private
20060457				24080	I&P CAPITAL II INVESTMENT FUND	IF - ACP - GA	14/08/2007	Signed	4.614.400	1.965.669		Southern Africa and Indian Ocean	Regional - Indian Ocean	Financial services	Equity	Private
20060582				24785	NFC FORESTRY PROJECT	IF - ACP - GA	18/12/2008	Signed	5.000.000	2.346.628	677.000	Central and Eastern Africa	Uganda	Agriculture, fisheries, forestry	Senior loan	Private
20070441				24573	ACCESS BANK LIBERIA	IF - ACP - GA	8/08/2008	Signed	1.000.000	909.031		West Africa and Sahel	Liberia	Financial services	Equity	Private
20080012				24979	BANQUE DE DEPOT ET DE CREDIT DJIBOUTI	IF - ACP - GA	26/05/2009	Signed	2.000.000	-		Central and Eastern Africa	Djibouti	Financial services	Equity	Private
20070328	*ACP&OCTGLOBAUTHOR IIICOTONOU-IF-CA2006*	31/01/2006	*10.000.000*	24256	SOCREDO LIGNE DE CREDIT ENVIRONNEMENT	IF - OCT - GA	10/12/2007	Signed	5.000.000	-	500.000	Caribbean and Pacific	French Polynesia	Credit line	Credit line	Private
20070303				24216	BCI - LIGNE DE CREDIT ENVIRONNEMENTAL	IF - OCT - GA	29/11/2007	Signed	5.000.000	-	500.000	Caribbean and Pacific	New Caledonia	Credit line	Credit line	Private
20050254	SMALL TOWN WATER & SANITATION PROGRAM	28/03/2006	16.500.000	23809	SMALL TOWN WATER & SANITATION PROGRAM	IF - ACP	19/12/2006	Signed	16.500.000	955.951	4.608.000	Central and Eastern Africa	Ethiopia	Water, sewerage	Senior loan	Public
20050272	CAPRIVI INTERCONNECTOR	13/02/2008	35.000.000	24789	CAPRIVI INTERCONNECTOR PROJECT	OR - ACP	19/12/2008	Signed	35.000.000	-		Southern Africa and Indian Ocean	Namibia	Energy	Senior loan	Public
20050276	DEVELOPMENT FINANCE LIMITED IX	13/12/2005	7.000.000	23339	DEVELOPMENT FINANCE LIMITED IX	IF - ACP	20/12/2005	Disbursed	7.000.000	7.000.000		Caribbean and Pacific	Trinidad and Tobago	Credit line	Credit line	Private
20050302	AIC CARIBBEAN FUND	13/12/2005	45.000.000	23882	AIC CARIBBEAN FUND BARBADOS	IF - ACP	18/01/2007	Signed	45.000.000	21.246.741		Caribbean and Pacific	Regional - Caribbean	Financial services	Equity	Private
20050319	EMP AFRICA FUND II	13/12/2005	40.000.000	23499	ECP AFRICA FUND II	IF - ACP	15/05/2006	Signed	40.000.000	31.705.826		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20050328	PRIVATE ENTERPRISE FINANCE FACILITY	12/12/2006	20.000.000	24245	PRIVATE ENTERPRISE FINANCE FACILITY	IF - ACP	7/12/2007	Signed	20.000.000	-		Central and Eastern Africa	Kenya	Credit line	Credit line	Private
20050357	BUJAGALI HYDROELECTRIC PROJECT	9/05/2007	98.500.000	24282	BUJAGALI HYDROELECTRIC PROJECT	IF - ACP	14/12/2007	Signed	98.500.000	37.867.389		Central and Eastern Africa	Uganda	Energy	Senior loan	Public
20050362	PACIFIC ISLANDS FINANCING FACILITY II	21/11/2006	25.000.000	23754	PACIFIC ISLANDS FINANCING FACILITY II	IF - ACP	5/12/2006	Signed	5.000.000	3.260.573		Caribbean and Pacific	Regional - Pacific	Credit line	Credit line	Private
				23895	PACIFIC ISLANDS FINANCING FACILITY II B	IF - ACP	23/02/2007	Signed	2.000.000	-	327.000	Caribbean and Pacific	Regional - Pacific	Credit line	Credit line	Private
20050372	CAP VERT - SECTEUR FINANCIER PG II	22/11/2005	8.000.000	23344	CAP VERT - SECTEUR FINANCIER PG II	IF - ACP	20/12/2005	Canc Aft Sig	-	-		West Africa and Sahel	Cape Verde	Credit line	Credit line	Private
20050376	MASERU WASTEWATER PROJECT	9/05/2007	14.300.000	24055	MASERU WASTEWATER PROJECT	OR - ACP	26/07/2007	Signed	14.300.000	-	3.176.000	Southern Africa and Indian Ocean	Lesotho	Water, sewerage	Senior loan	Public
20050377	ALBION RESORT MAURITIUS	22/11/2005	19.000.000	23343	ALBION RESORT MAURITIUS B	IF - ACP	11/12/2005	Signed	5.000.000	4.500.000		Southern Africa and Indian Ocean	Mauritius	Services (incl. Tourism)	Equity	Private
				23438	ALBION RESORT MAURITIUS	IF - ACP	30/03/2006	Disbursed	14.000.000	14.000.000		Southern Africa and Indian Ocean	Mauritius	Services (incl. Tourism)	Senior loan	Private
20050381	KOUILOU MAGNESIUM PHASE I	31/01/2006	13.000.000	23532	KOUILOU MAGNESIUM PHASE I	IF - ACP	19/06/2006	Fully Reimb	13.000.000	13.000.000		Central and Eastern Africa	Congo	Industry (incl. mining)	Subordinated loan and quasi equity	Private
20050394	EDFI EUROPEAN FINANCING PARTNERS II	13/12/2005	100.000.000	23500	EDFI EUROPEAN FINANCING PARTNERS II	IF - ACP	12/05/2006	Signed	90.000.000	14.643.585		Regional Africa and ACP states	Regional - ACP	Credit line	Agency Agreement	Private
				23501	EDFI EUROPEAN FINANCING PARTNERS II B	IF - ACP	12/05/2006	Signed	5.000.000	-		Regional Africa and ACP states	Regional - ACP	Financial services	Agency Agreement	Private
				23502	EDFI EUROPEAN FINANCING PARTNERS II C	IF - ACP	12/05/2006	Signed	5.000.000	-		Regional Africa and ACP states	Regional - ACP	Financial services	Agency Agreement	Private
20050411	GHANA FINANCIAL SECTOR GLOBAL LOAN II	18/07/2006	15.000.000	23842	GHANA FINANCIAL SECTOR GLOBAL LOAN II B	IF - ACP	22/12/2006	Disbursed	15.000.000	15.000.000		West Africa and Sahel	Ghana	Credit line	Credit line	Private

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			40.000.000	23852	GHANA FINANCIAL SECTOR GLOBAL LOAN II C	OR - ACP	22/12/2006	Signed	40.000.000	10.726.671		West Africa and Sahel	Ghana	Credit line	Credit line	Private
20050412	MC CAPITAL PRIVATE EQUITY FUND	13/12/2005	10.000.000		*(No contracts signed at end 09/2009)*	IF - ACP										
20050493	DFCU LEASING GLOBAL LOAN II	31/01/2006	10.000.000	23543	DFCU LEASING GLOBAL LOAN II	IF - ACP	28/06/2006	Disbursed	7.500.000	7.500.000		Central and Eastern Africa	Uganda	Credit line	Credit line	Private
20050504	EADB REGIONAL FINANCE FACILITY	18/07/2006	25.000.000	23680	EADB REGIONAL FINANCE FACILITY	IF - ACP	17/11/2006	Signed	25.000.000	-		Central and Eastern Africa	Regional - East Africa	Credit line	Credit line	Private
20050557	SAFAL STEEL INVESTMENTS (S & E AFRICA)	27/09/2007	12.000.000		*(No contracts signed at end 09/2009)*	IF - ACP										
20050592	FIJI POWER	21/11/2006	24.500.000	23714	FIJI POWER	OR - ACP	28/11/2006	Signed	24.500.000	-	4.251.000	Caribbean and Pacific	Fiji	Energy	Senior loan	Public
20060058	SOUTHERN CARIBBEAN FIBER	12/12/2006	-					Canc Aft Approval								
20060101	CARIBBEAN DEV BANK IV	12/12/2006	20.000.000	23806	CARIBBEAN DEV BANK IV B	IF - ACP	19/12/2006	Signed	20.000.000	-		Caribbean and Pacific	Regional - Caribbean	Financial services	Guarantee	Private
20060152	SONEB-ALIMENTATION EN EAU URBAINE	9/05/2007	13.000.000	24268	SONEB-ALIMENTATION EN EAU URBAINE	OR - ACP	13/12/2007	Signed	13.000.000	-	4.011.000	West Africa and Sahel	Benin	Water, sewerage	Senior loan	Public
20060177	MALAWI GLOBAL LOAN III	13/03/2007	30.000.000	24470	MALAWI GLOBAL LOAN III	IF - ACP	4/06/2008	Signed	15.000.000	5.779.921		Southern Africa and Indian Ocean	Malawi	Credit line	Credit line	Private
20060180	TVCABO MULTIMEDIA	6/02/2007	15.000.000	24136	TVCABO MULTIMEDIA PROJECT	IF - ACP	17/10/2007	Signed	15.000.000	7.500.000		Southern Africa and Indian Ocean	Angola	Telecommunications	Senior loan	Private
20060197	FIRST BANK OF NIGERIA	19/10/2006	50.000.000	23741	FIRST BANK OF NIGERIA	IF - ACP	6/12/2006	Disbursed	35.000.000	35.000.000		West Africa and Sahel	Nigeria	Financial services	Senior loan	Private
				23742	FIRST BANK OF NIGERIA B	IF - ACP	6/12/2006	Disbursed	15.000.000	15.000.000		West Africa and Sahel	Nigeria	Financial services	Senior loan	Private
20060201	MALAWI PERI-URBAN WATER & SANITATION	9/05/2007	15.750.000	24802	MALAWI PERI-URBAN WATER & SANITATION	OR - ACP	19/12/2008	Signed	15.750.000	-	3.895.000	Southern Africa and Indian Ocean	Malawi	Water, sewerage	Senior loan	Public
20060256	ACCORD CADRE DE GARANTIE AFRIQUE CENTR	21/11/2006	50.000.000	24028	ACCORD CADRE GARANTIE AFRIQUE CENTRALE	IF - ACP	10/07/2007	Signed	50.000.000	-		Central and Eastern Africa	Regional - Central Africa	Financial services	Guarantee	Private
20060268	INGA POWER REHABILITATION	10/06/2008	55.000.000	24732	INGA POWER REHABILITATION A	OR - ACP	10/12/2008	Signed	55.000.000	-	8.740.000	Central and Eastern Africa	Congo (Democratic Republic)	Energy	Senior loan	Public
			55.000.000	24733	INGA POWER REHABILITATION B	IF - ACP	10/12/2008	Signed	55.000.000	-	10.046.000	Central and Eastern Africa	Congo (Democratic Republic)	Energy	Senior loan	Public
20060270	EAST AFRICAN SUBMARINE CABLE SYSTEM	27/09/2007	13.000.000		*(No contracts signed at end 09/2009)*	IF - ACP										
20060307	RW - GL II PRIVATE SECTOR SUPPORT	21/11/2006	10.000.000	23830	RW - GL II PRIVATE SECTOR SUPPORT A	IF - ACP	21/12/2006	Disbursed	3.000.000	3.000.000		Central and Eastern Africa	Rwanda	Credit line	Credit line	Private
				23889	RW - GL II PRIVATE SECTOR SUPPORT B	IF - ACP	2/02/2007	Signed	7.000.000	3.035.806		Central and Eastern Africa	Rwanda	Credit line	Credit line	Private
20060308	ATLANTIC COAST REGIONAL FUND	7/05/2008	15.000.000	24539	ATLANTIC COAST REGIONAL FUND	IF - ACP	8/07/2008	Signed	15.000.000	425.138		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20060311	PRET GLOBAL III (GABON)	12/12/2006	7.000.000	23952	PRET GLOBAL III (GABON)	IF - ACP	7/05/2007	Canc Aft Sig	-	-		Central and Eastern Africa	Gabon	Credit line	Credit line	Private
20060320	OCTS FINANCING FACILITY	17/07/2007	10.000.000	24431	OCTS FINANCING FACILITY	IF - OCT	9/05/2008	Signed	10.000.000	-		Caribbean and Pacific	Regional - OCT	Credit line	Credit line	Private
20060375	MUNALI NICKEL MINE PROJECT	13/03/2007	29.505.053	23945	MUNALI NICKEL PROJECT	OR - ACP	27/04/2007	Disbursed	29.505.053	29.505.053		Southern Africa and Indian Ocean	Zambia	Industry (incl. mining)	Senior loan	Private
20060379	PEFF-UGANDA	6/02/2007	35.000.000	24085	PEFF-UGANDA	IF - ACP	31/08/2007	Signed	30.000.000	14.725.300		Central and Eastern Africa	Uganda	Credit line	Credit line	Private
20060398	AMBATOVY NICKEL PROJECT	17/07/2007	260.000.000	24081	AMBATOVY NICKEL PROJECT	OR - ACP	22/08/2007	Signed	260.000.000	###########		Southern Africa and Indian Ocean	Madagascar	Industry (incl. mining)	Senior loan	Private
20060525	CAMWATER	14/07/2009	40.000.000		*(No contracts signed at end 09/2009)*	OR - ACP										
20060566	PROGRAMME EAU SENEGAL	9/05/2007	15.000.000	24217	PROGRAMME EAU SENEGAL	OR - ACP	29/11/2007	Signed	15.000.000	-	1.408.000	West Africa and Sahel	Senegal	Water, sewerage	Senior loan	Public
20070004	TENKE FUNGURUME MINING SARL	17/07/2007	100.000.000		*(No contracts signed at end 09/2009)*	OR - ACP										
20070198	AEP OUAGADOUGOU II	13/02/2008	18.500.000	24527	AEP OUAGADOUGOU II	OR - ACP	3/07/2008	Signed	18.500.000	-	5.917.000	West Africa and Sahel	Burkina Faso	Water, sewerage	Senior loan	Public
20070243	ECOBANK REGIONAL FACILITY	30/10/2007	50.000.000	24266	ECOBANK REGIONAL FACILITY	OR - ACP	12/12/2007	Disbursed	50.000.000	50.000.000		West Africa and Sahel	Regional - West Africa	Financial services	Senior loan	Private

EIB operation number (Serapis)	Operation name	Start date (operation signature)	Net Amount approved (€)	EIB contract number (FI)	Contract name	Type of portfolio (IF, OR, GA - ACP, OCT)	Start date (contract signature)	Status	Net Amount signed (€)	Total amount disbursed (€)	Total amount estimated of IRS	Region	Country	Sector	Financial instrument	Private or Public sector
20070258	*ACP&OCT GLOBAUTHOR IVCOTONOU-IF-CA2008*	11/03/2008	*40.000.000*	24819	SOCIETE DES PLANTATIONS DE MBANGA	IF - ACP - GA	29/12/2008	Signed	4.100.000	-		Central and Eastern Africa	Cameroon	Agriculture, fisheries, forestry	Senior loan	Private
20070488	*ACP&OCT GLOBAUTHOR IVCOTONOU-IF-CA2008*	11/03/2008	*10.000.000*		*(No contracts signed at end 09/2009)*	IF - OCT - GA										
20070306	JIRAMA ANDEKALEKA HYDRO	8/04/2008	24.500.000	24477	JIRAMA ANDEKALEKA HYDRO	OR - ACP	6/06/2008	Signed	24.500.000	-	8.028.000	Southern Africa and Indian Ocean	Madagascar	Energy	Senior loan	Public
20070318	INTERCONTINENTAL BANK	20/11/2007	50.000.000	24315	INTERCONTINENTAL BANK	OR - ACP	28/12/2007	Signed	50.000.000	-		West Africa and Sahel	Nigeria	Financial services	Senior loan	Private
20070341	DFL REGIONAL SME	15/07/2008	9.000.000	24824	DFL REGIONAL SME	OR - ACP	22/12/2008	Signed	9.000.000	3.000.000		Caribbean and Pacific	Regional - Caribbean	Credit line	Credit line	Private
20070401	ASSAINISSEMENT DAKAR	15/07/2008	20.000.000	24813	ASSAINISSEMENT DAKAR	OR - ACP	23/12/2008	Signed	20.000.000	-	5.644.000	West Africa and Sahel	Senegal	Water, sewerage	Senior loan	Public
20070406	DERBA MIDROC CEMENT COMPANY	7/05/2008	29.045.375	24510	DERBA MIDROC CEMENT COMPANY	IF - ACP	23/06/2008	Signed	29.045.375	-		Central and Eastern Africa	Ethiopia	Industry (incl. mining)	Senior loan	Private
20070435	MOMBASA-NAIROBI TRANSMISSION LINE	14/07/2009	60.000.000		*(No contracts signed at end 09/2009)*	OR - ACP										
20080018	PACIFIC MOBILE NETWORK DEVELOPMENT	15/07/2008	32.000.000	24630	PMND C (DIGICEL TONGA)	IF - ACP	22/10/2008	Disbursed	3.651.904	3.651.904		Caribbean and Pacific	Regional - Pacific	Telecommunications	Senior loan	Private
				24631	PMND B (DIGICEL VANUATU)	IF - ACP	22/10/2008	Disbursed	4.491.841	4.491.841		Caribbean and Pacific	Regional - Pacific	Telecommunications	Senior loan	Private
				24633	PMND (DIGICEL SAMOA)	IF - ACP	22/10/2008	Disbursed	3.496.504	3.496.504		Caribbean and Pacific	Regional - Pacific	Telecommunications	Senior loan	Private
				24661	PMND D (DIGICEL FIJI)	IF - ACP	7/11/2008	Disbursed	10.213.384	10.213.384		Caribbean and Pacific	Regional - Pacific	Telecommunications	Senior loan	Private
20080021	OHORONGO CEMENT NAMIBIA	3/02/2009	100.000.000		*(No contracts signed at end 09/2009)*	OR - ACP										
20080031	AFRICAN LION MINING FUND III	10/06/2008	11.000.000	24511	AFRICAN LION MINING FUND III	IF - ACP	25/06/2008	Signed	11.000.000	929.398		Regional Africa and ACP states	Regional - Africa	Industry (incl. mining)	Equity	Private
20080071	DR FINANCING FACILITY	15/07/2008	22.000.000	24563	DR FINANCING FACILITY	IF - ACP	12/08/2008	Disbursed	5.000.000	5.000.000		Caribbean and Pacific	Dominican Republic	Credit line	Credit line	Private
				24564	DR FINANCING FACILITY B	IF - ACP	12/08/2008	Disbursed	10.000.000	10.000.000		Caribbean and Pacific	Dominican Republic	Credit line	Credit line	Private
				24565	DR FINANCING FACILITY C	IF - ACP	12/08/2008	Disbursed	3.500.000	3.500.000		Caribbean and Pacific	Dominican Republic	Credit line	Credit line	Private
20080111	AUREOS AFRICA FUND	15/07/2008	27.000.000	24579	AUREOS AFRICA FUND	IF - ACP	2/09/2008	Signed	27.000.000	12.633.299		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20080123	ADLEVO CAPITAL AFRICA	15/07/2008	15.000.000	24648	ADLEVO CAPITAL AFRICA	IF - ACP	17/10/2008	Signed	15.000.000	-		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20080231	BEIRA CORRIDOR PROJECT	12/03/2009	65.000.000	24934	BEIRA CORRIDOR (RAIL COMPONENT)	OR - ACP	30/04/2009	Signed	42.000.000	-		Southern Africa and Indian Ocean	Mozambique	Transports	Senior loan	Public
				24935	BEIRA CORRIDOR (PORT COMPONENT)	OR - ACP	30/04/2009	Signed	23.000.000	-		Southern Africa and Indian Ocean	Mozambique	Transports	Senior loan	Public
20080286	LIBERTIS MOBILE GSM - GABON	23/09/2008	30.000.000		*(No contracts signed at end 09/2009)*	IF - ACP										
20080291	SUGAR INDUSTRY REFORM PROJECT	12/03/2009	30.000.000	25101	MAURITIUS SUGAR INDUSTRY REFORM	OR - ACP	5/08/2009	Signed	13.000.000	-	714.000	Southern Africa and Indian Ocean	Mauritius	Industry (incl. mining)	Senior loan	Private
20080374	NIGER - PG SECTEUR FINANCIER III	18/11/2008	8.000.000	24777	NIGER - PG SECTEUR FINANCIER III	IF - ACP	19/12/2008	Signed	8.000.000	2.155.660		West Africa and Sahel	Niger	Credit line	Credit line	Private
20080456	LEAPFROG MICROINSURANCE INVESTMENTS	16/12/2008	20.000.000	24981	LEAPFROG MICROINSURANCE INVESTMENTS	IF - ACP	6/05/2009	Signed	20.000.000	119.342		Regional Africa and ACP states	Regional - ACP	Financial services	Equity	Private
20080464	AFRICINVEST FUND II LLC	16/12/2008	20.000.000	24795	AFRICINVEST FUND II LLC	IF - ACP	19/12/2008	Signed	20.000.000	3.994.000		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20080491	JAMAICA TOLL ROAD	22/09/2009	50.000.000		*(No contracts signed at end 09/2009)*	IF - ACP										
20080534	PAN-AFRICAN INVESTMENT PARTNERS II LTD	3/02/2009	32.000.000	25025	PAN-AFRICAN INVESTMENT PARTNERS II LTD	IF - ACP	26/06/2009	Signed	32.000.000	7.353.992		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20080594	CAPE III	7/04/2009	30.000.000	24948	CAPE III	IF - ACP	15/05/2009	Signed	30.000.000	-		West Africa and Sahel	Regional - West Africa	Financial services	Equity	Private

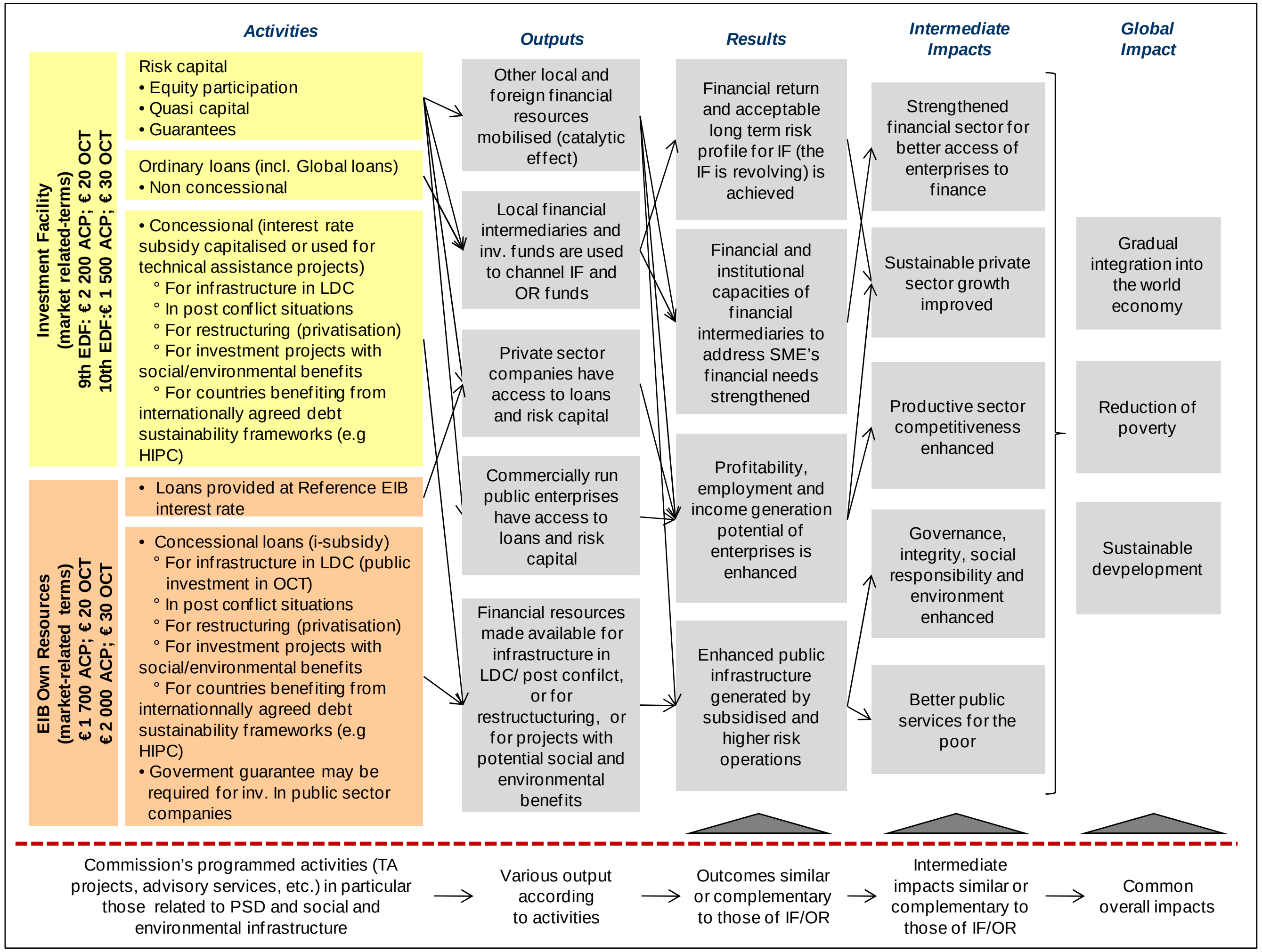
EIB operation number (Serapis)	Operation name	Start date (operation signature)	Net Amount approved (€)	EIB contract number (FI)	Contract name	Type of portfolio (IF, OR, GA - ACP, OCT)	Start date (contract signature)	Status	Net Amount signed (€)	Total amount disbursed (€)	Total amount estimated of IRS	Region	Country	Sector	Financial instrument	Private or Public sector
20080706	BDEAC PRET GLOBAL IV	16/06/2009	25.000.000	25114	BDEAC PRET GLOBAL IV	IF - ACP	26/08/2009	Signed	25.000.000	-		Central and Eastern Africa	Regional - Central Africa	Credit line	Credit line	Private
20080746	SOCGEN FRENCH POLYNESIA ENVIRONMENT GL	12/05/2009	20.000.000		*(No contracts signed at end 09/2009)*	OR - OCT										
20080786	EDFI EUROPEAN FINANCING PARTNERS III	7/04/2009	100.000.000	24942	EDFI EUROPEAN FINANCING PARTNERS III	IF - ACP	8/05/2009	Signed	90.000.000	-		Regional Africa and ACP states	Regional - ACP	Credit line	Credit line	Private
				24943	EDFI EUROPEAN FINANCING PARTNERS III B	IF - ACP	8/05/2009	Signed	5.000.000	-		Regional Africa and ACP states	Regional - ACP	Financial services	Equity	Private
				24944	EDFI EUROPEAN FINANCING PARTNERS III C	IF - ACP	8/05/2009	Signed	5.000.000	-		Regional Africa and ACP states	Regional - ACP	Financial services	Guarantee	Private
20090010	REGMIFA MICROFINANCE FUND FOR AFRICA	12/05/2009	15.000.000		*(No contracts signed at end 09/2009)*	IF - ACP										
20090021	MICROFINANCE ENHANCEMENT FACILITY	7/04/2009	50.000.000	25159	MICROFINANCE ENHANCEMENT FACILITY	IF - ACP	11/09/2009	Signed	50.000.000	-		Regional Africa and ACP states	Regional - ACP	Financial services	Equity	Private
20090043	GROFIN AFRICA FUND	16/06/2009	20.000.000	25117	GROFIN AFRICA FUND	IF - ACP	14/08/2009	Signed	20.000.000	-		Regional Africa and ACP states	Regional - Africa	Financial services	Equity	Private
20090060	BTA TOLL ROAD	22/09/2009	32.000.000		*(No contracts signed at end 09/2009)*	IF - ACP										
20090192	SHORECAP II	16/06/2009	15.000.000		*(No contracts signed at end 09/2009)*	IF - ACP										
20090316	ADVANS SA SICAR II	14/07/2009	6.000.000		*(No contracts signed at end 09/2009)*	IF - ACP										

Annexe 4 – Intervention logic

The intervention logic aims at describing schematically, but as accurately and clearly as possible, the objectives pursued through the deployment of the IF and the EIB-OR in the ACP countries and OCTs, as well as the intermediate stages and measures needed to achieve them. It is reconstructed on the basis of the official documents which established the Investment Facility and gave the EIB its mandate to provide loans from its own resources in the ACP countries and OCTs. These documents are listed under the heading "governing instruments" in annexe 3 of the Terms of Reference for this evaluation.

The intervention logic is presented in Diagram 4.1. It shows the intended chain of successive outputs and outcomes that needed to be generated in order to achieve the desired overall impacts. As such it constitutes the basis for formulating the Evaluation Questions and serves as the benchmark against which the IF/OR operations will be evaluated.

Diagram 4.1 Investment Facility and EIB own resources in ACP countries and OCTs : Intervention Logic



1. Activities / Inputs

There are three broad categories of activities or inputs: (i) the resources provided by the IF; (ii) those provided by the EIB-OR; and (iii) all activities funded by the Commission in the context of its cooperation with the ACP and OCTs. The first two are the subject of this evaluation. The third category is included in the intervention logic as the IF and EIB-OR are intrinsically linked and have been designed to complement and strengthen them.

The resources provided under both the IF and EIB-OR may be channelled to eligible enterprises directly or indirectly through eligible investment funds or financial intermediaries[1] .

It should be noted that the EIB operates on market-related terms in ACP countries and OCTs while offering flexibility: grace periods, long maturities and innovative products.

It is worth noting that, apart for the provision of risk capital which is a specificity of the IF, both the IF and EIB-OR instruments provide similar inputs.

1° The Investment Facility

The Investment Facility is a revolving instrument, i.e loan amortizations will be re-invested in new operations. Its operations shall be on market-related terms and conditions and shall avoid creating distortions on local markets and displacing private sources of finances[2].

The financial allocations for the IF under EDFs 9 and 10 are as follows:

	EDF 9 (2003-June 2008)	**EDF 10 (July 2008-December 2013)**
ACP	€2200 m[3]	€1500 m[4]
OCT	€20 m[5]	€30 m

Sources: Cotonou Agreement and Council Decision 2001/822/EC

For the IF, the respective inputs in the ACP countries and the OCTs are almost identical.

1 Cotonou, Annexe II, art 1
2 Cotonou, Annexe II, art.3.1.a
3 Cotonou, Annexe 1, art 2c
The initial endowment of EUR 2 200 million for the IF has been revised downwards proportionally to EUR 2 037 million following the setting-up during 2004 of the EUR 500 million EU Water Facility and the EUR 250 million EU Energy Facility under the 9th EDF (Source : EIB, Annual Press Conference, Briefing Note n°8, Luxembourg 9 February 2006).
4 Cotonou, Annexe Ib, art 3c
5 Council Decision 2001/822/EC; annexe IIA, art 1b.

Two types of inputs are provided by the IF, risk capital and ordinary loans:

- Risk capital[6] may be provided for non-controlling minority holdings, with remuneration provided on market-related terms[7] and linked to project performance. Risk capital is managed as a sustainable revolving fund[8] and it can take three main forms:
  - ✓ Equity participation (in enterprises including financial institutions)[9];
  - ✓ Quasi-capital (conditional loans, participating loans, subordinate loans, etc..)[10];
  - ✓ Guarantees and other credit enhancements which may cover political and other investment-related risks: for foreign and local investors/lenders[11].

- Ordinary loans[12] are the second type of input provided under the IF. They include global loans. They may be provided on concessional terms in certain cases:
  - ✓ For loans provided without concessional terms, the reference interest rate is similar to that applied by EIB to similar loans[13] and comprises a mark-up determined by the EIB.
  - ✓ Loans may be provided on concessional terms[14], that is including an interest rate subsidy. The total volume of interest rate subsidies may not exceed 5% of the funds allocated for investment finance under the IF and EIB-OR[15]. The interest subsidies may be capitalised or used as grants to support project-related TA, especially for financial institutions in the ACP countries[16]. The revision of the Cotonou Agreement in 2005 adds that a maximum of 10% of the budget for interest rate subsidies may be used to support project-related TA in ACP countries[17]. The interest subsidies may be granted in the following circumstances:
    - o For infrastructure projects in LDCs or post-conflict countries (and post-natural disaster countries since the revision of Cotonou in 2005[18]) - assuming they are a prerequisite for private sector development[19] - the interest rate on the loan will be reduced by 3%. However, since the revision of Cotonou in 2005, for such investments in countries subject to restrictive borrowing conditions under the HIPC initiative or other internationally agreed debt sustainability framework, the EIB may reduce the interest rate to comply with

6 Cotonou Annexe II, Art 2,1,a and 2,2 to 5; Council Decision 2001/822/EC annexe IIC, Art 2,1a
7 Cotonou Aannexe II, Art 2,4,b and 3,1,a
8 Cotonou, Annexe II, Art 3.1
9 Cotonou, Annexe II, Art. 2.2
10 Cotonou, Annexe II, Art. 2.3
11 Cotonou, Annexe II, Art. 2.5
12 Cotonou, Annexe II art 2,1,b and 2,6-7; Council Decision 2001/822/EC annexe IIC, art 2,1b
13 Cotonou, Annexe II, Art. 2.6
14 Cotonou, Annexe II, Art. 2.7
15 Cotonou, Annexe II, Art. 2.8
16 Cotonou, Annexe II, art.2.9
17 Cotonou (2005), Amendment to Annexe II, Art. 2.9. (NB: this amendment is reiterated in the ACP-EC Council of Ministers Decision n°2009/497/EC)
Under Cotonou I (respectively Cotonou II), €187m (respectively €400m) were endowed for interest subsidies.
18 This amendment is reiterated in the ACP-EC Council of Ministers Decision n°2009/497/EC
19 Cotonou, Annexe II, Art. 2.7a

these restrictions if it has not been possible to reduce the average cost of the funds through appropriate co-financing with other donors[20].

- For restructuring (within privatisation) or projects with social or environmental benefits, an interest subsidy no higher than 3% may be granted[21].

In both cases the final interest rate may not be less than one-half of the reference rate[22].

2° Loans from EIB's Own Resources

The financial allocations for such loans are:

	2003-June 2008	July 2008-December 2013
ACP	Up to €1700 m[23]	Up to €2000 m[24]
OCT	Up to € 20 m[25]	Up to €30 m[26]

Sources: Cotonou Agreement, Council Decision 2001/822/EC and Council Decision.2007/249/EC

Like the loans provided under the IF, those funded from the EIB-OR may be provided with the same reference loans as applied by the EIB to similar loans[27], or they may include an interest rate subsidy if certain conditions are met. Concessional loans may be granted provided the same conditions as those enumerated above for the IF are met. However a slight difference applies to the OCT in which all public sector projects are eligible for interest rate subsidy[28]. The subsidy is paid out of the IF and the period of the loan may not exceed 25 years[29].

A Government guarantee may be required for investment in public sector companies[30].

20 Cotonou (2005), Annexe II, Art. 2.7aa. (NB: this amendment is reiterated in the ACP-EC Council of Ministers Decision n°2009/497/EC)
21 Cotonou, Annexe II, Art. 2.7b
22 Cotonou, Annexe II, Art. 2.7b
23 Cotonou, Annexe I, Art 4
24 Cotonou, Annexe 1B, Art 3.
25 Council Decision 2001/822/EC, Annexe IIB, Art 1
26 Council Decision 2007/249/EC, Art 1, 10.a.
27 Cotonou, Annexe II, Art 4.2a for ACP ; Council Decision 2001/822/EC Annexe IIB, Art 2a
28 Council Decision 2001/822/EC Annexe IIB, Art 2b(i)
29 Cotonou Annexe II Art 4,2,b,c, and d for ACP; Council Decision 2001/822/EC, Annexe IIB, Art 2b,(ii) and 2c, for OCT.
30 Cotonou, Annexe II, Art. 4,3, for ACP ; (CD 2001/822/EC Annexe IIB, Art 2d, for OCT

3° Commission-programmed activities (check Art 76)

The resources provided under the IF and EIB-OR must be considered within the broader context of partnership and association agreements with the ACP countries and the OCT; this is because instruments are deployed in complementarity with other activities conducted by the Commission and the MS in implementation of these agreements. For instance, chapter 7 of Cotonou, and particularly Art. 76, enumerates the array of instruments deployed for supporting private sector development, among which are the funds managed by the EIB.

For this reason, in the lower part of Diagram 3.1 a third layer of inputs has been mentioned. They contribute to specific outputs that are generally different from, but complementary to, those of the activities of the IF and EIB-OR. They will not be reviewed by this evaluation but the sound conduct of EIB-managed operations within this broader cooperation context is clearly a relevant subject for this evaluation.

2. Outputs

Outputs are the results that can be immediately linked to the **activities**. Different major outputs can be identified. They can all emanate from either the IF or EIB-OR or both.

In all economic sectors, private sector companies and commercially-run enterprises obtain access to loans and risk capital[31]. Similarly financial resources are made available for infrastructure and projects with potential social and environmental benefits. The provision of funds to local financial intermediaries and investment funds as channels for IF and EIB-OR[32] funds constitutes an output.

The outputs thus facilitate a relaxation of a major development constraint as otherwise access to finance for projects eligible for IF and EIB-OR support would be extremely difficult or even impossible.

An additional output is the mobilisation of other resources through the catalytic effect of the IF or EIB-OR[33].

3. Outcomes

Outcomes are the results expected from materialisation of the outputs. Unlike the outputs they are not under the control of the agent that implemented the activities. Their link with the outputs is clear, although while production of the latter is necessary for generation of the outcomes, it is not necessarily sufficient since outcomes also depend on other factors, particularly action taken by the beneficiaries of the outputs.

The main outcomes listed on Diagram 2.1 fall into three groups.

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31 Cotonou, Annexe II, Art. 3.1 and Art. 4.1a; Council Decision 2001/822/EC Annexe IIC, Art 1 and Annexe IIB, Art. 1a
32 Cotonou Annexe II, Art 1
33 Cotonou, Annexe II, Art 3 and Art 4.1.b

1° Outcomes in terms of functioning of the financial sector:

- improvement in the return and achievement of an acceptable long-term risk profile[34] for operations of the IF;
- strengthening of the capacities of the financial intermediaries to address the financial needs of enterprises[35].

These outcomes are expected to result from outputs related to the channelling of funds *via* the financial intermediaries and from the catalytic effect of the EIB operations.

2° Improvement in the profitability, employment and income generation potential of the enterprises that benefited from financial resources[36].

3° Enhanced public infrastructure resulting from availability of finance attributable to subsidised and higher-risk operations[37].

4. Intermediate impacts

Intermediate impacts, as their name implies, link the outcomes to the overall impacts. They are worth identifying in an evaluation since the overall impacts are so vast that it is generally impossible to establish the contribution of cooperation activities to their realisation. Intermediate impacts are closer to the outcomes of the operations, but they also depend on many other factors. It is generally not possible to establish that an intermediate impact can be attributed to a particular activity or set of activities, but it is possible to assess whether or not these activities have contributed to the observed achievements.

The following intermediary impacts are pursued when IF or EIB-OR operations are conducted:

- the financial sector is strengthened and can provide enterprises with better access to finance[38];
- sustainable private sector growth is enhanced[39];
- productive sector competitiveness is enhanced[40];
- governance, integrity, social responsibility and the environment are all enhanced[41];
- the poor benefit from better public services[42].

34 Cotonou, Annexe II Art.3.1

35 Cotonou, Art. 76 and Annexe II, Art. 3b.
36 Council Decision 2001/822/EC Annexe IIC, Art 1.
37 Cotonou, Ann.ex II, Art. 2
38 Cotonou, Art.76a
39 Cotonou, Art. 76 and Art. 20,1a ; Council Decision 2001/822/EC Annexe IIC, Art 1
40 Cotonou, Art.761a
41 Cotonou, Art 20,1d; Art. 20,1,e.
42 Cotonou, Art. 25

5. Impacts

The overall impacts of all EU external cooperation are spelled out in the Consolidated Treaty of the EU[43]: "Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty".
This overall objective is complemented by two overall objectives deemed indispensable for achievement of reduction of poverty, namely:

- sustainable development[44];
- gradual integration of the partner countries into the world economy[45].

It is unlikely that the evaluation can identify with accuracy the contribution of EIB operations to these objectives, but if a contribution to the intermediate impacts can be established it can also be inferred that it constituted a move in the direction of the overall objectives.

6. Coordination mechanisms for implementation of IF and EIB-OR

Given the fact that the overall objectives of the IF and of the EIB mandate to use its own resources in ACP countries are those of Cotonou, it is clear that close coordination between the Commission and EIB must take place. Chapter II of the Internal Agreement of EDF 9[46] and Council Regulation 617/2007/EC on the implementation of EDF 10 under the ACP-EC Partnership Agreement -as well as the revision of Cotonou in 2005 to some extent- spells out the details. Key points at each stage of the project cycle are presented in the table hereunder:

43 Consolidated Treaty of the EU, Art. 208
44 Cotonou, Art. 1 and Art. 19
45 Cotonou, Arts.2, 19 and 34.
46 OJ L 317, 15.12.2000, Internal Agreement between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies.

Table 4.1 – Key points of coordination mechanisms between the EIB and the Commission for implementation of IF/OR

	Internal Agreement of EDF 9 (2000)	Council Regulation 617/2007/EC (2007)	Cotonou (2005)
Programming stage			
▪ The Commission shall prepare the Country Cooperation Strategy (CS) and its accompanying indicative programme after consultation with the EIB	Art. 15.1		
▪ The preparation of the CS should involve the Bank on the matters relative to its operations and those of the Investment Facility	Art. 15.2.c		
▪ Each CS shall be the subject to an exchange of views between the Member States and the Commission in the framework of the EDF Committee to which the EIB shall take part in	Art. 15.5		
▪ During the annual review of the indicative programmes as well as for mid-term and end-of-term reviews of CS, the EIB shall be consulted on matters relative to its operations and those of the Investment Facility	Art. 17 and 18)		
▪ Preparation of Regional Cooperation Strategy (RCS) and its accompanying indicative programmes shall be undertaken in coordination with the EU MS and the EIB on matters relative to its operations and those of the Investment Facility	Art. 19.1 and 19.2		
▪ The Commission should work with EU MS and the EIB when preparing its strategy papers (country or regional) on matters relating to its areas of expertise and operations, including as regards the Investment Facility. It should also ensure coherence, where relevant, with the EIB		Art 2b and Art.4.2	

Implementation stage			
▪ A representative of the Bank shall take part to the work of the EDF Committee	Art. 21.1		
▪ the Annual Action programmes should be prepared by the Commission with the partner countries and also involve EU MS and the EIB;		Art. 7.2	
▪ mutual exchange of information on implementation of cooperation activities between the Commission, EU MS and the EIB should take place;		Art. 7.6	
▪ the EIB should take part in the exchange of views in the EDF Committee		Art. 11.3	
▪ an IF Committee is set up under the auspices of EIB to approve *inter alia* the guidelines on implementation of the IF and the investment strategies and business plans of the IF:	Art 29	Art. 13	
o the EIB shall cooperate closely with the Commission, and in particular: request the prior opinions of the Commission on investment strategies, business plans and general policy documents	Art.30.4	Art. 13.5	
o for own resources loans and IF investment for which no prior IF Committee opinion is required, the EIB decides in accordance with its own procedures	Art. 30.5	Art. 13.6	
Evaluation stage			
▪ Regular joint Commission-EIB evaluations, in association with the partner, of the results of the implementation of geographical and thematic policies should be undertaken		Art. 15	
▪ The overall performance of the Investment Facility shall be subject to a joint review at the mid-term and end-term of a financial protocol			Annexe II, Art. 6b

Annexe 5 – Evaluation questions, Judgement criteria and Indicators

This Annexe presents the set of structured Evaluation Questions (EQS) in Judgement Criteria (JC) and Indicators (I) as agreed upon with the Reference Group during the structuring stage of the evaluation. It also presents, for each EQ, the rationale and coverage of the question, as well as its link with the Intervention Logic *(see Annexe 4)* and the evaluation criteria. Finally, it presents, for each indicator, the source of information and the tools used for data collection.

EQ 1	**To what extent were the IF/OR operations focused on the priority development needs of the countries in which they intervened, and to what extent did they remain in line with the national and regional EU development policies relating to ACP/OCTs?**
EQ1-RC	*EQ 1 on Relevance and Coherence*
Rationale and coverage of the question	The question aims at verifying the relevance and coherence of the strategy and design of IF/OR operations at different levels. As this question concerns the level of strategy and design it will tackle issues of both relevance and coherence. In terms of **relevance**, it will examine to what extent the EIB's IF/OR operations were *designed* so as to answer to the needs of the countries in terms of development. This will encompass checking to what extent they were in line with the national policies of the partner countries. That will in turn also lead to an examination of the raison d'être of the distinction between the mandates and, in practice, between the functions of the IF and OR, notably in terms of focus on development objectives. Responsiveness to countries' needs is however not the only criterion on which the strategy and design behind the EIB IF/OR operations should be examined. Indeed they should also, in terms of **coherence**, be in line with the national and regional Commission development policies in the ACP countries and OCTs.
Link with IL and evaluation criteria	The question is one of design and strategy, which is precisely expressed in the IL as a whole. Accordingly it aims at assessing the operational design against country needs and verifying its consistency with EU development policies. As the above rationale shows, it is a question that relates to both **relevance** and **coherence**. An element of EIB **value added** is also involved, albeit to a lesser extent, namely in terms of the specific value added that the EIB brings in terms of the pursuit of development objectives.

		Sources of information	***Data collection tools***									
			Documentary collection	**Interviews with**								**Detailed studies on selected operations**
				EIB		**Commission**	**EU MS**	**Other agencies**	***Beneficiaries***			
				HQ	**Field**				**Private & commercially run public sector entities**	**Financial intermediaries**	**SMEs**	
	Judgement criteria and indicators											
JC 1.1	***The EIB has explicit policies and guidelines to ensure that IF/OR operations financed are in line with development needs and EU development policies in ACP and OCTs and applies these guidelines***											
I-1.1.1	Existence and coverage of specific guidelines	*EIB documents and opinions of interviewees*	x	x	x							
I-1.1.2	Utilisation of these guidelines in selection and design of operations	*Opinions of interviewees*		x	x							
I-1.1.3	Opinions of EIB staff and other stakeholders (Commission Services, other donors, …) on appropriateness of the guidelines	*Opinions of interviewees*	x	x	x							
JC 1.2	***The IF/OR selection of operations takes place on the basis of analyses of the countries'/regions' development needs, which take into account stakeholders' views and effectively reflect country needs***											

I-1.2.1	Existence of country/region development needs analyses for the countries/regions of intervention (prepared by EIB or other authorities)	*EIB and other agencies documents*	x									
I-1.2.2	These analyses have been prepared in collaboration with stakeholders (e.g. national/regional authorities and private sector representative institutions)	*EIB and other agencies documents, opinions of interviewees*	x	x	x				x	x	x	x
I-1.2.3	Country/region needs are reflected in these analyses in a way that can be used by the EIB	*EIB and other agencies documents*	x									x
I-1.2.4	Stakeholders agree that the analyses used are valid	*Opinions of interviewees*		x	x				x	x	x	x
I-1.2.5	Documents relating to individual operations explicitly refer to these analyses	*EIB appraisal documents*	x									x
JC 1.3	***Operations have been prioritised with a view to addressing development needs, and taking stakeholders' views into account***											
I-1.3.1	A pipeline based on region/ountry/sector needs exists	*EIB documents and opinions of interviewees*	x									
I-1.3.2	EIB pro-actively generates projects that address development needs	*Opinions of interviewees*		x	x							
I-1.3.3	Project identification/appraisal documents demonstrate conformity with development needs and stakeholders' support	*EIB appraisal documents*	x									x
I-1.3.4	Final beneficiaries are identified in project documentation	*EIB appraisal documents*	x									x
JC 1.4	***The logical distinction in the sub-mandates and functioning of the IF/OR envelope allows financing development needs that the Bank could not cover with its own resources***											
I-1.4.1	Extent to which the IF allows to finance development needs that would be too risky to be funded with OR	*EIB documents and opinions of interviewees*	x	x	x							x

I-1.4.2	Accordingly, different prioritisation approaches exist for IF and OR operations	*EIB documents and opinions of interviewees*	x	x	x							x
I-1.4.3	In addressing different types (in terms of financial risk involved) of development needs IF and OR are complementary (between operations or within an individual operation), enhancing responsiveness to development needs	*EIB documents and opinions of interviewees*	x	x	x				x	x	x	x
JC 1.5	***Operations examined aim at addressing countries'/regions' needs***											
I-1.5.1	Committee's portfolio reviews show that operations address countries'/regions' needs	*EIB documents*	x									
I-1.5.2	Stakeholders consider that operations address countries'/regions' needs	*Opinions of interviewees*		x	x				x	x	x	x
JC 1.6	***EIB IF/OR operations are designed and implemented with a view to alignment with Commission development policies in ACP/OCTs***											
I-1.6.1	The objectives of IF/OR operations support Commission development policy objectives	*EIB operations preparatory documents*	x									x
I-1.6.2	These objectives were maintained during implementation	*EIB progress , final and evaluation reports and opinions of interviewees*	x	x	x				x	x	x	x

EQ 2	**To what extent did IF/OR operations improve, without market distortion, access by enterprises to finance that would otherwise have been unavailable under the prevailing market conditions?**
EQ2-AF	*EQ 2 on Access to finance*
Rationale and coverage of the question	This is one of six questions relating to effectiveness. More specifically it aims at verifying whether the EIB has fulfilled its role of providing finance where it would otherwise not have been available under appropriate terms, i.e. preserving the viability of the borrower and not distorting the functioning of the market. It concerns both private sector companies and commercially-run public enterprises, and includes financial resources made available for infrastructure in LDC/ post conflict countries, for restructuring, or for projects with potential social and environmental benefits. It thus covers several of the specific objectives assigned to the EIB under its mandate. As indicated by the phrasing of the question, the finance provided would not have been available under the prevailing market conditions. Hence the answer to the question will need to verify to what extent an analysis was conducted of the financial needs of the ACP/OCT beneficiaries, of their absorption capacity, and of the availability of other sources of private or public financing for the relevant instruments. It will also need to examine the type of advantages (financial, non-financial, quality-related) that EIB offered which were not available on the market. To sum up, the question tackles two dimensions: (i) to what extent did EIB improve access to finance (i.e. succeed in meeting the needs of enterprises in this respect) and (ii) to what extent did it do so under certain key conditions (e.g. without creating distortions) while still providing specific value added.
Link with IL and evaluation criteria	The question concerns a specific part of the intervention logic, namely how the inputs contributed to generating the outputs mentioned in the three last boxes of the outputs column. As mentioned above is it a question of **effectiveness**, but it also covers elements of **EIB value-added**, notably on the quality of the projects and on the financial and non-financial advantages accruing from the EIB operations compared to other sources of financing.

		Sources of information	Data collection tools									
				Interviews with								
				EIB					Beneficiaries			
			Documentary collection	HQ	Field	Commission	EU MS	Other agencies	Private & commercially run public sector entities	Financial intermediaries	SMEs	Detailed studies on selected operations
Judgement criteria and indicators												
JC 2.1	***The IF/OR operations have met a substantial share of the financing needs of individual enterprises or, more broadly, a commensurate share of the productive sector***											
I-2.1.1	Financial needs of the ACP and OCT enterprises as identified by country/sector reviews	*EIB and other agencies documents*	x									
I-2.1.2	EIB's documented strategy (concentration, diversification, …) in terms of addressing financing needs of enterprises	*EIB documents*	x									
I-2.1.3	Coverage by IF/OR operations of needs at country / sector / sub-sector / individual enterprise levels	*EIB documents and opinions of interviewees*	x	x	x							x
JC 2.2	***IF/OR financing did address segments that are not, or are insufficiently, served***											
I-2.2.1	Prior to the financing of the operations, a selective analysis of the financial needs of the ACP and OCT beneficiaries and their absorption capacity has taken place	*EIB appraisal documents*	x									x

I-2.2.2	Prior to the financing of the operations, a selective analysis of other sources of private and public financing for the relevant investments has taken place	*EIB appraisal documents*	x									x
I-2.2.3	Evidence that without the EIB the operation would not, or would insufficiently, have been served	*EIB project progress and final reports, project evaluation reports, and opinions of interviewees*	x	x	x				x	x	x	x
JC 2.3	***IF/OR operations have not created distortions on local markets and have not displaced private sources of finance***											
I-2.3.1	Evidence that products offered by the EIB would not otherwise be available.	*EIB operations preparatory documents, and opinions of interviewees*	x						x	x	x	x
I-2.3.2	Existence and justification of downward adjustments of the indicative credit spread (risk margin) in pricing risk of loans and guarantees	*Preparatory loan documents explaining the determination of the interest rate of the loans.*	x									x
I-2.3.3	Conformity of criteria for selecting financial intermediaries with the EIB guidelines provisions	*Preparatory loan documents explaining the determination of the interest rate of the loans.*	x									x
JC 2.4	***IF/OR financing has brought specific added value***											
I-2.4.1	Evidence of the leading role of EIB in putting together the financing plan	*EIB appraisal documents and opinions of interviewees*	x	x	x				x	x	x	x
I-2.4.2	Evidence that IF/OR specific risk- bearing capacity led to financing operations that would otherwise not	*EIB project progress and final reports,*	x	x	x				x	x	x	x

	have been financed or under less appropriate conditions.	*project evaluation reports, and opinions of interviewees*										
I-2.4.3	IF/OR type of instruments (e.g. longer maturities and/or subsidised interest for loans; range of risk capital instruments) are not available from other sources	*Documents and opinions of interviewees*	x	x	x	x	x	x	x	x	x	x
I-2.4.4	Range of non-financial contributions offered by the EIB at investee company level (e.g. in terms of governance, integrity, social responsibility, capacity building and good management practices)	*EIB documents*	x									
I-2.4.5	EIB contribution at project execution level (procurement process) and due attention to cost-effectiveness	*EIB project progress and final reports, project evaluation reports, and opinions of interviewees*	x	x	x				x	x	x	x

EQ 3	**To what extent did IF/OR operations have a catalytic effect in helping enterprises to mobilise long-term local and foreign loan resources and investment?**
EQ3-CAT	*EQ 3 on Catalytic effect*
Rationale and coverage of the question	IF/OR operations aim at generating a catalytic effect. Annex II of the Cotonou Agreement explicitly requires this for the operations of the investment facility, Article 3 stating that the operations should *"endeavour to have a catalytic effect by encouraging the mobilisation of long-term local resources and attracting foreign private investors and lenders to projects in the ACP States"*. This also applies to EIB Own Resources operations and to the OCTs. The present question aims at verifying to what extent such catalytic effect has indeed been generated.
Link with IL and evaluation criteria	The question addresses **effectiveness**, as it aims at verifying whether one of the expected outputs of the IF/OR operations has been generated, notably the first box of the output columns of the IL. It also has a dimension of **value added** of the EIB operations. Indeed, being able to generate a catalytic effect is precisely a value added that the EIB might offer; in turn, if the EIB is able to generate such a catalytic effect, this might be precisely for reasons of the value added it brings through its operations, whether in terms of project quality or of financial and/or non-financial advantages. To a lesser extent the question touches also upon the question of **sustainability**: indeed, if IF/OR operations contribute to attracting other resources, this can be considered a means of strengthening the probability that their results and impacts will be maintained over time.

		Sources of information	***Data collection tools***									
				Interviews with								
				EIB					***Beneficiaries***			
			Documentary collection	**HQ**	**Field**	**Commission**	**EU MS**	**Other agencies**	**Private & commercially run public sector entities**	**Financial intermediaries**	**SMEs**	**Detailed studies on selected operations**
	Judgement criteria and indicators											
JC 3.1	***EIB has contributed to mobilising a critical mass of additional finance needed by project beneficiaries***											
I-3.1.1	EIB measures its mobilisation effect	*EIB project progress and final reports, and project evaluation reports*	x									x
I-3.1.2	Ratio of mobilisation at project level	*EIB documents*	x									x
I-3.1.3	Evidence of mobilisation effect and of extent to which it was critical to meeting financing needs	*EIB project progress and final reports, project evaluation reports, and opinions of interviewees*	x	x	x				x	x	x	x

JC 3.2	***EIB's financial instruments (in particular the risk-sharing and credit enhancement instrument) encourage mobilisation of additional commercial finance; EIB makes optimal use of its financial and risk-bearing capacity***											
I-3.2.1	Extent to which EIB's instruments are geared (design) to mobilisation	*EIB documents and opinions of interviewees*	x	x	x							x
I-3.2.2	Extent to which EIB assesses its mobilisation potential for each operation	*EIB documents and opinions of interviewees*	x	x	x							x
I-3.2.3	Hurdles to deployment of mobilisation instruments (e.g. pricing of guarantees, limits to volumes of subordinated finance, etc.)	*EIB documents and opinions of interviewees*	x	x	x							x
JC 3.3	***EIB's participation in an operation provides comfort and confidence to other lenders or investors***											
I-3.3.1	Extent to which sponsor investment has been encouraged/triggered by EIB presence	*EIB project progress and final reports, project evaluation reports, and opinions of interviewees*	x	x	x				x	x	x	x
I-3.3.2	Extent to which private commercial financing sources have been encouraged/triggered by EIB presence	*EIB project progress and final reports, project evaluation reports, and opinions of interviewees*	x	x	x				x	x	x	x

EQ 4	**To what extent did IF/OR operations strengthen the local financial sector's capacity, including in terms of social responsibility, to address the financial needs of enterprises?**
EQ4-FI	*EQ 4 on Financial intermediaries*
Rationale and coverage of the question	Through its IF/OR operations the EIB intends also to strengthen the financial environment, notably by enhancing the capacities of financial intermediaries, including in terms of social responsibility, to address enterprises' financial need. This implies a leveraging effect. This indeed should also generate effects that are likely to last in the long run and extend beyond a single operation. The present question aims precisely at examining to what extent this objective has been reached. The expression "local financial sector" refers to local bank and non-bank credit institutions and local capital market operations.
Link with IL and evaluation criteria	The question is mainly a question of **effectiveness** that aims at verifying whether strengthening the capacities of financial intermediaries addresses enterprises' financial needs. It is however also a question of **sustainability**, as strengthening the financial environment is a means of increasing the probability that the results and impacts of operations are maintained over time. The issue of the **value-added** of the EIB in this respect will also be examined.

		Sources of information	***Data collection tools***									
				Interviews with								
				EIB					***Beneficiaries***			
			Documentary collection	**HQ**	**Field**	**Commission**	**EU MS**	**Other agencies**	**Private & commercially run public sector entities**	**Financial intermediaries**	**SMEs**	**Detailed studies on selected operations**
Judgement criteria and indicators												
JC 4.1	***IF/OR operations have strengthened the viability of the local/regional bank and non-bank credit institutions and equity funds***											
I-4.1.1	EIB has specific requirements (e.g. governance, social responsibility, risk management, integrity) for	*EIB project documents and opinions of*	x	x	x					x		x

	strengthening the viability of local/regional financial intermediaries	*interviewees*										
I-4.1.2	Extent to which EIB TA has been provided to strengthen the foregoing	*EIB project documents and opinions of interviewees*	x	x	x					x		x
I-4.1.3	Evidence of improvement in management practices and capacities, including in terms of social responsibility, following the EIB operation	*EIB progress and final project reports and evaluation reports, and opinions of interviewees*	x	x	x					x		x
I-4.1.4	Evidence from intermediaries' balance sheets before and after EIB operation	*Balance sheets of financial intermediaries*	x									x
I-4.1.5	Evidence that EIB specific requirements and/or accompanying TA have contributed to strengthening viability	*Opinions of interviewees*								x		x
JC 4.2	***Financial institutions supported by the EIB have improved their capacity to mobilise domestic savings***											
I-4.2.1	Trend in domestic savings mobilised by the IF/OR-supported institutions	*EIB progress and final project reports and evaluation reports*	x									x
I-4.2.2	Evidence that this trend is linked to the EIB support	*EIB progress, final project reports and evaluation reports, and opinions of interviewees*	x	x	x					x		x

JC 4.3	***Local/regional bank and non-bank financial institutions supported by IF/OR have financed the development of enterprises including SMEs***											
I-4.3.1	Trend in financing of enterprises by IF/OR-supported local/regional institutions	*EIB progress, final project reports and evaluation reports*	*x*									*x*
I-4.3.2	Banks supported through IF/OR have increased long-term lending or maintained it at previous levels	*EIB progress, final project reports and evaluation reports, and opinions of interviewees*	*x*	*x*	*x*					*x*		*x*
I-4.3.3	Evidence that this trend is linked to the EIB support	*EIB progress, final project reports and evaluation reports, and opinions of interviewees*	*x*	*x*	*x*					*x*		*x*
I-4.3.4	SME focus is among the criteria used by EIB for selecting financial intermediaries	*EIB appraisal project documents and opinions of interviewees*	*x*	*x*	*x*					*x*	*x*	*x*

EQ 5	**To what extent did enterprises which benefited from IF/OR support improve their performance and long term viability?**
EQ5-EP	*EQ 5 on Enterprise performance*
Rationale and coverage of the question	Through its operations, the EIB intends to contribute to improved performance and viability of the enterprises which benefit from its financing. The present question aims at assessing the extent to which such improvement has taken place and is likely to be maintained, e.g. in terms of enterprise profitability, income generation, and governance. Where relevant a distinction will be made between, on the one hand, financial intermediaries that benefited from IF or OR support in terms of their capacity to invest in or provide loans to local SMEs, and on the other hand non-financial enterprises that benefited directly from IF or OR to strengthen and expand their activities.
Link with IL and evaluation criteria	The question thus mainly concerns **effectiveness** and **sustainability**, as specific attention will be devoted to the extent to which such results are likely to be maintained in the long run. In terms of linkage with the intervention logic, the question concerns more specifically the link with the third box in the results column.

		Sources of information	***Data collection tools***									
				Interviews with								
				EIB					***Beneficiaries***			
			Documentary collection	**HQ**	**Field**	**Commission**	**EU MS**	**Other agencies**	**Private & commercially run public sector entities**	**Financial intermediaries**	**SMEs**	**Detailed studies on selected operations**
Judgement criteria and indicators												
JC 5.1	***Enterprises which benefited from IF/OR support have improved their governance and management capabilities***											
I-5.1.1	Changes in the behavioural patterns of the managers and management practices	*EIB project documents and opinions of interviewees*	x									x

I-5.1.2	Evolution of accounting and reporting	*Companies reports, EIB project documents, and opinions of interviewees*	x						x	x	x	x
I-5.13	Evolution of corporate governance	*Companies reports, EIB project documents, and opinions of interviewees*	x						x	x	x	x
JC 5.2	***TA for institution building has contributed to creating sound enterprises and/or to improving governance and management capabilities***											
I-5.2.1	Changes in the behavioural patterns of managers, and in management practices, are observed in enterprises that benefited from TA	*EIB project documents and opinions of interviewees*	x						x		x	x
I-5.2.2	Inclusion in the TA projects of indicators that permit assessment of results in the areas of corporate governance and management capabilities	*TA project documents*	x									x
I-5.2.3	Trends in these indicators	*TA project documents*	x									x
I-5.2.4	Managers' opinions of enterprises which benefited from such TA	*Opinions of interviewees*							x		x	x
I-5.2.5	Opinions of EIB and other donors involved	*Opinions of interviewees*							x	x	x	x
JC 5.3	***Enterprises which benefited from IF/OR support have improved/restored their financial viability***											
I-5.3.1	Evolution of financial results of enterprises which benefited from IF/OR support	*Companies accounts and reports, and EIB project documents.*	x									x
I-5.3.2	Evolution and importance of (profitable) involvement in new activities and business expansion by non-financial enterprises that benefited from IF or OR	*EIB project documents, activity reports of beneficiaries*	x						x		x	x

		of IF/OR, and opinions of interviewees										
JC 5.4	***Enterprises which benefited from IF/OR support have maintained and/or increased their competitiveness***											
I-5.4.1	Trend in the ratio of credit granted to enterprises provided by the financial intermediaries that benefited from IF or OR loans to ***total*** domestic credit granted to enterprises	*Financial reports of the beneficiary institutions and Central Bank data*	x									x
I-5.4.2	Expansion of activities on the domestic and foreign markets of non-financial beneficiaries of IF/OR	*Activity reports and accounts of these enterprises, and opinions of interviewees*		x	x				x		x	x

EQ 6	**In what respect have IF/OR operations contributed to the sustainable growth of a competitive productive sector in the Partner countries?**
EQ6-PS	*EQ 6 on Productive sector growth*
Rationale and coverage of the question	In terms of (intermediate) impact, the EIB aims to contribute through IF/OR operations to enhancing the competitiveness of enterprises in a sustainable manner. The present question aims at understanding which features or dimensions of EIB financing contributed to enhancing such competitiveness. Unlike EQ5 this question targets more the productive sector as whole or specific segments thereof, rather than specific beneficiary enterprises. It focuses on the following aspects: - the contribution of IF/OR operations to the development of an enabling environment for private (or more generally productive) sector activities; - their contribution to the development and strengthening of the local financial sector; - their contribution to improvements in sustained growth and competitiveness of enterprises.
Link with IL and evaluation criteria	The question thus mainly concerns **impact** and **sustainability**, as specific attention will be devoted to the extent to which such growth and competitiveness are likely to be maintained in the long run. In terms of linkage with the intervention logic, the question concerns more specifically the link with the second and third box of the intermediate impacts column.

		Sources of information	*Data collection tools*									
				Interviews with								
				EIB					*Beneficiaries*			
			Documentary collection	HQ	Field	Commission	EU MS	Other agencies	Private & commercially run public sector entities	Financial intermediaries	SMEs	Detailed studies on selected operations
Judgement criteria and indicators												
JC 6.1	***EIB had an explicit strategy at country or sector level guiding the choice of operations to those most likely to generate a broader impact in terms of enhanced growth and competitiveness***											
I-6.1.1	Inclusion in EIB country and sector strategies of assessment of potential impact of proposed operations	*EIB strategies*	x									
I-6.1.2	Evidence that potential development impact is used as a key criterion in selecting and prioritising operations	*EIB guidelines, preparatory documents showing the application of the guidelines, opinions of interviewees.*	x	x	x							x
JC 6.2	***EIB operations have contributed to improving the business environment***											
I-6.2.1	Accompaniment of EIB operations by TA or conditions meant improving the legal and regulatory framework and the business environment.	*Preparatory documents of EIB operations, EIB project progress and monitoring reports.*	x									x
I-6.2.2	Evaluations of the results of such operations	*EIB project monitoring and evaluation of reports*	x									x
I-	Selected indicators from "Doing business in…." for	*"Doing business in….." reports*	x									

6.2.3	those countries where substantial operations were conducted.											
JC 6.3	***EIB IF/OR support has contributed to developing / strengthening the local financial sector***											
I-6.3.1	Trend in the volume and quality of products offered by the local financial sector	*Surveys of the financial sector. Central Bank. EIB analysis of the local financial sector.*	x									
I-6.3.2	Trend in credit to the private sector, and particularly to SMEs[1]	*EIB project and evaluation reports, reports, and opinions of interviewees.*	x	x	x				x	x	x	x
JC 6.4	***EIB IF/OR support has contributed to stimulating growth and competitiveness of the enterprise sector[2]***											
I-6.4.1	Contribution of private sector to value added	*Economic studies and opinions of interviewees*	x	x	x	x	x	x	x	x	x	x
I-6.4.2	Trend in employment in the private sector	*Economic studies and opinions of interviewees*	x	x	x	x	x	x	x	x	x	x
I-6.4.3	Trend in investments in the private sector.	*Economic studies and opinions of interviewees*	x	x	x	x	x	x	x	x	x	x

[1] The analysis of use of funds made available to financial intermediaries to assess whether they increased their funding of SMEs in comparison with the previous situation or with intermediaries that did not benefit from IF/OR.
[2] To assess the contribution of EIB operations to the evolution of the above indicators it is necessary to take into account the magnitude of the support of the EIB to the enterprise sector.

EQ 7	**To what extent did IF/OR investments generate positive social and environmental impact?**
EQ7-SE	*EQ 7 on Social and environmental impact*
Rationale and coverage of the question	A large body of development indicators exists in international fora which also cover - besides economic, financial and technical criteria - social and environmental impact. EIB has subscribed to this approach, *inter alia* by introducing the ESIAF. In this respect this EQ aims at examining the EIB's practices and at assessing to what extent its investments contributed to generating positive impacts.
Link with IL and evaluation criteria	The question concerns **achievement of main impacts/effects**, but focuses specifically on the social and environmental dimensions. By definition, these dimensions also address the **sustainability** of EIB's operations.

		Sources of information	***Data collection tools***									
				Interviews with								
				EIB					***Beneficiaries***			
			Documentary collection	**HQ**	**Field**	**Commission**	**EU MS**	**Other agencies**	**Private & commercially run public sector entities**	**Financial intermediaries**	**SMEs**	**Detailed studies on selected operations**
Judgement criteria and indicators												
JC 7.1	***EIB has systematically addressed social and environmental impact in its operations and ensured that mitigating measures were put in place***											
I-7.1.1	Consistency of project processing with EIB standards procedures and guidelines, as reflected in the ESIAF framework	*Project appraisal documents and opinions of interviewees*	x	x	x							x
I-7.1.2	Degrees of environmental sustainability sought by the EIB (from introduction of environmental requirements for all beneficiaries to specific environmental projects)	*EIB project documents*	x									x

JC 7.2	***Enterprises supported by IF/OR have applied sound social, employment, and environmental policies***											
I-7.2.1	EIB appraisal of implementation of sound social policies by IF/OR-supported enterprises	*EIB project documents and opinions of interviewees*	x	x	x				x		x	x
I-7.2.2	EIB appraisal of implementation of sound employment policies by IF/OR-supported enterprises	*EIB project documents and opinions of interviewees*	x	x	x				x		x	x
I-7.2.3	EIB appraisal of implementation of sound environmental polices by IF/OR-supported enterprises (e.g. with respect to reducing pollution loads, protecting biodiversity etc.)	*EIB project documents and opinions of interviewees*	x	x	x				x		x	x
JC 7.4	***Infrastructure operations contributed to improving public services for the local population, including the poorer segments***											
I-7.4.1	Evidence of consultation of the people affected by the infrastructure supported	*EIB operations preparatory documents and opinions of interviewees*	x	x	x				x	x	x	x
I-7.4.2	Evidence of identification of target populations, i.e. intended beneficiaries of the infrastructure supported	*EIB operations preparatory documents and opinions of interviewees*	x	x	x				x	x	x	x
I-7.4.3	Inclusion in operational design/conditions of indicators that allow verification that the expected benefits reached the targeted populations	*EIB operations preparatory documents and opinions of interviewees*	x	x	x				x	x	x	x
I-7.4.4	Trends in these indicators	*EIB project progress, final and evaluation reports, and opinions of interviewees*	x	x	x				x	x	x	x

EQ 8	**To what extent is the IF financially sustainable over the long-term horizon of the Cotonou Agreement? Has a right balance been found between its developmental objective, the level of commensurate individual project risk borne by the IF, and the financial viability requirement on the basis of the portfolio as a whole?**
EQ8-FS	*EQ 8 on Financial sustainability of IF*
Rationale and coverage of the question	Annex II of the Cotonou Agreement stipulates that the Investment Facility shall *"be managed as a revolving fund and aim at being financially sustainable"*. This is also mentioned in the operational guidelines of the Investment Facility, which states that the IF operations *"will have to respond to market opportunities and projects financed by the IF will be required to yield an adequate economic rate of return"* and that accordingly *"a balance will have to be struck between the developmental objective and the requirement for financial viability"*. The question will examine the extent to which the IF is likely to be financially sustainable and whether the afore-mentioned balance between the developmental objective and the requirement for financial viability has been found. It will examine whether the real value of the original endowment of the IF over the 20-year horizon of the Cotonou Agreement is being been maintained. It should be noted that a number of findings will be tentative or provisional, especially regarding the returns from equity investments and private equity funds where performance/returns are only apparent after five years or more.
Link with IL and evaluation criteria	The question addresses **effectiveness** in that it aims at verifying the extent to which the objective of financial sustainability of the IF has been reached or is likely to be reached (see the first box of the results column of the IL). In this sense it also touches on **sustainability**, not in terms of the lasting effects/impact of specific operations but rather in a broader sense of the capacity of the IF to create the necessary conditions to continue to provide financing in the long run and thus obtain long-term results and impacts.

		Sources of information	***Data collection tools***									
				Interviews with								
				EIB					***Beneficiaries***			
			Documentary collection	**HQ**	**Field**	**Commission**	**EU MS**	**Other agencies**	**Private & commercially run public sector entities**	**Financial intermediaries**	**SMEs**	**Detailed studies on selected operations**
Judgement criteria and indicators												
JC8.1	***Compatibility of EIB's selection and processing of projects with Cotonou Agreements***											
I-8.1.1	Indicators related to JC 1.2											

I-8.1.2	Indicators related to JC 1.2											
JC 8.2	***EIB's risk management systems and policies are aimed at long-term sustainability of the IF***											
I-8.2.1	Pricing of loans and of guarantees	*EIB documents*	x									
I-8.2.2	Spectrum of risks/benefits between equity (and quasi-equity) and loan operations (taking subsidies into account)	*EIB documents*	x									
I-8.2.3	Exposure limits by sector, country, type of borrower/investee, instruments	*EIB documents*	x									
I-8.2.4	Country and risk assessment	*EIB documents*	x									
I-8.2.5	Provisioning policies	*EIB documents*	x									
I-8.2.6	Mix of IF and OR	*EIB documents*	x									
JC 8.3	***IF's inflows and reflows (fees and interest, reimbursements, equity sales) are providing, or are expected to provide, a revolving character to the IF***											
I-8.3.1	Balance sheet and portfolio management	*EIB documents and opinions of interviewees*	x	x	x							x
I-8.3.2	Income statement: profitability by asset class; key profit drivers; actual and projected returns	*EIB final and evaluation reports*	x									x
JC 8.4	***The IF manages to reconcile its development mandate and its objective of financial health and sustainability***											
I-8.4.1	Utilisation of IF's and OR's risk-bearing capacity for higher development impact	*EIB documents and opinions of interviewees*	x	x	x							x
I-	Use of subsidies	*EIB documents and*	x	x	x							x

8.4.2		*opinions of interviewees*										
I-8.4.3	Use of TA to strengthen investee companies	*EIB documents and opinions of interviewees*	x	x	x							
JC 8.5	***The IF's financial sustainability is being ensured through management of the portfolio as a whole and not only on a project-by-project basis***											
I-8.5.1	Balancing of risk through the whole portfolio	*EIB documents and opinions of interviewees*	x	x	x							
I-8.5.2	Risk reporting	*EIB documents*	x									
I-8.5.3	Risk forecasts in three-year business plan	*EIB documents*	x									
I-8.5.4	Income recognition policies	*EIB documents*	x									
I-8.5.5	Budget forecasts; ration analysis	*EIB documents*	x									
I-8.5.6	Risk profile of OR operations in terms of coherence in relation to IF's risk profile	*EIB documents*	x									

EQ 9	**To what extent did the use of human and financial resources, and the regulatory and administrative framework, allow reaching results to be achieved in a timely manner and at a reasonable cost?**
EQ9-EFF	*EQ 9 on Efficiency*
Rationale and coverage of the question	The question aims at verifying to what extent the means the EIB had at its disposal were optimal to fulfilment of its mandate. The question focuses on whether EIB's current capacity is conducive to fulfilment of its mandate, the term "capacity" encompassing funding, human resources, administrative set-up and internal organisation.
Link with IL and evaluation criteria	This question addresses **efficiency** which mainly applies to the relationship between inputs and outputs.

		Sources of information	***Data collection tools***									
				Interviews with								
				EIB					***Beneficiaries***			
			Documentary collection	**HQ**	**Field**	**Commission**	**EU MS**	**Other agencies**	**Private & commercially run public sector entities**	**Financial intermediaries**	**SMEs**	**Detailed studies on selected operations**
Judgement criteria and indicators												
JC 9.1	***The IF/OR operations remain in line with planning and are cost-effective***											
I-9.1.1	Comparison of planning of operations and effective implementation	*EIB project progress, final and evaluation reports*	x									x
I-9.1.2	Specific patterns in observed delays, if any, and factors explaining them	*EIB project progress, final and evaluation reports, and opinion of interviewees*	x		x				x	x	x	x

I-9.1.3	Trend in ratio of IF/OR administrative expenses to volume of operations	*EIB project progress, final and evaluation reports*	x									x
I-9.1.4	Evidence from IF/OR investees on administrative costs linked to EIB operations	*Opinion of interviewees*							x	x	x	
JC 9.2	***The "regulatory and administrative" framework for IF/OR operations enhances timeliness and cost reduction***											
I-9.2.1	The guidelines are explicitly geared to timeliness and cost reduction	*EIB documents*	x									
I-9.2.2	Evidence that the regulatory and administrative framework is conducive to enhanced timeliness and cost reduction	*Opinions of interviewees*		x	x				x	x	x	
I-9.2.3	Evidence that the guidelines are applied systematically	*EIB project progress, final and evaluation reports, and opinion of interviewees*	x	x	x				x	x	x	x
JC 9.3	***Sufficient resources are available for EIB to take a proactive, as opposed to reactive, approach in project generation, and to enhance timeliness and cost-effectiveness.***											
I-9.3.1	IF/OR approach in project generation (reactive *versus* proactive)	*EIB project progress, final and evaluation reports, and opinion of interviewees*	x	x	x				x	x	x	x
I-9.3.2	Trend in ratio of full-time equivalent staff to volume of operations	*EIB documents*	x									
I-9.3.3	Evidence from staff on availability of HR to fulfil the mandate	*Opinions of interviewees*		x	x				x	x	x	x

EQ 10	**To what extent were IF/OR operations complementary to and coordinated with those of the EC and EU MS and of other international and bilateral institutions and agencies?**
EQ10-GC	*EQ 10 on Coordination and Complementarity*
Rationale and coverage of the question	The IF/OR operations intervene in the broader context of partnership and association agreements with the ACP and OCT countries. They are deployed in a context in which the Commission and the EU MS also intervene. In this respect, chapter 7 of the Cotonou Agreement, and particularly Art. 76, enumerates the array of instruments deployed for supporting private sector development, including funds managed by the EIB. Coordination and complementarity between these instruments is a core issue. It is also expected that complementarity and coordination with other international and bilateral institutions has been in evidence. The question aims to assess the extent to which such coordination and complementarity was in evidence at two levels: at strategic level (the IF/OR instruments), and at the level of the operations. To do so, it will examine which initiatives were taken by the EIB in this respect or in which initiatives it has participated.
Link with IL and evaluation criteria	The present question addresses **coordination** and **complementarity.** In the intervention logic, it focuses at the input level.

		Sources of information	***Data collection tools***									
				Interviews with								
				EIB					***Beneficiaries***			
			Documentary collection	**HQ**	**Field**	**Commission**	**EU MS**	**Other agencies**	**Private & commercially run public sector entities**	**Financial intermediaries**	**SMEs**	**Detailed studies on selected operations**
Judgement criteria and indicators												
JC 10.1	***Prior to financing one or several operations in a country or a sector, the EIB consults the other institutions and agencies active in the field/country, and in particular the EC and the EU MS, with a view to enhancing complementarity of operations***											
I-10.1.1	The EIB meets the Commission, EU MS and other agencies (including IFIs) during the appraisal of its operations so as to promote complementarities between interventions	*EIB project documents and opinions of interviewees*	x	x	x	x	x	x				x
I-10.1.2	The EIB is active, during the appraisal of its operations, in the search for synergies with the Commission, EU MS and other agencies' (including IFIs) interventions	*EIB project documents and opinions of interviewees*	x	x	x	x	x	x				x

JC 10.2	***EIB did participate in mechanisms that ensure coordination throughout the preparation and implementation process***											
I-10.2.1	Existence of donor coordination mechanisms at the design and implementation stages	*Documents and opinions of interviewees*	x	x	x	x	x	x				
I-10.2.2	At design stage, the EIB is active in existing donor coordination mechanisms	*Documents and opinions of interviewees*	x	x	x	x	x	x				
I-10.2.3	At implementation stage, the EIB is active in existing donor coordination mechanisms	*Documents and opinions of interviewees*	x	x	x	x	x	x				
JC 10.3	***EIB operations are complementary to those of other institutions and agencies with similar objectives***											
I-10.3.1	EIB operations and those of other institutions and agencies (including IFIs) support the same objectives	*EIB and other institutions project documents*	x									x
I-10.3.2	Evidence of synergies between EIB operations and those of other institutions and agencies (including IFIs) supporting the same objectives	*EIB and other institutions project documents, and opinions of interviewees*	x	x	x	x	x	x				x
I-10.3.3	Evidence of conflicts, duplication or overlapping between EIB operations and those of other institutions and agencies (including IFIs) supporting the same objectives	*EIB and other institutions project documents, and opinions of interviewees*	x	x	x	x	x	x				x
I-10.3.4	Evidence of an EIB's leadership in the promotion of cooperation and complementarities with interventions supported by other institutions and agencies (including IFIs)	*Opinions of interviewees*				x	x	x				
JC 10.4	***The mandates of the EIB IF and OR envelope are distinct and complementary, and well coordinated***											
I-10.4.1	The mandates of the EIB IF and OR envelope pursue different	*EIB documents*	x									

	objectives											
I-10.4.2	The mandates of the EIF IF and OR envelope promote a search for synergies between instruments	*EIB documents and opinions of interviewees*	x	x	x	x	x	x				x
I-10.4.3	The mandates of the EIF IF and OR envelope avoid duplication between instruments	*EIB documents and opinions of interviewees*	x	x	x	x	x	x				x
JC 10.5	***EIB has a satisfactory interface with other EU initiatives to foster investment as well as the business climate in the ACP countries and OCTs***											
I-10.5.1	The EU deployed specific instruments/initiatives to support private sector development in the ACP and OCTs.	*EU initiatives (to support PSD) documents*	x									
I-10.5.2	Evidence that EIB and EU initiatives to foster private sector development promote a search for synergies	*Documents and opinions of interviewees*	x	x	x	x	x					x
I-10.5.3	Evidence that EIB and EU initiatives to foster private sector development avoid duplication.	*Documents and opinions of interviewees*	x	x	x	x	x					x

Annexe 6 – Coverage of Terms of Reference by Evaluation Questions

TOR ref.	TOR phrasing	Concise overview	EQ 1	EQ 2	EQ 3	EQ 4	EQ 5	EQ 6	EQ 7	EQ 8	EQ 9	EQ 10
4.1	It will review the portfolio in terms of project financing volumes (approvals, signatures and disbursements), by sector and by country/region, and instruments used, as well as technical assistance and interest rates subsidies.	X	x									
4.1. i)	in-depth evaluation of the relevance (…) of EIB operations against their specific objectives as originally set within the Cotonou Agreement;		X									
	in-depth evaluation of the performance (effectiveness) of EIB operations against their specific objectives as originally set within the Cotonou Agreement;			X	X	X	X	x	x	X		
	in-depth evaluation of (…) the performance (...efficiency...) of EIB operations against their specific objectives as originally set within the Cotonou Agreement;										X	
	in-depth evaluation of (…) the performance (...sustainability) of EIB operations against their specific objectives as originally set within the Cotonou Agreement;				X	X	X	X	x	X		
4.1.ii)	the assessment of consistency with the national and regional EU development policies and strategies in ACP countries, as well as with national policies of the partner countries (…)		X									
	the assessment of (…) the value added of EIB operations since 2003.		X	X	X	X	X					

TOR ref.	TOR phrasing	Concise overview	EQ 1	EQ 2	EQ 3	EQ 4	EQ 5	EQ 6	EQ 7	EQ 8	EQ 9	EQ 10
	In the assessment, the value-added of EIB operations will be measured against three elements: support of EU policy objectives and those of the Cotonou Agreement (…)		X									
	In the assessment, the value-added of EIB operations will be measured against three elements: (...) the quality of the projects themselves and the financial and non-financial advantages brought in by the EIB operations compared to potential alternative sources of financing.			X	X	X	X					
	- selective analysis of the financial needs of the ACP and OCT beneficiaries, their absorption capacity and the availability of other sources of private or public financing for the relevant investments;			X								
	- the assessment of the cooperation and complementarity of actions between the EIB and the Commission,											X
	- the assessment of the cooperation and synergies between the EIB and international and bilateral finance institutions and agencies.											X
	- the assessment of the long term financial sustainability of the IF in the specific ACP environment related to its expected development impact[1].									X		
	- the assessment of the risk profile of EIB's own resources operations and their performance, impact as well as coherence in relation to IF									X		

TOR ref.	TOR phrasing	Concise overview	EQ 1	EQ 2	EQ 3	EQ 4	EQ 5	EQ 6	EQ 7	EQ 8	EQ 9	EQ 10
	measures											
4.3	Achievement of main impacts/effects: the Consultants shall identify all recorded results and impacts, including any unintended ones, and compare these to the intended results and/or impacts. The Consultants will also identify the changes, which occurred in the areas in which the EIB interventions - through IF or OR investments - were supposed to produce an impact, including at a sectoral and/or country as well as regional level					X	X	X	X			
	- Relevance: The extent to which the Programme's objectives are pertinent to the needs, priorities, problems and issues it was designed to address and, more generally, to broader EU policies and strategies; and the optimisation of the relevance of the Programme is to be assessed. It will further consider the way in which activities are prioritised and a pipeline developed, including the role of key stakeholders in the ACP partner countries and the EIB identifying projects.		X									
	- Effectiveness: The extent to which the Programme has contributed to the EU development policy objectives and specific objectives assigned to the EIB under its mandated, as specified in the			X	X	X	X					

TOR ref.	TOR phrasing	Concise overview	EQ 1	EQ 2	EQ 3	EQ 4	EQ 5	EQ 6	EQ 7	EQ 8	EQ 9	EQ 10
	Cotonou Agreement, and in particular in Annex II thereof.											
	- Efficiency: For the activities which were effective, it will be necessary to question to what extent funding, human resources, regulatory and/or administrative resources available contributed to, or hindered the achievement of the objectives and results.										X	
	- Sustainability: an analysis of the extent to which the results and impacts are being, or are likely to be maintained over time.				X	X	X	X		X		
	- Co-ordination and complementarity: The extent to which (i) the intervention logic of the Investment Facility and EIB own resources investments are coherent with and complementary to EC and/or Member State interventions that are designed to contribute to the EU external policy objectives, and (...)											X
	- Co-ordination and complementarity: The extent to which (i) (…), and (ii) there is a logical distinction in the mandates and in practice between the function of the own resources envelope and the IF.		X									x

Annexe 7 – EIB coordination with the Commission and other donors in the ACP countries

1. Objectives and legal basis for the coordination

The EIB is established under the EU law and it is legally bound to act within the limits of the Treaty establishing the European Community and its own statute which gives it a legal, financial and administrative personality.

As the long-term lending institution of the EU, the EIB is specially mandated under the Partnership Agreement between the ACP and the European Communities[1], to manage resources made available by the EU Member States for the Investment Facility and to use a predetermined amount of its own resources to provide financing in support of the policy objectives of the EU in the ACP countries.

The Cotonou Agreement states that the EIB shall "act in accordance with the objectives of this Agreement" which are defined as "reducing and eventually eradicating poverty consistent with the objective of sustainable development and the gradual integration of ACP countries into the world economy"[2]. It is clear that this provision cannot be fulfilled without a close coordination between the EIB, the Commission, main operator of the EDF fund, and other donors and development financial institutions , in particular those of the EU. The (in) formal dialogue foreseen by the Cotonou Agreement is aimed at sharing information, fostering mutual understanding and facilitating the establishment of agreed priorities and shared agendas. In particular it allows recognizing existing links between the different aspects of the relations between the Parties and the various areas of coordination as laid down in this Agreement. Beyond these general provisions of the Cotonou Agreement the Council Regulation 617/2007/EC sets the rules for the implementation of the 10th EDF and specifies formal mechanisms ensuring the coordination between the Commission, the Member States and the EIB[3].

Moreover, in order to preserve coherence between EU priorities and the operations conducted under the Investment Facility, an IF Committee has been set up under the auspices of the EIB according to Article 9 of the Internal Agreement between the Representatives of the Governments of the Member States on the financing of the Community Aid.

1 Cotonou Agreement
2 Article 1 of Cotonou Agreement.
3 For the 9th EDF, see Financial Regulation of the 27 March 2003 applicable to the 9th European Development Fund.

Finally, the EIB engages in close and continuous consultation and coordination with the European institutions and all Member states pursuing the Union's policy objectives but also closely cooperates with other international financial institutions and civil society organizations.

The next section describes the main coordination mechanisms and formal requirements as they result from these regulations, agreements and guidelines.

2. Coordination mechanisms

Coordination between the EIB, the Commission and the MS is foreseen to operate at three levels:

- at general level through exchanges of views on the agreements and protocols and their annexes and on horizontal issues such as debt restructuring;
- at country level, in the preparation phase, involving exchange of views and information on the economic situation and joint field missions or discussions on eligibility to mechanisms such as the Heavily Indebted Poor Countries initiative (HIPC);
- at project implementation level, the coordination is governed more by informal practices than by formal provisions, the latter concerning mainly monitoring and evaluation.

The following diagram schematically describes the formal coordination steps foreseen at each phase of the project cycle.

Preparation phase	• CSP/RSP prepared by Commission in coordination with MS and EIB • NIP/RIP submitted to EDF Committee; EIB participation foreseen as observer and limited due to resource constraints
Implementation phase	• Annual action programmes established in coordination Commission-EIB with identification of EIB activities • IF Committee approves programming of IF activities • IF Committee, duly informed by EIB, delivers option on interest subsidy, etc. • EIB informs the Commission and submits annual reports to the EDF Committee
Monitoring-Evaluation phase	• Commission and EIB monitor the use of their assistance and conduct regular evaluations

The following table elaborates on the various steps of the above formal coordination and describes the guidelines established by the EIB to frame its operations in conformity with these formal principles.

Phases	Coordination mechanism foreseen by governing instruments for Commission	Coordination mechanism foreseen by governing instruments for EIB/IF
Preparation	▪ Preparation of the Country Strategy Paper and the Regional Strategy Paper (CSP and RSP) by the Commission in coordination with the MS locally represented and the EIB for matters relative to its operations and those of the IF[4]. ▪ The EDF Committee (in which the EIB takes part of the exchange of views[5]) shall give its opinion in accordance with the management procedure on the resources allocation presented by the Commission[6]. ▪ Preparation and adoption of an indicative program for implementing the CSP or RSP shall be subject of an exchange of views with the EIB in the framework of the EDF Committee[7]. ▪ The multiannual indicative program shall ensure complementarity and coherence with operations financed by other donors and shall be adopted by the Commission. The EIB is invited to the exchange of views in case of joint preparation process[8]. ▪ Change in CSP or RSP and its multiannual indicative programmes due to their reviews shall be adopted by the Commission taken into account the EDF Committee's opinion[9].	▪ "The EIB, as manager of the IF and provider of loans from its own resources, will closely co-ordinate its activities with the Commission, specifically its CSP and RSP, its private sector instruments and macro-economic support activities,…" ***OG01*** ▪ The EIB in co-operation with the Member States and the Commission drafts and updates credit risk guidelines, policies and procedure for IF operations. ***OG03***
Implementation	▪ The annual action programmes shall be prepared by the Commission in coordination with the EIB, notably in cases of joint preparation. These	▪ The EIB informs the Commission about the environmental issues for each project. ***OG15***

[4] Council Regulation 617/2007, article 2, §3(b) and Internal Agreement 10688/1/00 REV 1, article 15, §2, Council of the European Union
[5] Council Regulation 617/2007, article 11, §3
[6] Council Regulation 617/2007, article 3, §3
[7] Council Regulation 617/2007, article 4, §5
[8] Council Regulation 617/2007, article 4 §3
[9] Council Regulation 617/2007, article 5 §6

Phases	Coordination mechanism foreseen by governing instruments for Commission	Coordination mechanism foreseen by governing instruments for EIB/IF
	documents shall state how the EIB activities will be taken into account[10]. Amendments to these programmes shall be adopted in respect with the EDF Committee's opinion[11]. ▪ The EIB is regularly informed by the Commission on the projects and programmes implementation and the EIB regularly informs the Commission about the coordination activities that they are implementing or preparing[12]. ▪ The IF Committee approves the operational guidelines on the implementation of the IF, the investment strategies and business plans of the IF, the annual reports of the IF as well as any general policy document related to the IF. Moreover it delivers an opinion on proposals to grant interest subsidy, proposals for an IF investment for any project for which the EC has delivered a negative opinion and other proposals related to IF. In that respect, the EIB is responsible to submit to the IF Committee any matters that require its approval or its opinion[13]. ▪ The EIB shall prepare or revise jointly with the Commission guidelines on the implementation of the IF[14]. ▪ The EIB shall request the Commission's opinion beforehand on investment strategies, business plans and general policy documents.[15] ▪ The EIB shall request the Commission's opinion at the appraisal stage of a project on the conformity of projects with the relevant CSP or RSP or with the general objectives of the IF[16]. ▪ The EIB shall request the agreement of the Commission at the appraisal stage of	

10 Council Regulation 617/2007, article 7, §2
11 Council Regulation 617/2007, article 7, §4
12 Council Regulation 617/2007, article 7, §6
13 Internal Agreement 10688/1/00 REV 1, article 30, §1-2-3, Council of the European Union
14 Council Regulation 617/2007, article 13, §5 (a)
15 Council Regulation 617/2007, article 13, §5 (b)
16 Council Regulation 617/2007, article 13, §5 (c)

Phases	Coordination mechanism foreseen by governing instruments for Commission	Coordination mechanism foreseen by governing instruments for EIB/IF
	a project on any proposal made to the IF Committee for an interest subsidy. In case of the Commission gives a negative opinion, the EIB has to have a favorable opinion from the IF Committee in order to proceed. In that respect, the EIB shall periodically inform the Commission and the IF Committee if it decides not to proceed[17]. ▪ The EIB shall periodically inform the Commission regarding the implementation of projects financed from the 10th EDF resources it administers. In that respect, an annual report shall be submitted to the EDF Committee for an exchange of views[18].	
Monitoring – Evaluation	▪ The Commission and the EIB monitor, each to the extent to which it concerned, the use of the EDF assistance by the beneficiaries[19]. ▪ Information related to the progress towards the objectives of the IF shall be sent by the EIB to the IF Committee. The report of the performance of the IF shall also be submitted to the IF Committee[20]. ▪ The EC and the EIB cooperate in order to regularly evaluate the results and the effectiveness of the projects implemented. If necessary, the evaluation takes the form of independent external evaluations[21]. ▪ These evaluations are undertaken in collaboration with partner countries (regions) as well as with the EU MS locally represented[22]. The report finally edited is communicated to the Council, the EDF Committee and the EIB for information.	▪ Through the ESIAF, the EIB reports on the expected impact of the individual projects as well as of the overall portfolio to the Commission, amongst others. ***OG12*** ▪ The DIAF, which improve the Bank's understanding and assessment of project quality and soundness, has benefited from internal discussions as well as from comments made by the EU MS and the Commission. They have welcomed the adoption of such framework. ***OG13*** ▪ Ex-post evaluations are carried out by independent evaluators, under the supervision of the EIB's Evaluation Department. The evaluation reports are submitted to the IF Committee and made available for the ACP countries concerned. ***OG01***

17 Council Regulation 617/2007, article 13, §5 (d) and article 6
18 Council Regulation 617/2007, article 14, §2
19 Council Regulation 617/2007, article 14, §1
20 Council Regulation 617/2007, article 14, §4
21 Council Regulation 617/2007, article 15, §1
22 Council Regulation 617/2007, article 15, §2

3. Coordination in practice

The EIB has opened Regional Representations in the ACP region in order to be closer to the partner countries and to increase its synergies with the Commission and other development partners. According to the EIB, these Regional Representations allow "to strengthen and deepen the strategic role it plays in contributing to sustainable economic growth across the entire range of ACP and OCT countries.[23]"

The EIB currently has five regional offices in the ACP region:

- Dakar office serving Western Africa
- Nairobi office serving East and Central Africa
- Pretoria office serving Southern Africa
- Fort de France office serving the Caribbean region
- Sydney serving the Pacific region

A detailed assessment of EIB-Commission coordination in practice is provided under the answer to EQ10 of the main report (*see section 4.10*).

[23] « Activity and corporate report responsibility report », Annual report volume 1, EIB.

Annexe 8 – Operation Fiches

This Annexe presents a brief description of the operations selected for desk and field studies, in the form of a summary table per intervention. It provides a mere *description* of the operations; their *evaluative assessment* as such is presented in the Data Collection Grid in Annexe 9 in an unprocessed form, at the level of each indicator.

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2000_MAGADI SODA

<table>
<tr><th>Operation Title</th><th>MAGADI SODA PURE ASH PROJECT (2000-Magadi Soda)</th></tr>
<tr><td>Country/Region</td><td>Kenya, Region Central and Eastern Africa</td></tr>
<tr><td>EIB Ref.</td><td>20000279</td></tr>
<tr><td>Operation Start date & End date</td><td>Signed 18/11/2003
<table>
<tr><td>Time table:</td><td>Apparaisal</td><td>Completion</td></tr>
<tr><td>Start of works</td><td>01/10/2003</td><td>01/04/2004</td></tr>
<tr><td>End of works</td><td>30/06/2006</td><td>31/12/2008</td></tr>
</table></td></tr>
<tr><td>Financing Committed</td><td>A: € 8 930 000 Senior Loan on OR
B: € 11 265 500 Senior Loan under IF
C: € 1 654 719 Subordinated loan under IF

The total project estimated project cost is €121.7 M. (See detail in Appraisal Report, January 2002, Appendix A.)</td></tr>
<tr><td>Amount cancelled</td><td></td></tr>
<tr><td>Budget disbursed</td><td>2000_Magadi Soda
<table>
<tr><td>N° projet</td><td></td><td>20000279</td><td>20000279</td><td>20000279</td></tr>
<tr><td>Dénomination de l'opération</td><td></td><td>MAGADI SODA PURE ASH PROJECT / A</td><td>MAGADI SODA PURE ASH PROJECT / B (IF)</td><td>MAGADI SODA PURE ASH PROJECT / C (IF)</td></tr>
<tr><td>Nom du pays de la transaction</td><td></td><td colspan="3">KENYA</td></tr>
<tr><td>Type</td><td></td><td>OR</td><td>IF</td><td>IF</td></tr>
<tr><td>Date de signature</td><td></td><td>07/04/2004</td><td>07/04/2004</td><td>07/04/2004</td></tr>
<tr><td>montant signé</td><td></td><td>8 930 000.00</td><td>11 365 500.00</td><td>1 654 718.56</td></tr>
<tr><td>montant augmentation</td><td></td><td></td><td>0.00</td><td>31 078.56</td></tr>
<tr><td rowspan="8">DECAISSEMEMTS</td><td>2003</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2004</td><td>608 863.64</td><td>608 618.03</td><td>133 490.22</td></tr>
<tr><td>2005</td><td>5 236 227.30</td><td>5 331 173.13</td><td>1 174 634.16</td></tr>
<tr><td>2006</td><td>3 084 909.06</td><td>3 081 348.88</td><td>346 594.18</td></tr>
<tr><td>2007</td><td>0.00</td><td>2 243 326.10</td><td>0.00</td></tr>
<tr><td>2008</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2009</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>TOTAL</td><td>8 930 000.00</td><td>11 264 466.14</td><td>1 654 718.56</td></tr>
</table></td></tr>
<tr><td>Beneficiary</td><td>The borrower and promoter is Magadi Soda Company Ltd</td></tr>
<tr><td>Operation's Description and Project Background & History</td><td>The operation consists in
1) $US 11 M ordinary load on OR, tenor 10 years, grace 3 years
2) € equivalent of $US 14 M maximum ordinary loan on IF, tenor 10 years, grace 3 years
3) € equivalent of $US 2 M maximum subordinated loan on IF, term 10 years, two bullet repayments at the end of years 9 and 10.

The project consists in the expansion of soda ash mining and processing (soda ash is used primarily in the manufacture of glass, detergents and in the chemical industry).</td></tr>
</table>

	The project is located at Lake Magadi in south-western Kenya, some 100 km south-west of Nairobi. The total project cost is estimated $US 103 (€ 112) (cf. Appraisal Report, 2002) The promoter is Magadi Soda Company Ltd, Kenya (MSC), a 100% affiliate of Brunner Mont Ltd of Great Britain. MSC dredges trona from Lake Magadi since 1911. Processing consists of washing, calcination, milling and sizing. The production is railed to Mombasa by its subsidiary Magadi Rail which operates partly on the Kenya Railways system. MSC was established in the 1920s in Kenya where it possesses the world's largest naturally occurring surface deposits of material for producing soda ash. The Magadi plant is the largest single exporting company in Kenya. The project implementation took more time (2.5 years) than expected due to technical problems with a combustion chamber. Nevertheless, the promoter, the project, the resource, its location and the market proved so attractive that the Tata Group has taken over the promoter in 2007, before project completion. The new owner prematurely paid back in 20008 the the outstanding loan to the EIB and refinanced the whole financing package.
Overall objectives	
Specific objectives	To maintain competitiveness by improving the quality of the soda ash product (reduction of impurities, particularly sodium fluoride) and by increasing capacity from actual (en 2000) 240 000 t/a to 365 000 t/a.
Expected results	To valorise use of a local resources and to foster growth through positive employment effects and an increase of foreign exchange.
Activities	MSC's principal product is soda ash. The production process involves dredging trona from Lake Magadi at a rate of about 2 tons per ton of final product, pumping it to a washery onshore to generate crushed refined soda, which then passes a rotary kiln for calcination and a dust remover, before the final product is sent on a 602 km railway journey to Mombassa, of which the first 146 km on track owned by MSC's railway subsidiary. Current production (in 2003) stands at 325 000 tons p.a. soda ash. Almost all of MSC's soda ash production is destined for export, to South-East Asia, the Middle East and Africa. The company is a small player on the international soda ash markets. It sustains a discount on world market prices of about 20 % due to its soda ash not matching top quality criteria in terms of content of sodium fluoride, insolubles and dust as well as whiteness. Due to this lower quality, and also to avoid direct competition with the dominant US exporters, MSC is currently selling soda ash exclusively to manufacturers of container glass as opposed to sheet glass used in construction. The project comprises construction of high purity soda ash plant to generate soda ash that meets the market's top quality criteria.
Main achievements	The project benefitted from the boom of demand for soda ash. The new facilities were quasi fully completed in 2008. The project proved sound and likely to lead to healthy financial and economic prospects. From an environmental point of view it is sustainable as current resource replenishment is well above exploitation levels.
Project's main weak points	Implementation was hampered by unsuitable design of a low tech component, a simple combustion chamber. This delayed early operation and the project was not fully completed.
Issues	The project was supported by the EIB and other lenders with due attention to its developmental aspects. The fact that it was so successful that the promoter was taken over by a large international group was not anticipated and therefore there is no guarantee that the project will be further conducted in a similar spirit.
Documentary	• EIB: Relevé quotidien. New Project Kenya-Magadi Soda. Luxembourg 24th July 2000, OP3/ACPII/2000-960/Agora:20000279/DW/hb • EIB: Fact Sheet A: proposal to appraise new operation. Magadi Soda Ltd, Luxembourg 6th September 2001. OP3/ACPII/Agora:20000279/DW/hb • Note to OP3. Opinion for Appraisal Authorisation. Project Magadi Soda, country Kenya. Luxembourg 24/10/2000, PJ/I&S/2000-1186/GCE/SHW/ms • EIB Fact Sheet B: financing proposal. Magadi Soda Pure Ash Project, Kenya, Luxembourg, 9th October 2003, Ops B/ACP-IF-2/2000-0279/MG • EIB Magadi Soda Pure Ash Project. Ops B Financial report. 9th October 2004 • EIB Magadi Soda Pure Ash Project, RM/CRD Opinion, 22/1/2004 • ADE: Mid-term evaluation of the Investment Facility and EIB own resources operations in ACP

	countries and the OCTS, Inception Report, Annex 3: List of EIB operations in ACP countries and the OCTs, November 2009. • Kenya-European Community, Country Strategy Paper for the period 2003-2007. 15th October 2003. • Republic of Kenya - European Community, Country Strategy Paper and National Indicative Programme for the period 2008-2013, 9th December 2007. • Region of Eastern and Southern Africa and the Indian Ocean - European Community Regional Strategy Paper and Regional Indicative Programme for the Period 2002 – 2007, June 2002. • Region of Eastern and Southern Africa and the Indian Ocean - European Community Regional Strategy Paper and Regional Indicative Programme for the Period 2008 – 2013, 15th November 2008. • EIB. Appraisal Report, Magadi Soda, Luxembourg 29/1/2002. (PJ/I&S/GCE/KAI/scm) • EIB Update to the PJ Appraisal Report of 29/1/2002 (PJ/I&S/GCE/KAI/scm) • EIB PJ-PPR Summary Report (2007 • EIB Magadi Soda Pure Ash Project, Project completion Report, Luxembourg 23/4/2008. • EIB. Board of Directors. Magadi Soda Pure Ash Project (Kenya). 9/10/2003

2001_MOMA TITANIUM

Operation Title	**MOMA TITANIUM (2001 Moma Titanium)**
Country/Region	Mozambique / Region Southern African Development Community (SADC)
EIB Ref.	20010242
Operation Start date & End date	Signed 29/4/2003 Project implementation to start 2d quarter of 2003 and to last for a period of 24 months, followed by commissioning and a ramp-up period of another 12 months. Full production therefore foreseen for 2d quarter of 2006 (Source Appraisal Report February 2003)
Financing Committed	€ 15 000 000 Senior loan from IF resources € 40 000 000 Subordinated loan from IF resources € 2 750 000 Subordinated loan from IF resources. The total investment cost is $US 314.1m or € 290.4 m. (status early 2003) Source: ADE Mid Term Evaluation of IF and EIB OR, Inception Report, Annex 3
Amount cancelled	
Budget disbursed	see table below

2001_Moma Titanium

N° projet		20010242		
Dénomination de l'opération		MOMA TITANIUM MINERALS	MOMA TITANIUM MINERALS	MOMA TITANIUM C
Nom du pays de la transaction		MOZAMBIQUE		
Type		IF	IF	IF
Date de signature		18/06/2004	18/06/2004	30/06/2005
montant signé		15 000 000.00	40 000 000.00	2 750 000.00
montant augmentation		0.00	0.00	0.00
DECAISSEMEMTS	2003	0.00		0.00
	2004	29 469 548.00		0.00
	2005	15 217 952.00		0.00
	2006	7 500 000.00		0.00
	2007	2 812 500.00		2 750 000.00
	2008			0.00
	2009	0.00		0.00
	TOTAL	55 000 000.00		2 750 000.00

Beneficiary	Borrowers: Kenmare Moma Mining Ltd (KMML) and Kenmare Moma Processing Ltd (KMPL) which are local subsidiaries of Kenmare Resources PLC, Ireland.
Operation's Description and Project Background & History	Operation: A senior loan from IF resources (€ 15 M), tenor 13 years including 3-year grace period. A subordinated loan from IF resources (€40 M), tenor ^{3}15 years including 5-year grace period. The loans bears a fixed interest of 10%p/a capitalized until financial completion. Remuneration also comprises US$4 M shares in Kenmare Resources plc (at the 2003 rights issue price), and pre-payment premium of +30% of the outstanding loan in the event of sale of Kenmare or the project. <u>The IF finances 17% of the total project cost estimated €325.4 M.</u> A further standby facility was provided by EIB and two other lenders in June 2005 for a total of $US 7.5M to which the Bank contributed with € 2.75 M. (Source Project Progres Report 2007) The project concerns the development of the Moma heavy mineral sands project on the coast of Nampula Province in Northern Mozambique and comprises its detailed engineering, procurement, construction, implementation, commissioning and operation. It is initially based on some 400 Mt of exploitable sands grading 4.3% heavy minerals, composed of ilmenite, zircon and rutile. The facilities

	are planned with a capacity to dredge 22 Mt/a of sand for a period of 20 years, with a final concentraction and separation capacity of some 625 000 t/a ilmenite, 24 000 t/a zircon and 12 000 t/a rutile. Ilmenite (main product), rutile and zircon (by products) are used primarily in the paint industry, as titaniuèm oxide pigments. The project comprises the following main components: ▪ The exploration and the predevelopment of the deposit ▪ A new dredge, a used concentrator and a used mineral separation plant as well as their adaptation to the project specific conditions ▪ The tailings handling system ▪ The necessary infrastructure including the export facilities (conveyor, jetty, barge), housing, power generation and distribution ▪ A new 170 km long 110 kV power line connection from the existing national grid at Nampula Chronology: June 2004: finance contracts were signed in by the group of lenders (EIB, ADB, KfW, FMO, EAIF and ABSA) along side new capital raised by equity in the market. 2004: Main Engineering, Procurement and Construction (EPC) was awarded to a joint venture between Bateman of South Africa and Multiplex Australia. April 2007: beginning of mining and heavy concentrate production at Moma. Expected annual production levels of 800 000 tonnes of ilmenite, 21 000 tons or rutile and 56 000 tons of zircon. Kenmare has extension plans to increase production levels of ilmenite and co-products by end of 2009 July 2007, the project was regarded as by and large completed (Cf.EIB Project Progress Report, Moma Titanium (Serapis 200010242), Luxembourg 25 July 2007, OPS B/ACP-IF-3/2007-1460/mh.) (4 month delay to the initial plan). Delays in the ramp-up phase do not yet (2010) permit the mine to reach full production capacity. The project cost has increased from $US 314.1 at appraisal stage to $US 401.9 (30/11/2009), i.e. 28% increase, covered by additional subordinated debt provided by EIB and FMO in 2005. Commercial production started in January 2008 although the project was not fully completed; it was expected to be completed in June 2009 but various events (cyclone, missed deadlines by the construction contractors, faulty equipment, poor management by Kenmare) led to the postponement of the technical completion till December 2010. These developments had led Kenmare to initiate in September 2008 a dialogue with the lender in view of preserving liquidity. The lenders, including the Bank, agree to a deferment of capital repayments during 2009. Kenmare issued additional equity shares ($15 million); the willingness of other DFI to participate in this share issue was such that the Bank did not have to participate.
Overall objectives	Strengthening the productive base and private sector of the Mozambique economy, reduce poverty in the Nampula Province in Northern Mozambique
Specific objectives	To stimulate the regional economy and infrastructure in Northern Mozambique, a particularly poor are, which currently lacks investment.
Expected results	The Moma Titanium Minerals production site (Northern Mozambique) is developed with a profitable production capacity of 625 000 t/year of ilmenite (used by pigment industry) 24 000 t/year of Zircon and 12 000 t/year of rutile as by-products.
Activities	Engineering, implementation, commissioning and operation of a production facility for ilmenite of titania-feedstock-marl<el grade, wilh zircon and rutile as by-products. It comprises a suction dredge, a floating barge, a wei feed preparation and a concentration plant 10 produce some 900 000 t/a mixed concentrate, and a land based wet and dry separation plant to separate and 10 clean the various valuable minerals. An ilmenite fluid bed roaster is included in order to reduce the unwanted chromium content. A 2.5 km long overland conveyor with a capacity of 1000 t/h will transport the products from the separation plant 10 a 720 m long marine jetty. The products will then be transhipped to a mooring point - for ocean-going vessels sorne 10 km offshore - through a 4000 dwt self-propelled, self-unloading barge. The project further includes adequate storage, support, administration and infrastructural facilities, including a 170 km long 110 kV power line and a back-up diesel generation station on site.
Main achievements	The project is regarded as an example of innovation in project financing and has won several awards: "The African Mining Deal of the Year "(in 2004), "Most Effective Financing of a Mine or Expansion Project", and is presented as a case study in many universities world wide (Source : EIB Project Progress Report, Moma Titanium (Serapis 200010242), Luxembourg 25 July 2007, OPS B/ACP-IF-

	3/2007-1460/mh.)
Project's main weak points	Kenmare, the promoter, was a small company to undertake such a large project. This created difficulty in organising the project's financial montage for the project should have required more resources upfront. However, this was resolved because additional finance could be obtained at a later stage, as had been anticipated by the Bank. At the end of the ramp up phase the project did not achieve 100% of the production target and faced difficulties in honouring its debts. Creditors had to postpone 2 instalments and also postponed the date of completion. The profitability of the Moma mine remains uncertain at the end of 2009. However, the promoter expect relatively high returns in the future
Issues	
Documentary	• EIB, Relevé quotidien, Luxembourg, 2d April 2001, OP3/ACP-III/AGORA n°20010242/GSF-rm • EIB Fact Sheet A: proposal to appraise new operation, Luxembourg 28th February 2002, Ops B/ACP-3/A° 2001-0242 • EIB Note to OP3. Opinion for Appraisal Authorisation, Luxembourg, 15th May 2001, PJ/I&S/2001-0556/GCE/IK/sp • EIB Fact Sheet B: financing proposal, Moma Titanium Mozambique, Luxembourg, 27th February 2003. Ops B/ACT-IF-3/2001-0242 • EIB Mozambique Moma Titanium, Ops B – Financial Report, Luxembourg27th March 2003, OpsB/ACP-IF-3/2003-320Q/GSF (Agora n°2001 0242 Investment Facility) • EIB Moma Titanium Project Mozambique, RM/CRD on operation already approved, 27th March 2003. • EIB Appraisal Report, Moma Titanium, Luxembourg 27th February 2003, PJ/I&S/2003-259/GCE/MUG/ms • EIB Moma Titanium Mozambique. Environmental Summary (no date • EIB Moma Titanium Mozambique: map and process flowsheed. February 2003 • EIB Project Progress Report, Moma Titanium (Serapis 200010242), Luxembourg 25 July 2007, OPS B/ACP-IF-3/2007-1460/mh. • Mozambique-European Community, Country Strategy Paper for the period 2001-2007 (not dated). • Mozambique - European Community, Country Strategy Paper and National Indicative Programme for the period 2008-2013, 9th December 2007. • Southern African Development Community - European Community. Regional Strategy Paper and Regional Indicative Programme for the Period 2002 – 2007, Draft, (not dated).Addendum to the • Southern African Development Community - European Community. Regional Strategy Paper and Regional Indicative Programme for the Period 2002 – 2007, Draft, 10/01/2007. • Southern African Development Community - European Community Regional Strategy Paper and Regional Indicative Programme for the Period 2008 – 2013, (18/9/2008). • ADE: Mid-term evaluation of the Investment Facility and EIB own resources operations in ACP countries and the OCTS, Inception Report, Annex 3: List of EIB operations in ACP countries and the OCTs, November 2009. • EIB: Cotonou Risk Report 31st December 2009, 3/2/2010. • EIB Appraisal Report Moma Titanium. Luxembourg 27, 2003. PJ/I&S/2003-259/GCE/MUG/ms. (NB complementary to D24). • EIB. Moma Titanium. PJ-PPR, Summary Report, 12/10/2009 • EIB. MOZAMBIQUE- MOMA TITANIUM (FI No, 22604, 22605 and 23084; Serapis No 2001-0242) Finance contract signed between the EIB and Kenmare Moma Processing (Mauritius) Ltd and Kenmare Moma Mining (Mauritius) Ltd on 18''' June 2004, 18''' June 2004 and 30th June 2005 respectively. Luxembourg, 30/11/2009 • EIB. Moma Titanium Minerals. Change to operation after Board Approval. Luxembourg 5/2/2010, Refs: Ops B/ACP-IF-3/OP-2010-223. • SRK Consulting. Moma Titanium Minerals Project: December 2009 Project Update. Report Prepared for the Lenders, February 2010.

	• EIB. Mozambique Moma Titanium. Project Progress Report, 25/7/2007. OpsB/ACP-IF-3/2007-1460/mh • EIB. Board of Directors. Moma Titanium Mozambique, 29 April 2003. Doc. 03/181. • EIB. Moma Titanium C. Note Conjointe N° FI/2004-695; Operation number: 2001-0242, Luxembourg 30/6/2005.

2003_BOAD PG IV

Intervention Title	**Banque Ouest Africaine de Développement PG IV**[1]
Country/Region	West Africa (regional)
EIB Ref.	OPS B/ACPIF-1/n°20030186/MM
Project Start date & End date	Signature date: 10/12/2004 Term loan: 15 years maximum, of which grace period of 5 years maximum Term guarantee: 10 years maximum
Financing committed	This operation consists of a global loan, a guarantee facility, and an equity participation for the following maximum amounts (on both OR and the IF): a) Global loan (on OR): €25m b) Guarantee facility (on IF): €25m c) Participation to capital increase (equity investment on IF): €4.6m
Amount cancelled	a) Global loan (on OR): n/a b) Guarantee facility (on IF): Amount allocated: 0 (according to the IF Annual Report 2008) c) Participation to capital increase (on IF): n/a
Budget disbursed	
Beneficiary	Borrower: Banque Ouest Africaine de Développement (BOAD) Final beneficiaries : Private sector companies in countries of intervention of the BOAD[2] and operating in the following sectors : industry, agro-business, mining, tourism, transportation, communications, services related to those sectors and health and education
Project Background & History	The BOAD is the reference regional development bank in the ECOWAS zone. This is the fourth global loan with the EIB. *See also the information below under "Activities".*
Overall objectives	Favouring private sector companies of the ECOWAS zone
Specific objectives	Reinforcing the financial sector
Expected results	*See the information below under "Activities".*
Activities	This operation consists of the following: a) a new global loan on OR of €25m aimed at medium to long term support in favour of private sector companies of the UEMOA zone. This loans come after three earlier loans to the BOAD amounting to a total of €37m (e.g. BOAD III signed in 1998); b) a €25m guarantee facility (on the IF) for counter- or co-guaranteeing partially (i) bond issuance for private companies guaranteed by the BOAD ; (ii) BOAD loans to private companies ; and (iii) credit lines in favour of local financial institutions specialised in micro-finance. Note. This was the first guarantee operation under the Cotonou Agreement's IF. It was undertaken with a trusted partner. The regional local financial market regulation requires that bond issues be guaranteed at 100%; c) a participation to the BOAD capital increase, through a €4.6m equity investment on IF resources increasing the EIB's share in the BOAD from 0.3% to 0.6%, or from 1 to 2 billion FCFA (+ €1.5m) for taking it to the same level as the other BOAD's B shareholders. The EIB participation to the capital increase marks its support to this institution which seeks rating in the future.

[1] Sources : « Relevé quotidien (RQ) » (for this operation), EIB, 9 April 2003 ; « Fact Sheet B : proposition de financement », EIB, 11 mars 2004

[2] Economic Community of West African States (ECOWAS or UEMOA in French): Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Sanegal and Togo

Documentary	▪ Operation's « Relevé quotidien (RQ) » (for this operation 2003_BOAD PG IV), EIB, 9 April 2003 ▪ Operation's « Fact Sheet B : proposition de financement », EIB, 11 mars 2004 ▪ Operation's « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération », EIB, 26 September 2003 ▪ Operation's "Note conjointe", EIB, 2 December 2004

2003_Mauritius Container

Intervention Title	MAURITIUS CONTAINER TERMINAL II
Country/Region	Mauritius
EIB Ref.	2003 0167
Project Start date & End date	14/12/2004 – The projects is expected to be fully completed by end of July 2009.
Financing committed	€14 million (EIB's own resources) – 49.47% of total cost
Amount cancelled	No indication
Amount disbursed	€14 million. Thanks to favourable EUR/USD exchange rate, the Bank's loan exceeded the cost of the EIB-financed component of the initial project. Therefore the Bank agreed to use the balance (€3.7 million) to partly finance additional equipments.
Beneficiary	Direct beneficiary: **Cargo Handling Corporation Ltd** (CHCL) is responsible for the management of all port handling operations, notably containers. It is owned to the level of 40% by the Mauritius Port Authority (MPA) and 60% by the Mauritian State Investment Corporation. Although thus a parastatal, it's incorporated and operates as a private sector company.
Project Background & History	The Mauritius Container Terminal (MCT) was commissioned in 1999 as a result of the EIB (and IBRD) financed Port Louis Container Terminal I project. As MCT initially had spare capacity, CHCL decided to aggressively market the terminal for trans-shipment, which subsequently has increased dramatically from some 3 551 TEUs in 2000/2001 to 72 103 TEUs in 2002/2003. As a result the MCT has become congested by trans-shipped containers and required urgent expansion. However, even without trans-shipment, MCT would require a substantial increase in capacity. The purpose of this project is to provide this capacity increase, while making sure that the trans-shipment traffic is profitable to the Mauritian economy. The project comprises various components such as paving of container stacking area and purchase of container handling equipment. The EIB's financing would be allocated towards 2 ship-to-shores, post panama, rail mounted gantry cranes.
Overall objectives	The overall objective is to increase efficiency of maritime transport in order to enable Mauritius to play a full part in international trade (one of the fundamental objectives of the Cotonou agreement). As all trade of Mauritius goes through Port-Louis and the most part of trade is containerised, the Mauritius Container Terminal is a key component in the economic development of that country. Through its new hub function the Mauritius Container Terminal contributes to regional integration thereby bringing economic benefits not only to Mauritius but also to its neighbouring countries.
Specific objectives	The extension of the Mauritius Container Terminal was made in order to double its capacity by providing: (i) additional paved areas for container stacking; and (ii) additional container handling equipment on the quayside and landside. MCT is located in the only commercial port in Mauritius, near the capital city of Port Louis.
Expected results	As a result, the area of the container yard will approximately double, but its capacity will increase 1.5 times from about 2,500 to 6,200 TEU (twenty foot equivalent container unit) slots (over a height of 2.5 levels), and the annual throughput (counting trans-shipped containers twice, in and out) will increase from about 200,000 to 500,000 TEUs (currently part of the unpaved stacking area must be used). However, in order to achieve this throughput, the fleet of 6 RTGs, 10 tractors and 13 trailers will need to be increased to 8 RTGs, 20 tractors and 26 trailers after about three years, and a rubber-tyred, mobile quay crane added in about five years, so that the terminal can reach its full capacity.
Activities	More specifically, the project includes: • pavement (with concrete blocks) of a 6.4 ha area for container stacking, including 144 reefer points (for refrigerated containers), drainage and lighting poles; • provision of 2 ship-to-shore, post-panamax, rail-mounted gantry cranes with a 47.5m reach and a 41-ton lifting capacity; • provision of 6 rubber-tyred, yard gantry cranes (RTGs) straddling six container rows (plus a truck lane) over four levels (plus one for container movement) for stacking containers in the yard; and • provision of 10 tractors and 13 trailers for transporting forty-foot containers in the yard.

Main achievements	No information available in that respect.
Project's main weak points	***Main risks:*** • Concession Risk: The concession contract between MPA and CHCL is for renewable periods of 5 years only. • Market risk: International container shipment/handling is a competitive business, and "worst case" projections for CHCL, with adverse volume and tariff assumptions, indicate financial losses for CHCL over the next seven years. ***Mitigants:*** • As part of the loan documentation the Bank will seek satisfactory arrangements being in place to ensure that in the event of termination of the concession, the Borrower will be in a position to repay the amounts outstanding under the loan; • The MCT will always need an operator; should the concession be terminated early, the shareholding structure (whereby both institutions in the port sector are in fine fully government owned) can be considered as a strong mitigant for an orderly solution being found and implemented. • Mitigants of the market risks are that (i) import/export container handling for the Mauritius market is a captive activity and (ii) MCT has a number of comparative advantages to keep it competitive in the transhipment business (location, efficiency, space).
Issues	***Positive*** • As evidenced by the relevant RFT ("Ce projet dont les objectifs étaient très ambitieux est pour l'heure un succès") the previous project has been implemented in a satisfactory manner. The successful reorganisation of the Mauritian port sector and the investments realised (part financed by the Bank) have resulted in an increased efficiency, substantially increased traffic and a generally sound development of the entities involved; these facts augur well for the proposed extension project. • CHCL's professionalism, technical capacity and experience should ensure a successful project implementation and allow to attract remunerative transhipment traffic. • EIB will bring considerable value added through its requirement to carry out a tariff study by an international consultant to clarify what the optimum level of charges by MPA and CHCL should be for each type of traffic (imports/exports and trans-shipment).
Documentary	« Preliminary Information Note », EIB, 2004 « Fact sheet A : proposal to appraise a new operation », EIB, 2004 « Fact sheet B: financing proposal », EIB, 2004 « Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004 « Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004 « Note conjointe », EIB, 2004 « Conseil d'administration. Projet MAURITIUS CONTAINER TERMINAL II », EIB, 2004 « Ops B Monitoring report 2009 », EIB, 2009 « Mauritius – European Community. Country Strategy Paper and Indicative programme for the period 2001-2007 », EC, « Republic of Mauritius - European Community. Country Strategy Paper and National Indicative programme for the period 2008-2013 », EC,

2003_Dakar-Ziguinchor

Intervention Title	**Liaison Maritime Dakar-Ziguinchor**
Country/Region	Senegal
EIB Ref.	OPS B/ACPIF-I/2003-0142/MM (n°23093)
Project Start date & End date	Signature date: 1 July 2005 Term: 18 years The project itself is expected to last 30 months.
Financing committed	▪ Senior loan of €10m on the IF ▪ Annual interest rate subsidy of 3%[3]
Amount cancelled	€7. 85m has been disbursed (out of €10m). The remainder is cancelled.
Budget disbursed	See line above
Beneficiary	Direct beneficiary: Republic of Senegal Intermediary beneficiary : Ministry of Infrastructure, Equipment and Transport[4]
Project Background & History	The Senegalese Government asked to the EIB to cofinance this sea link project which is supported by the whole international community in its effort to reinsert the Casamance region in the Senegalese economy. As mentioned in its 2004 Fact Sheet A: "the sea link Dakar - Ziguinchor is a complement indispensable to the highway which crosses Gambia. It is only capable of assuring the transport of the travellers with big luggage or diverse goods. It is a key element for the realization of the economic and social recovery plan of the Casamance that is part of the peace agreement with the Movement of Democratic Forces of Casamance. In conformance with the "territorial continuity ", the government considers this sea link as a priority. Since the tragic wreck of the "Le Joola" ferry in September, 2002, the sea link is not any more assured. However, the economic profitability is average, and the financial profitability is low or even negative (relating to a rather low fee taking into account the limited purchasing power of the population and the competition of road transport by the informal sector). It is thus necessary that the government takes care of the quasi-totality of the acquisition cost of the ship". It is the first EIB operation with this (intermediary) beneficiary. The project should allow the disengagement of the State for the operation of this strategic transport line because the operation and the management of this ship would be entrusted to a private operator. An IF interest rate subsidy has been granted (justification: HIPC).
Overall objectives	Reinsert the Casamance region in the Senegalese economy, by opening up a region recovering from crisis, assuring the continuity of the national territory, supporting the agricultural, fishery and horticultural production intended for the internal market, promoting tourism and developing the national coastal navigation.
Specific objectives	Restoring of the sea link Dakar-Ziguinchor
Expected results	- Acquisition of a roll-on/roll-off ship for the transport of passengers and goods between Dakar and the region of the Casamance - Related harbour developments
Activities	The total cost of the project amounts to €31.5m (originally €22.5m but rapidly increased with another €10m). The €22.5m original budget consisted in the construction of the ship (€14m), the purchase of freight handling and packaging equipment (€1m), of developments in the harbour of Dakar and of Ziguinchor and in the island of Carabane (€5m), and miscellaneous and unforeseen costs for €1m. The financial plan relating to the €31.5m budget was the following: - €10m (32%) senior loan by the **EIB** on resources from the **Investment Facility** - €10.7m (34%) grants of the **KfW** for the acquisition of the boat - €3.15m (10%) grants of the **AFD** for works on the harbor of Ziguinchor and the island of Carabane - €6m (19%) of the **Government**, and - €1.575m (5%) of the **Autonomous Harbor of Dakar**

[3] Interest rate of 2.28% = 4.51% base rate + 77bp margin – 3% interest rate subsidy

[4] Direction de la Marine Marchande (DMM) du Ministère de l'Infrastructure, de l'Equipement et des Transports (MIET)

Main achievements	- The boat was delivered on time on 14 December 2007 and started operations. - All harbour developments have been realised (only Dakar's sea station was not operational in November 2009).
Project's main weak points	The operator bears the operational risks, including personnel, fuel, and maintenance costs. The commercial risk is important: the forecasts regarding the passengers and merchandise traffic have been established on cautious hypothesis. However the filling rate of each boat travel should be lower than expected implying that the financial results should be also lower than expected. The commercial, financial and technical controls are very important in order to ensure the economic viability of the project as well as the safety of all passengers (in order to avoid any disaster like "Le Joola").
Issues	- The Senegalese State changed the boat operator in 2008 without consultation of the EIB, which was not in line with contractual obligations. EIB and KfW subsequent verifications showed that conditions were only partially met, in terms of safety, tariff policy and profitability. Furthermore, the condition precedent of having finished sea station developments was not met. Initial business plan objectives were not met. The sea link is still heavily dependent from State grants, which is in contradiction with the spirit of the financing contract with the EIB. - The Senegalese State did pay the last invoice, without the last tranche of EIB financing. The EIB will hence cancel the non-disbursed part of the loan.
Documentary	▪ Opeation's « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération », EIB, 26 March 2004 ▪ Investment Facility Annual Report 2008, EIB ▪ Operation's « RM/CRD opinion », EIB, 2004 ▪ Operation's « Relevé quotidian (RQ) », EIB, 2003 ▪ « Monitoring 2009 », EIB, 2009 ▪ Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004 ▪ « Rapport financier OpsB », EIB, 2004 ▪ « Rapport d'instruction », EIB, 2004 ▪ « Etude de faisabilité pour la desserte maritime entre Dakar et Ziguinchor -ANNEXES », HPC Hamburg Port Consulting GmbH,

2004_LUMWANA

<table>
<tr><th>Operation Title</th><th>Lumwana Copper Project (2004_Lumwana)</th></tr>
<tr><td>Country/Region</td><td>Zambia/ Eastern and Southern Africa Region</td></tr>
<tr><td>EIB Ref.</td><td>20040146</td></tr>
<tr><td>Operation Start date & End date</td><td>Operation signed 26/9/2006

Financial close (=project start) is foreseen end 2006; the overall construction period for the project is estimated to be 24 months and production start-up is anticipated for late 2007. (Sources: D6, D3</td></tr>
<tr><td>Financing Committed</td><td>Net amount signed
Project A: € 48 M subordinated loan from IF resources
Project B: € 19 M senior loan from IF resources
Project C: € 18 M senior loan from own resources</td></tr>
<tr><td>Amount cancelled</td><td></td></tr>
<tr><td>Budget disbursed</td><td>
2004_Lumwana
<table>
<tr><td>N° projet</td><td></td><td colspan="3">2004 0146</td></tr>
<tr><td>Dénomination de l'opération</td><td></td><td>LUMWANA COPPER PROJECT A</td><td>LUMWANA COPPER PROJECT B</td><td>LUMWANA COPPER PROJECT C</td></tr>
<tr><td>Nom du pays de la transaction</td><td></td><td colspan="2">ZAMBIE</td><td></td></tr>
<tr><td>Type</td><td></td><td>IF</td><td>IF</td><td>OR</td></tr>
<tr><td>Date de signature</td><td></td><td>29/11/2006</td><td>29/11/2006</td><td>29/11/2006</td></tr>
<tr><td>montant signé</td><td></td><td>48 000 000.00</td><td>19 000 000.00</td><td>18 000 000.00</td></tr>
<tr><td>montant augmentation</td><td></td><td>0.00</td><td>0.00</td><td></td></tr>
<tr><td rowspan="8">DECAISSEMEMTS</td><td>2003</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2004</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2005</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2006</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2007</td><td>37 299 515.11</td><td>6 588 919.33</td><td>8 056 604.83</td></tr>
<tr><td>2008</td><td>0.00</td><td>6 888 069.17</td><td>7 654 041.60</td></tr>
<tr><td>2009</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>TOTAL</td><td>37 299 515.11</td><td>13 476 988.50</td><td>15 710 646.43</td></tr>
</table>
</td></tr>
<tr><td>Beneficiary</td><td>Lumwana Mining Cy Ltd (100% Zambian subsidiary of Equinox Minerals Ltd, an exploration company listed on the Australian Stock exchange since 1994.)</td></tr>
<tr><td>Operation's Description and Project Background & History</td><td>Operation:
€ 67 M (9.45% of project cost), split into EUR equivalent of a US$ 50 M subordinated loan from IF resources (project A), a ÛS $20M senior loan from IF resources (Project B), and a US$ 20 M from own resources. Loans disbursed and repaid in US$.
Term 10 years, grace 2 years
Economic life between 10 and 15 years.
The promoter is Equinox Minerals Ltd, a Canadian – originally Australian – junior exploration/mine development company listed on the Canadian and Australian stock exchange. The borrower is Lumwana Mining Cy (see beneficiary) incorporated in Zambia.
Project:
The project concerns the development of a new, large-scale copper mine with two open pits, the construction and operation of a conventional ore processing plant (crushing, grinding, flotation) and the related infrastructure. It foresees a production of some 140,000 t/a of copper in the form of concentrate for a period of 14 years from proven and probable reserves of 280 Mt with an average</td></tr>
</table>

	copper grade of 0.75%. Additional inferred resources provide for the possibility of a considerable lifetime extension. The project is located near Lumwana, some 500 km north-west of the Zambian capital Lusaka and some 65 km west of Solwezi, the capital of the North-Western Province. The area is sparsely populated and barely developed. The project has been preceded by a in depth feasibility study (€15.5 m) to which the Bank contributed with €7m. from IF. The project implementation developed well until 2008 where there was a fire in the mine (weeks before project completion). Provoked a delay of several months. Project completion with delayed till 2008 coinciding with a sharp fall in commodity prices. The financial model of the company could therefore not sustain the debt repayment. First capital repayment due was about 40% of total project which proved no longer feasible. So the Bank was asked to revise the schedule of repayments and the first repayment was brought down to 20%. The loans A and B have been downgraded and the project put on the Watch list in 2008. Initially the project was entirely geared to the production of copper. However, the mines includes other metals among which uranium. Nowadays, in a context of resumed interest for nuclear energy (Kyoto targets), the company decided to process the uranium ore, and asked if the lenders would be ready to support. Uranium is a delicate issue and not all lenders were ready to finance its production. Therefore Equinox decided to repay all (pari passu) all official lenders to get more freedom to manoeuvre with commercial banks who are now interested in financing this operation. NB: note that estimated project cost and consequently financing needs are, as one could expect, highly fluctuating in the preparation period. In this case for instance, total project cost is estimated to be €300 M in the PIN (dated 15/3/2005), €417M in Factsheet A(dated 8/7/2005), €708.63 M in Factsheet B (dated 19/7/2006)
Overall objectives	To contribute to poverty reduction and levelling economic disparities between regions.
Specific objectives	To develop the Lumwana region, about 500 km north-west of Lusaka and 65 km west of Solwezi, capital of the North-Western Province. The area, outside the copperbelt, is sparsely populated and barely developed. The project is viewed as a step in the development of a new copper province in Northwest Zambia to even out economic disparities between the regions, and contribute to poverty reduction.
Expected results	The project will value an indigenous natural resource and add to Zambia's annual export revenues (depending on copper prices) and generate direct income for the country through mining royalties (0.6% of revenues) and corporate taxes (25%). The project is expected to create some 1000 direct jobs, with only a small number being expatriates, and some 3 times as many indirect jobs. The contribution to Zambia's GDP will depend on where the concentrates will be processed. Through the training of local employees, the project will further contribute to the development of the local skill base. Source: Note to OPS B, 2005, §3
Activities	Engineering, implementation, commissioning and mining/operation of the Lumwana copper deposits.
Main achievements	The project permitted the development of what has become one of the largest copper mines in the world, outside the copper belt. This was made possible by an imaginative financial engineering in which the EIB was determinant, in providing quasi equity. Particpation of several DFI together with EIB made the project possible. Development impact is significant the project being implemented outside the copper belt in an area without other significant economic activities.
Project's main weak points	The project, as usual with mining project, was very vulnerable to price fluctuations and this materialised with sharp fall of copper prices in 2008, however, prices resumed and have reached a high level in the beginning of 2010, mitigating the initial risks.
Issues	NA

Documentary	Documents on the feasibility study: • EIB Fact Sheet A, Proposal to appraise new operation: Zambia Lumwana Feasibility Study, Luxembourg, 31/1/2001, OP3/ACPIII/AGORAn°20010013/SAK/ar. • EIB. Appraisal Report, Lumwana study, Feasibility study for a copper mining project, Luxembourg 23/3/2001, PJ/I&S/2001-338/GCE/VMJ/ms • EIB Annex to Fact Sheet B. Board of Directors, Lumwana Feasibility Study,2/4/2001 • EIB Lumwana Feasibility study Project. Finance Contract between EIB and Equinox Cooper Ventures Ltd(Zambia). Luxembourg, Paris, 2/10/2001 Other documentation: • EIB PIN (Preliminary Information Note), Lumwana Copper Project, Luxembourg 15/3/2005. OPS B/ACPIF-3SouthAfrica,0.Ind/2004-0146/BrandSchmitzWaltraud • EIB Fact Sheet A: proposal to appraise new operation. Luxembourg 08/07/2005. OPS B/ACPIF-3SouthAfrica,0.Ind/2004-0146/BrandSchmitzWaltraud • EIB Note to Ops B/ACP-IF-3 Opinion for Appraisal, Luxembourg 27/5/2005. PJ/I&S/2005-598/GCE/MJ/aa • EIB Fact Sheet A. RM/CRD Opinion. Lumwana Copper project,12/7/2005 Ref. Ops B/ACPIF-3/2004-0146/WB • EIB Fact Sheet B: financing proposal, Luxembourg 19/7/2006. 2004- OPS B/ACPIF 0146/BrandSchmitzWaltraud • EIB Lumwana Copper Project, Appraisal report, Luxembourg 30/6/2006, PJ/I&S/2006-675/GCE/VMJ/aa • Zambia-European Community, Country Strategy Paper for the period 2001-2007 (not dated) • Zambia - European Community, Country Strategy Paper and National Indicative Programme for the period 2008-2013, 9th December 2007. • Region of Eastern and Southern Africa and the Indian Ocean - European Community Regional Strategy Paper and Regional Indicative Programme for the Period 2002 – 2007, June 2002. • Region of Eastern and Southern Africa and the Indian Ocean - European Community Regional Strategy Paper and Regional Indicative Programme for the Period 2008 – 2013, 15th November 2008. • ADE: Mid-term evaluation of the Investment Facility and EIB own resources operations in ACP countries and the OCTS, Inception Report, Annex 3: List of EIB operations in ACP countries and the OCTs, November 2009. • EIB: Cotonou Risk Report 31st December 2009, 3/2/2010. • EIB? Lumwana Study Zambia. Fact Sheet B: financing proposal. Luxembourg 2/4/2001 • • EIB Lumwana Copper Project. Finance Contracts n°23717,13718 and 23719 signed on November 2006, Luxembourg, 23 Décember 2008. • Lumwana Mining Company, Monthly Project Report, Executive Summary, December 2009. • Lumwana Mining Company, Monthly Project Report, January 2010) • EIB. Board of Directors, Lumwana Copper Project. Luxembourg 26 septembre 2006, Document 06/354. • EIB: Fact Sheet B Ope B1ACPIF-3/2004-0146IWB ,18 juillet 2006.

2004_OLKARIA

<table>
<tr><th>Operation Title</th><th>Olkaria II Extension (2004_OLKARIA)</th></tr>
<tr><td>Country/Region</td><td>Kenya, Region Central and Eastern Africa</td></tr>
<tr><td>EIB Ref.</td><td>20040255</td></tr>
<tr><td>Operation Start date & End date</td><td>Operation signed 13/4/2005</td></tr>
<tr><td>Financing Committed</td><td>The project cost was initially estimated at €50M and initially the EIB intervention at € 25M. (Source: PIN). Final estimation of total cost is €67.8 M (details in Appraisal Report 2005, Appendix A).
Net amount signed: € 32.5 (according to Factsheet B)
It is an ordinary loan under the IF. Term 20 years, grace 5 years.</td></tr>
<tr><td>Amount cancelled</td><td></td></tr>
<tr><td>Budget disbursed</td><td>Situation end 2009:
2004_OLKARIA
<table>
<tr><td>N° projet</td><td></td><td>20040255</td></tr>
<tr><td>Dénomination de l'opération</td><td></td><td>OLKARIA II EXTENSION</td></tr>
<tr><td>Nom du pays de la transaction</td><td></td><td>KENYA</td></tr>
<tr><td>Type</td><td></td><td>IF</td></tr>
<tr><td>Date de signature</td><td></td><td>31/05/2005</td></tr>
<tr><td>montant signé</td><td></td><td>32 500 000.00</td></tr>
<tr><td>montant augmentation</td><td></td><td>0.00</td></tr>
<tr><td rowspan="8">DECAISSEMEMTS</td><td>2003</td><td>0.00</td></tr>
<tr><td>2004</td><td>0.00</td></tr>
<tr><td>2005</td><td>0.00</td></tr>
<tr><td>2006</td><td>0.00</td></tr>
<tr><td>2007</td><td>0.00</td></tr>
<tr><td>2008</td><td>0.00</td></tr>
<tr><td>2009</td><td>0.00</td></tr>
<tr><td>TOTAL</td><td>0.00</td></tr>
</table></td></tr>
<tr><td>Beneficiary</td><td>Kenya Electricity Generating Company Ltd “KenGen”. Is a wholly government owned company, established in 1998 as a successor to the Kenya Power Company (KPC). The was the consequence of an electricity sector reform that separated electricity generation (attributed to KPC)from transmission and generation attributed to KPLC (Kenya Power and Lightning Company).</td></tr>
<tr><td>Operation’s Description and Project Background & History</td><td>A senior secured loan of up to the equivalent of EUR 32.5 million to the 100% state-owned Kenya Electricity Generating Company Ltd. (KenGen), to be disbursed in either EUR or USD. Term is 20 years, including a 5-year grace period.
EIB funding is 42.92% of total estimated project cost.
EIB’s standard interest rate for lending outside the EU – fixed rate as at signature or at the date of each disbursement, or variable spread floating rate based on EURIBOR or LIBOR – increased by a credit spread of 207 bp, or 171 bp with financial covenants, and by the cost of hedging the possible USD exposure for the IF.

The project is an extension of the Olkaria II geothermal power station of 64 MWe capacity, co-financed by the EIB through a previous own resources loan to the Republic of Kenya. The new project is part of Kenya’s Energy Sector Recovery Project, spearheaded by the World Bank (IDA), aimed at increasing the technical capacity and strengthening the economic viability of the sector. It includes the modernisation and extension of the distribution network – to be co financed by the EIB under separate financing proposal – in the framework of profound restructuring of the State-owned distribution</td></tr>
</table>

	company, as well as preparatory studies, technical services and capacity building. The project consists of the drilling of wells, the extension of the existing geothermal power station building, substation and switchboard, and the installation of a 35 MW steam turbine to extend the capacity of the EIB financed Olkaria geothermal power station. The generating capacity of the extension has been chosen according to the reservoir size andcapacity and fits weil to the two existing 35 MW_e steam turbine/generator sets.Total cost of the project is currently estimated at EUR 68 million. The IF would finance about 48% of this amount. The balance would be funded by a concessional World Bank/IDA loan to the Government (31% of the project cost) and KenGen's own funds (21% of the project cost). The project implementation has fallen behind schedule by close to three years following a delay in awarding the turnkey contract. This €2was due to a time consuming procurement process. The contract was eventually awarded at a higher cost than anticipated and imposed a revision of the financial plan with the introduction of AfD as cofinancier with € 20M. and an increase of the EIB loan from €32.5 to €36.8 M (In December 2009 that increase had not been decided yet)
Overall objectives	Increasing the technical capacity and strengthening the economic viability of the electricity sector in Kenya
Specific objectives	Extension of the capacity of the EIB financed Olkaria geothermal power station, by adding 35 MW_e to the existing 70 MW_e
Expected results	Reduce the dependency of Kenya power production on imports of petroleum products through enhanced exploitation of an indigenous natural resource, underground steam. Reduce the fluctuations in the availability of hydro-based electricity.
Activities	• Extension of the power station, comprising: - Civil works and structure - Technical installations such as: one 35 MW. steam *turbine/generator* set, steam condenser & gas extractor, cooling water system, transformers, cabling, switch gear, instrumentation, safety installations, ancillaries, - Substation and switch yard, • Geothermal field development, comprising - Drilling, equipping and connecting 7 geothermal and 2 rein je ct ion wells (already carried out) - Adaptation of the existing steam-field layout • Infrastructure, comprising the rehabilitation of the access road, • Supervision by an independent project engineer
Main achievements	The main achievement should be to reduce the vulnerability of KenGen to hydrological conditions (droughts). In 2008/09 a severe drought forced KenGen to increase thermal generation to compensate for the loss of hydro-based power. An indirect but substantial benefit is the adaptaion of the tariff under new Power Purchased Agreements with KPLC.
Project's main weak points	The long delays in implementation due to the time consumed on the procurement and attribution of the turnkey contract, the resulting increase in total cost that rendered necessary a change in the financing plan.
Issues	▪ State of fulfilment of the objectives of the initial Olkaria II project; ▪ Optimal geothermal reservoir use; ▪ Environmental impact on Hell's Gate National Park and potential need to up-date environmental studies; ▪ KenGen's sound financial prospects; ▪ Government's willingness to promote increased efficiency in the electricity sector and full cost recovery through adequate pricing; ▪ Capacity to absorb the currency risk inherent to the Bank's lending.

Documentary	• EIB PIN (Preliminary Information Note), Olkaria Extension, Luxembourg 23/9/2004. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL • EIB Fact Sheet A: proposal to appraise new operation. Luxembourg 19/11/2004. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL • EIB Note to Ops B/ACP-IF-2 Opinion for Appraisal, Luxembourg 14/9/2004. PJ/ENERCOM/I&S/2004-965/EG/fe • EIB Fact Sheet B: financing proposal, Luxembourg 24/2/2005. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL • EIB Olkaria II Extension Kenya. RM/CRD Opinion. Ref. Fact Sheet B OPS B/ACPIF-2CENT&EASTAFR/2004-0255 • ADE: Mid-term evaluation of the Investment Facility and EIB own resources operations in ACP countries and the OCTS, Inception Report, Annex 3: List of EIB operations in ACP countries and the OCTs, November 2009. • Kenya-European Community, Country Strategy Paper for the period 2003-2007. 15th October 2003.. • Republic of Kenya - European Community, Country Strategy Paper and National Indicative Programme for the period 2008-2013, 9th December 2007. • Region of Eastern and Southern Africa and the Indian Ocean - European Community Regional Strategy Paper and Regional Indicative Programme for the Period 2002 – 2007, June 2002. • Region of Eastern and Southern Africa and the Indian Ocean - European Community Regional Strategy Paper and Regional Indicative Programme for the Period 2008 – 2013, 15th November 2008. • Olkaria II Extension. Note do the File. Monitoring Exercise 2009, Nairobi 01/12/2009. OpsB/ACP-IF-2/2009/NN. • EIB. Apparaisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe. • BEI. CA. Projet Olkaria II Extsnsion. CA/423/09. 3 février 2009. Document 09/53. • Olkaria II. Extension.Value Added Pillar 1. OpsB/ACPIF-2/2004-0255/gounot. • Note conjointe. Olkaria II Extension. Luxembourg 26/5/2005. Note conjointe n° FI/2004-523, Operation 2004-0255. • EIB. Project Progress Report, Olkaria II Extentions.Luxembourg 10/6/2009. PPR 23027 • EIB. Apparaisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe. • Wetang'ula, G. & Kubo, B.: Environmental Management at Olkaria Geothermal Power Project, Kenya, KenGen. (no date).

2004_ WAGP

<table>
<tr><th>Operation Title</th><th>West African gas Pipeline (2004_WAGP)</th></tr>
<tr><td>Country/Region</td><td>Republic of Ghana (promoter). Region West Africa (pipeline system will involve Nigeria, Ghana, Togo and Benin)</td></tr>
<tr><td>EIB Ref.</td><td>20040026</td></tr>
<tr><td>Operation Start date & End date</td><td>Operation started 12/12/2006.
Project phasing of expenditures:
<table>
<tr><th>2. Phasing of expenditures</th><th></th><th>2000</th><th>2001</th><th>2002</th><th>2003</th><th>2004</th><th>2005</th><th>2006</th><th>2007</th><th></th></tr>
<tr><td>USD/EUR</td><td></td><td>0.92</td><td>0.90</td><td>0.95</td><td>1.13</td><td>1.24</td><td>1.24</td><td>1.24</td><td>1.28</td><td></td></tr>
<tr><td>Pre-Developmnet costs</td><td>%</td><td>10%</td><td>9%</td><td>12%</td><td>42%</td><td>26%</td><td>1%</td><td>0%</td><td>0%</td><td></td></tr>
<tr><td>Development costs</td><td>%</td><td></td><td></td><td></td><td></td><td></td><td>40%</td><td>54%</td><td>7%</td><td></td></tr>
<tr><td>Total</td><td>MUSD-n</td><td>7.2</td><td>6.7</td><td>9.0</td><td>31.4</td><td>19.5</td><td>222.9</td><td>301.9</td><td>38.9</td><td>637.5</td></tr>
<tr><td>Total</td><td>MEUR-n</td><td>7.8</td><td>7.5</td><td>9.5</td><td>27.7</td><td>15.7</td><td>179.1</td><td>243.1</td><td>30.4</td><td>520.9</td></tr>
<tr><td>Interest during construction</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>
Source: D6, appendix E</td></tr>
<tr><td>Financing committed</td><td>According to financing proposal):
€75 million committed.
Term 20 years, grace 3 years</td></tr>
<tr><td>Amount cancelled</td><td></td></tr>
<tr><td>Budget disbursed</td><td>2004_WAGP
<table>
<tr><td>N° projet</td><td></td><td>20 040 026</td></tr>
<tr><td>Dénomination de l'opération</td><td></td><td>WEST AFRICAN GAS PIPELINE (WAGP)</td></tr>
<tr><td>Nom du pays de la transaction</td><td></td><td>GHANA</td></tr>
<tr><td>Type</td><td></td><td>OR</td></tr>
<tr><td>Date de signature</td><td></td><td>14/12/2006</td></tr>
<tr><td>montant signé</td><td></td><td>75 000 000.00</td></tr>
<tr><td>montant augmentation</td><td></td><td>0.00</td></tr>
<tr><td rowspan="8">DECAISSEMEMTS</td><td>2003</td><td>0.00</td></tr>
<tr><td>2004</td><td>0.00</td></tr>
<tr><td>2005</td><td>0.00</td></tr>
<tr><td>2006</td><td>0.00</td></tr>
<tr><td>2007</td><td>0.00</td></tr>
<tr><td>2008</td><td>31 688 188.23</td></tr>
<tr><td>2009</td><td>24 530 646.39</td></tr>
<tr><td>TOTAL</td><td>56 218 834.62</td></tr>
</table></td></tr>
<tr><td>Beneficiary</td><td>Borrower is the Republic of Ghana
The beneficiary is the Volta River Authority, a public company wholly owned by the Government of Ghana.</td></tr>
<tr><td>Operation description and Project Background & History</td><td>The operation consists in an ordinary loan of up to €75 M. (13.6% of total project cost) A tenor of up to 20 years (including a 3 year grace period. The loan is meant to partly re-finance a 16% equity participation and shareholder loan of the Government of Ghana in West African Gas Pipeline Company (WAGPCo), a company set up to build, own and operate the West African Gas Pipeline (WAGP). WAPCo is a Bermuda incorporated joint venture of private international energy companies (ChevronTexaco, Shell) and state-owned corporations of the four countries involved (Nigeria National Petroleum Company, Volta river Authority – VRA - , Société Beninoise du Gaz, Société Togolaise du Gaz). To comply with the HIPC conditionality (35% grant element) the interest rate is reduced by a subsidy; the resources freed are used for poverty reduction activities agreed with the government of</td></tr>
</table>

<table>
<tr><td></td><td>Ghana and the IMF.
The conditions for the third disbursement (a written confirmation from VRA that the conversion of the second unit of the Takoradi Power Plant to gas powered units had been certified by the Ghanean Environmental Protection Agency) was not met due to the unavailability of the gas from Nigeria (although the second unit has been converted). For this reason the contract has been amended in end 2009 and the delay for submission of a certified copy of the GEPA evaluation postponed until June 2010.

The project consists of a 678 km gas pipeline that extends from the existing Escravos-Lagos gas pipeline at the Alagbado “Tee” to a new compressor station in Ajido near Lagos Beach and from there follows the coastline some 15 km offshore to the Takoradi power plant in west Ghana. It also includes lateral connections from the offshore line to onshore gas-receiving stations at Cotonou, Lomé, and Tema. The project foundation customers (VRA and Communauté Electrique du Benin – CEB) have entered into a long-term gas purchase agreement with a group of gas producers in Nigeria and a long-term transportation agreement with WAPCo; these agreements underpin the financial viability of the project.

The Project is a cross-border private-public partnership between the four governments involved (Nigeria, Ghana Togo and Benin) and private oil companies. The Volta River Authority, a public company wholly owned by the Government of Ghana will initially be the principal buyer of gas exported through the WAGP.

Total Project cost is estimated at EUR 570m. This has been contributed/ committed by the four countries and the private oil companies who are all (directly or indirectly) shareholders of WAGPCo.

The project completion was delayed by more than two years due to construction issues and political unrest in the Niger Delta that have affected the flow of supplies to the project.</td></tr>
<tr><td>Overall objectives</td><td>To reduce the cost of electricity supply in Ghana, Togo and Benin by replacing oil with gas imported from Nigeria.</td></tr>
<tr><td>Specific objectives</td><td>The construction and operation of a regional high-pressure gas transmission system that will supply natural gas produced in Nigeria to thermal power stations in Benin, Togo and Ghana.</td></tr>
<tr><td>Expected results</td><td>The following pipeline sections and above ground facilities will be built and operated:
– a 56 km, 36 inches in diameter, onshore pipeline section from Alagbado to Lagos Beach in Nigeria, connecting to a new gas compressor station with two centrifugal units of 10 MW each.
– a 569-km, 20 inches in diameter, offshore pipeline section running parallel to the coastline from the Nigerian shore to a landfall near the Takoradi power plant in west Ghana with 36 km lateral connections (8 to 18 inches in diameter) to Cotonou, Lomé, and Tema.
– onshore land pipelines in Benin (14.9 km), Togo (1.0 km) and Ghana (1.4 km), connecting the offshore lateral lines to in-country gas receiving and metering stations.</td></tr>
<tr><td>Activities</td><td>Construction of the pipe line</td></tr>
<tr><td>Main achievements</td><td>Notwithstanding the difficult situation and the troubles in the Niger Delta the physical elements of the projects (construction of the pipe line, conversion of some power units) have progressed and could be completed in the first quarter of 2010. According to a World Bank Mission of June 2009 the environmental management is satisfactory and the participatory community development approach adopted by WAPCo is producing positive and encouraging results.</td></tr>
<tr><td>Project's main weak points Main risks</td><td>- risk of social unrest and pipeline sabotage in Nigeria;
- environmental risk. The project has been submitted to rigorous environmental and social impact assessments and is generally supported by affected communities and NGOs with the exception of some communities and NGOs in Nigeria who are campaigning against it;
- insufficient electricity tariffs could jeopardise the ability of electricity companies to meet their obligations in terms of gas purchase and transportation agreement.
By end 2009 the financial flows showed that the company (VRA) is not viable without Government help, due to the fact that tariffs are not in line with expenses.</td></tr>
<tr><td>Issues</td><td></td></tr>
</table>

Documentary	• Relevé quotidien, WAGP, Luxembourg 13 mai 2004, OPSB/ACP-F-1/20040026/EW. • EIB, Fact Sheet A: proposal to appraise new operation, Luxembourg 17/2/2005, (OPS/B/ACPIF-1 WestAfr & Sahel/20040026/Walter Eve) • EIB, Note to Ops B, Opinion for Appraisal, Luxembourg 4/2/2005 (PJ/ENERCOM/2005-0124/FT/GF/mh) • EIB, Fact Sheet B: financing proposal, Luxembourg 18/10/2006 (OPS B/Afr., Caribbean, Pacific,-IF/2004-0026/Walter Eve • EIB, West African Gas Pipeline, Ghana, RM/CRD Opinion (Fact Sheet B Ops B/ACP-IF-1/2004-0026/EW) • EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006 • ADE: Mid-term evaluation of the Investment Facility and EIB own resources operations in ACP countries and the OCTS, Inception Report, Annex 3: List of EIB operations in ACP countries and the OCTs, November 2009. • Republic of Ghana – European Community: Country Strategy Paper and Indicative Programme for the period 2002-2007. DEV 054-2002-EN. • Ghana-European, Community: Country Strategy Paper and National Indicative Programme for the period 2008-2013, 9 December 2007. • Afrique de l'Ouest – Communauté européenne : Document de stratégie de coopération régionale et Programme indicatif régional pour la période 2002-2007 (no date) • Addendum au document de stratégie de coopération et au programme indicatif régional 2002-2007, Communauté européenne et région de l'Afrique de l'Ouest. • Communauté européenne-Afrique de l'Ouest : Document de stratégie régionale et Pprogramme indicatif régional 2008-2013, 15/11/2008. • BEI. CA Pret bonifié sur resources propres, projet WAGP, 12/12/2006, Document 06/517. • PPR, WAGP, Luxembourg 19th November 2009, OpsB/ACP-IF1/2009/FFC.

2004_GIGEL GEB

Intervention Title	**GILGEL GIBE II HYDROPOWER PLANT**
Country/Region	Ethiopia
EIB Ref.	2004 0290
Project Start date & End date	03/03 2005 until 30/06/2008
Financing committed	The initial financing was amounted at €60-90 million depending on other sources of finance available and the amount of subsidy required.
Amount cancelled	A part of the financing has been cancelled due to the subsidy available to reach the 35% requisite grant element for loan to a HIPC country.
Amount disbursed	€50 million under IF (ordinary loan)
Beneficiary	The **promoter** is the Ethiopian Electric Power Corporation (EEPCO) which is the state owned utility responsible for power generation, transmission and distribution in Ethiopia. The **borrower** is the Federal Democratic Republic of Ethiopia.
Project Background & History	The project consists of a large-scale hydro Power plant with a capacity of 420 MW and 300 km of 230 kV overhead transmission lines and substations. The project is cascaded with the Gilgel Gibe I project, recently commissioned. Gilgel Gibe II consists of a tunnel which channels water from Gilgel Gibe reservoir through a 25 kilometres tunnel to turbines downstream and empties near the confluence with the Gibe River. The main components of the power plant are a small intake structure, 25 km of tunnel, a power plant with a substation and outlets structures; it does not imply the construction of another dam.
Overall objectives	The project aims at providing additional capacity to meet the fast growing demand in the country. "Currently, about 15% of Ethiopia's population lives in areas that are electrified, with only 6% directly connected. The objective of Government under the Universal Electricity Access Program is to increase the 15% figure to 50% over the next 5 to 10 years. It is expected that the provision of electricity for productive purposes and social services will have a significant impact on improving the social and economic well being of the rural population." *("Ethiopia - Country strategy paper and indicative programme for the period 2008-2013", European Community, 2007, p 51*)
Specific objectives	
Expected results	
Activities	
Main achievements	No information available in that respect.
Project's main weak points	• The loan has full recourse to the Republic of Ethiopia. The payment obligations are borne by the Government of Ethiopia independently of the project performance. • High growth assumptions in electricity demand used by the promoter leading to the risk of a premature project implementation. • The least cost expansion plan, which identifies the project as a priority investment, is being revised to address a number of weaknesses (unusually short planning horizon, lack of thermal candidates, and assumptions that some hydro plants are already committed) raised by the World Bank. • Absence of open tendering procedures for the EPC contract for the hydro-power scheme, not providing evidence for competitive cost level for this component.
Issues	On the financial aspect: • Financial sustainability of EEPCO and tariff evolution taking into account the ambitious power system expansion programme. • Determination of final amount of the EIB loan, taking into account the IF guidelines on

	interest subsidization and the 35% requisite grant element (HIPC country).
Documentary	"Preliminary Information Note", EIB, 2004 "Fact sheet A: proposal to appraise new operation", EIB, 2004 "Fact sheet B: financing proposal", EIB, 2005 "Ops B: Project Progress Report", EIB, 2009 "Board of Directors. Gilgel Gibe II Hydro Power Plant (Ethiopia)", EIB, 2005 "Note conjointe", EIB, 2005 "Note to Ops b/Opinion for appraisal", EIB, 2004 "Ops B Financial Note. Gilgel Gibe II Hydropower Plant", EIB, 2005 "Financial Value Added (FVA) Sheet", EIB "The Gilgel Gibe Affair. An analysis of the Gilgel Gibe hydroelectric projects in Ethiopia.", Counter Balance, 2008 "Ethiopia - Country strategy paper and indicative programme for the period 2002-2007", European Community "Ethiopia - Country strategy paper and indicative programme for the period 2008-2013", European Community, 2007

2005_ACPGLOB ADEMI

Intervention Title	**ADEMI V, V B, V C**
Country/Region	Dominican Republic
EIB Ref.	20050544
Project Start date & End date	ADEMI V: 01/02/2006; ADEMI V B: 19/12/2006; ADEMI V C: 10/10/2007 Completed:
Financing committed	ADEMI V and ADEMI V C: equity totalling EUR 0.75 m. ADEMI V B: credit line of EUR 3m. (Global senior loan)
Amount cancelled	EUR 0.01 m under ADEMI V; EUR 0.03 m. under ADEMI V C
Amount disbursed	Total disbursed : EUR 3.71 m. (ADEMI V: EUR 0.22 m.; ADEMI V B: EUR 3 m.; ADEMI V C: EUR 0.49 m.)
Beneficiaries	Banco de Ahorro y Crédito Ademi S.A. and micro and small enterprises financed by it
Project Background & History	This is a repeat operation, following EIB financing of EUR. 3 m. in 1997 and 15 m. in 2001. EIB is among the founding shareholders of Ademi. ADEMI V and ADEMI V C are capital increase subscriptions totalling EUR 750 m. to improve Ademi's capital base and solvency ratio to allow for a higher lending capacity, and maintaining EIB's proportionate shareholding in Ademi at 17%. EIB's equity investments have yielded a dividend. ADEMI V B is a credit line. Banco Ademi is the largest development bank in the country w/total assets of EUR 93 m. , rated BBB by Fitch. It is a savings and credit bank specialised in financing micro and small enterprises. Banco Ademi is a socially motivated private initiative.
Overall objectives	• Development of the private sector, and SMEs in particular • Development of the financial sector
Specific objectives	Support Ademi's growth and extension Provide wider access to term credit for smaller SMEs, which play a crucial role in job creation.
Expected results	Results have been achieved, as described below under "Main achievements".
Activities	
Main achievements	Under the previous ADEMI Projects, EIB has supported the creation, launching and growth of an important player in the financial sector and SME support. Continued support by EIB to the growth of an important financial institution. The amount as well as the duration of loans was enlarged, along w/ the dynamic growth of many of Ademi's customers. Employment creation of 408 jobs was achieved in several sectors. Good Ademi asset quality. Low ratio of NPLs, partly provisioned. Good use of funds in less than the prescribed time Possibility of exiting the equity investments End 2008, Ademi has obtained a grant from IDB to strengthen several aspects of its operations. It is noteworthy that Banco Ademi is partially employee owned.
Project's main weak points	Foreign exchange exposure/risk due to its large foreign currency source of funding. But Ademi hedges part of this risk, and EIB initially included a foreign exchange risk sharing mechanism.
Issues	None that is not attended to.
Documentary	*OPS B – Project Progress Report 8/2008 ADEMI V, Contract ID 23402* *OPS B – Project Progress Report 8/2008 ADEMI V B, Contract ID 23811* *Monitoring Exercise 8/2008 ADEMI V, ADEMI V A, ADEMI V C- OPS B Project Progress Report* *CARIBBEAN FORUM OF ACP STATES (CARIFORUM)/EC- REGIONAL STRATEGY*

	PAPER AND REGIONAL INDICATIVE PROGRAMME (RIP) for the period 2003 – 2007 ADDENDUM to the above *9th EDF- REPUBLIQUE DOMINICAINE / CE : STRATEGIE DE COOPERATION et PROGRAMME INDICATIF 2001 – 2007* *EIB (DEAS) Financial Sector Strategy for the Dominican Republic [undated]* *IDB website re: Ademi TA Project* *Field visit Dominican Republic 26-29 April 2010*

2005_ACPGLOB CA2006

<table>
<tr><th>Intervention Title</th><th>BPI KENYA SME FUND</th></tr>
<tr><td>Country/Region</td><td>Kenya</td></tr>
<tr><td>EIB Ref.</td><td>20050584</td></tr>
<tr><td>Project Start date & End date</td><td>03/09/2006
Ongoing</td></tr>
<tr><td>Financing committed</td><td>EUR 4.24 m
2005_BPI KENYA
<table>
<tr><td>N° projet</td><td></td><td>20050584</td></tr>
<tr><td>Dénomination de l'opération</td><td></td><td>BPI KENYA SME FUND</td></tr>
<tr><td>Nom du pays de la transaction</td><td></td><td>KENYA</td></tr>
<tr><td>Type</td><td></td><td>IF</td></tr>
<tr><td>Date de signature</td><td></td><td>03/08/2006</td></tr>
<tr><td>montant signé</td><td></td><td>4 240 000.00</td></tr>
<tr><td>montant augmentation</td><td></td><td>0.00</td></tr>
<tr><td rowspan="8">DECAISSEMEMTS</td><td>2003</td><td>0.00</td></tr>
<tr><td>2004</td><td>0.00</td></tr>
<tr><td>2005</td><td>0.00</td></tr>
<tr><td>2006</td><td>0.00</td></tr>
<tr><td>2007</td><td>1 292 874.33</td></tr>
<tr><td>2008</td><td>0.00</td></tr>
<tr><td>2009</td><td>438 957.02</td></tr>
<tr><td>TOTAL</td><td>1 731 831.35</td></tr>
</table></td></tr>
<tr><td>Amount cancelled</td><td>-</td></tr>
<tr><td>Amount disbursed</td><td>EUR 1.73 m</td></tr>
<tr><td>Beneficiary</td><td>BUSINESS PARTNERS INTERNATIONAL KENYA SME FUND and Local Kenyan SMEs</td></tr>
<tr><td>Project Background & History</td><td>This Project is similar to BPI MADAGASCAR SME FUND, also reviewed as part of this selection.
Business Partners International Kenya SME Fund is a subsidiary of Business Partners Ltd of South Africa. It is a EUR 14.1m (target amount) quasi-equity risk capital fund established in Kenya.
The Fund is managed by Business Partners International Kenya SME Fun, and its local team of professional staff.
Shareholders include (committed capital): IFC (US$ 5 m.), EIB (EUR 4.24 m.), CDC (UD$ 1.6 m.), and two local investors: EADB (US$ 1 m.) and Trans-Century (US$ 1.5 m).

The Fund is a subcomponent of a large MSME (Micro, Small & Medium Enterprises) Competitiveness Project implemented through the Ministry of Trade and Industry with the support of the World Bank. The full MSME comprises the following:
Component 1: Access to Finance
Sub-component A: Financial sector deepening
<u>Sub-component B: SME Risk Capital & Technical Assistance fund (this project)</u>
Component 2: Strengthening Enterprises Skills and Market Linkages
Sub-component A: Pilot Value Chain Based Matching Grant Program
Sub-component B: Global Business Schools Network
Sub-component C: Restructuring of the Industrial Training Levy Scheme</td></tr>
</table>

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<tr><td></td><td>

Sub-component D: Business Plan/Innovation Competition
Component 3: Improving the Business Environment.

The Fund invests in local SMEs. The Fund invests primarily in quasi-equity and debt instruments in the range of US$ 0.050 m – 0.5 m per investment.
The Fund also provides technical assistance funding, through the Technical Assistance Facility. Technical assistance is provided to investee SMEs though a network of mentors, accountants and consultants. The Technical Assistance Facility is a US$2.5 m fund set up by the Government of Kenya through the World Bank.
IFC have played an important role in developing the Fund concept and their Kenyan SME Solutions Centre in Nairobi will provide support to and house the fund management team.

The fund started operations in January 2007 with the objective ti invest $US 14.1. By end 2009 61 deals have been concluded for a total amount of $US12.4. The table provides the distribution of the loans granted by the fund:

Business Plans Gross Approved by Industry Classification				
	Since Inception			
Industry Classification	Number	%	Value	%
Agriculture, Hunting, Forestry & Fishing	2	3%	301 210	2%
Mining	2	3%	708 222	6%
MNF – Food & Beverages	6	10%	1 630 000	13%
MNF – Textiles	3	5%	531 769	4%
MNF - Wood Products	2	3%	157 632	1%
MNF - Chemicals & Rubber	1	2%	238 000	2%
MNF - Other non-metallic products	-	0%	-	0%
MNF - Iron, Steel, Mach, Equip, Transport Equip	2	3%	345 000	3%
MNF – Furniture	-	0%	-	0%
Construction	9	15%	1 674 000	13%
Wholesale & Repair – Personal, Household Goods	3	5%	323 000	3%
Retail & Repair - Personal, Household Goods	2	3%	417 888	3%
Sale, Maint & Repair of vehicles, Retail Auto	4	7%	899 000	7%
Hotels & Restaurants	2	3%	372 470	3%
Transport, Storage & Communication	5	8%	1 040 000	8%
Business Services	16	26%	3 460 812	28%
Social & Personal Services	2	3%	301 210	2%
Private Households, Exterr. Organisations	-	0%	-	0%
Total	**61**	**100%**	**12 400 213**	**100%**

</td></tr>
<tr><td>**Overall objectives**</td><td>Reach SMEs in a spectrum currently not targeted by venture capital funds operating in Kenya</td></tr>
<tr><td>**Specific objectives**</td><td>Make about 180 investments over a 5 year period
Adapting instruments to the needs of customers</td></tr>
<tr><td>**Expected results**</td><td>High development impact in terms of creation and strengthening of SMEs which are particularly underserved in Kenya by lack of investors</td></tr>
<tr><td>**Activities**</td><td>Invest in smaller Kenyan SMEs, and operational support to investee companies.
The Project is currently on the Watch List:
The Fund has posted losses consistently since commencing investment activity in 2007. In addition, projections indicate that, should the Fund continue performing at current levels of activity, it would not fully utilize the committed capital. The poor financial performance is attributed to slower than anticipated growth in the Fund's income stream as uptake of funds by final beneficiaries has been disappointing. A high lapse rate of approved investments during the first 12 months of investment activity was also experienced. In addition, the Fund has been hit by foreign currency losses and a significant bad debt write-off related to a single loan in a leather tanning company whose key client went bankrupt following the financial crisis.</td></tr>
<tr><td>**Main achievements**</td><td>It is an achievement of the IFC and Business Partners South Africa Ltd (BPSA) to set up a venture capital fund in Kenya - the investment is inherently risky, take-up uncertain and financial returns uncertain. Exit risk is reduced since amortizing investment instruments will be used (not clear if actually used).
Strong experience and track record of the promoter, BPSA, and willingness to set up a Kenyan fund.</td></tr>
</table>

	Non-financial support to investee companies, including TA and "mentoring". Strong backing by IFC (financial and non-financial). Staff in EIB's Nairobi office could prove to be extremely valuable in monitoring the Fund as well as contributing towards the success of the Fund. They will be able to do so via the Advisory Board and the Investment Committee.
Project's main weak points	Vulnerability due to small size of management team (despite key-man clauses) EIB does not sit on the Investment Committee (though it has a seat on the Advisory Board which seemingly must approve flow of funds arrangements) High management fee Proceeds during the investment period do not revert to shareholders but may be reinvested
Issues	Inherent risks, and exit possibly difficult. Currency risk, as all investments will be denominated in local currency. Possibly low level of demand from good-quality sub-projects. To be sustainable, BPI needs (according to Project docs) to raise at least one additional fund (in addition to this Fund and the BPI Madagascar SME Fund). Poor performance of equity funds in Africa Slow take-up of equity funds in Africa Level of demand by good quality SMEs Competition of other investors
Documentary	• *PIN (Preliminary Information Note) 24/01/2006* • *Fact Sheet B: financing proposal 08/03/2006* • *BPI KENYA SME FUND Kenya RM/CRD OPINION 01/03/2006* • *Note Conjointe 31/07/2006* • *Report to Management Committee 16/2/ 2006* • *Project Progress Report, 13/1/2010* • *9th EDF- Kenya-EC Country Strategy Paper for the period 2003-2007* • *10th EDF- Kenya-EC Country Strategy Paper and Indicative Programme for the period 2008-2013* • *Website of BUSINESS PARTNERS INTERNATIONAL KENYA SME FUND at http://www.businesspartners.co.za/BPI/Kenya/AboutKenya.asp*

2005_EMP AFRICA FUND II

Intervention Title	EMP AFRICA FUND II
Country/Region	**Regional Africa and ACP States**
EIB Ref.	**20050319**
Project Start date & End date	**15/05/2006** **Ongoing**
Financing committed	**-EUR 40 m in equity**
Amount cancelled	-
Amount disbursed	**EUR 31.71 m.**
Beneficiary	**EMP Africa Fund II LLCC (incorporated in Mauritius); Targeted investee companies**
Project Background & History	From ECP Website: *Africa Fund II is the successor to the successful AIG African Fund Infrastructure Fund LLC ("Africa Fund I") which had a total of US$407.6 million in investor commitments and completed 14 investments throughout Africa, primarily in infrastructure and related industries. EIB was an investor in the Africa Fund I, alongside several IFIs.* *Africa Fund II targets numerous sectors throughout the African continent including: Telecoms, Natural Resources, Financial Services, Power and Water, Agribusiness and Transportation among others. The Fund seeks to invest alongside of world-class international or local partners with extensive operational experience, a demonstrated track record of accomplishment, a superb business reputation and a history of financial and technical success. Africa Fund II seeks either majority or minority positions through equity, quasi-equity and convertible debt instruments. The Fund's investments typically range in size from $15 million to $50 million with a maximum of 20% of the Fund's total size available per transaction. Target companies are generally EBITDA positive and have total valuations in the range of $40 million to over $500 million.* ***Africa Fund II investments are reported on:*** ***http://www.ecpinvestments.com/portfolio.xml?f=fund&q=1005&id=1005&view=fund&media=history&_sort=date&p=1012*** From Project Docts: The fund's size is now USD 453m; alongside EIB's investment, commitments have been made by five IFIs (AfDB, IFU, Proparco, SwedFund and CDC), and 12 local investors. EIB, together with IFU, Proparco and SwedFund entered into a MoU on 26 January 2007, by which was agreed to nominate for two years one representative for the "European Group" to represent it in the Committees of Africa Fund II (Project Docts) The Fund is managed by Emerging Market Partners (EMP), Washington, D.C. jointly owned by EMP Global LLC ("the Sponsor") and Emerging Capital Partners ("ECP"). EMP Global is a large international private equity firm focused exclusively on emerging markets. ECP is owned by the professionals of the EMP Africa team. *Emerging Capital Partners (ECP) is the first private equity group to raise more than $1.6 billion for investment in companies across the African continent. The ECP team has been investing in Africa since 2000. Today, the firm has a ten-year track-record of investing in Africa through six successful funds. ECP Africa Fund II PCC ("Africa Fund II") was established in December 2005, to capitalize on the numerous investment opportunities throughout the continent of Africa. Africa Fund II currently has $523 million in commitments from investors. The Fund has a five-year commitment period and a ten-year term.*

Overall objectives	The aim was to participate as a limited partner in a fund established to make direct and indirect equity investments in companies at expansion stage with good growth potential on the African continent.
Specific objectives	Channel equity funding through an established equity fund with proven track record. Provide access to equity funding (not readily available) to strong enterprises Target the continent's "best performing" countries
Expected results	Development impact : *(see BoD Report)* The operation will a) encourage private initiative in infrastructure and service related investments; b) contribute to the development of local financial markets and improvement of corporate governance; c) promote private sector growth; d) create new jobs and improve the general economic situation in Africa by raising finance for important infrastructure and other investments and e) highlight to investors the opportunities the African continent offers for investment. These objectives are in line with the strategy for equity investments defined in the IF Equity Strategy paper sent to the Board for information in June 2005.
Activities	ECP Africa Fund II PCC has committed to fifteen portfolio companies so far, out of which three are currently performing very well (1,4,5), three are performing well (7,8,11), three are performing satisfactorily (2,6,14), four are not performing yet as they are in their start-up phase still (12,10,9,3) and the remaining two (13,15) have not been disbursed yet.
Main achievements	Demonstration of attractive investment opportunities in Africa offering attractive rates of return.
Project's main weak points	CRD observation: *It should also be noted that in addition to the high degree of risk associated with this operation, the foreign exchange rate risk, which the IF would take on, is twofold. While the IF is denominated in EUR, the Fund is denominated in USD and individual investments are likely to be in local currencies.*
Issues	EIB additionality ? Perhaps justified learning curve, sustainability Question: Has EIB exited from AAIF? What is EIB's approach re: exits [see Guidelines for Equity ...]
Documentary	*PIN (Preliminary Information Note) 05/07/2005* *Fact Sheet A: Proposal to Appraise New Operation 29/09/2005* *Fact Sheet B: financing proposal 26/10/2005* *EMP AFRICA FUND II Regional Africa RM/CRD OPINION 29/09/2005* *Monitoring ECP Africa Fund II PCC Monitoring Exercise 2008*, including*: PPR 14/05/2008* *Board of Directors Report 13 /12/2005* *Project Progress report (PPR) Monitoring Exercise 2008* *ECP Website: http://www.ecpinvestments.com/*

2005_ACPGLOB CA2004

Intervention Title	**BPI MADAGASCAR SME FUND**
Country/Region	**Madagascar**
EIB Ref.	**20050310**
Project Start date & End date	**15/05/2006** **Draw down expected in 5 years**
Financing committed	**EUR 2 m**
Amount cancelled	-
Amount disbursed	**EUR 1.09 m**
Beneficiary	BUSINESS PARTNERS INTERNATIONAL MADAGASCAR INVESTMENT FUND LLC and local Malagasy SMEs
Project Background & History	Business Partners International Madagascar SME Fund is a EUR 8.5 m (target amount) quasi-equity risk capital fund established in Madagascar. The Fund is managed by Business Partners International Madagascar, and its local team of professional staff. Shareholders include (committed capital): IFC (EUR 2.75 m.), EIB (EUR 2 m.), ARO (EUR 1.7 m.), Norfund (EUR 1.2 m.) and DOEN (EUR 0.85 m.) The Fund invests in local Malagasy SMEs. The Fund invests primarily in quasi-equity and debt instruments in the range of US$ 0.050 m – 0.5 m per investment. The Fund also provides technical assistance funding, through the Technical Assistance Facility. Technical assistance is provided to investee SMEs though a network of mentors, accountants and consultants. The Technical Assistance Facility is a US$2 m fund set up by the Government of Madagascar through the World Bank.
Overall objectives	Reach SMEs in a spectrum currently not targeted by venture capital funds operating in Madagascar. The *Complementary Information on the Financing Proposal 15/09/2005* provides some limited information on the concerned SME market
Specific objectives	Make about 120 investments over a 5 year period Adapting instruments to the needs of customers
Expected results	High development impact in terms of creation and strengthening of SMEs which are particularly vulnerable in Madagascar by lack of investors
Activities	Invest in smaller Malagasy SMEs, and operational support to investee companies.
Main achievements	It is an achievement of the IFC and Business Partners South Africa Ltd (BPSA) to set up a venture capital fund in one of the least developed countries in the world, meaning that the investment is inherently risky, take-up uncertain and financial returns uncertain. Strong experience and track record of the promoter, BPSA, and willingness to set up a Malagasy fund. Non-financial support to investee companies, including TA and "mentoring". Strong backing by IFC (financial and non-financial).
Project's main weak points	Vulnerability due to small size of management team (despite key-man clauses) EIB does not sit on the Investment Committee (though it has a seat on the Advisory Board which seemingly must approve flow of funds arrangements) High management fee
Issues	Inherent risks, and exit possibly difficult. Currency risk, as all investments will be denominated in local currency.

	Political and economic stability of Madagascar. Possibly low level of demand from good-quality sub-projects. Due to regulatory requirements, the Fund could not operate before December 2007 and its marketing was substantially delayed. The Fund has made a total of 26 investments (11/2008- no later PPR)
Documentary	*PIN (Preliminary Information Note) 20/06/2005* *Fact Sheet B: financing proposal20/09/2005* *Complementary Information on the Financing Proposal 15/09/2005* *OPS B – Project Progress Report 20/11/2010* *BPI MADAGASCAR SME FUND Madagascar RM/CRD OPINION 20 September 2005* *Note Conjointe 10/02/2006* *EC- Southern African Region: RSP and RIP 2008-2013* *Addendum thereto* *9th EDF : Madagascar-CE STRATEGIE DE COOPERATION ET PROGRAMME INDICATIF 2002-2007* *10th EDF : Madagascar-CE Document de stratégie pays et programme indicative national 2008-2013* *Website of BUSINESS PARTNERS INTERNATIONAL MADAGASCAR SME FUND* at *http://www.businesspartners.co.za/BPI/Madagascar/MadaDefault.htm*

2005_Pacific Islands Financing Facilities (PIFF I& II)

Two similar global loans have been provided by the EIB in the Pacific Islands:

- Pacific Islands Financing Facility I, SERAPIS n° 2004 0138, a global loan of up to € 20m, approved in 2004, mainly targeted to financial institutions of Samoa, Tonga and Fiji.
- Pacific Islands Facility II, SERAPIS n° 2005 0362, a global loan of up to € 25m was set up in 2005 to widen the geographical scope of the initial facility and was mainly targeted to financial institutions of Papua New Guinea, Cook Islands, Palau, Niue.

PIFF II is part of the evaluation's selection of 20 projects selected for this evaluation but it has operations in the Pacific countries visited (Fiji and Samoa), whereas PIFF I has a contract with the Development Bank of Samoa. Given this particular situation and the similarities between the two projects it appeared reasonable to include both facilities in this descriptive fiche, while making under every item a clear distinction between PIFF I and PIFF II.

Intervention Title	**Pacific Islands Financing Facilities I & II (PIFF - n° SERAPIS 2004 0138) (PIFF II - n° SERAPIS 2005 0362)**
Country/Region	Regional Pacific
EIB Ref.	**PIFF I** : N° SERAPIS 2004 0138 **PIFF II**: N° SERAPIS 20050362
Project Start date & End date	**PIFF I**: Signature (First contract, with DBS) 15/10/2005 *(Note. EIB Board meeting for discussing and possibly accepting this operation was planned on 14/10/2004)* **PIFF II**: Signature (first tranche): 10/12/2006 Term of the global loan: maximum 15 years (incl. max. 3 years grace period) Term of the guarantees: 7 to 10 years (depending on the underlying loans)
Financing committed	**PIFF I**: EIB Operation Amount: **envelope of €20m** (out of a total Project Cost of €40m). This operation is a global loan facility, aimed at financing long-term loans in the Pacific region. Note. The Fact Sheet A shows that this operation was initially envisaged with more instruments: also a Guarantee Facility (up to €10m) and Equity through Venture Capital Funds (up to €5m)[5], in addition to global loans. The equity operations have eventually been conducted through specific contracts. The facility materialized in a **single contract, of €7m with the DBS**, the Development Bank of Samoa (EIB contract ID: 23209). It was signed on 15/10/2005. It has a fixed interest rate, a 15-year term and a grace period of 4 years A contract of **€10m with the Fiji Development Bank (FDB**) is approved but not signed.. A contract of **€3m with the Tonga Development Bank (TDB**) was signed in December 2005.

[5] Samoa Venture Capital Fund and Kula II.

	PIFF II: This operation was initially envisaged as a financial package under the IF comprising[6]: (a) **Global loan facility**: A regional EUR or USD[7] denominated global loan facility of **€25m** from the EIB (out of a total Project Cost of €50m), targeting four or more banks in the Pacific. Tenors would be up to 15 years including a grace period of up to 3 years; o **Interest rate subsidy for the allocation to the NDB** of max. €0.6m (on a global loan of max. €2m) (b) **Guarantee facility**: A regional and/or national local currency denominated guarantee facility in favour of three commercial banks. Guarantees issued would have a life of 7 to 10 years (depending on the underlying loans). The report to the Board of Directors mentioned on p2 that €1m was also envisaged for TA for the PIFF and PIFF II. The facility resulted in a first **contract of €5m with the NDBP**, the National Development Bank of Palau (EIB contract ID: 23754). It was signed on 05/12/2006 and has an allocation limit of 05/12/2009. It has a fixed interest rate, a 15-year term and a grace period of 3 years. This bank is a relatively small financial institution, with nine employees including the President, 5 of which are involved in loan operations (*see annexes to this operation's report to the Board of the EIB*). A second contract was signed on 23/02/2007 for **€2m** (referred to as "Pacific Islands Financing Facility II B", contract n° 23895) with **the Niue Development Bank (NDB**). Its disbursement was conditional to the sanitation of the partly impaired portfolio of assets of the NDB; EIB has provided TA to this end but the conditions are not satisfied yet. A contract of **€3m with the Federated States of Micronesia Development Bank (FSMDB)** is approved and its signature is pending. A contract of **€3m with the Bank of the Cook Islands Ltd (BCIL)** has been approved and signature is pending. The Guarantee facility envisaged has not been used. The use of the **€1m provision for TA** is currently envisaged for the funding of (small sized) services provided by consultants to existing and potential customers of the global loans at the development banks under PIFF II.
Amount cancelled	
Budget disbursed	**PIFF I**: Disbursements relating to the contract with the Development Bank of Samoa: the full €7m for this contract have been disbursed by 15 June 2009, which was made possible by a 9-month extension to the initial contractual deadline for allocations and disbursement requests of 09.12.2008 to allow DBS to access the remaining €2m under this facility. **PIFF II**: Disbursements currently relate only to the €5m contract with the NDBP (out of the €25m facility). The total amount allocated and disbursed was €3,26m (64% of €5m); this represents 13% of the total €25m envelope envisaged for this facility. This consisted of two disbursements: USD 3,016,465.00 on 23.01.2009, and USD 1,391,285.00 on 03.08.2009. The un-disbursed balanced is hence of €1,739,426.56. The 2009 Project Progress Report mentions that *"It is very unlikely that*

[6] Source: Report to the Board of Directors; Fact Sheet A – RM/CRD Opinion, 25/10/2005

[7] If available, regional currencies (such as AUD or NZD) could also be considered. It is, however, understood that any non-EUR exposure to the IF will be hedged.

NDBP will draw down the remaining amount within the current deadlines (5 December 2009 for allocations proposals and disbursement requests). Furthermore, as the repayment of principal is to start in March 2010, it is most probable that those deadlines will not be extended."

The following table summarises the situation of disbursement as of end 2009.

Pacific Islands Fiancial Facility

N° projet		2004 0138		**2005 0362**	
Dénomination de l'opération		PACIFIC ISLANDS FINANCING FACILITY	PACIFIC ISLANDS FINANCING FACILITY B	**PACIFIC ISLANDS FINANCING FACILITY II**	**PACIFIC ISLANDS FINANCING FACILITY II**
Nom du pays de la transaction		REGIONAL - PACIFIQUE			
Type		IF	IF	**IF**	**IF**
Date de signature		15/10/2005	15/12/2005	**05/12/2006**	**23/02/2007**
Montant signé		7 000 000.00	6 000 000.00	**5 000 000.00**	**2 000 000.00**
Montant augmentation		0.00	0.00	**0.00**	**0.00**
DECAISSEMEMTS	2003	0.00	0.00	**0.00**	**0.00**
	2004	0.00	0.00	**0.00**	**0.00**
	2005	0.00	0.00	**0.00**	**0.00**
	2006	2 095 477.73	0.00	**0.00**	**0.00**
	2007	1 238 089.52	0.00	**0.00**	**0.00**
	2008	2 299 610.51	70 824.88	**0.00**	**0.00**
	2009	1 366 822.24	0.00	**3 260 573.44**	**0.00**
	TOTAL	7 000 000.00	70 824.88	**3 260 573.44**	**0.00**

Beneficiary

PIFF I:

Direct beneficiaries:

While Fact Sheet A mentioned a number of financial institutions to benefit from global loans, portfolio guarantee and equity investment[8], the Fact Sheet B only named two institutions and only for global loans, namely the Tonga Development Bank and the Development Bank of Samoa. As a global loan, the operation was left open for other beneficiaries (*Further intermediaries will, if they meet the Bank's criteria and qualifying standards, possibly join the scheme at a later stage, upon approval of the Management Committee")*[9]

Indicative amounts per bank foresaw a range of €4-6m for the Tonga Development Bank and €5-7m for the Development Bank of Samoa (€7m were contracted).

Final beneficiaries:

Small, Medium and Microsized Companies (SMMIs).

Allocations to SMEs would be up to EUR 500.000, distributed on a first come first served basis by the banks to ensure an efficient overall fund utilisation.

PIFF II:

Direct beneficiaries (borrowers) initially envisaged[10]:

- Bank South Pacific (BSP) in Papua New Guinea *(preliminary breakdown: €8m-€10m)*
- Bank of the Cook Islands Limited (BCIL) in the Cook Islands (*€2m-€3m)*
- National Development Bank of Palau (NDBP) in the Republic of Palau (*€3m-€5m)*
- Niue Development Bank (NDB) in Niue (*€1m-€2m)*
- Additional intermediaries from other Pacific countries, which would have been able to benefit from the facility at a later stage, subject to satisfactory appraisal and approval by the Management Committees[11].

[8] Fiji Development Bank, Bank of the Cook Islands, Bank of Samoa and Tonga Development Bank for global loans; proposed two commercial banks (ANZ, Westpac) for portfolio guarantee product; and Samoa Venture Capital Fund and Kula II for equity investment

[9] Source: "Fact Sheet B – Financing Proposal" (of the operation), EIB, 21/10/2004 (p1)

[10] Source : "Fact Sheet B – Financing Proposal" (of the operation), EIB, 11/10/2006 (p1)

<table>
<tr><td></td><td><u>Final beneficiaries initially envisaged</u>: SMEs and micro-sized initiatives in the Pacific region operating in eligible sectors under Cotonou

In practice, the only direct beneficiary was the NDBP (€5m contract). Its final beneficiaries were, as mentioned in the Project Progress Report, “SMEs and micro-sized initiatives in the Republic of Palau in the productive and human capital sectors (private sector)”.</td></tr>
<tr><td>Project Background & History</td><td>PIFF I:
This first financing facility for the Pacific Islands aimed at addressing a gap in the market in terms of term financing that precluded many SME from obtaining suitable funding from local sources. The EIB aimed to cooperate with a (first) series of development banks in the Pacific region. It had already relations with several banks falling in the scope of this facility, mainly in countries which are historically part of the ACP agreements (e.g. Tonga, Fiji, and Samoa).

PIFF II:
The global loan would be a follow up of the first Pacific Financing Facility under Cotonou, approved by the CA on 14 October 2004 (CA/381/04). The first facility had been fully allocated and this second facility aimed at appraising further banks in the region.
Through the proposed combined facility approach the Bank aimed to cooperate with several financial intermediaries in the Pacific region, similar to what had already been done under the first Pacific Islands Financing Facility, and in a number of large individual countries in other parts of the ACPs. The maximum amounts available for the initial participating banks were €10m for BSP, €3m for BCIL, €5m for NDBP and €2m for NDB.
Details on the proposed guarantee facility were not available but the aim was to make available different types of credit lines to private sector companies in the Pacific region by sharing risks with commercial banks. Guarantees could possibly cover: (i) short term domestic trade credits (ii) medium term finance in the form of equipment lease, (iii) corporate loans, (iv) home loans and/or (v) medium term finance to exporters and tourism operators.
Note. There were previously global loans with the Development Bank of Kiribati. No previous relationship with the proposed development bank in Palau, which is a new ACP country and no direct relationship with the Rural Development Bank in PNG. There were existing contacts with the Bank of the South Pacific and Westpac. There was co-financing with ANZ but no financing facilities to date with any of them.</td></tr>
<tr><td>Overall objectives</td><td>Support the private sector</td></tr>
<tr><td>Specific objectives</td><td>Provide loans and technical assistance to SMEs and micro-sized initiatives in different Pacific countries</td></tr>
<tr><td>Expected results</td><td>See activities</td></tr>
<tr><td>Activities</td><td>The size of allocations under the facilities would be limited to €0.5m.

See also above under the lines “Financing Committed” and “Project Background & History”.</td></tr>
<tr><td>Main achievements</td><td>PIFF I:
For the contract with the Development Bank of Samoa, the January 2009 PPR mentions the following achievements to date:
“15 Projects (small and medium sized projects each requiring an investment by the Bank comprised between EUR 70,000 and EUR 500,000) and 184 Portfolio Projects (projects below EUR 70,000) have been allocated and disbursed (15 disbursements have occurred). 724 jobs have been created. More than a third (35%) of the GL has been allocated to hotels and restaurants, 20% to wholesale and retail trade, 10% to transport, storage and communication, 9% to manufacturing and 8% to agriculture, hunting and forestry.”

The following tables provides the sector distribution of the credits granted by DBS with the lobal loan:</td></tr>
</table>

[11] Three commercial banks were proposed in 2005 to be eligible under the guarantee facility: Australian and New Zeeland Banking Group (“ANZ”), Westpac Banking Corporation (“Westpac”), and BSP. ANZ and Westpac are rated Aa3 by Moody’s. BSP is not rated by any of the rating agencies. Exposure limits set out in the IF CRPG will apply. Source: “Fact Sheet A – RM/CRD Opinion), EIB, 25/10/2005 (p1)

Distribution of credits by sector					
	Amount in €	%	Number	%	Average value of credit (€)
Agriculture and fishing	414 092	*7.8%*	50	*24.8%*	8 282
Mining and quarrying	156 159	*3.0%*	1	*0.5%*	156 159
Manufacturing	605 897	*11.5%*	18	*8.9%*	33 661
Elec., gas and water supply	132 593	*2.5%*	4	*2.0%*	33 148
Construction	305 646	*5.8%*	6	*3.0%*	50 941
Wholesale and retail	959 693	*18.1%*	64	*31.7%*	14 995
Hotels and restaurants	2 006 459	*37.9%*	21	*10.4%*	95 546
Transport and storage	491 390	*9.3%*	21	*10.4%*	23 400
Real estate, renting, business act.	163 016	*3.1%*	9	*4.5%*	18 113
Other community activities	55 160	*1.0%*	8	*4.0%*	6 895
Total	5 290 105	*100.0%*	202	*100.0%*	26 189

On (weighted) average the EIB global loan contributed to 38% of the value of these loans.

PIFF II:
The facility resulted in a first contract of €5m with the NDBP. The 2009 Project Progress Report of this contract provides the following score for project progress: "Good – 2". It mentions the following achievements: "*9 projects (small and medium sized projects each requiring an investment by the Bank comprised between EUR 70,000 and EUR 500,000) totalling USD 2.3M and 70 portfolio projects (below EUR 70,000) totalling USD 2.1M have been allocated and disbursed. Over a fourth of the GL has been allocated to construction (28.61%), another fourth (25.68%) to social housing (classified under real estate, renting and business activities), 18% to hotels and restaurants, 17% to wholesale and retail trade, 5.6% to transport, 2.2% to electricity, gas and water supply and 2.6% to other community, social and personal service activities.*"
It further reports that 194 jobs have been created (without providing more details).

For both facilities the main achievement has been no provide numerous relatively small to medium loans to small and micro enterprises. The channeling of the resources provided by the Investment Facility through local development banks proved an effective way of having a widespread distribution of credit. Widespread sector wise, but also geographically because the development car reach actors in remote areas such as the outer islands which are seldom covered by the commercial banks.

Project's main weak points	Nothing to point to, except the lack of collaterals, see issues hereunder.

Issues	**PIFF I**: Disbursing the full loan it contracted will be an issue for DBS because of the absence of collateral offered by the borrowers. Indeed the main collateral for MSME is land but it Samoa it is mostly "customary land", meaning land own by communities and belonging to the village, not to the individuals. It can therefore not be sold and it not usable as a security. Moreover, contrarily to the situation in Fiji, banks in Samoa are not prepared to accept land lease as collateral (in fact land lease is not widespread in Samoa). **PIFF II**: The 2009 Project Progress Report mention the following issues for the single contract from this facility (with the NDBP), in particular delays in fulfilling condition precedents: *"Disbursements under this global loan (tranche with National Development Bank of Palau) started two years after the signature of the Finance Contract. The first reason of this delay was the time elapsed between the signature of the Finance Contract (December 2006), the signature of the Guarantee and Indemnity Agreement with the Republic of Palau (September 2007) and the receipt by the Bank (April 2008) of the Senate Joint Resolution approving the entry by the Republic of Palau into the Guarantee and Indemnity Agreement. The second reason was that one of the conditions precedent for the first disbursement was fulfilled only in January 2009, namely the letter confirming the acceptance of the process Agent. To date, 65% of this global loan has been allocated and disbursed (in USD). It is very unlikely that NDBP will draw down the remaining amount within the current deadlines (5 December 2009 for allocations proposals and disbursement requests). Furthermore, as the repayment of principal is to start in March 2010, it is most probable that those deadlines will not be extended."*
Documentary	**PIFF I**: ▪ "Fact Sheet A – Proposal to appraise new operations" (of the operation), EIB, 05/03/2004 ▪ "Relevé Quotidien (RQ)", EIB, 26/02/2004 ▪ "Fact Sheet B – Financing Proposal" (of the operation), EIB, 21/10/2004 ▪ "Project Progress Report" (of the operation's contract n° 23209 with the DBS), EIB, 07/01/2009. **PIFF II**: ▪ "Fact Sheet A – Proposal to appraise new operations" (of the operation), EIB, 29/09/2005 ▪ "Fact Sheet A – RM/CRD Opinion" (of the operation), EIB, 25/05/2005 ▪ "Fact Sheet B – Financing Proposal" (of the operation), EIB, 11/10/2006 ▪ "Financial Report Ops B"(of the operation), EIB, *date not specified* ▪ "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006 ▪ "Project Progress Report" (of the operation), EIB, 01/12/2009 ▪ "Note to the Management committee, PIFF II: Proposal to approve A) an additional intermediary and B) the technical assistance scheme under the Facility", EIB 19/4/2010 Both Facilities: ▪ Pacific Regional Office, Quarterly Report, QIV: October-December 2010 ▪ Qarterly Report 2010.

2006_EAU SENEGAL

Intervention Title	**PROGRAMME EAU SENEGAL**
Country/Region	Senegal
EIB Ref.	2006 0566
Project Start date & End date	09/05/2007 (signature 29/11/2007) – 2011 (expected end of the project)
Financing committed	15 million EUR (EIB own resources) – 25% of total cost
Amount cancelled	No indication
Amount disbursed	15 million EUR (maximum)
Beneficiary	Direct beneficiary: **SONES: Sociéré nationale des eaux du Sénégal**, a public company wholly owned by the Republic of Senegal
Project Background & History	The project, falling under the Programme d'eau Potable et Assainissement Millénaire (PEPAM) and covering the period 2006-2011, comprises the construction and/or rehabilitation of the water treatment facilities, reservoirs and improvement of distribution network in Dakar, Senegal. More precisely, PEPAM is concentrated on Dakar and on the most important urban centres in the country according to the following points: production, storage and distribution. PEPAM follows on from the PSE (Water Sector Project) and PELT (Long-Term Water Project), both of which the Bank helped to finance.
Overall objectives	PEPAM aims to achieve the UN Millennium Development Goals for 2015. The objectives of the first phase of PEPAM 2006-2011 are to increase the rate of domestic drinking water connections, improve the quality of the water supply, bolster the policy of subsidised connections and strengthen the institutional reform of the public health engineering programme embarked upon in 1996. The additional connection to drinking water is expected to have a positive effect on the health by reducing the risk of water diseases. Furthermore the impact on the nature's protection is needed to assess.
Specific objectives	The main objective of PEPAM for sanitation and drinking water is the improvement of the drinking water's access: 64% to 82% by 2015 in rural area, 95.7% in Dakar and 84.3% in the other urban centres.
Expected results	In order to achieve the overall objectives described above, SONES had to allow 51 000 new social connections to water up to 2011. This should have represented 540 000 additional persons who should have access to safe drinking water in Senegal. A positive social impact is expected by reducing the risks of water-borne diseases. Once the domestic connections or standpipes have been installed, it will also relieve women and children of the daily chore of fetching water, leaving them with more time for gainful activities and for the children to attend school. The improvement in living conditions and job creation resulting from the involvement of local people in the project will also help stem the flow of people into more densely populated areas.
Activities	The overall project (estimated at 60 million EUR) includes the following parts: • Production (for the urban centres only): 16 boreholes to be created, 3 boreholes to be renovated, and 2 water intakes to be created; • Treatment: for the urban centres, 4 treatment plants; and for Dakar, an iron removal plant; • Storage: for the urban centres, 22 reservoirs with a total capacity of 19 000 m³ and 2 structures to be renovated for Dakar, 3 reservoirs with a total capacity of 5000 m³; • Distribution: installation of 51 000 subsidised connections, upgrading of 30 000 connections, installation of 365 standpipes, network extensions (434 km) and network upgrading (215 km); • Technical assistance: client assistance and institutional support.

Main achievements	No information available in that respect.
Project's main weak points	The documents do not provide any information in that respect
Issues	The price paid by the Senegalese for the water was the higher in the UEMOA zone. Consequently, the household's capacity to pay needed to be evaluated in order to ensure the viability of the project. Promoter's capacity to set up an ambitious investment program which implied that the MDG related to water will be reached. Settle the backward of the public authorities.
Documentary	"Fact sheet B: financing proposal", EIB, 2007 "Note à Ops B/ACPIF-1. Avis pour instruction », BEI, 2007 « Programme eau Senegal. RM/CRD opinion" Fact sheet A Ops B/ACP-IF/2006-0566, BEI, 2007 "Fact sheet A: Appraisal Authorisation", EIB, 2007 "Rapport financier. Projet: Programme eau Sénégal", EIB, 2007 "Appendix Development Impact Assessment Framework", EIB "Conseil d'administration. Prêt à l'investissement bonifié sur ressources propres. Projet PROGRAMME EAU », EIB, 2007 "Document de stratégie de coopération et programme indicative pour la période 2002-2007" European Community, « Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007

2007_ACPGLOB SOCREDO

Intervention Title	SOCREDO – LIGNE DE CREDIT ENVIRONNEMENT
Country/Region	French Polynesia
EIB Ref.	2007-0328
Project Start date & End date	31/01/2006 until
Financing committed	€5 million under IF (ordinary loan)
Amount cancelled	No indication
Amount disbursed	€5 million
Beneficiary	Direct beneficiary: **SOCREDO Bank** (Société de Crédit et de développement de l'Océanie) is aimed at contributing to the economic and social development of French Polynesia. As from its creation, the shareholders of the bank are the Territory of French Polynesia (50%) and the AFD (50%).
Project Background & History	The project consisted of providing SOCREDO with long-term financing needed in order to finance projects in the environmental and renewable energy sector in French Polynesia for 2 years. In that respect, SOCREDO submitted to the EIB specific partial financing demands for projects in that field presented by enterprises. A technical expert from the EIB based in Sydney office is a key element to perform a complete analysis of the eligibility criteria for the projects presented. In the previous years, the EIB has signed 5 contracts with SOCREDO. The most part of the loans has been satisfactory used.
Overall objectives	The EIB's line of credit is aimed at financing small and medium sized projects in the environmental and renewable energy sector in French Polynesia.
Specific objectives	Strengthen the financial sector as well as the private sector (SMEs in environmental sector) Develop the environmental sector as well as the renewable energy sector by according a better access to long-term financing via the interest subsidy.
Expected results	
Activities	
Main achievements	No information available in that respect.
Project's main weak points	
Issues	**SOCREDO risk:** business concentration in a small local market, risky portfolio segments, weak diversification of the portfolio and transition to a shareholder structure. **Under-utilization of credit line:** the financing committed is small regarding the potential eligible projects identified by SOCREDO. The latter estimated the financing need of €20 million in that respect.
Documentary	"Fact sheet B: financing proposal", EIB, 2007 "SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007 « Note conjointe, SOCREDO ligne de crédit environnement », EIB, 2007 « RM opinion », EIB, 2007 « French Polynesia : Financial Sector Review », EIB, 2007 "Value Added Sheet for Global Loan Operations under COTONOU Agreement (IF/OR)", EIB, "Operational Strategy for the financial sector. New Caledonia and French Polynesia", EIB, 2007 "SOCREDO – ligne de crédit environnement. Résumé de l'opération proposée », EIB, 2007

TA2007_ACP

Intervention Title	TA microfinance facility : MicroCred Madagascar and MicroCred Senegal and 3rd country
Country/Region	Regional ACP – Madagascar and Senegal
EIB Ref.	TA2007002 RO IF1
Project Start date & End date	21/10/2008 - ongoing (end foreseen on 31/12/2010)
Financing committed	€2 million The total funding approved was distributed as follows: €800 000 to MircoCred Madagascar, €600 000 to MicroCred Senegal and the rest to a third MicroCred microfinance institution in another ACP country.
Amount cancelled	No indication
Amount disbursed	€1 999 857
Beneficiary	MicroCred SA
Project Background & History	Participation in the capital increase of MicroCred. MicroCred is a microfinance investment company sponsored by Planet Finance, an international microfinance group with operations in more than 60 countries. MicroCred's investment objective is to achieve a commercially acceptable return in the microfinance area, and a social return through the deployment of equity or convertible debt to new microfinance institutions (MFIs) or financial institutions providing financial services to microentrepreneurs in developing countries. Since its creation in 2005, MicroCred has created six microfinance banks and non bank financial institutions in Madagascar, Senegal, Mexico China, Nigeria and Côte d'Ivoire. In the next years, MicroCred intends to grow its portfolio in Africa, the Middle East, China and Latin America with the ultimate goal of 15 investments by 2015.
Overall objectives	This operation aims to meet the objectives of the Cotonou Agreement for the eradication of poverty by supporting the improvement in the quality, availability and accessibility of financial services and the development of modern financial institutions and sustainable microfinance operations. •
Specific objectives	This operation is aimed at supporting the development of greenfield microfinance institutions in sub-Saharan Africa. TA is aimed at supporting MicroCred's capacity building and institutional strengthening activities targeting microfinance institutions in ACP countries. The strategic objectives aimed at through this operation are: • Creation of new Greenfield investments in Africa; • Support of the private sector, both directly and indirectly, by investing through MicroCred in MFIs; • Provision of credit to micro and small enterprises through MFIs created by MicroCred.
Expected results	
Activities	
Main achievements	The TA funding provided by the EIB enabled MicroCred's subsidiaries in Madagascar and Senegal to expand the range of financial products and services offered for productive purposes. More specifically, the provision of TA support serves to fund expenses incurred to train local employees.
Project's main weak points	
Issues	

Documentary	« Note to the management Committee », EIB, 2007 “TA MicroCred Madagascar – Milestones for 2008”, EIB, 2008 “TA MicroCred Senegal – Milestones for 2008”, EIB, 2008 “TA operation progress sheet, December 2009”, EIB, 2009 “Project Progress Report. Monitoring exercise 2009”, EIB, 2009 “Ops B – Project Progress Report”, EIB, “Microfinance Institutions/affiliates. Performance indicators as at September 2009”, EIB, 2009 “MicroCred Senegal. Technical Assistance Plan 2010.”, MicroCred, January 2010 “MicroCred Senegal. Technical Assistance Plan 2009.”, MicroCred, March 2009 “MicroCred Madagascar. Technical Assistance Plan 2009.”, MicroCred, May 2009 “Quarterly Performance Report on Technical Assistance. MicroCred Senegal. Quarter 4, 2009.”, MicroCred, February 2010 “Quarterly Performance Report on Technical Assistance. MicroCred Senegal. Quarter 3, 2009.”, MicroCred, November 2009 “Quarterly Performance Report on Technical Assistance. MicroCred Senegal. Quarter 2, 2009.”, MicroCred, August 2009 “Quarterly Performance Report on Technical Assistance. MicroCred Senegal. Quarter 1, 2009.”, MicroCred, April 2009 “Quarterly Performance Report on Technical Assistance. MicroCred Senegal. Quarter 3, 2008.”, MicroCred, October 2008 “Quarterly Performance Report on Technical Assistance. MicroCred Madagascar. Quarter 4, 2009.”, MicroCred, February 2010 “Quarterly Performance Report on Technical Assistance. MicroCred Madagascar. Quarter 3, 2009.”, MicroCred, November 2009 “Quarterly Performance Report on Technical Assistance. MicroCred Madagascar. Quarter 2, 2009.”, MicroCred, August 2009 “Quarterly Performance Report on Technical Assistance. MicroCred Madagascar. Quarter 1, 2009.”, MicroCred, April 2009 “Quarterly Performance Report on Technical Assistance. MicroCred Madagascar. Quarter 4, 2008.”, MicroCred, January 2009 “Quarterly Performance Report on Technical Assistance. MicroCred Madagascar. Quarter 3, 2008.”, MicroCred, October 2008 “Quarterly Performance Report on Technical Assistance. MicroCred Madagascar. Quarter 1, 2008.”, MicroCred, April 2008 “Cotonou Technical Assistance – Annual Report 2009”, EIB, 2010

TA2008_DOM REP

<table>
<tr><th>Intervention Title</th><th>TA Programme to Financial Institutions in the Dominican Republic for institutional capacity building – Phase I (preparation) & II (implementation)</th></tr>
<tr><td>Country/Region</td><td>Dominican Republic</td></tr>
<tr><td>EIB Ref.</td><td>TA2008033 DO IF2</td></tr>
<tr><td>Project Start date & End date</td><td>Phase I – preparation: 04/12/2008 to 31/01/2009
Phase II – implementation: n/a (not signed so far)</td></tr>
<tr><td>Financing committed</td><td>€1 484 900 (34 900 for phase I and 1 450 000 for phase II). The amount foreseen for phase II is not yet signed.</td></tr>
<tr><td>Amount cancelled</td><td></td></tr>
<tr><td>Amount disbursed</td><td>TA2008_DOM Rep
<table>
<tr><td>N° projet</td><td></td><td>TA2008033 DO IF2</td><td>TA2008034 DO IF2</td></tr>
<tr><td>Dénomination de l'opération</td><td></td><td>TA Programme to Financial Institutions in the Dominican Republic for institutional capacity building, Phase I - Preparation</td><td>TA Programme to Financial Institutions in the Dominican Republic for institutional capacity building, Phase II - Implementation</td></tr>
<tr><td>Nom du pays de la transaction</td><td></td><td>Domenican Repubblic</td><td>Domenican Republic</td></tr>
<tr><td>Type</td><td></td><td>IF</td><td>IF</td></tr>
<tr><td>Date de signature</td><td></td><td>30/12/2004</td><td>22/10/2008</td></tr>
<tr><td>Montant signé</td><td></td><td>34 900.00</td><td>n/a</td></tr>
<tr><td>Montant augmentation</td><td></td><td>0.00</td><td>0.00</td></tr>
<tr><td rowspan="8">DECAISSEMEMTS</td><td>2003</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2004</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2005</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2006</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2007</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2008</td><td>0.00</td><td>0.00</td></tr>
<tr><td>2009</td><td>34 900.00</td><td>0.00</td></tr>
<tr><td>TOTAL</td><td>34 900.00</td><td>0.00</td></tr>
</table></td></tr>
<tr><td>Beneficiary</td><td>Banco ADEMI, Banco ADOPEM and FONDESA</td></tr>
<tr><td>Project Background & History</td><td>The EIB has been involved in the Dominican Republic microfinance sector for the last 12 years and has supported two institutions in their transformation from non profit organisations into regulated financial institutions (Banco ADEMI and Banco ADOPEM). The two banks have requested further financing in local currency and technical assistance to finance their portfolio growth in the next 3 years. At the same time, there are other smaller NGOs and Savings Banks specialized in microfinance that have also requested local currency financing, equity and technical assistance to increase their lending capacity, improve their governance and procedures and grow into regulated institutions following the example of Banco ADEMI and Banco ADOPEM. Similar TA is also being provided to FONDESA which likewise will transform into a regulated bank.</td></tr>
</table>

Overall objectives	The overall objective of the TA is to support the modernization of financial intermediaries that service micro, small and medium-sized enterprises in the Dominican Republic. Support for final beneficiaries over the project cycle will also be explored. The project will be split in two phases. **Phase 1** will consist of an initial analysis of the intermediaries' technical assistance requests and a diagnosis and prioritisation of their needs and will have as a final result the drafting of the detailed Terms of Reference (ToR) for the future technical assistance programme (phase 2). **Phase 2** will consist on the implementation of the TA programme.
Specific objectives	The specific objectives of the envisaged Technical Assistance programme are as follows: • to contribute to the capacity building of the intermediaries by transferring best industry practice in the areas of micro and small and medium sized enterprises lending, project appraisal, credit risk evaluation, credit portfolio management, exchange rate risk and interest rate risk management, human resources development as well as MIS and data software. The need for improvements in the institutions' AML/CFT will be assessed and addressed if necessary; • to help a more effective and efficient use of the EIB line of credit; • to support potential final beneficiaries of the lines of credit during the preparation and implementation of their investment projects to be financed by the intermediaries.
Expected results	The expected results of phase 1 are: 1) the identification of the intermediaries' and financial beneficiaries' needs and gaps related to internal procedures, 2) prioritisation of the needs, 3) definition of TA response to improve the gaps 4) preparation of Terms of Reference to select consultant(s) or consulting company to implement the second phase.
Activities	
Main achievements	
Project's main weak points	
Issues	
Documentary	"Draft Terms of reference", EIB, 2008 "A financial sector strategy for the Dominican Republic" "Programma de assistencia tecnica para el fortalecimiento institucional de entidades financieras que intermedian con las MIPYME en la Republica Dominicana. Terminos de referencia », EIB, "Cotonou Technical Assistance – Annual Report 2009", EIB, 2010

2008_EDFI

Intervention Title	EDFI EUROPEAN FINANCING PARTNERS III, III B, III C
Country/Region	All
EIB Ref.	20080786
Project start date	07/04/2009; ongoing
Financing committed	EFP III: EUR 90 m; EFP III B: EUR 5 m; EFP III C: EUR 5 m
Amount cancelled	-
Amount disbursed	-
Beneficiaries	Private corporates and financial institutions in ACP States proposed by a Promoting Partner and approved by EFP's IC
Project Background & History	Repeat operation- third contribution to EFP. Follows 2003- EFP EUR 90+0.01 m (fully disb'd); 2005- EFP II EUR 90+5+5 m (14.6 disb'd) EFP initiative created 2003-2004. EFP III preceded by EFP and EFP II. EFP is a SPV in corporate form, with a BoD and an IC. The EFP is governed by an agency agreement between 14 EDFI members and EIB; hereunder, one EDFI acts as an agent for other institutions. For a given operation, delegation is made to a Promoting Partner of project management, from identification to completion and including contractual arrangements. Financing and risk taking is distributed *pari passu* among participants (25% promoting partner, 50% EIB---IF and 25% all other committing partners). EIB contribution is an ordinary loan to EFP w/ max. term of 12 y. But EDFI promoting partner may apply different financial instruments. EDFIs' credit guidelines apply, except on exposure limits, and in case of an EIB contribution above EUR 8 m. Disbursements and repayments back to back with underlying projects.
Overall objectives	(A) Promoting sustainable development of the private sector in ACP States (B) Strengthening co-operation between eligible EDFIs and EIB
Specific objectives	Capitalize on EDFIs' expertise Sharing of financial risk of operations funded Leveraging the size of operations Sharing of knowledge between EIB and EDFIs
Expected results	Catalytic effect and leveraging IF financing Visible coherence/harmonization of aid, namely at operational level, between EIB and EDFIs Quality project generation
Activities	Promoting partners at participating EDFIs propose projects to EFP which obtain financing from IF and other EDFIs. Appraisal, processing and monitoring done by promoting partner, with reporting to EIB. EFP III has not yet generated projects, but will allow a continuation of the successful previous cooperation for project generation.
Main achievements	EFP III is not yet on stream and no disbursement has occurred. This evaluation therefor also relies on an evaluation of the preceding two EFB operations by EV, namely *EIB Group Operations Evaluation, Synthesis Report : Evaluation of activities under the European Financing Partners (EFP) Agreement, January 2009* *JU Opinion on Fact Sheet B 23/02/2009* *RM/CRD Opinion 24/02/2009* *Board of Directors Report [no date]* Strengthening of cooperation between EIB with 14 EDFIs, and among these EDFIs mainly DEG, FMO and PROPARCO. Sharing of information (Partners consider EFP IC meetings valuable) Projects above the size feasible for financing by one EDFI obtain financing Portfolio of the first two EFP operations is largely successful (see also below)

Project's main weak points	EFP III is not yet on stream- hence no weak points are identified. It is unclear if the issue of the level of management fee to be paid to a promoting partner has been resolved. Under a previous EFP, one project failure occurred due to shortcomings in its design. The continuation of quality project generation will need to be watched, so that no dilution of IF standards occurs through delegation of project processing to EDFIs, particularly smaller EDFIs.
Issues	EFP and EFP II were highly concentrated on three Partners: DEG, FMO and PROPARCO and this situation is likely to persist under EFP III. However, this situation is accepted by all Partners, and EIB evaluation finds that financial risks are sufficiently spread. Insufficient reporting requirements at closing of project, particularly in terms of development value, were addressed by requiring annual monitoring according to template satisfactory to EIB. Ambiguity as to whether EFP and EFP II could be used for Financial Sector (FS) projects was resolved under EFP III- FS operations should adhere to the IF's FS strategy orientations and final SME beneficiaries adequately identified. Additionality issues between EIB and EDFIs also resolved under EFP III, namely EIB can cofinance larger projects w/ EFP.
Documentary	Previous EFP operations: *EIB Group Operations Evaluation* *Synthesis Report : Evaluation of activities under the European Financing Partners (EFP) Agreement, January 2009* EFP III: *Fact Sheet A: Appraisal Authorization* *Fact Sheet B: financing proposal* *RM/CRD Opinion* *EDI website* *http://www.edfi.be/efp.htm*

2009_MICROFINANCE

Intervention Title	**MICROFINANCE ENHANCEMENT FACILITY**
Country/Region	Regional - ACP
EIB Ref.	2009 0021
Project Start date & End date	07/04/2009 – ongoing (27/02/2015: maturity date which corresponds to the ultimate exit date)
Financing committed	Up to €50 million to subscribe shares in the fund (10% of Project cost)
Amount cancelled	No indication
Amount disbursed	Up to €50 million (probability of disbursement: 75-100%)
Beneficiary	**Direct:** Microfinance Enhancement Facility (MEF), a specialized investment fund in Luxembourg, provides emergency liquidity support to microfinance institutions for a limited period of time. **Indirect:** Regulated and non-regulated MFIs, local banks and other financial institutions providing funding to micro-enterprises.
Project Background & History	The Fund will be an investment company organised under the laws of the Grand Duchy of Luxembourg in the form of a public limited company (a "société anonyme") qualifying as a société d'investissement à capital variable – fonds d'investissement spécialisé ("SICAV - FIS"). This specialised investment fund has been structured along the lines of the European Fund for Southeast Europe (EFSE), the largest microfinance investment fund worldwide in which EIB is an investor, and REGMIFA, a prospective microfinance fund for sub-Saharan Africa in which EIB is also considering an investment.
Overall objectives	MEF is a global initiative promoted by IFC and KfW aimed at providing liquidity support to sustainable microfinance institutions (MFIs) experiencing credit and other liquidity shortages in the context of the financial crisis, due to bank lines being pulled, deposit erosion, impossibility to roll out lines, or financings that otherwise would have been available to support short term funding of MFIs.
Specific objectives	
Expected results	
Activities	
Main achievements	
Project's main weak points	
Issues	**ACP Clause:** since the majority of initial MEF deals are located outside of ACPs, the Bank subscribes on a condition that the fund invests at least an equivalent amount in ACP countries within a predetermined period of time. **Structure:** MEF will be a multi-tier structure consisting of different classes of shares. The Bank will review the proposed structure, as well as legal aspects. The Bank will also assess the risk-return profile of the proposed investment and will evaluate its contribution to the sustainability of the IF's portfolio. **Governance and Management:** Since the Fund's investments will be managed by external fund managers, the Bank will ensure that satisfactory governance mechanisms and legal safeguards are put in place in order to ensure supervision of the selected Managers and protection of shareholder interests. **Initial Deal-Flow:** The Bank will review the initial deal-flow of proposed investments and will ensure that a sufficient allocation is provided for MFIs in sub-Saharan Africa.

Documentary	"Fact sheet A: Appraisal Autorisation ", EIB, 2009 "Fact sheet B: financing proposal", EIB, 2009 "Note conjointe", EIB, 2009 "RM/CRD opinion", EIB, 2009 "Microfinance enhancement facility. OCCO opinion", EIB, 2009 "JU opinion on fact sheet B", EIB, 2009 "Board of Directors. Microfinance Enhancement Facility", EIB, "Commitments and subscriptions as of 30 November 2009", EIB "ESIAF report", EIB "Portfolio on investments as of 30 October 2009" EIB

Annexe 9 – Data Collection Grid

The information gathered in the data collection grid below has been gathered at the level of the indicators and judgement criteria of each Evaluation Question for the EIB IF/OR operations analysed during this evaluation. It is displayed in a basic, unprocessed form. As explained in the main report, it is important to note that the aim was to gather information that served as a basis for deriving findings with a view to answer to the Evaluation Questions *(see chapter 4 of the main report)*.

<table>
<tr><td>EQ1</td><td>To what extent were the IF/OR operations focused on the development needs of the countries/regions in which they intervened, and to what extent did they remain in line with the national, regional and overall EU development policies relating to ACP/OCTs?</td></tr>
<tr><td>JC 1.1</td><td>The EIB has explicit policies and guidelines to ensure that IF/OR operations financed are in line with development needs and EU development policies in ACP and OCTs and applies these guidelines</td></tr>
<tr><td>I-1.1.1</td><td>Existence and coverage of specific guidelines</td></tr>
<tr><td>General</td><td>Different guidelines that apply to IF/OR operations exist, among which:
- OPERATIONAL GUIDELINES OF THE INVESTMENT FACILITY, dated 17 October 2002 which contain major core policies of the IF (“EIB-IF OpGuid”);
- RISK MANAGEMENT- CREDIT RISK POLICY GUIDELINES FOR OPERATIONS OUTSIDE THE EUROPEAN UNION dated March 2009 (“Non-EU CRPG”)
- CREDIT RISK POLICY GUIDELINES AND PROCEDURES FOR OPERATIONS WITHIN THE FRAMEWORK OF THE COTONOU INVESTMENT FACILITY- Board of Directors- June 2006 (“IF CRPGs”)
- NOTE TO THE MANAGEMENT COMMITTEE (OPSB/ACP-IF-7/2004-572) – FOREIGN EXCHANGE RISK HEDGING FOR LOANS IN HARD CURRENCIES
- TECHNICAL NOTE ON THE USE OF INTEREST SUBSIDIES IN THE ACP- Development Economics Advisory Service-
- NOTE TO THE MANAGEMENT COMMITTEE (OPSB/DEAS/2004-526) – INTEREST SUBSIDIES FOR OPERATIONS IN SUPPORT OF THE PUBLIC SECTOR IN LOW-INCOME ACP COUNTRIES
- Guidelines for EQUITY INVESTMENTS UNDER THE INVESTMENT FACILITY (IF) and if - EQUITY INVESTMENT STRATEGY – Board of Directors- June 2005
- OPERATIONAL PRINCIPLES TO GUIDE THE IMPLEMENTATION OF GUARANTEES UNDER THE INVESTMENT FACILITY (if)- Board of Directors- October 2004
- EIB STRATEGIC ORIENTATIONS FOR FINANCIAL SECTOR OPERATIONS IN ACP COUNTRIES- Board of Directors- February 2008
- ACP-IF Prêts en monnaie locale et orientations pour leur mise en œuvre
- EIB PARTICIPATION IN REGIONAL DEVELOPMENT BANKS IN THE ACP- Board of Directors- April 2007
- DEVELOPMENT IMPACT ASSESSMENT FRAMEWORK OF IF PROJECTS- Board of Directors - April 2005
- DEVELOPMENT IMPACT AND VALUE ADDED OF INVESTMENT LOANS IN ACP COUNTRIES - Board of Directors – December 2006
- EXTENSION AND ADAPTATION OF THE ECONOMIC & SOCIAL IMPACT ASSESSMENT FRAMEWORK (ex-DIAF) TO ALL OPERATIONS (INCLUDING FINANCIAL SECTOR OPERATIONS) OUTSDIDE THE EU AND PRE-ACCESSION COUNTRIES- Board of Directors- February 2008
- ENVIRONMENTAL AND SOCIAL PRACTICES HANDBOOK- Sustainable Development Unit- September 2007
- SUMMARY OF ACTIVITIES IN MICROFINANCE AND OPERATIONAL OUTLOOK- Board of Directors- November 2007
- THE ACP-EU WATER FACILITY AND EIB’S INVOLVEMENT IN ACP WATER AND SANITATION SECTORS

These guidelines contain to various degrees specific requirements to make sur that IF/OR operations are in line with development needs and EU development policies.

In particular the <u>Operational Guidelines of the Investment Facility</u>, contain specific and explicit references in this respect.
In terms of <u>focus on development needs</u>, the following elements could be mentioned. The</td></tr>
</table>

	guidelines indeed start with **referring to the objectives of the Cotonou Agreement**, more specifically Article 19.1 *"the central objective of ACP-EU co-operation is poverty reduction and ultimately its eradication; sustainable development; and progressive integration of the ACP countries in the world economy."* and Article 20.1 *"ACP-EU co-operation strategy shall aim at [...] achieving rapid and sustained job-creating economic growth, developing the private sector, increasing employment, improving access to productive economic activities and resources, and fostering regional co-operation and integration"*. It further specifies that the EU should use its two instruments of financial co-operation to contribute to these objectives: the long term development enveloppe *"to fund on grant resources projects for which non-reimbursable aid is appropriate"*; and the Investment Facility, *"to invest in commercially viable projects in productive sectors, notably in order to promote private sector development in the ACPs"*. It further explains that the **private sector has a central role in the promotion of sustainable growth, which is seen as a determinant factor in reducing poverty**, specifying that *"historical evidence world-wide is that economic growth is a necessary (though not sufficient) condition for sustained poverty alleviation"*. Referring to Article 21.5 of the Cotonou Agreement, *"support for investment and private sector development shall integrate actions and initiatives at macro, meso and micro economic levels"*, it further states that the *"IF shall mainly focus on the latter"*. It is furthermore specified that ***"investments will be in support of countries' poverty reduction strategies through a direct and/or indirect contribution to improving the livelihood of the poor"*** and that *"attention will be given to promote investment to least developed countries, as well as to countries committed to undertake economic reforms, to adjust in a post conflict situation, and/or to improve their governance"*. It is further specified that *"a balance will have to be struck between the developmental objective and the requirement for financial viability"*, which is also reflected in the section on project appraisal underlining two prerequisites to be met: - *"economic viability must be clearly demonstrated to ensure that the project contributes to the growth of the local economy and thereby to poverty alleviation. Projects are expected to yield a satisfactory ex ante economic rate of return (ERR), which should also be robust to reasonable variations in the major assumptions underpinning the analysis"*. - *every effort will be made to identify and include in the project definition elements benefitting the poorer segments of the population, in particular those that will improve employment and have an impact on local enterprises, as well as income distribution. As a minimum requirement, it will be ascertained that projects will not have an adverse effect on the poorer segments of the population* In terms of evaluation, it is also mentioned that *"considering the development focus of the IF, it is particularly important to assess, at least on a selective basis, the performance and, more broadly, the development impact of the projects it will finance"*. The Operational Guidelines also refer to the importance of being **in line with EU development policies in ACP and OCTs**, notably by stating that *"the policy at country or regional level will not be inconsistent with the EC country or regional strategy"*. In terms of project appraisal, explicit reference is made to *"consistency with relevant country and regional support strategies established under the Cotonou Agreement. The Cotonou Agreement stresses the need to establish a development strategy for each ACP country and to foster closer collaboration among donors to enhance the effectiveness of aid. This broad policy is encompassed in the Country Support Strategy papers, which are periodically updated to reflect new developments.* ***Each operation financed on IF resources will not be inconsistent with the relevant EU country or regional support strategy.*** *Conformity with national legislation will also be ensured."* In the same line the 2005 ***Development Impact Assessment Framework of Investment Facility Projects*** ,aims at outlining *"ways to better assess how Investment Facility Operations contribute to the Cotonou Agreement's objectives. In a pragmatic and holistic approach the Development Impact Assessment Framework outlines the focus on seven areas; the financial, economic, social and environmental performance, governance, and contribution to the Investment Facility strategy and to the Millennium Development Goals to make a judgement on the development impact of individual projects."* The background section explains in this respect the following: *"With about half its members officially on the list of "Least Developed Countries" (LDCs) and many more at a low level of development, the ACP group includes the majority of the poorest countries in the world. Over the past ten years, this reality has pushed the international community to increasingly focus its efforts on the overarching objective of reducing poverty, which is also the central objective of the Cotonou Agreement.*

	This has implications on what is expected of development institutions, and the IF. In particular, while there is a presumption that projects in the ACP countries will typically have a significant development impact (because of the economic status of these countries) there is also an expectation on the part of stakeholders (Commission, Member States, beneficiary countries, NGOs) that IF operations would yield substantial social benefits and improve the welfare of the poorer segments of the population. Indeed, by financing productive and economically and financially viable projects, the IF contributes to economic growth, which, as is widely recognised, is a prerequisite for poverty alleviation. Academic research also recognises that no sustainable poverty reduction can be achieved without substantial economic growth. Private sector projects in particular, which are the primary focus of the IF, can make a powerful contribution to poverty reduction if the policy context is appropriate,2 by their direct contribution to economic growth. The accelerated economic growth that is necessary to achieve the Millenium Development Goals (MDGs) and, just as importantly, to sustain them over time, can only be driven by the private sector. Because of the pressure of competition - to which it is difficult to subject the public sector - private sector investment tends to make an efficient use of resources, raising employment and incomes. Furthermore, incremental incomes can be taxed, providing resources for the sustainable financing of direct poverty alleviation measures (income transfers and/or provision of goods and services to the poor)3. The importance of growth as a major contributing factor to sustainable poverty reduction – and hence the contribution made by EIB financed private sector projects – can hardly be overemphasised. It is commonly stated that growth is a necessary but not sufficient condition for poverty reduction. This is analytically correct – one can think of instances where growth can be associated temporarily with increases in poverty due to, say, the transitional negative impact on employment of trade liberalisation or privatisation. There is substantial empirical evidence which shows that economic growth in developing countries is usually also beneficial for the poorest segment of population. Furthermore, even if the poor benefit less than proportionately from economic growth, they stand a much better chance of benefiting from some growth rather than from no growth at all or from per capita income decline. In the latter two cases, reductions in poverty would have to rely exclusively on income redistribution policies. Such policies, however, have been largely unsuccessful in improving the lot of the poor sustainably within a context of economic stagnation or decline." The strategic objective of the DIAF framework is precisely to enforce a more systematic, comprehensive, transparent and pragmatic approach in assessing the development impact of IF project. The DIAF has later on been extended in a 2008 document on the *Extens and Adaptation of the Economic and Social Impact Assessment Framework (ex-DIAF) to all operations (including financial sector operations) outside the EU and the Pre-Accession countries.* "The Economic & Social Impact Assessment Framework or ESIAF, (formerly known as DIAF) is a framework for assessing, at approval stage, some of the key features of projects financed by the EIB outside the EU. The ESIAF relies on the three pillars of (i) consistency with policy objectives, (ii) quality and soundness of project (or operation) and (iii) contribution of the EIB." Other guidelines (e.g. the above-mentioned Credit Policy Guidelines and Procedures for operations within the framework of the Cotonou Investment Facility), also refer in various degrees to the development needs and EU development policies. The EIB relies on EU strategies developed by the Commission and endorsed by the Council and the Parliament. As a result, and contrary to other DFIs, it does not develop internalstrategies at regional or country level with prioritization of actions between different sectors. Source: MN 900

General (Lomé IV)	There were few guidelines for project selection by the EIB under the Lomé IV Convention; this was expected to improve under the Cotonou Agreement: "*Besides a set of more general developmental objectives, the Lomé IV Convention and the NIPs do not provide specific and operational objectives to guide the EIB in selecting lending operations. This "hands-off" approach to detailed programming leaves the Bank with a high degree of flexibility when selecting projects to meet quantitative lending targets.* *However, the large range of value added provided by the EIB – in particular non-financial value added – indicates that a more focused approach to project selection should result in the delivery of higher value added. Under the new Cotonou Agreement, regular reporting should be carried out on sector and geographical distribution of the projects financed, both on the objectives and on the results achieved. This would also provide useful information when discussing these issues in the appropriate forum: the Investment Facility Committee."* Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p1). That evaluation also notes the following with regard to the EIB's flexible guidelines for selection of projects, lack of benchmarking exercises on internal rates of return, and importance of adequate project identification, conditionalities and monitoring: *"The increasingly flexible approach taken to programming under the Lomé convention, and carried on into the Cotonou agreement, makes it easier for the Bank to identify and select appropriate projects for EIB funding. However, such an approach may not result in a maximisation of the value added the Bank could provide.* *Because of the relatively lean, streamlined appraisal and approval procedures of the Bank, identified projects are usually quickly appraised and lending operations approved by the EIB Board. An area for improvement is the general lack of benchmarking exercises for the financial and economic internal rates of return used when accepting or rejecting appraised projects.* *As mentioned above, a more detailed monitoring of project implementation and operation and a more forceful follow-up of identified constraints seems at times to be necessary in support of EIB financed projects. This should involve the cancellation of approved loans or the request for immediate repayment (default) if agreed covenants required to ensure the successful implementation and operation of a project have been violated. Proper monitoring of agreed covenants should lead to effective decisions when they are not fulfilled."* Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p3). That evaluation recommended establishing detailed lending priorities related to geographical and sector allocations that aim at maximising EIB value added. The EIB comments to these recommendations (**incorporating early experience under Cotonou's IF**) are provided next to it in the below table, and notably the EIB requirements for sufficient flexibility:

<table>
<tr><td></td><td>
<table>
<tr><th>EIB Evaluation's recommendation 1</th><th>EIB Services' Comments</th></tr>
<tr><td>The Bank, in close co-operation with other parties concerned, should establish and report on detailed lending priorities related to geographical and sector allocations, particularly in the public sector, that aim at maximising the value added the EIB could provide. This may involve regular reporting to the IF Committee. (Sections 2.2 and 6.1)</td><td>The Bank keeps in close and continuous contact both with the ACP authorities in the States concerned and with the European Commission regarding the preparation and the implementation of its lending programmes (which are reflected in the relevant Country Strategy papers to which the Bank contributes at programming stage). These inputs form some of the building blocks for the annual business plan, which, bearing in mind that the IF has the remit to operate in all ACP regions, defines strategic, geographical and sectoral orientations for the Investment Facility, in close consultation with the IF Committee. The Bank is further aiming to improve portfolio coherence through regular reporting to the IF Committee on the implementation of the business plan and on results achieved, through the annual activity reports and portfolio reports, which is in line with EV recommendations.

While expected to demonstrate its contribution to the development objectives of the Cotonou Agreement, the IF has been designed as a revolving mechanism that over time must generate reflows for reinvestment. This objective of financial sustainability, combined with the private sector and market related orientation of the IF nevertheless require that the Bank maintains sufficient flexibility in the implementation of its mandate and of the business plan, and reacts in an efficient and prompt way to market conditions and opportunities.</td></tr>
</table>
Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p4).

On the appraisal of projects, see also I-9.2.2. with a Lomé IV Evaluation's recommendation for more careful analysis of institutional issues at appraisal in order to strengthen the project implementation and management capacities, in particular of public sector promoters, and including appropriate measures as loan conditions.
</td></tr>
<tr><td>I-1.1.2</td><td>Utilisation of these guidelines in selection and design of operations</td></tr>
<tr><td>General</td><td>"IF operations can be expected to be concentrated in countries where the business environment is propitious to the expansion of private investment, as identified in the business plan, although a geographical diversification of the portfolio will be sought. Attention will be given to promote investment to least developed countries, as well as to countries committed to undertake economic reforms, to adjust in a post conflict situation, and/or to improve their governance."
"Operational guidelines of the IF", BEI, p5

"Sector priorities are discussed in the context of the programming process (Country Support Strategy and Regional Support Strategy papers) and set out in the IF's business plans."
"Operational guidelines of the IF", BEI, p5

"The policy to meet market opportunities, coupled with the requirement for the financial self-sustainability of the IF, implies that there cannot be a pre-determined allocation of resources (e,g., by country, sector, type of operation, type of financial instruments). The policy at country or regional level will not be inconsistent with the EC country or regional strategy."
"Operational guidelines of the IF", BEI, p6

According to a COUNTER BALANCE report in ACP countries, the EIB operates under the</td></tr>
</table>

	mandate of the Cotonou Agreement which aims at poverty reduction and sustainable development. The report points to the fact that the financing of the Tenke Fugurume Mining project does not respond to these objectives. *Source: Counter Balance, Réformer la Banque Européenne d'investissement, "Terrain miné, l'implication de la BEI dans le projet minier de Tenke-Fugurume en RDC », Août 2008*
2004_WAGP	Several sources indicate that the operation's preparation and appraisal has followed explicit EIB guidelines and procedures as evidenced by preparatory documents: EIB, Fact Sheet A: proposal to appraise new operation, Luxembourg 17/2/2005, (OPS/B/ACPIF-1 WestAfr & Sahel/20040026/Walter Eve) EIB, Note to Ops B, Opinion for Appraisal, Luxembourg 4/2/2005 (PJ/ENERCOM/2005-0124/FT/GF/mh) EIB, Fact Sheet B: financing proposal, Luxembourg 18/10/2006 (OPS B/Afr., Caribbean, Pacific,-IF/2004-0026/Walter Eve EIB, West African Gas Pipeline, Ghana, RM/CRD Opinion (Fact Sheet B Ops B/ACP-IF-1/2004-0026/EW) EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006
2003_Dakar-Ziguinchor	The operation's 2004 "fact sheet A" does not refer direct to selection guidelines. It nevertheless justifies as follows the « economic interest » of the project in a specific section: *« La liaison maritime Dakar – Ziguinchor est un complément indispensable à la voie routière qui traverse la Gambie. Elle est seule capable d'assurer le transport des voyageurs avec gros bagages ou des marchandises diverses. C'est un élément clé pour la réalisation du plan de redressement économique et social de la Casamance qui est un volet de l'accord de paix avec le Mouvement des forces démocratiques de Casamance. Au titre de la « continuité territoriale », le gouvernement considère cette liaison maritime comme prioritaire. Depuis le tragique naufrage du ferry « Le Joola », en septembre 2002, elle n'est plus assurée. Toutefois, la rentabilité économique est moyenne, et la rentabilité financière faible voir négative (liée à un tarif assez bas tenant compte du faible pouvoir d'achat de la population et de la concurrence du transport par la route assuré par le secteur informel). Il est donc nécessaire que le gouvernement prenne en charge la quasi-totalité du coût d'acquisition du navire. »* Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 March 2004 (p2)
2003_MAURITIUS CONTAINER	There is no reference to specific guidelines. Nevertheless, the reference to the objectives of the Cotonou Agreement is put forward to justify the loan. In that respect and according to the EIB, this project is consistent with the Cotonou Agreement and the mandate given to the Bank in that respect. Indeed, the increase of maritime transport's efficiency enables the country to play a full part in international trade.*« Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004" p8* According to the appraisal report, the project is compliant with two first pillars of the Bank's three-pillar-based value added approach (1.consistency with policy objectives, 2.quality and soundness of project and 3. contribution of the EIB). More precisely, the project fully meets the objectives of the Cotonou Agreement to foster development in Senegal (pillar 1). The second pillar for which the project is compliant gives more importance to technological aspects. *« Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004, p5* There is no indication related to the utilisation of these guidelines in the selection and design of operations.
2003_GILGEL GIBE	The project is referenced under the mandate of Cotonou Agreement. No further explanation is provided. The project documents do not explicitly show how this project meets the Cotonou Agreement's objectives. There is only a reference to the conformity with the EU environmental and social policy and standards:

	"All studies and the proposed mitigating measures will be subject to further appraisal by the Bank to ensure that the project complies with all relevant national and international laws and is in line with EU environmental and social policy and standards, and has no significant negative impact on protected zones." *"Fact sheet A: proposal to appraise new operation", EIB, 2004, p2* "The project is consistent with EU objectives as specified in the Cotonou agreement and the mandate given to the Bank under the Investment Facility. It further contributes to the EU and Bank's environmental policy, tackling climate changes and promoting sustainable use of renewable natural resources." *"Fact sheet B: financing proposal", EIB, 2005, p4*
2004_OLKARIA	The project is in line with the EIB's policy on sustainable development (renewable energy) Source: EIB Note to Ops B/ACP-IF-2 Opinion for Appraisal, Luxembourg 14/9/2004. PJ/ENERCOM/I&S/2004-965/EG/fe
2005_ACPGLOB CA2006	Relevant guidelines were adhered to.
2005_EMP AFRICA FUND II	Relevant guidelines were adhered to, in the sense of being "in line with" development needs. From project documentation it does not appear, however, that any prioritization for maximizing development impact occurred in selecting the operation
2005_ACPGLOB ADEMI	Relevant guidelines were adhered to, in the sense of being "in line with" development needs. This operation, additionally, followed the EIB STRATEGIC ORIENTATIONS FOR FINANCIAL SECTOR OPERATIONS IN ACP COUNTRIES- BOARD OF DIRECTORS-FEBRUARY 2008. A prioritization occurred, based inter alia on a Country Financial Sector Strategy for the Dominican Republic prepared in accordance with said Strategic Orientations.
2005_ACPGLOB CA2004	Relevant guidelines were adhered to, in the sense of being "in line with" development needs. From project documentation it does not appear, however, that any prioritization for maximizing development impact occurred in selecting the operation
2005_ACPGLOB CA2006	Relevant guidelines were adhered to, in the sense of being "in line with" development needs. From project documentation it does not appear, however, that any prioritization for maximizing development impact occurred in selecting the operation
2006_EAU SENEGAL	The value added of the project is considered within the internal Bank's documents. In that respect, the EIB justifies the appropriateness of the project regarding the poverty reduction and the access to drinking water for the poorest populations. The project is then considered in line with the objectives of the Cotonou Agreement. *"Fact sheet A: Appraisal Authorisation", EIB, 2007, p 2*
2007_ACPGLOG SOCREDO	The environmental benefits identification is a prerequisite to the EIB funding. An EIB expert is deemed to provide the Bank with a form including this information. The compliance with the Community legislation is also included in this form. The guidelines are therefore applied in the projects selection. *"SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p 8* The Overseas Association Decision (Coucil decision 2001/822/CE) foresees €20 million budget for the IF (managed by the EIB) to promote commercial enterprises in private sector in OCT. In that respect, the Commission has put priorities on renewable energy and energy efficiency. The global loan of €5 million has been granted to SOCREDO to onlend to small and medium-sized environmental projects in French Polynesia. In that respect, SOCREDO suggested projects to the EIB. Then the EIB checked if each project is in line with the internal guidelines in terms of environment. The EIB had the possibility to request additional analysis to ensure that the

	environmental impact expected of the project is compliant with the EIB's guidelines in terms of environment promotion. The EIB has to make sure that the project presented by the intermediary bank is compliant with the Council decision and is in line with its environment policy. *"SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p 7*
2008_EDFI	This last of three successive EDFI EUROPEAN FINANCING PARTNERS (EFP) operations, while allowing a large degree of delegation to the promoting partner, requires application of the EIB Strategic Orientations for Financial Sector Operations in ACP Countries- February 2008, including adequate identification of prospective SME beneficiaries, as well as application of the IF CRPGs for financing above EUR 8 m.
2009_MICRO FINANCE_ACP	The Bank has taken into account the guidelines established by the Cotonou Agreement. The EIB estimated that it is in line with the investment and private sector development of the Cotonou Agreement. According to the EIB analysis, *"the investment in MEF is fully in line with Article 21 "Investment and Private Sector Development" of the Cotonou Agreement, which calls for "[…] support in improving the quality, availability, and accessibility of financial and non-financial services to private enterprises, both formal and informal, by […] developing a modern financial sector, including a capital market, financial institutions and sustainable microfinance operations."* *"Fact sheet A : Appraisal Autorisation ", EIB, 2009, p 3*
I-1.1.3	**Opinions of EIB staff and other stakeholders (Commission Services, other donors, …) on appropriateness of the guidelines**
General	In terms of appropriateness of guidelines it is interesting to note that representatives from other IFI explained that in their view, EIB guidelines are less stringent than those of e.g. IFC or IDB who seek depper development impact. *Source: MN 400, MN 410, MN 406* According to several interviewees, EIB guidelines are less stringent than those of e.g. IFC or IDB who seek depper development impact. A review of IFC and IDB Guidelines and a discussion of AFD's approaches conducted in the Dominican Republic leads to the observation that IFC, IDB (incl. MIF) and AFD have more detailed guidelines on setting higher development impact priorities than EIB. An example of the effect of this is that IDB and IFC will not do a project like Westin Roco Ki hotel for lack of local economic and social impact- AFD has done similar projects, but controversy about justification. *Source: MN 400, MN 410, MN 406*
JC 1.2	***The IF/OR selection of operations takes place on the basis of analyses of the countries'/regions' development needs, which take into account stakeholders' views and effectively reflect country needs***
General	According to a COUNTER BALANCE report, EIB's capital allocation across the ACP countries was clearly biased towards bankable countries. The EIB does not enough consider whether proposed operations fit with national development plans. EIB operations do not reflect the sectors in which the recipient governments want to engage the EIB. The EIB does not prioritise sectors and intervention types that are appropriate for each region and country where it operates. The prioritisation is not driven by needs on the ground, as set out in national development plans and similar country-led strategies. The EIB is not taking into account what the other official development agencies are planning or offering in the country. The report further lists several EIB operations with little obvious developmental, poverty reduction benefits : Westin Roco Ki Beach and Golf Resort in Dominican Republic, the Albion Resort and the Bel Ombre Hotel in Mauritius, the Lesotho Highlands Water Project and the Chad Cameroon

	oil pipeline, etc. *Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010*
General Pacific:	BEI, contrairement à BM et BAsD, n'a pas de stratégie régionale ou nationale. La raison est que BM et BAsD ont un dialogue de politique ce que la BEI n'a pas car elle finance uniquement des projets et peu répondre de manière très flexible à des demandes. Privilégie : infrastructure (énergie renouvelable, infrastructure de réseau : tpt, télécom), appui au secteur privé. MN313
2002_WAGP	Obviously analyses of the countries context, the situation of the sector and the environment issues have been conducted or used by the EIB. The completion of the appraisal fiches and reports evidences this, however, without quoting sources nor elaborating on these analyses. It is also worth noting that in none of the preparatory documents mention is made of the Commission country/regional strategies and/or analyses. Sources: Preparatory documents, as for I-111
I-1.2.1	**Existence of country/region development needs analyses for the countries/regions of intervention (prepared by EIB or other authorities)**
General	These analyses should have been prepared in collaboration with stakeholders (e.g. national/regional authorities and private sector representative institutions). "...the strategic orientations for financial sector operations must be developed at two levels: (i) some basic principles should apply to financial sector operations of the IF in general (keeping in mind the issue of flexibility mentioned above), (ii) specific country circumstances should lead to the definition of country-specific strategic guidelines against which each specific operation should be assessed, recognising that financial sector development is not homogeneous across countries." *"EIB strategic orientations for financial sector operations in ACP countries", EIB, p5* A Commission representative notes that the EIB and EC are not that much coordinated for CSPs: *"EIB is understaffed": probably it's true. The EIB is a very lean & efficient institution, and the EU wants to keep it as it is. If we recommend that more staff is needed, we have to take into account that the EC is behind the EIB. The EIB might be more involved in CSP/RSP, etc., for instance with one paragraph dedicated to the EIB, but the EIB should rely on EC policies etc., not duplicating the work. EIB is not just another IFI; it is the bank for the EU. Normally the EC should conduct analysis. I acknowledge that the EIB is not really taken on board. But now EIB is much more on the spot in recent years. RELEX understands it better now. Normally the EC should prepare the strategy for the EIB; only the very end, which is deciding on projects, should be left to the EIB.* *In practice it depends actually on the geographical areas. Now under Community guarantee we have a structured dialogue (RELEX, ECFIN, etc. with EIB). Before that (and even now): lots of inputs; not streamlined for the time being. They talk to each other, but not streamlined. We started to change this situation."* It appears also from that meeting that there is apparently little triangular coordination involving also EU MS. *Source: MN 020* An EIB staff member mentions that the EIB has increasingly had a strategic approach in the financial sector: *"Egalement dimension secteur financier, surtout au niveau opérationnel, un peu également au niveau stratégique (mais pas assez). Nos macro économistes participent directement aux équipes, intervenant avec plusieurs rôles (point de base : analyse du secteur financier – structure etc.- mais également pour évaluer la qualité de l'environnement et de la supervision bancaires etc. ; aussi avec une dimension risque en particulier). Un peu sur la micro-finance. Depuis*

	2006-2007 : contribuons également à des stratégies dans le secteur financier. Increasingly une approche stratégique : ex. quelles peuvent –être des manques (gaps) ou des secteurs prioritaires. Ex. opérations de prêts globaux. Une des idées: Avec élément novateur en plus d'opérations standard. Ce sont des idées, ce n'est pas pour cela que cela marche dans la réalité (ambitieux)." *Source : MN 007* An EIB staff member noted that the EIB does not have a programmatic, money-spending approach, although this does not impede it from defining priorities: *"Remember that the Bank is not a promoter, but it tries to have priorities. Example: energy financing. EIB has clear priority to finance clean energy. This is an area where the Bank will place full priority. With additional instruments like TA etc… the Bank is also supporting technical advice and improving the preparation phase. The Bank is no a promoter but is strengthening the promoter. The Commission's aid is programme aid, with grants. A totally different dymamic. It is giving away free money. The Bank is not giving away free money."* *Source: MN 024* An EIB source mentioned that the paradigm of the Cotonou Agreement shifted over the years, recognising that the private sector alone cannot save the world: "*The Cotonou Agreement was negotiated at a time when the international financial community believed that private sector investment in infrastructure, notably in the form of PPPs, represented the solution to Africa's woes. The Agreement was thus negotiated as an instrument primarily geared for the private sector. Concessionary funds, a regular feature under the former Lomé Conventions, generally had been judged a failure and were to a large extent phased out and the Bank found itself with financial resources, the IF and OR, both intended to meet the needs of the private sector. As subsequent events have demonstrated, however, the increase in private sector interest and investment in the ACPs was short-lived, essentially because the fragile institutional framework, weak legal systems and excessive red tape did not offer sufficient guarantees to foreign investment. Soon the pendulum started swinging to the other side, as it became manifest to the international community that the public sector was going to have to remain an important player in economic development as a provider of basic infrastructure and, as a result, would require considerable concessionary financial resources. Because economic reality fell short of expectations, the Bank now finds itself not particularly well equipped (certainly compared to its main peers) in terms of financial instruments to face the new situation. Adaptations to the financial resources have been made, notably by making possible own resource lending for all public sector projects, including in the weaker countries. However, even this solution obviously does not have wholehearted shareholder support, as recently evidenced by the decision of the Board to split the financing of the Inga Rehabilitation project in the Democratic Republic of Congo on IF and OR respectively, contrary to the Bank proposal to finance the project entirely from its own resources, which was fully in line with the modalities approved in June 2007. It is indeed becoming evident that Member States are not at all comfortable with the idea of bearing the unpredictable political risk associated with lending in the weaker ACP countries through the OR guarantee mechanism. They prefer by far the Bank to make use of the IF, i.e. budgetary funds for which they have the necessary procedural system in place, rather than the contingent liabilities inherent in their guarantee."* *Source: MN 027* An EIB source mentioned that there are incoherencies between initial mandates arrangements and geo-political evolution in the targeted regions (Africa / Caribbean / Pacific): "*Recent developments, notably in the context of the lengthy EC–ACP discussions on the trade-related Economic Partnership Agreements (EPAs), have clearly evidenced the emergence of regional interests - or sometimes even divergences - within the ACP group; the Caribbean and Pacific regions are in some way being marginalised vs. sub-Saharan Africa, while at the same time Africa (i.e. including Northern Africa and South Africa) is becoming more prominent on the international scene. In a way, the EU has already acknowledged this major geo-political change at the time of establishing the EU-Africa Partnership back in 2007, which was followed by separate declarations for the Caribbean and Pacific regions. Africa as a whole, notably through the African Union, is now willing to be seen as a partner, while at the same time the more prominent and advanced African countries, such as South Africa or Libya, are playing an increasing role on the continent. Cooperation with institutions in these countries is being sought – e.g. with the Libya Africa Portfolio (LAP) – or reinforced, like with the Development Bank of Southern Africa or*

	South African financial institutions expanding regionally. In the latter case, however, the process is hampered by legalistic considerations related to the non-eligibility of South African institutions for Cotonou funding, an issue for which the Bank intends to approach the EC. This is probably the most obvious illustration of currently prevailing incoherencies between the mandates arrangements and geo-political evolution in the targeted regions." *Source: MN 027*
2004-WAGP	A short analytical description of Ghana' situation is provided in D2. Assessment of the environmental and social impact of the projects have reportedly been conducted, with consultation of stakeholders and local communities in the case of the environment impact Sources: EIB, West African Gas Pipeline, Ghana, RM/CRD Opinion (Fact Sheet B Ops B/ACP-IF-1/2004-0026/EW) D6: EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006
2004_LUMWANA	The project has been the object and is the result of a full feasibility study that cost € 14 M, to which EIB contributed €7M under Lome IV. Sources: EIB PIN (Preliminary Information Note), Lumwana Copper Project, Luxembourg 15/3/2005. OPS B/ACPIF-3SouthAfrica,0.Ind/2004-0146/BrandSchmitzWaltraud EIB Note to Ops B/ACP-IF-3 Opinion for Appraisal, Luxembourg 27/5/2005. PJ/I&S/2005-598/GCE/MJ/aa
2001_MOMA TITANIUM	Annex G of EIB Appraisal Report Moma Titanium. Luxembourg 27, 2003. PJ/I&S/2003-259/GCE/MUG/ms. provides a succinct but up to the point analysis of the Mozambique situation and development strategy together with an analysis of the situation of educaton, health, water and sanitation, environment at the location of the project. Two points my be highlighted: "The current balance between meeting people's survival needs and the sustainability of the natural resource base appears to be pivotally balanced", and "As part of the project's Environmental Management Programme (EMP), it is envisaged that a development fund will be set up with the financial support of the promoter. Its main task will be to assist the local population in coping with changes in the course of the project. Although being mainly sponsored by the promoter, ail stakeholder groups as weil as local administration will be represented in the development fund in an equitable manner." Source EIB Appraisal Report Moma Titanium. Luxembourg 27, 2003. PJ/I&S/2003-259/GCE/MUG/ms. The project is located in a remote area without significant economic activity and is therefore the only potential resource of development for a very large region. Source: MN302
2003_MAURITIUS CONTAINER	The internal EIB documents describe the country situation, the trans-shipment sector and its importance for the Mauritius economy. The key role of the port is also identified to support the investment foreseen. The market (import and export) and the demand related are also examined in order to ensure the financial viability of the project. Figures are presented to support the facts described in the country analysis as well as in the trans-shipment sector. *"Fact sheet A: proposal to appraise a new operation", EIB, p2* *« Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004* The CSPs always present the country situation and the development needs. However these papers are not designed in order to analyse a specific sector/project in which the EIB is implied. *« Mauritius – European Community. Country Strategy Paper and Indicative programme for the period 2001-2007 », EC,* *« Republic of Mauritius - European Community. Country Strategy Paper and National Indicative programme for the period 2008-2013 », EC,*

2003_GILGEL GIBE	The internal EIB documents only present briefly the country's situation but this presentation is not linked with the sector tackled by the project. *"Fact sheet A: proposal to appraise new operation", EIB, 2004, p2* The CSPs always present the country situation and the development needs. However these papers are not designed in order to analyse a specific sector/project in which the EIB is implied. *"Ethiopia - Country strategy paper and indicative programme for the period 2002-2007", European Community* *"Ethiopia - Country strategy paper and indicative programme for the period 2008-2013", European Community, 2007* A study prepared by Counter Balance in 2008 described the Ethiopian energy sector. According to this paper, "Ethiopia has one of the world's lowest levels of access to modern energy services, and relies primarily on traditional biomass". This situation is established according to population statistics from the World Bank's Little Data Book on Africa 2007. Furthermore the electricity cost is relatively high in Ethiopia and the development of hydropower (as Gilgel Gibe II project) is a heavily politicised issue. *"The Gilgel Gibe Affair. An analysis of the Gilgel Gibe hydroelectric projects in Ethiopia.", Counter Balance, 2008, p 4* According to a COUNTER BALANCE report, in the case of the Gilgel Gibe dam project (EIB loans of €41m for Gilgel Gibe I and €50m for Gilgel Gibe II), the EIB has not carried out an evaluation of the development impact. Gilgel Gibe I, operational since 2004, caused the resettlements of almost half a million people. The agriculture of the area will also be damaged by the project while the impacts on the quality of the water and fisheries will be important. Neither the government nor the EIB have put in place measures to monitor the situation of the resettled people. *Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010*
2003_BOAD PG IV	There is no evidence of a development needs analysis for the ECOWAS region (scope of this operation) specifically geared towards possible IF / OR operations.
2003_Dakar-Ziguinchor	There is no evidence of a development needs analysis for Senegal specifically geared towards possible IF / OR operations. The European Commission's Country Strategy Paper for the period 2002-2007 provides general background information tackling country's needs. Its section describing coherence of Commission policies with EIB policies/operations (p23) remains broad on possible areas of EIB support: *" L'appui aux investissements des entreprises privées constitue l'orientation prioritaire de la BEI dans le cadre de la mise en œuvre de l'Accord de Cotonou. Son action au Sénégal sera ciblée sur les secteurs industrie, mines, pêche, tourisme et services liés – tels que transports, génie civil ou services utilisant les nouvelles technologies – mais elle pourrait également étudier d'éventuels projets privés dans les secteurs de l'éducation et de la santé.* *Compte tenu de la dimension souvent réduite des investissements des entreprises privées, la BEI cherchera à renforcer sa collaboration avec les banques du pays qui possèdent l'avantage de la proximité, par la mise en place de mécanismes financiers, tels que les lignes de crédit, les garanties et prises de participation.. Elle se propose d'optimiser les instruments de cette collaboration de façon à limiter l'appui aux projets d'investissement de petite et très petite dimension. Pour les investissements privés de taille importante, elle pourra intervenir en direct, en cherchant à exploiter le potentiel de participation des banques locales sous forme de cofinancements ou de schémas de partage de risque.* *De par la nature non programmable des investissements privés, le niveau global et la répartition sectorielle des*

	interventions de la BEI ne seront pas déterminés d'avance, mais résulteront des demandes de financement, approuvées en fonction de la qualité des dossiers. Le niveau d'intervention sera tributaire du rythme global de l'investissement privé au Sénégal, conditionné par la stabilité du cadre macro-économique et politique et par l'aboutissement des réformes gouvernementales entreprises pour créer un climat favorable à l'investissement national et étranger. *Par ailleurs, la Banque reste disposée à participer au financement des infrastructures de base vitales pour l'économie dans les secteurs électricité, télécommunications et eau potable, réalisées par des promoteurs privés ou dont la réalisation s'inscrit dans un contexte de partenariat public-privé ou de privatisation. Elle participera aux côtés d'autres bailleurs de fonds à l'instruction du projet de réhabilitation, dans le cadre d'une privatisation, du chemin de fer Dakar-Bamako, voie capitale pour les échanges du pays avec la sous-région et pour les perspectives de croissance de son activité économique.»* Source : « Sénégal-Communauté européenne – Document de stratégie de coopération et programme indicatif pour la période 2002-2007 », European Commission, 2002 The EIB provides with a country analysis which explains how this sea link Dakar-Ziguinchor is important for the people who would like to travel between these two important cities. It appears that the air transport is too expensive for the local population and the three roads linking these two cities are subject to corruption by the custom officers and the roads are in poor condition. Consequently, the sae link is necessary to ensure a more safety liaison between the cities available for the all population and to ensure the merchandise transportation. Source : Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p5
2004_OLKARIA	Analysis of country situation is briefly reported in D2. There are no indication that it has been conducted with others, notably the Commission. The EC-Kenya CSP for the tenth EDF includes a description of the EIB's response strategy to the needs of the country. For infrastructure, it states among the following objectives: ▪ Financing infrastructure projects in the energy, water and sewerage, transport and telecommunication sectors, where the emphasis will be to help increase the efficiency of public utilities and encourage participation of the private sector if appropriate. Source: Republic of Kenya - European Community, Country Strategy Paper and National Indicative Programme for the period 2008-2013, 9th December 2007., p. 164
2005_ACPGLOB ADEMI	There is a Country Financial Sector Strategy for the Dominican Republic and this analysis was used to select this operation
2005_ACPGLOB CA2004 Madagascar	No Country Financial Sector Strategy was obtained for Madagascar
2005_ACPGLOB CA2006Kenya	No Country Financial Sector Strategy was obtained for Kenya
BOAD	
Microfinance Enh Fac	No relating Country Financial Sector Strategies were obtained
2005_ACPGLOB CA2006	The CSP/NIP 2003-2007 for Kenya, in a section devoted to PSD, refers to: ➢ Kenya's privatization strategy ("EIB will follow the privatisation process to identify opportunities", with emphasis on infrastructure ➢ The Micro-enterprises support programme (MESP) and the establishment of a Micro-credit Trust Fund. However, there is no clear connection between such effort and EIB's effort to reach micro-enterprises under this Project. It is not clear if EIB could utilize this Trust Fund in relation to its operations in this field. The CSP/NIP 2008 for Kenya on the other hand contains an expanded PSD review, namely:

	➢ The Private-Sector Development Strategy is anchored in five strategic goals, all related to the business environment ➢ PSD medium-term policy objectives of a general nature (competitiveness of SMEs, infrastructure development, capacity building, Kenyan ownership, reposition the PS to contribute substantially to employment and GDP, developing entrepreneurship) ➢ The EC financed Micro-Enterprises Support Programme Trust Fund (MESPT), but the link with EIB operations in this field is not made. ➢ A Technical Cooperation Facility (TCF) of € 4.6 m to implement EC assistance, “notably covering technical studies, project formulation, implementation, monitoring and evaluation”, but seemingly without a connection with EIB operations. A two page Annex on EIB FINANCING OPERATIONS IN KENYA lists EIB targeted activities in Kenya at that point of time- i.e. not necessarily valid in further years. However, this indicates that EIB has a relatively detailed country approach in this case.
2005_Pacific Islands	There is no evidence of a development needs analysis for the Pacific region specifically geared towards possible IF / OR operations. Nevertheless, the EIB has carried out in the context of the PIFF II a “Financial Report”. This 28 pages document (+ annexes) essentially describes in a few pages the financial sector in the region and provides specific information on the different borrowing banks for this operation (~4 pages per bank). The operation’s 2005 fact sheet A provides two paragraphs on the “country situation” which provides indication on a few country needs: *« The Pacific country signatories to the Cotonou Agreement are spread across a vast area, yet in themselves display certain similarities in the development challenges they face, being mostly small island states with small resource bases. Located in the more temperate parts of the world with relatively easy access by air to wealthier countries, high value tourism has been a growth area for many and promises to continue to expand despite recent short-term setbacks linked to concerns over the safety of air travel. However, a number of areas other than tourism also offer potential for supporting development, particularly in the context of small and medium scale industries serving local economies. In addition the Pacific region as a whole has considerable fisheries industry potential, particularly with species such as tuna where stocks are plentiful.* *PNG has stabilised and investment in the country is recovering. The effect of lower interest rates was evident in an increase in lending in 2004 and the first quarter of 2005. The country also currently runs a budget surplus arising not only from higher world market prices for mineral resources but also from an improved fiscal management, in addition to low inflation and a relatively stable exchange rate. Nevertheless, remoteness continues to set limits on growth in many countries and periodic rogue climatic conditions remain a destructive threat throughout. »* Source: “Fact Sheet A – Proposal to appraise new operations” (of the operation), EIB, 29/09/2005 (p2) The report to the Board provides further a half page description of the “economic and financial situation” of each of the four pacific islands in scope of the PIFF II. The description for Palau is provided here as an example: **Palau** The Republic of Palau is a small island economy, heavily dependent on tourism and external assistance. Although real GDP per capita is relatively high (about USD 6 000, or EUR 4 711), with a population of just under 20 000, Palau faces many development constraints common among other Pacific island countries, including a small domestic market, limited supply of skilled labor, inadequate

	infrastructure, geographical isolation, and vulnerability to external shocks. The economy consists primarily of subsistence agriculture and fishing. The government is the major employer of the work force relying heavily on financial assistance from the US, but this may well fall from 2009 under the present arrangements. Based on limited available data, real GDP is estimated to have grown by an average of 2% per year since 2000. The modest economic growth over past years reflected the adverse impact of various external shocks, which affected tourism, the main source of income for the country. Inflation has been low amounting to 0.5% in the 2002/03 and 2003/04 fiscal years. Palau has recorded large fiscal imbalances in recent years. The fiscal deficit declined from 10% of GDP in 2001 to 5% of GDP in 2003. Despite significant flows of external grants and some reductions in current non-wage expenditures, the government's usable reserves have been exhausted. Substantial fiscal consolidation will have to be implemented over a medium term for a smooth transition to the self-sustainable economy after 2009. Moreover, strong private sector growth is needed to reduce dependence on foreign assistance. Structural reforms need to be implemented to remove impediments to private sector development, particularly in the areas of privatization, foreign investment, land ownership, and banking. *Source: "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006 (p16-17)*
2006_EAU SENEGAL	The internal EIB documents only briefly refer to the country situation. The CSPs (9th and 10th FED), prepared in collaboration with the EIB, describe the economic, politic and social situation of the country. However the information is not presented from a specific project point of view. The sanitation and drinking water issue is also briefly tackled in these papers. The country's situation is tackled by the Board of Directors paper from the EIB. The population needs are described and the opportunity of the project is explained taken into account the country/region specificities. *"Fact sheet B: financing proposal", EIB, 2007* *"Fact sheet A: Appraisal Authorisation", EIB, 2007* "Conseil d'administration. Prêt à l'investissement bonifié sur ressources propres. Projet PROGRAMME EAU », EIB, 2007, p7, 9, 10 *"Document de strategie de cooperation et programme indicative pour la période 2002-2007" European Community, « Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007*
2007_ACPGLOG SOCREDO	The EIB is provided with an analysis of the environmental sector in French Polynesia as well as an economic and financial situation of the country. These analyses are well documented. *"SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p9-10* In October 2007, the French Polynesia financial sector and the economic environment of that country are deeply analysed by the EIB. *« French Polynesia : Financial Sector Review », EIB, 2007*
2009_MICRO FINANCE_ACP	No evidence has been found so far.
I-1.2.2	**These analyses have been prepared in collaboration with stakeholders (e.g. national/regional authorities and private sector representative institutions)**
General	Other IFIs/DFIs observe that EIB is not equipped for contacts with local private sector stakeholders, by lack of country representations. A pro-active approach requires deeper knowledge of the local environment and local actors, but allows seizing development opportunities. A reactive approach overlooks opportunities. An

	example is the major difference between AFD/Proparco's, IFC's and IDB's approaches e.g. in the tourism and health sectors in the DR. While there is generally a check of the conformity with the development needs in the broad sense (see the "3 pillars"), this is a far cry to maximizing proactively development impact. Programming: IDB, IFC, AFD/Proparco have Country and/or Sector Strategy approach with clear measurable priorities. IDB and IFC have, compared to EIB, a considerably deeper strategy for local social impact. EIB handicapped in this respect by lack of local presence. *Source: MN 400, MN 410, MN 406* Several interlocutors underlined that the EIB was not visible enough. Stakeholders do not know very well the EIB. Such visibility might be important, for instance for the pirvate sector to know what the EIB can offer. (e.g. MN 263, MN 257).
General	EIB staff indicate that all financial sector operations are prepared on the basis of Country Financial Sector Strategies which are prepared by DEAS in collaboration with financial sector stakeholders in the relevant countries. There is a Country Financial Sector Strategy for the Dominican Republic. Absent for Senegal (and absent in all other countries in the West Africa Region, except Nigeria and Côte d'Ivoire)
2003_Dakar-Ziguinchor	*Indicator not really relevant for this operation as there is no evidence of such specific analysis (see I-1.2.2)* The "Rapport d'instruction" prepared by the EIB refers to two missions which should have been taken place in March 2003 for the identification phase and in February 2004 for the evaluation phase. Furthermore, several contact persons are referred in this report. Consequently, some contacts with stakeholders should have been taken place. However no evidence has been found that meeting or communication have effectively taken place between the EIB and the stakeholders. Source : « Rapport d'instruction », EIB, 2004, Annex I Beneficiaries local autorities have been consulted, according to the relevant ministry. (MN 263)
2003_MAURITIUS CONTAINER	The majority of the information related to these analyses is found in the appraisal report edited by the EIB. This report contains an appendix I in which all contacts/reference persons have been listed. They represent the Mauritius government, the Mauritius Ports authority and CHCL. They have been met by an EIB representative in the appraisal stage of the project. *« Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004, appendix I* The CSPs have been subject to discussion with others donors (including the EIB) and non public bodies in order to permit to the EC to take into account several factors in its cooperation strategy. This implies that the EIB should have been consulted in order to prioritize the EC interventions.
2003_GILGEL GIBE	The CSPs have been subject to discussion with others donors (including the EIB) and non public bodies in order to permit to the EC to take into account several factors in its cooperation strategy. This implies that the EIB should have been consulted in order to prioritize the EC interventions.
2004-LUMWANA	We do not have the feasibility study but it is referred to in the project preparatory documents and these indicates that the study involved a consultation with the stakeholders. Source: : EIB Fact Sheet A: proposal to appraise new operation. Luxembourg 08/07/2005. OPS B/ACPIF-3SouthAfrica,0.Ind/2004-0146/BrandSchmitzWaltraud "It (i.e. the Environment Impact Assessment) includes also the relevant social aspects, public consultation, a preliminary rehabilitation plan and an environmental management plan and has lately been supplemented by an indigenous peoples development plan (IPDP). In total, it conforms

	both to EU and WB standards". Source: EIB Lumwana Copper Project, Appraisal report, Luxembourg 30/6/2006, PJ/I&S/2006-675/GCE/VMJ/aa
2006_EAU SENEGAL	The CSPs have been subject to discussion with others donors (including the EIB) and non public bodies in order to permit to the EC to take into account several factors in its cooperation strategy. This implies that the EIB should have been consulted in order to prioritize the EC interventions. « Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007, *p3 and 17* Beneficiaries local autorities have been consulted, according to the relevant ministry. (MN 263)
2007_ACPGLOG SOCREDO	Apparently the Commission and French Polynesia did not express any objection regarding this project as stated in the Fact sheet B of the EIB: "Commission opinion: no objection as the Commission deems to have rendered a favourable opinion under the Internal Agreement procedures." *"Fact sheet B: financing proposal", EIB, 2007, p3* *"SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p1*
I-1.2.3	**Country/region needs are reflected in these analyses in a way that can be used by the EIB**
General	EC country/regional documents such as RSPs, CSPs and RIPs/NIPs for the Caribbean, Dominican Republic, Madagascar, Kenya, do not cover the needs of the private sector or the financial sector (other than sporadically, or in respect of the enabling environment). Only in respect of infrastructure are they of use to EIB. *Source: RSPs, CSPs and RIPs/NIPs obtained for relevant countries of 20 selected operations* Note. A Commission staff member notes that the EIB has had regional projects, but not aiming directly at regional integration, these are rather multi-country projects: *"Réflexion interne : La BEI a de nombreux projets régionaux, mais ce ne sont pas des programmes d'intégration régionale. Rapport Annuel : « 41% investis dans des programmes d'intégration régionale » : ce n'est pas vraiment le cas. On crée une entité régionale, mais c'est plutôt du multi-pays. Exemple positif: barrage transfrontalier qui donne de l'énergie aux pays alentours, ou water & sanitation projet avec effets positifs dans la région, ou projets en transports. Ceux-là si ont un impact sur l'intégration régionale (il faut dialogue, procédés et règles communes, etc.). Contre-exemple: Quand on investit dans un fonds régional qui place de l'argent dans des pays différents, il n'y a pas de liens entre les pays. Sujet actuel dans le cadre des APE (accords de commerce élargis) ; vérifier si intégration régionale est un objectif de Cotonou ».* *Source : MN 023*
2001_Moma Titanium	Cf. I121
2003_BOAD PG IV	*Indicator not really relevant for this operation as there is no evidence of such specific analysis (see I-1.2.2)*
2003_Dakar-Ziguinchor	*Indicator not really relevant for this operation as there is no evidence of such specific analysis (see I-1.2.2)*
2003_MAURITIUS CONTAINER	The country/region needs are mainly analyzed from a financial point of view which is the most interesting from a Bank point of view. The tariffs/operating costs, the production generated, the investment costs, the financial and economic profitability are some major points tackled by the appraisal report. The technical aspects are also described in order to allocate cost to specific part of the project. The container traffic is also well described for several years. The import and the export are evaluated in order to see the trend in the traffic. All these information allow the Bank to have a global view of the project and fiinally to assess the risk linked to the project financing. *« Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004,*
2003_GILGEL	No evidence has been found so far.

GIBE	
2007_ACPGLOG SOCREDO	As the EIB should have to assess the appropriateness of the project in terms of environment benefits, the sector analysis provided the EIB with a lot of information. *"SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p9-10*
2009_MICRO FINANCE_ACP	No evidence has been found so far.
I-1.2.4	**Stakeholders agree that the analyses used are valid**
2003_BOAD PG IV	*Indicator not really relevant for this operation as there is no evidence of such specific analysis (see I-1.2.2)*
2003_Dakar-Ziguinchor	*Indicator not really relevant for this operation as there is no evidence of such specific analysis (see I-1.2.2)*
2003_MAURITIUS CONTAINER	The appraisal report refers to several reference contact names. It can be supposed that these persons have been contacted in order to provide project's information. Consequently, it can be argued that analyses from the appraisal report have taken into account the stakeholders' views. *« Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004*
2003_GILGEL GIBE	No evidence in that respect was found as so far.
2004-Lumwana	Some NGOs are critical of the EIB approach, and in particular its selection of the mining sector as a target for its financing: "EIB financing in Zambia falls under the Cotonou Agreement. This means that the Bank is supposed to support the local private sector as a means to promote the "social, economic, political, cultural and environmental aspects of sustainable development" as a contribution to poverty reduction. The European Union's country strategy paper for Zambia, as with other countries, identifies the actions and sectors in need of priority support. Zambia and the EU signed a new Country Strategy Paper for 2008-13with a budget of nearly €500 million. The strategy lists transport, infrastructure and human development - with an emphasis on health - as the key areas for action. Nowhere does the country strategy mention support for mining as a strategic priority. Yet this is what the EIB has chosen to fund – providing over €150 million in loans to the mining sector between 2005 and 2008, an amount representing three quarters of its active portfolio in Zambia" (Source: *Corporate welfare and development deceptions*, Counter Balance: Challenging the EIB, February 2010). The argumentation is, however not convincing. Mining is definitely a crucial sector for the Zambian economy and , therefore, it is not necessary a disfunctioning to have a division of labour between the Commission and the EIB letting the latter intervene in important sectors where the former is not active.
2006_EAU SENEGAL	No evidence in that respect was found as so far.
2007_ACPGLOG SOCREDO	No evidence in that respect was found as so far.
2009_MICRO FINANCE_ACP	No evidence has been found so far.
I-1.2.5	**Documents relating to individual operations explicitly refer to these analyses**
General	EIB Operational Project Progress reports contain a Section ECONOMIC AND FINANCIAL SITUATION OF THE COUNTRY. However, no analysis of country needs was found in project preparation docts for *2005_ACPGLOB CA2006 Kenya, 2005_ACPGLOB CA2004 Madagascar,* but was found in *2005_ACPGLOB ADEMI*. EIB's Business Plan does not refer in detail to such analyses.
2003_BOAD PG IV	*Indicator not really relevant for this operation as there is no evidence of such specific analysis (see I-1.2.2)*
2003_Dakar-Ziguinchor	*Indicator not really relevant for this operation as there is no evidence of such specific analysis (see I-1.2.2)*
2003_MAURITIUS	The internal EIB documents describe the country situation, the trans-shipment sector and its

CONTAINER	importance for the Mauritius economy. The key role of the port is also identified to support the investment foreseen. The market (import and export) and the demand related are also examined in order to ensure the financial viability of the project. Figures are presented to support the facts described in the country analysis as well as in the trans-shipment sector. *"Fact sheet A: proposal to appraise a new operation", EIB, p2* *« Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004* The CSPs always present the country situation and the development needs. However these papers are not designed in order to analyse a specific sector/project in which the EIB is implied. *« Mauritius – European Community. Country Strategy Paper and Indicative programme for the period 2001-2007 », EC,* *« Republic of Mauritius - European Community. Country Strategy Paper and National Indicative programme for the period 2008-2013 », EC,*
2003_GILGEL GIBE	N/A
2004_OLKARIA	Cf. I122
2005_Pacific Islands	The report to the Board for the operation's contract in Palau provides information on the context of the operation, notably on the limits of financial market liquidity in the Pacific islands. *"(…) The development of SMEs and micro-sized initiatives is one of the keys to sustained employment growth in the Pacific region and is crucial to both poverty reduction and the building of stable democratic societies, and enjoys full support of the relevant Pacific Governments.* *Financial market liquidity in the Pacific Islands, where it exists, is primarily of a short term nature and the lack of longer term financing precludes many projects from obtaining suitable funding from local sources. In the same way as the first PIFF operation, PIFF II focuses on SMEs and micro-sized businesses and the key value-added component is to encourage the development of a large number of micro-, small and medium-sized initiatives in the private sector throughout the Pacific region. It increases employment across a wide range of sectors. It also addresses micro-finance needs by giving the least privileged strata of the population access to appropriate credit facilities."* *Source: "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006 (p3)*
2006_EAU SENEGAL	The internal documents from the EIB do not refer to the CSPs or any other analysis of region/country development needs.
2007_ACPGLOG SOCREDO	These analyses are included in the project documents. However, no information is delivered regarding individual projects that will be suggested by the direct beneficiary. As the EIB foresees to undertake a deeply analysis of each project, these kinds of analyses are expected to be prepared. *"SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p 8*
2009_MICRO FINANCE_ACP	No evidence has been found so far.
JC 1.3	***Operations have been prioritised with a view to addressing development needs, and taking stakeholders' views into account***
I-1.3.1	**A pipeline based on region/country/sector needs exists**
General	Some EIB representatives explain that the EIB does not really have the means to conduct policy or instiutionnal dialogue nor to restructure an entire sector. They do not have sufficient resource to enter into a political and technical dialogue with the Governments. They cannot make country strategies and this would have no sense given the size of their projects. An advantage is that this responsibilizes more the counterparts: they are responsible. (MN 266) For 2010, the EIB wants to prioritise the identification and launch of projects and initiatives pertaining to : - The infrastructure sector : challenging cross-border and regional trade corridors, keeping

	climate change-related activities in the spotlight - Financial sector development, with equity and micro-finance playing a key role. Initiatives targeting SMEs and the enhancement of local capital and financial markets will also remain centre stage - Public sector investment - Climate change : energy efficiency project or adjustment to climate change *Source: MN 901* Under the Business Plan, a pipeline exists only for the two focus areas. Counterbalance notes in this respect that *"the EIB does not select its projects according to how it can best use public money to maximise poverty reduction and environmental protection for thos who need it most". Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010*
2003_BOAD PG IV	There is no evidence on prioritisation of this operation.
2003_Dakar-Ziguinchor	There is no evidence on prioritisation of this operation.
2003_MAURITIUS CONTAINER	The extension of the Mauritius Container Terminal has been seen as a key component in the economic development of Mauritius. However, there is no evidence that the EIB establishes a pipeline based on region/country/sector needs. *« Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004*
2003_GILGEL GIBE	No evidence was found in that respect.
2004-OLKARIA	The present project is a continuation of previous programmes in the electricity sector. The EIB intervention in the sector dates back from previous EDFs and the project is inscribed in the continuity of a consistent support to the energy sector. The new project is part of Kenya's Energy Sector Recovery Project, spearheaded by the World Bank. The project aims at the development of a competitive, indigenous, environmentally friendly energy Sources: EIB PIN (Preliminary Information Note), Olkaria Extension, Luxembourg 23/9/2004. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL, EIB Fact Sheet A: proposal to appraise new operation. Luxembourg 19/11/2004. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL Kenya-European Community, Country Strategy Paper for the period 2003-2007. 15th October 2003.. p.23., EIB. Apparaisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe. EIB. Apparaisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe. Wetang'ula, G. & Kubo, B.: Environmental Management at Olkaria Geothermal Power Project, Kenya, KenGen. (no date). Olkaria II. Extension.Value Added Pillar 1. OpsB/ACPIF-2/2004-0255/gounot.
2006_EAU SENEGAL	According the documents analysed, there is no evidence that the EIB establishes a pipeline based on region/country/sector needs.
2007_ACPGLOG SOCREDO	The eligibility of each operations financed has to be deeply examined by the EIB, a pipeline based on region/country/sector needs should have been prepared in order to prioritize the operations. *"SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p 8*

2009_MICRO FINANCE_ACP	No evidence has been found so far.
I-1.3.2	**EIB pro-actively generates projects that address development needs**
General	By investing in the regional development banks, the EIB use their regional specialisation and integration into their specific regions. They can demonstrate more focussed analytical, project and program approaches. Furthermore these banks have generally lower project preparation and monitoring costs. There are niches where only they can operate on a sustainable basis (e;g. Smaller projects and countries). *"EIB participation in regional development banks in the ACP" EIB document 07/133 p4* Some EIB representatives met consider that the EIB cannot have a real programme approach and that this is indeed for the better. Their role is to react to demands. In some sectors however (eg. infrastructure) they go beyong responding to the markes, also for the financial sector they have country strategies. (MN 266) An EIB staff member underlined that the EIB aims at doing things that have a developmental aspect. The EIB will not do anything that is out of the programmatic plan of the country. There are however different possibilities and concretely this boils down to choosing between different possibilities that are relevant in terms of addressing development needs. Other criteria that are essential to take into account are whether the project is commercially viable and that the EIB needs to have a real value added. In this perspective the EIB is rather responsive and pragmatic than pro-active and strategic (while remaining in line with the general strategic lines of its business plan). People come to the EIB with a project. The EIB cannot afford, notably in terms of resources, to make a programme specific to the country, although there is a slight evolution in this respect. Poverty reduction is also more an indirect benefit they are looking for. They look more directly at environmental benefits and the generation of wealth. The EIB tries to create conditions from which everybody should benefit. (see MN 331) Commission staff representatives also raised the question to know to what extent EIB projects were not only addressing development needs, but were also strategic in this respect. Indeed they considered that the EIB was financing operations that were needed in terms of development needs, but had more questions on the issue to know whether these were the most needed ones and whether the EIB sufficiently looked at the broader picture in this respect (see MN 332). Several stakeholders underlined that in their view the EIB was acting mainly as an Investement Banks, having priorities in terms of profit generating and much less in terms of development. They consider that *"the constraint tends to become the objective"*. This reasoning was applied to "Development Banks" in general, not only to the EIB. (eg. MN 322). The NGO group Counterbalance is critical about the EIB effectively addressing development needs. According to Counterbalance, concerning the Grand Inga hydroelectricity project in Democratic Republic of Congo (DRC) : although fewer than 7% of the population of the DRC have access to electricity, the project aims to export most of its power. The project seems more oriented towards EU's interests than DRC development needs. *Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010* The Bankwatch network on its side considers that the EIB has done little to ensure its lending meets the needs of the poor countries in which it funds some of its biggest infrastructure projects. There is little indication that EIB lending activities have contributed to the goal of EU strategies for poverty alleviation and social development. The report details several examples of EIB financed projects that support this statement. For example, the Nam Theum 2 Dam project in Laos will have serious impacts on the lives and livelihoods of tens of thousands of Laotian farmers. Past

	experience with dam projects in Laos indicates that villagers will lose farmlands, forests, fisheries and water resources on which they depend. The EIB mentions that it supports the investment because of the project's high development impact and the enhancement of regional integration. However, the report stresses that in a country notorious for corruption, financial mismanagement and a lack of transparency, there is little evidence to support EIB's assertions.*Source: CEE bankwatch network, "Raising the bar on big dams, Making the case for dam policy reform at the European Investment Bank", November 2007*
2003_BOAD PG IV	There is no evidence on pro-active EIB generation of this operation.
2003_Dakar-Ziguinchor	The Senegalese Government sent an official request to the EIB in order to partly finance the project. Consequently, the EIB has not pro-actively generated this project. Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar- Ziguinchor (Sénégal) », EIB, 2004, p1 It seems that the Senegalese government has requested the EIB's financing because the project concerns quasi-infrastructure and the EC support wouldn't probably be possible for this kind of project. Source: MN017
2003_MAURITIUS CONTAINER	The EIB has previously worked with the borrower (CHCL) for Port Louis Container Terminal I project. Therefore, the EIB has not pro-actively generated this project in order to meet the demand requirement in terms of trans-shipment. *« Fact sheet A : proposal to appraise a new operation », EIB, 2004, p 1*
2003_GILGEL GIBE	This project is the third loan to EEPCO (Gilgel Gibe project and EEPCO Urban Power Distribution & Load Dispatch project). This first one is completed and the implantation of the second was proceeding in a satisfactory manner at the time of project selection. No evidence that that the EIB has pro-actively acted in that field. However, the Bank contacted the Etjhipian Government in order to prepare direct lending to the local private promoters. "Nevertheless, under the Cotonou Agreement, the Bank has the specific mandate to finance the private sector as well as the commercially-run public sector at market rates. In order for Ethiopia to get the full benefit from the financing under the Cotonou Agreement, **contacts with the Ethiopian authorities were started with a view to agree on the principle of direct lending to the local private promoters."** *"Ethiopia - Country strategy paper and indicative programme for the period 2008-2013", European Community, 2007, p 47*
2004-WAGP	There is no evidence that the EIB has plaid a proactive role in this project. It refinances the Government of Ghana who seems to have been the major proactive player. *Sources: Factsheet A and B, Appraisal Report.*
2005_ACPGLOB CA2006	Project addresses development need, but was not generated by EIB
2005_EMP AFRICA FUND II	Project addresses development need, but was not generated by EIB
2005_ACPGLOB ADEMI	Project addresses development need, but was not generated by EIB though EIB played a strong role in its design and in placing Banco Ademi on a growth path
2005_ACPGLOB CA2004	Project addresses development need, but was not generated by EIB

2005_ACPGLOB CA2006	Project addresses development need, but was not generated by EIB
2006_EAU SENEGAL	The water reform undertaken in Senegal was lead by the Government in collaboration with donors, namely the World Bank, AFD and EIB. The EIB has taken part of water investment program in Senegal. "Rapport financier. Projet: Programme eau Sénégal", EIB, 2007, p2 An EIB staff member mentioned that the EIB has convinced the Commission of the importance of the water sector in Senegal. Even if the Commission has taken the initiative, the EIB has played an important role in this project setting-up. *Source: MN016*
2007_ACPGLOG SOCREDO	This line of credit oriented to environmental operations is the first project in this filed for the EIB (except a similar credit line in New Caledonia). This is considered as a pilot project. Therefore the EIB tends to target a new "market" and thus generates new projects. *"Fact sheet B: financing proposal", EIB, 2007, p3*
2008_EDFI	The EDFIs generate projects that addresses development needs
2009_MICRO FINANCE_ACP	The internal EIB documents stated that this investment is an emergency response of IFC and KfW to the financial crisis. Then it appears that the Bank has not pro-actively generated this project. *"Fact sheet A : Appraisal Autorisation ", EIB, 2009, p 3*
I-1.3.3	**Project identification/appraisal documents demonstrate conformity with development needs and stakeholders' support**
Operation /General	Some stakeholders representatives (NGOs), explained that the consultation of populations was weak or not really a true consultation. They also considered that the communication with the Governement was often weak, as well as engagement with other stakeholders. A suggestion made in this respect was to conduct consultations in two phase: first a consultation during the EIA process (done in the present configuration), the a sharing with the consulted population of the EIA and collecting their reactions on it. (MN 322) Similar views are also expressed in Counter Balance reports: *"There is significant evidence that EIB-backed projects have negative impacts on the ground. Many people living in the project areas feel marginalised from decision-making and are not benefiting from the projects. People living in project areas fell marginalised from decision-making and are not benefiting from EIB operations."Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010* As regards the Tenke Fugurume Mining project in DRC, according to the report, the interests of the Government as well as those of local populations have not been major preoccupations during the formulation of the project. In particular, within this area, a large proportion of the population does not know how to read nor write, and the project documents have not been translated in Swahili hereby preventing the population to understand the documents. Moreover, some actions of the project aimed at addressing development aspects (access to water, to electricity, to education, etc.) but their implementation did not take into account the local situation and the real needs of the populations. *Source: Counter Balance, Réformer la Banque Européenne d'investissement, "Terrain miné, l'implication de la BEI dans le projet minier de Tenke-Fugurume en RDC », Août 2008 (pages 7 and 17)* Striking during country visits was that many stakeholders explained that their knowledge of the EIB (its activities, the type of support it can offer, its approach within a project) was limited. This concerned national counterparts, notably a Ministry of Industrialisation that had never met the EIB. Interlocutors had some knowledge of the EIB activities, but not at what terms (MN 347) or a

	Ministry of Environment, that considered that contacts with the EIB were minimal (no direct contact), the EIB being working mainly with promotors. It was underlined that contacts with other agencies, such as the WB, were much more frequent. Also contacts with the European Commission were more frequent, but the EIB activities were not discussed during these contacts. Interlocutors also underlined that they wished that engagement would be enhanced (MN 342). . , Within specific operations the presence and participation of the EIB was on the other hand much valued (eg. MN 352).
2003_BOAD PG IV	Information available for this operation does not assess development needs as such. Descriptions in some paragraphs provide nevertheless indirect information on this *(see project fiche).* No direct reference however to any "development needs analysis" or to the Commission's CSPs .
2003_Dakar-Ziguinchor	Information available for this operation does not assess the development needs as such. Descriptions in some paragraphs provide nevertheless indirect information on this *(see project fiche).* No direct reference however to any "development needs analysis" or to the Commission's CSPs. The value added identification's analysis carried out by the EIB described the conformity of the project to the EU priority objectives as established in the Cotonou Agreement (pillar 1). Indeed, the project should restore the sea link Dakar-Ziguinchor which is an important element for economic and social recovery plan for the Casamance region. One of objectives is to reintegrate this region within the Senegalese economy. No further details are provided regarding how this objective will be effectively achieved. Source : Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar Ziguinchor (Sénégal) », EIB, 2004, p2
2003_MAURITIUS CONTAINER	The project identification document as well as the financial report justify the importance of this project in terms of Senegal's development needs. For example, this below text is issued from the financial report: "By its island situation practically all trade of Mauritius goes through Port-Louis, its sole commercial port. As furthermore 75% of trade is nowadays containerised, the Mauritius Container Terminal is a key component in the economic development of Mauritius. Benefiting from its geographical position Mauritius has furthermore managed to attract transhipment traffic; as transhipment implies the use of large container ships, freight charges are minimized and transport duration for imports and exports reduced. Finally through its new hub function the Mauritius Container Terminal contributes to regional integration thereby bringing economic benefits not only to Mauritius but also to its neighbouring countries. The project thus fully meets the objectives of the Cotonou Agreement to foster development in the ACP partner countries of the EU" *« Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004, p 8*
2003_GILGEL GIBE	As the projects documents do not present a development needs analysis, it is difficult to answer this question. However the EIB justifies this project as follows: "Expansion of hydro generation capacity will help **to meet demand growth and improve the quality and reliability of supply**. EEPCO is pursuing ambitious targets to expand the coverage of electricity supply, starting from **the current low levels of service provided to less than 15% of the population**, and to improve the efficiency of the system by **connecting towns** that are currently run as isolated systems. The economic viability of the project, taking account of alternative demand scenarios and investment options, will be verified during appraisal." *"Fact sheet A: proposal to appraise new operation", EIB, 2004, p2*

	According to a report of the Delegation of the EC to Ethiopia in August 2007, "the Project was defined without a comprehensive sector support strategy. Possible negative consequences are: limited coordination and policy influence for the long-term sector development in synergy with other interconnected sectors; limited scope for supporting best practices with regard to (socio) environmental impacts of large infrastructure projects; absence of an accompanying programme for social development and capacity building; de-link with grant programmes and projects financed by the Italian Development Cooperation in Ethiopia" *"The Gilgel Gibe Affair. An analysis of the Gilgel Gibe hydroelectric projects in Ethiopia.", Counter Balance, 2008, p16*
2004-WAGP	Yes. The developmental potential of the project is highlighted as well as its benefits in terms of cost of power generation, cleaner generation process (based on gas instead of oil). Sources Factsheet A and B, Appraisal Report.
2004_LUMWANA	The project is a mining project and important for the development of productive sector activities in Zambia but it is also likely to develop a region that has suffered from a lack of regional infrastructure because it is far from the capital town and from the Copperbelt. The government is assisting with infrastructure and the present project is an additional step in the development of a new copper province in North West Zambia to even economic disparities between regions. The mine development will include a village with clinic, schooling and other facilities. Sources: EIB Fact Sheet A: proposal to appraise new operation. Luxembourg 08/07/2005. OPS B/ACPIF-3SouthAfrica,0.Ind/2004-0146/BrandSchmitzWaltraud EIB Note to Ops B/ACP-IF-3 Opinion for Appraisal, Luxembourg 27/5/2005. PJ/I&S/2005-598/GCE/MJ/aa Apart from income and profits for the promoter, le project will bring the following benefits to the country: ▪ Valorisation of a so far unused competitive indigenous natural resource, ▪ The project has a significant development impact for the North-Western Province of Zambia, ▪ Export revenues and income from taxation and royalties for Zambia, ▪ Expected creation of employment, transfer of management, mining and copper processing skills to the local population, and the related investments in health and education will give a boost to the human capital in the region. Source EIB Lumwana Copper Project, Appraisal report, Luxembourg 30/6/2006, PJ/I&S/2006-675/GCE/VMJ/aa
2001_MOMA_ Titanium	The Moma project will stimulate the regional economy and infrastructure in Northern Mozambique, a particularly poor area, which currently lacks foreign investment. Preliminary calculations by the promoter indicate that the net present value generated from the mining operations is estimated to be much greater than the existing land use. In terms of employment, while small losses will be suffered by sacrificing the current subsistence agriculture/hunting activities, the net estimated job creation should be in excess of 400 permanent jobs as well as several temporary jobs during construction. According to promoter's documents, the project has strong support from national and local authorities as well as acceptance from the local population although with some reservations regarding relocation of people and loss of natural resources. The appraisal is expected to shed more light on the costs and benefits for the region coming from the project. Source: EIB Note to OP3. Opinion for Appraisal Authorisation, Luxembourg, 15th May 2001, PJ/I&S/2001-0556/GCE/IK/sp Despite the significant mineral resources of Mozambique, mining contributed less than 1% to the country's GDP in 2000. The project appears consistent with the government policy of Mozambique in the mining sector to attract international investors in the country. Source: : EIB Fact Sheet A: proposal to appraise new operation, Luxembourg 28th February 2002,

	Ops B/ACP-3/A° 2001-0242
2005_Pacific Islands	Information available for this operation does not assess development needs as such. Nevertheless, the operation's 2005 fact sheet A mentions the following as "economic benefits" for the "rationale for financing": *« Diversification: provision in an efficient manner of global loans and possibly guarantees to help support the growth of smaller projects in the Pacific region and a broadening of local financial markets.* *Employment: A higher rate of employment in the SME sector.* *National Income: Higher tax incomes primarily due to an increase of SME businesses and a lower rate of unemployment. »* The Fact Sheet A further mentions as EIB value-added: "The Facility would (i) build new capacity in the finance sector (ii) provide a cost-effective window for EIB financing operations in the region (iii) potentially assist in the development of new financial products under Cotonou." *Source: "Fact Sheet A – Proposal to appraise new operations" (of the operation), EIB, 29/09/2005 (p2)* The report to the Board for the operation's contract in Palau specifies that the project is in accordance with Cotonou, in particular the focus on private sector development. It also provides contextual information with regard to limits of financial market liquidity in the country (*partly provided above under I-2.1.5*). *"The second Pacific Islands Financing Facility is in accordance with the objectives set out for the Investment Facility in the Cotonou Agreement, in particular the focus on private sector development. The development of SMEs and micro-sized initiatives is one of the keys to sustained employment growth in the Pacific region and is crucial to both poverty reduction and the building of stable democratic societies, and enjoys full support of the relevant Pacific Governments.* *Financial market liquidity in the Pacific Islands, where it exists, is primarily of a short term nature and the lack of longer term financing precludes many projects from obtaining suitable funding from local sources. In the same way as the first PIFF operation, PIFF II focuses on SMEs and micro-sized businesses and the key value-added component is to encourage the development of a large number of micro-, small and medium-sized initiatives in the private sector throughout the Pacific region. It increases employment across a wide range of sectors. It also addresses micro-finance needs by giving the least privileged strata of the population access to appropriate credit facilities."* This same information is provided in the 2009 PPR in the "Development Impact" area. *Source: "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006 (p3)*
PIFF I - Samoa	The 2009 PPR for the contract with the Development Bank of Samoa under the first PIFF provides information similar to what was provided in the PPR relating to the contract with the NDBP under the PIFF II: *"The Pacific Financing Facility under which this loan has been signed is in accordance with the objectives set out for the Investment Facility in the Cotonou Agreement in particular the focus on private sector development. The development of SMMI businesses is one of the keys to sustained employment growth in such countries, and is crucial to both poverty reduction and the building of stable democratic societies, and enjoys full support of the relevant Pacific Governments.* *Financial market liquidity in the Pacific Islands, where it exists, is primarily of a short term nature and the lack of longer term financing precludes many SMMI projects from obtaining suitable funding from local sources. This facility is clearly targeting the SMMI sector and the key value added component is to encourage the development of a large number of SMMI projects in the private sector. It has increased employment across a wide range of sectors and has constituted an important component of long term external funding to the respective banking sectors. It also addresses micro-finance needs by giving the least privileged strata of the population access to appropriate credit facilities."* *Source: "Project Progress Report" (of the operation's contract n° 23209 with the DBS), EIB, 07/01/2009 (p2)* The Fact Sheet A for the operation further mentions as EIB value-added, with exactly the same wording as for the PIFF II: "The Facility would (i) build new capacity in the finance sector (ii) provide a cost-effective window

<table>
<tr><td></td><td>for EIB financing operations in the region (iii) potentially assist in the development of new financial products under Cotonou.”</td></tr>
<tr><td>2006_EAU SENEGAL</td><td>The appraisal authorisation from the EIB only mentions the conformity of the project with the objectives of the Cotonou agreement.

“Fact sheet A: Appraisal Authorisation”, EIB, 2007 p2

The financial report edited by the EIB described the project in the context of the national water reform. The population needs are explicitly described as well as the institutional development of the sector.

The actors who have intervened or will intervene in the water reform are identified by the EIB. The Bank provides a large analysis of these actors (in terms of financial viability, institutional capacities, technical capacities...).

“Rapport financier. Projet: Programme eau Sénégal”, EIB, 2007, p 9</td></tr>
<tr><td>2007_ACPGLOG SOCREDO</td><td>At the time when the IF was approved by the EIB, specific environmental projects were not yet defined. However, as regards the project selection process described, the conformity with the development needs should be respected.

With respect to the stakeholder’s point of views, no evidence was found in that respect.

“SOCREDO-ligne de crédit environnement (2007-328)”, EIB, 2007, p8</td></tr>
<tr><td>2009_MICRO FINANCE_ACP</td><td>As no country/regions development needs have been identified, the conformity with the development needs can not be assessed. However the documents take into account the stakeholders’ support only in terms of financial support.

<table>
<tr><th>Class*</th><th>Institution</th><th>Amount, USD** m</th><th>%</th></tr>
<tr><td>C - class</td><td>BMZ</td><td>39</td><td>9%</td></tr>
<tr><td rowspan="5">B - class</td><td>IFC</td><td>150</td><td>36%</td></tr>
<tr><td>KfW</td><td>130</td><td>31%</td></tr>
<tr><td>EIB</td><td>50</td><td>12%</td></tr>
<tr><td>Dev. Bank of Austria</td><td>26</td><td>6%</td></tr>
<tr><td>FMO</td><td>20</td><td>5%</td></tr>
<tr><td colspan="2">Total post-Second Close</td><td>415</td><td>100%</td></tr>
</table>

“Fact sheet B: financing proposal”, EIB, 2009, p 1</td></tr>
<tr><td>I-1.3.4</td><td>Final beneficiaries are identified in project documentation</td></tr>
<tr><td>General</td><td>An EIB staff member mentioned that final beneficiaries are not considered as such in terms of impact in ESIAF:
“Dans le cadre actuel (ex ante) on ne dit rien sur les bénéficiaires finaux. Cela dit toutefois quelque chose sur (i) la qualité des intermédiaires financiers et l’environnement macro-financier, (iii) l’impact spécifique en termes de développement et (iii) les éventuelles dimensions développement spécifiques[1]. Mais vu que c’est ex ante, on ne peut dire grand-chose sur l’impact (emplois créés etc.) de façon ex ante. Mais ce n’est pas tant ce qu’on nous demande dans l’IF. Lorsqu’on a fait l’évaluation il y a qqs années (Lomé IV), quand on avait visité un quart des bénéficiaires, on avait dit que ce serait l’unité d’évaluation de la BEI (EV) qui serait chargée de faire ce type de rapport, car mesure ex-post. On le trouvera donc dans le rapport ACP sur les lignes de crédit. »
Source : MN 007</td></tr>
</table>

[1] Éléments qualitatifs dans la conception de l’intervention (ciblage, instrument, etc. éventuellement novateur sur le marché spécifique, impact spécifique, effort spécifique, etc.)

	An EIB staff member considers that Cotonou does not mention that EIB operations themselves should target the poor: *"Lots of emphasis on "targeting the poor in the operations". I know it is an objective of the Cotonou Agreement. But Cotonou does not mention that EIB operations themselves should target the poor. Targeting the poorest segments of the population is also difficult with instruments supposed to be revolving (vs. grants). That is a tricky exercise." "It should also be differentiated between the EU and the IF development objectives." Source: MN 020*
2003_BOAD PG IV	Final beneficiaries are identified of this loan to a regional bank BOAD, namely: private sector companies in countries of intervention of the BOAD and operating in the following sectors : industry, agro-business, mining, tourism, transportation, communications, services related to those sectors and health and education[2]. Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 September 2003 (p1)
2003_Dakar-Ziguinchor	The direct beneficiaries are the Republic of Senegal through its Ministry of Infrastructure, Equipment and Transport. According to an EIB staff member, the final beneficiaries can be identified through the economic rate of return. The rail and roads are considered as dangerous and their utilization is sometimes impossible. Consequently, the sea link allows the local population to travel more safely and easily between Dakar and Ziguinchor. Furthermore the children take the boat in order to go to school. The trade should also be facilitated. The PJ reports estimated an economic rate of return at 14%. This includes the savings in vehicle transport costs, savings in road tear and wear and gains in the producer surplus of the boat operator. Even if the final beneficiaries are suggested by the PJ report, there is no explicit reference to them. No evidence has been found regarding the effective impact on the local population. Sources : MN017 & « Rapport d'instruction », EIB, 2004, Annex F
2003_MAURITIUS CONTAINER	In all documents prepared by the EIB, the beneficiary is clearly identified. From the EIB's point of view, the final beneficiary corresponds to the borrower. Regarding the final beneficiaries in terms of development needs, the EIB does not clearly identify them. *« Preliminary Information Note », EIB, 2004* *« Fact sheet A : proposal to appraise a new operation », EIB, 2004* *« Fact sheet B: financing proposal », EIB, 2004* *« Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004* *« Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004* *« Note conjointe », EIB, 2004*
2003_GILGEL GIBE	The beneficiary in terms of financing is well defined. However, the population targeted by the project is not identified through the EIB's internal documents. Only the European Community mentions the beneficiary in terms of economic and social development.

2 « Entreprises du secteur privé d'un des pays d'intervention de la BOAD (Union Économique et Monétaire Ouest Africaine : Bénin, Burkina Faso, Côte d'Ivoire, Guinée-Bissau, Mali, Niger, Sénégal et Togo) opérant dans les secteurs de l'industrie, de l'agro-industrie, les mines, le tourisme, les transports, les communications et les services liés à ces secteurs ainsi que l'éducation et la santé ».

	"Currently, about 15% of Ethiopia's population lives in areas that are electrified, with only 6% directly connected. The objective of Government under the Universal Electricity Access Program is to increase the 15% figure to 50% over the next 5 to 10 years. It is expected that the provision of electricity for productive purposes and social services will have a significant impact on **improving the social and economic well being of the rural population**." *"Ethiopia - Country strategy paper and indicative programme for the period 2008-2013", European Community, 2007, p 51*
2004-WAGP	The beneficiaries are the VRA and other electricity companies. The final beneficiaries, their clients, are not explicitly identified in the project documents. Sources Factsheet A and B, Appraisal Report.
2001_Moma Titanium	For this kind of project the main benefit, beyond that of the promoter, is the economic activity it generates and its spill over on the local populations. These aspects are duly taken into account (e.g. in EIB Appraisal Report Moma Titanium. Luxembourg 27, 2003. PJ/I&S/2003-259/GCE/MUG/ms. (NB complementary to D24) but no target population is defined in advance of the project implementation that would allow to verify that the anticipated benefits have effectively materialised for that population.
2004_Lumwana	For this kind of project the main benefit, beyond that of the promoter, is the economic activity it generates and its spill over on the local populations. These aspects are duly taken into account in the case of the Lumwana project, both by the EIB(e.g. in EIB. Board of Directors, Lumwana Copper Project. Luxembourg 26 septembre 2006, Document 06/354., section 2.11) and by the promoter in their regular activity reports (cf. Lumwana Mining Company, Monthly Project Report, January 2010) sections on health safety, environment and human resources) but no target population is defined in advance of the project implementation that would allow to verify that the anticipated benefits have effectively materialised for that population.
2005_ACPGLOB CA2006	Final beneficiaries (in this case the lower end of SMEs)
2005_EMP AFRICA FUND II	Final beneficiaries (in this case investee companies) are identified in terms of sectors and eligibility only for financing by this financial intermediary. Actual beneficiaries are identified only in project monitoring reports.
2005_ACPGLOB CA2004	Final individual beneficiaries (in this case the lower end of SMEs) are not identified ex ante, and this is normal for this type of operation
2005_ACPGLOB CA2006	Final beneficiaries (in this case the lower end of SMEs)
2005_ACPGLOB ADEMI	Final beneficiaries (in this case micro and small enterprises) are not identified ex ante, and this is normal for this type of operation. They are identified in terms of category and eligibility only for financing by this financial intermediary. Actual beneficiaries are identified only in project monitoring reports.
2006_EAU SENEGAL	The facts sheets established by the EIB identify clearly the final beneficiary of the programme, i.e. Société Nationale des Eaux du Sénégal". From the EIB's point of view, the final beneficiary corresponds to the borrower. Regarding the final beneficiaries in terms of development needs, the EIB does not clearly identify them. Only the expected result in terms of new social connections to drinking water is evaluated in the appraisal authorisation. *"Fact sheet B: financing proposal", EIB, 2007, p1* *"Fact sheet A: Appraisal Authorisation", EIB, 2007 p1-2* In its financial report, the EIB considers that new water connections allowed by the project will mainly concern the poorest population. However, this is highlighted in the specific context of potential risks linked to the evolution of drinking water demand. Indeed, as the beneficiaries will

	mainly correspond to the poorest population, the revenues growth of SONES could be less than expected. *"Rapport financier. Projet: Programme eau Sénégal", EIB, 2007, p13*
2007_ACPGLOG SOCREDO	The borrower, as the direct beneficiary, is identified in each project documents provided. The identification of other beneficiaries is not stated in the documents. As the eligible projects are classified by the EIB under the following categories: renewable energies, waste water treatment, wastes collect and treatment, investment allowing a better energy management, investment allowing pollution reduction. Consequently, the local projects financed are deemed to benefit to all population in French Polynesia as well as the population throughout the entire world.
2008_EDFI	Final beneficiaries are identified only ex-post
2009_MICRO FINANCE_ACP	The direct beneficiary is clearly identified by the EIB. As stated, the EIB's objective through this project is to ensure that microfinance institutions continue to provide financial services to **micro-enterprises and low-income economically active people**. *"Fact sheet A : Appraisal Autorisation ", EIB, 2009, p 3*
JC 1.4	***The logical distinction in the sub-mandates and functioning of the IF/OR envelope allows financing development needs that the Bank could not cover with its own resources***
I-1.4.1	**Extent to which the IF allows to finance development needs that would be too risky to be funded with OR**
General	*See the example of Inga under I-1.2.2*
Operation /General	*See I-1.4.2*
General	According to an EIB staff member, the fact that an operation is financed through IF or OR comes from an internal decision. However the EIB is transparent in its decision vis-a-vis the client/borrower. The final choice regarding the type of financing is related to the characteristic of the project and the sector. *Source: MN016*
General	Inter alia IF allows equity and less than senior loans, which OR does not
2003_MAURITIUS CONTAINER	N/A
2003_GILGEL GIBE	No evidence was found in that respect.
2003_BOAD PG IV	The loan of this operation was funded on OR, with the guarantee and the equity investment on the IF. No justification was found on the choice of OR vs. the IF. An internal 2003 note mentions as observation that an IF loan might be requested for a parallel BOAD activity relating to new financial instruments developed for the private sector: *« La BOAD a par ailleurs développé de nouveaux outils financiers (garanties, émissions, syndications, etc.) en faveurs des opérateurs du secteur privé et pour cette activité souhaiterait également bénéficier du soutien de la Banque. Il est donc envisagé d'offrir parallèlement à un prêt global classique sur ressources propres, un concours sur la Facilité d'Investissement. Le détail des modalités de cet éventuel concours sera présentée lors de la présentation du FSA. »»* Source : « Relevé quotidien (RQ) » (for this operation), EIB, 9 April 2003 (p1)
2003_Dakar-Ziguinchor	The operation's 2004 "fact sheet A" mentions that an **interest rate subsidy** was under consideration for this IF senior loan *(*which has materialized according to the IF's latest Annual Reports*)*. It mentions that this subsidy was necessary for having the EIB participating to this project with undisputable development impact:

	«L'octroi d'une bonification est donc justifié compte tenu des caractéristiques de ce projet mais également nécessaire pour que l'Etat du Sénégal puisse respecter les engagements pris vis-à-vis du FMI au titre de la Facilité Réduction de la Pauvreté et de Croissance. En effet, pour être conforme, les conditions de l'intervention de la Banque devront inclure un taux minimum de concessionalité de 35%. *La Banque a demandé l'avis de la Commission pour l'application d'une bonification à ce projet.»* *« Pour que la Banque puisse envisager de participer à ce projet, qui a un impact sur le développement de la Casamance indiscutable, bien que difficilement quantifiable, il est nécessaire et justifié qu'elle puisse affecter à son concours une bonification d'intérêt. L'avis de la Commission à ce propos a été sollicité. »* Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 March 2004 (p2 and 3) That document also mentions that it was a difficult and risky project (*see I-8.1.2*), reason for which it was probably funded on the IF instead of on OR. According to an EIB staff member, this project presented a higher risk level due to the fact that it involves a new boat with a new operator. Furthermore the Joola disaster shows that the government is not so effective in respect with the management of this kind of project. This explains the utilization of the IF. Source: MN017
2004-WAGP	In this case the operations was initially envisaged as a risk capital operations funded under the IF (cf. EIB, Fact Sheet A: proposal to appraise new operation, Luxembourg 17/2/2005, (OPS/B/ACPIF-1 WestAfr & Sahel/20040026/Walter Eve)); eventually it was implemented as an ordinary loan to the Government of Ghana. This was possible with the agreement of the MS and given the fact that the sovereign risk was reduced by the guarantee of the government of Ghana and that of MIGA and IBRD. Source EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006
2005_ACPGLOB CA2006	OR cannot accept equity
2005_EMP AFRICA FUND II	OR cannot accept equity
2005_ACPGLOB CA2004	OR cannot accept equity
2005_ACPGLOB CA2006	OR cannot accept equity
2005_ACPGLOB ADEMI	The IF allowed EIB to take successive equity positions in Banco Ademi which would have been too risky for OR (no equity under OR). Line of credit to Ademi not secured, and presumably not acceptable to OR.
2005_Pacific islands	The loan to the NDB (Niue's DFI), as part of the global loan to this facility, benefited from an interest rate subsidy, as this country recovered from a natural disaster: *"As a result of Hurricane Heta which devastated Niue in 2004, the island is presently still in a recovery phase. NDB being Niue's development finance institution, it is playing a key role in the island's recovery through its lending activities. As foreseen under Cotonou for countries recovering from natural disasters, NDB will be able to benefit from an interest subsidy of up to 3% per annum on the allocations for infrastructure projects. The estimated present value amount of subsidy for the golbal loan to NDB over the duration of the loan is estimated to be a maximum of EUR 600 000"* Source: "Fact Sheet B – Financing Proposal" (of the operation), EIB, 11/10/2006 (p2)
2006_EAU SENEGAL	According to an EIB staff member, this project was evaluated as not too risky which implies that the OR have been used. Several factors have been used by the EIB staff in order to prove the "low" risk of the financing to the legal department. These factors can be found in the Financial report.

	Source: MN016 *"Rapport financier. Projet: Programme eau Sénégal", EIB, 2007, p 13*
2007_ACPGLOG SOCREDO	The requirements established by the Council Directive 2001/822/CE in respect with the IF utilization are fulfilled. But it is not stated that the operation would be too risky to be funded with OR. *"Fact sheet B: financing proposal", EIB, 2007, p 3*
2009_MICRO FINANCE_ACP	No evidence has been found so far.
I-1.4.2	**Accordingly, different prioritisation approaches exist for IF and OR operations**
General	There is an issue of OR and IF eligibility in the water and sanitation sector in Senegal. EIB was involved in this soft sector already under Lomé. Cotonou says: Commercially run public sector entities- and same for IF or OR. In addition: can OR take non-commercial risk, which IF cannot? ➢ Programme Eau- this is a OR loan to SONES, a commercially run public entity. But issue of State guarantee, i.e. degree of security of EIB loans It is not clear why EIB accepts to make a loan to SONES without State guarantee, whereas other IFIs (such as WB) always have State guarantee. MinFin says: simply because EIB doesn't ask for it (and a "letter of comfort is not equivalent to a State Guarantee in financial terms. Why should EIB be junior to the WB or ADB when applying OR resources? EIB is a twilight zone between WB and IFC. *Source: MN 263* *MN 265* ➢ Assainissement Dakar- this is a OR loan to the State, passed on to ONAS as subsidy. ONAS is perhaps expected to be commercially run, but is <u>not financially viable</u>. ➢ Dépollution de la Baie de Hann- same as above. ➢ Laison Dakar-Ziguinchor- this is under IF- the project is not viable a such. In the sanitation sector, EIB is in effect providing budgetary support to the State. Is this the role of EIB-OR? The whole financing package is soft- onlending by the State will never be reimbursed. What about sustainability of the IF? The debtor is the State of Senegal. In this case, IF should master the scene of sustainability of State debt, which IF does not do. A different approach is called for in the case of non-viable sectors, and questions arise if this is EIB's area at all.
General	It does not seem that there is a different prioritisation approach for IF or OR. According to documents and interviews, project are identifies with the view to maximise their development impact under constraint of financial viability. The financing modalities, IF and OR are then decided on the basis of the type of risk and with an attempt to contribute as much as possible to the financial viability of the project.
2003_BOAD PG IV	*See I-1.4.2*
2003_Dakar-Ziguinchor	*See I-1.4.2*
2003_MAURITIUS CONTAINER	N/A
2003_GILGEL GIBE	No evidence was found in that respect.

2006_EAU SENEGAL	N/A
2007_ACPGLOG SOCREDO	No evidence was found in that respect.
2009_MICRO FINANCE_ACP	No evidence has been found so far.
I-1.4.3	**In addressing different types (in terms of financial risk involved) of development needs IF and OR are complementary (between operations or within an individual operation), enhancing responsiveness to development needs**
General	The use of the Bank's own resources is constrained by the requirements of the Bank's Statutes for first class guarantees, and the own resources can only be granted in the form of senior loans and not as risk bearing instruments. The IF is described as risk-sharing instrument. These two types of financing instruments are combined when the financing plan calls for straightforward loans. *"Operational Guidelines of the IF", EIB, p8*
2000_MAGADI_ SODA	An interest subsidy on the own resources loan would be hived off and used to pay for infrastructure (e.g. water supplies, schoolrooms) in the Maasai communities around lake Magadi. Source: D2 Source: EIB: Fact Sheet A: proposal to appraise new operation. Magadi Soda Ltd, Luxembourg 6th September 2001. OP3/ACPII/Agora:20000279/DW/hb
2003_MAURITIUS CONTAINER	No evidence was found in that respect.
2003_GILGEL GIBE	No evidence was found in that respect.
2004-WAGP	Complementarity is provided by associating the ordinary loan on OR with an interest subsidy under the IF. Source EIB, West African Gas Pipeline, Ghana, RM/CRD Opinion (Fact Sheet B Ops B/ACP-IF-1/2004-0026/EW) D6: EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006
2006_EAU SENEGAL	No evidence was found in that respect.
2007_ACPGLOG SOCREDO	No evidence was found in that respect.
2009_MICRO FINANCE_ACP	No evidence has been found so far.
JC 1.5	***Operations examined aim at addressing countries'/regions' needs***
2000_MAGADI_ SODA	The project will improve the utilisation of a unique natural resource thereby contributing to reduce the country's trade deficit by expanding export revenues both by higher product prices (through product quality improvements) and by increased production. Thereby the project will contribute to improve the competitiveness of the promoter and will consolidate and create job opportunities in a sector where Kenya enjoys a competitive advantage. Source: D3 Source: : Note to OP3. Opinion for Appraisal Authorisation. Project Magadi Soda, country Kenya. Luxembourg 24/10/2000, PJ/I&S/2000-1186/GCE/SHW/ms
2004_WAGP	The project is the first in the West Africa to develop regional exports of natural gas and is fully supported by the New Partnership for Africa's Development (NEPAD) and by ECOWAS. It will promote regional economic and political integration. Source: EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006 , §3.1
I-1.5.1	**Committee's portfolio reviews show that operations address countries'/regions' needs**
General	An EIB source mentioned that the IF was criticised for not being sufficiently 'developmental':

"ACP operations are now subject to much greater stakeholder scrutiny than in the past, be it from the shareholders, other EU institutions (Commission, Parliament and Court of Auditors) and, above all civil society and in particular NGOs, with the result that the Bank is now required to unambiguously demonstrate the value added of each individual operation. As attended to above, there seems to be a perception that the Bank has so far focused mainly on identifying and financing good private sector projects, which in itself is already not an easy task in the ACP context and in that respect, the Bank has been fundamentally in line with the letter of its Cotonou mandate. However it is also being criticised to various degrees, by NGOs, but also by the Commission and by at least one influential Member State for not being sufficiently "developmental" and for being too risk averse."
Source: MN 027

An EIB staff member noted that one should not forget that the EIB can contribute to Cotonou only as a Bank:
"It should be taken account of our specificity with regard to achieving Cotonou objectives: we are a bank. One should not be too wide in terms of what we can do. It should be considered whether we are (or should be) just a "finance provider" or a "development bank". Example: SMEs: it is not such an easy example as it may seem. How can we increase VA in field of SME? Sometimes you have to support large projects to be able to support them, where there is a need for long-term money. Other example: micro-finance. Do we need to put more and more money in microfinance? We would need to have more information beforehand to know where we should act (as a bank). Always thinking on the chain of events we want to have."
"Remember that the Bank is not a promoter, but it tries to have priorities. Example: energy financing. EIB has clear priority to finance clean energy. This is an area where the Bank will place full priority. With additional instruments like TA etc… the Bank is also supporting technical advice and improving the preparation phase. The Bank is no a promoter but is strengthening the promoter. The Commission's aid is programme aid, with grants. A totally different dymamic. It is giving away free money. The Bank is not giving away free money."
Source: MN 024

A COUNTER BALANCE report considers that EIB's policies and practices are not properly integrated and coherent with EU approaches. There is an ongoing dispute between the European Council, the Commission and the European Parliament about what exactly are and should be the objectives of the EIB. In late 2008, the European Court of Justice ruled that the EIB had to implement the anti-poverty and sustainable development provisions of the EU Treaty. It annulled the legal basis for EIB lending outside the EU because it found the EIB was basing its activities on a narrow interpretation of the EU Treaty. The Parliament also insisted that the EIB apply a developmental, poverty reduction mandate in its lending to Africa and ALA countries. The new Lisbon Treaty also reinforces that aspect, spelling out that poverty reduction must be the focus of all EU policies likely to affect developing countries.

According to this report, the EIB has conflicting objectives (cf table hereunder) which prevent it from focusing entirely on development-related aspects.

Development objectives	**EU-self interest objective**
Sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them	Support EU presence through Foreign Direct Investment
Campaign against poverty in developing countries	Cost recovery and rapid financial return
Improvement or protection of the environment	Energy security for the EU and raw material supply for the EU

According to this report, the EIB lacks clear operational strategies, priorities and processes that ensure that its money will be spend on projects selected to maximise development results. In

	particular, it lacks sufficiently clear and pro-active lending strategies and is often at the mercy of whatever private sector project promoters brings to its attention. As a result, the operations are distorted in favour of larger projects sponsored by major European companies. The report also stresses that the EIB does not consider enough whether proposed projects fit sufficiently with the Country Strategies of the Commission and other European funding bodies. Furthermore, the EIB is not active enough in the discussions the Commission initiated to encourage different public finance bodies to prioritise particular countries and sectors. *Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010*
General	No such review or portfolio impact assessment was obtained
2003_BOAD PG IV	No evidence so far on how the operation addressed country/region needs– *see also I-1.2.1 on little analysis of country needs and I-1.4.1 on tackling development issues.*
2003_Dakar-Ziguinchor	No evidence so far on how the operation addressed country/region needs– *see also I-1.2.1 on little analysis of country needs and I-1.4.1 on tackling development issues.*
2003_MAURITIUS CONTAINER	The project is only mentioned in the appendix related to portfolio of signed own resources operations. The Bank does not show how this project addresses country's/region's needs. *"Annual Report 2004 – Investment Facility" EIB* *"Annual Report 2005 – Investment Facility" EIB* *"Annual Report 2006 – Investment Facility" EIB*
2003_GILGEL GIBE	No evidence was found in that respect.
2004-WAGP	EIB preparatory documents do so. Sources Factsheet A and B, Appraisal Report.
2006_EAU SENEGAL	The annual report of the EIB only mentions this project but it does not explain how this project addresses region/country needs. *"Annual Report 2007 – Investment Facility" EIB, p31*
2007_ACPGLOG SOCREDO	No evidence was found in that respect.
2009_MICRO FINANCE_ACP	No evidence was found in that respect.
I-1.5.2	**Stakeholders consider that operations address countries'/regions' needs**
General	Possibly, certain countries' needs (Ethiopia, Somalia, ...) are better addressed by the EC, whereas countries with a more mature business environment offer a larger role for EIB. *(MN 201- 2010-01-29 – EIB Luxembourg)*
2003_MAURITIUS CONTAINER	The EIB have contacted several stakeholders to prepare the appraisal report. Through this document, the country's /sector's needs have been evaluated. However, no indication regarding the implication of each stakeholder is provided. Therefore there is no explicit evidence that they consider that project in line with the country's needs. The appraisal report refers to several reference contact names. It can be supposed that these persons have been contacted in order to provide project's information. Consequently, it can be argued that analyses from the appraisal report have taken into account the stakeholders' views. *« Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004*
2003_GILGEL GIBE	No evidence was found in that respect.
2004-WAGP	It is certainly the case of the Governments involved but there is no evidence about other stakeholders. In particular there is no mention of the views of the Commission and the MS.
2004_Lumwana	Cf I124

2006_EAU SENEGAL	No evidence was explicitly found in that respect.
2007_ACPGLOG SOCREDO	The SOCREDO's activities are compared to an ordinary commercial bank, but it is clearly oriented to the development needs of the local population in French Polynesia. The SOCREDO' bank has to suggest operations related to environmental issues in order to benefit from the EIB's funding. Consequently, it can be reasonably stated that the direct beneficiary considers that operations lead address country's/region's needs. Apart from SOCREDO, no evidence on other stakeholders' point of view/considerations has been found. *"SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p5*
2009_MICRO FINANCE_ACP	No evidence was found in that respect.
JC 1.6	***EIB IF/OR operations are designed and implemented with a view to alignment with Commission development policies in ACP/OCTs***
Prelim. Findings	
Hypothesis to test	EIB policy docts require that IF/OR Ops be in line w/ devt needs and EU development policies. In line w/ EU development policies: what does that mean? Yes perhaps for infrastructure, but practically no EU PS development policies. Explain WHY they need to be aligned ? (Ref Paris Decl.). If EC has very weak PS devt policies in place, difficult to argue that EIB should align.
2004-WAGP Findings	There is no explicit mention of such alignment in Factsheet A and B, or in appraisal Report.
I-1.6.1	**The objectives of IF/OR operations support Commission development policy objectives**
General	The report highlights the fact that EIB operations do not reflect the development priorities as expressed in the Country Strategy Papers of the Commission. It presents the example of 6 African countries where funding from the EIB to the mining sector between 2000 and 2006 has been significant while the mining sector was not one of the focal or non-focal sectors or was not even mentioned in the strategy document. Examples include Congo Brazzaville, Kenya, Mauritania, Mozambique and Zambia. *Source: Counter Balance, Challenging the EIB, "The European Investment Bank in the ACP countries – critical points for the mid-term review of the Investment Facility", March 2010* The consistency and contribution to EU policy objectives of EIB operations outside the EU but excluding ACP countries is generally assessed as good or satisfactory. *Source: MN 900*
General	According to the indicators developed in order to assess the first pillar of the Development Impact Assessment Framework (DIAF), the Commission development policy objectives are taken into account. This first pillar are composed by operational objectives of the mandate, which correspond to the priority area of intervention, and by broader policy objectives of the EU as environment, regional integration,... *"Development impact and value added of investment loans in ACP loans", EIB, appendix 3*
General	One major obstacle to better alignment is that the EC functions on the basis of 5-year programming (which then becomes immovable) whereas EIB functions on shorter horizons. *(MN 201- 2010-01-29 – EIB Luxembourg)*
General	EC country/regional documents such as RSPs, CSPs and RIPs/NIPs for the Caribbean, Dominican Republic, Madagascar, Kenya, do not cover the needs of the private sector or the financial sector (other than sporadically, or in respect of the enabling environment). Only in respect of infrastructure are they of use to EIB. *Source: RSPs, CSPs and RIPs/NIPs obtained for relevant countries of 20 selected operations*

2003_MAURITIUS CONTAINER	The EIB has considered this project in accordance with the objectives of the Cotonou agreement established by the European Community. A particular point relating the consistency with EU priority objectives (Pillar1) was drawn up in the internal EIB document. "**Consistency with EU priority objectives (Pillar 1)** One of the fundamental objectives of the Cotonou Agreement is to enable the ACP States to play a main role in international trade. Through increased efficiency of maritime transport the project directly contributes to this objective. Due to its island situation, practically all Mauritius trade passes through Port Louis, its sole commercial port. Furthermore, as 75% of trade is containerised nowadays, the Mauritius Container Terminal is a key component in the economic development of Mauritius. Benefiting from its geographical position, Mauritius has also managed to attract trans-shipment traffic. As trans-shipment implies the use of large container ships, freight charges are minimised and transport duration for imports and exports reduced. Finally, through its new hub function, the Mauritius Container Terminal contributes to regional integration thereby bringing economic benefits not only to Mauritius but also to its neighbouring countries. The project therefore fully meets the objectives of the Cotonou Agreement to foster development in the ACP Partner Countries of the EU." *« Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004, p 8* *« Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004, p 5*
2003_GILGEL GIBE	This project is undertaken under the Cotonou Agreement. In that respect, the project is expected to address the Commission development policy objectives. "The project is consistent with EU objectives as specified in the Cotonou agreement and the mandate given to the Bank under the Investment Facility. It further contributes to the EU and Bank's environmental policy, tackling climate changes and promoting sustainable use of renewable natural resources." *"Fact sheet B: financing proposal", EIB, 2005, p1-4*
2003_BOAD PG IV	No direct reference found to Commission policy objectives.
2003_Dakar-Ziguinchor	No direct reference to the Commission's CSP. In its 2002-2007 CSP, the Commission considers "road transport" as its second (of three) focal sectors. This project falls in the transport sector, but actually not in "road transport" as it relates to marine transport.
2004_OLKARIA	EC_Kenya 9th EDF CSP identifies energy as one of the priority sector of the PRSP and Government policy. Source Kenya-European Community, Country Strategy Paper for the period 2003-2007. 15th October 2003.. p.4 and p.17.; annex 4, p. 16 EC Kenya 10th EDF does not include energy infrastructure into the focal or non focal sectors but mentions EIB support to the sector. Source Republic of Kenya - European Community, Country Strategy Paper and National Indicative Programme for the period 2008-2013, 9th December 2007., p. 28 The 9thth EDF RSP mentions "The European Investment Bank has identified a number of possible interventions that it would implement either alone or in co-operation with the European Commission and other institutional (bilateral and multilateral) and commercial financiers. These projects are in the sectors of agriculture, infrastructure, mineral resources, tourism and the financial sector. Regional benefits will certainly be of crucial importance for many projects such as telecommunications, railways as well as energy generation and distribution. These areas of activities are fully in line or complementary with the priorities set out in this RSP." Source: Region of Eastern and Southern Africa and the Indian Ocean - European Community Regional Strategy Paper and Regional Indicative Programme for the Period 2002 – 2007, June 2002.

	, §131 The 10th EDF RSP does not place particular emphasis on infrastructure but relies more on the creation in 2006 of the EU-Africa Partnership on infrastructure meant to leverage EDF, EIB, and EU MS resources to address infrastructure networks (including energy) and harmonise policies. Source Region of Eastern and Southern Africa and the Indian Ocean - European Community Regional Strategy Paper and Regional Indicative Programme for the Period 2008 – 2013, 15th November 2008.
2004-WAGP	Neither in the 9th EDF nor in the 10th Energy is a focal sector. However, the 9th EDF country strategy explicity mentions that the bank will focus on three areas of intervention, one of which being: "Infrastructure. …, power transmission and transport …. could be considered for support depending upon the identified needs. In line with the EC Response Strategy, synergies could be developed in particular through investments in power transmission with positive impact on the improvement of physical infrastructures in rural areas. …. The EIB will target the improved efficiency of publicly owned companies and encourage private sector participation where appropriate." (Republic of Ghana – European Community: Country Strategy Paper and Indicative Programme for the period 2002-2007. DEV 054-2002-EN.). The current project fits into this description. The 9th EDF Regional strategy and RIP neither identifies energy as a focal sector. However, the focus is on regional integration and the current project obviously fits into that priority. The 10th EDF Regional strategy and RIP maintains the focus on regional integration and also points to energy transportation and power generation as potential sector for support, notably with EIB resources. Sources : Republic of Ghana – European Community: Country Strategy Paper and Indicative Programme for the period 2002-2007. DEV 054-2002-EN. Ghana-European, Community: Country Strategy Paper and National Indicative Programme for the period 2008-2013, 9 December 2007. Afrique de l'Ouest – Communauté européenne : Document de stratégie de coopération régionale et Programme indicatif régional pour la période 2002-2007 (no date) Addendum au document de stratégie de coopération et au programme indicatif régional 2002-2007, Communauté européenne et région de l'Afrique de l'Ouest. Communauté européenne-Afrique de l'Ouest : Document de stratégie régionale et Pprogramme indicatif régional 2008-2013, 15/11/2008. The EIB analysis is that adequate power supply being key to private sector development and economic growth in Ghana, Togo and Benin, the financing of the project would contribute toards one of the main objectives of the Cotonou Agreement. Source: EIB, Fact Sheet A: proposal to appraise new operation, Luxembourg 17/2/2005, (OPS/B/ACPIF-1 WestAfr & Sahel/20040026/Walter Eve)
2004_LUMWANA	The contribution of the EIB to the development finance co-operation with Zambia will be the provision of long-term assistance to promote private sector growth and in helping to mobilise domestic and foreign capital for this purpose. In this respect, the EIB support will be complementary and instrumental for the implementation of the second core area of focal sector 2: i.e. Institutional Reform and Capacity Building: private sector development and non state activities. Source: Zambia-European Community, Country Strategy Paper for the period 2001-2007 (not dated), p. 20 Considering the specificities of Zambia's economic situation as well as EIB's past experience in the country, EIB will focus on three main areas of intervention. First, close co-operation with local financial intermediaries to support small and medium scale enterprises through global loans or equity funds. The aim will be to further widen the range of intermediaries and to increase the number of financial instruments on offer. Second, financing infrastructure projects in the power, water and sewerage, transport and telecommunications sectors. This will help increase the efficiency of public utilities and encourage private sector participation, where appropriate. Third, direct funding of large individual projects,

	where the Bank can contribute value added in the technical and/or financial structuring of the investment. These projects will be carefully selected in the main sectors of the economy. The EIB approach in supporting investments in Zambia will be demand driven. The extent to which the EIB will be able to commit resources to the economy will largely depend on the macroeconomic framework and on the business environment, itself largely determined by the economic policy of the Government. While the liberal and business-friendly policy environment prevails, the prospects for EIB operations in Zambia remain favourable. Source: Zambia-European Community, Country Strategy Paper for the period 2001-2007 (not dated); p. 21 The 10th EDF pursues along the same lines for what regards the complementarity between the Commission and the EIB response strategies. For the 9th and 10th EDF RSPS, see I162 for the 2004_OLKARIA project.
2001_MOMA_ Titanium	The 9th EDF CSP for Mozambique states "The contribution of the EIB in the framework of the Cotonou Agreement will be the provision of long-term financial resources other than grants, to assist in promoting growth in the private sector and in helping to mobilise domestic and foreign capital for this purpose. The support will be in the form of risk capital from the Investment Facility or as loans from EIB's own resources." Mozambique-European Community, Country Strategy Paper for the period 2001-2007 (not dated)., p. 22) It may be worth noting that 9th and 10th EDF CSPS, although they review briefly the EIB activity in the country, do not mention the Bank's Intervention in the mining sector, and in particular the MOMA_TITANIUM project. Like the CSPs , the 9th and 10th RSPs remind the potential offered by the EIB to support private sector development and infrastructure investment, but do not specifically mention the present operation nor regard the mining sector as a particular priority.
2006_EAU SENEGAL	The EIB has considered this project in accordance with the objectives of the Cotonou agreement established by the European Community. *"Fact sheet A: Appraisal Authorisation", EIB, 2007, p2* The EU ACP Water Facility (European Commission external cooperation programmes) was set up in order to provide water and basic sanitation to the poor, and to improve water management governance in African Caribbean and Pacific (ACP) countries. The EIB provided loan to complement this EU program. "Working in close cooperation with SONES and Agence Française de Développement, the EIB helped to prepare a grant request under the EU ACP Water Facility, which was subsequently approved for EUR 8.7m.The Water Facility grant for this development project will be complemented by a EUR 15.0m subsidised long term loan provided by the EIB." *"Annual Report 2007 – Investment Facility" EIB, p31*
2007_ACPGLOG SOCREDO	The Overseas Association Decision (Coucil decision 2001/822/CE) foresees €20 million budget for the IF (managed by the EIB) to promote commercial enterprises in private sector in OCT. In that respect, the Commission has put priorities on renewable energy and energy efficiency. The global loan of €5 million has been granted to SOCREDO to onlend to small and medium-sized environmental projects in French Polynesia. In that respect, SOCREDO suggested projects to the EIB. Then the EIB checked if each project is in line with the internal guidelines in terms of environment. The EIB had the possibility to request additional analysis to ensure that the environmental impact expected of the project is compliant with the EIB's guidelines in terms of environment promotion. The EIB has to make sure that the project presented by the intermediary bank is compliant with the Council decision and is in line with its environment policy. This project is in line with the Commission strategy in OCT countries. The commission suggests a "blue-green" theme oriented on environment and renewable energies.

	"SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p2 -7
2009_MICRO FINANCE_ACP	Obviously, the Bank has taken into account the guidelines established by the Cotonou Agreement. The EIB estimated that it is in line with the investment and private sector development of the Cotonou Agreement. According to the EIB analysis, *"the investment in MEF is fully in line with Article 21 "Investment and Private Sector Development" of the Cotonou Agreement, which calls for "[…] support in improving the quality, availability, and accessibility of financial and non-financial services to private enterprises, both formal and informal, by […] developing a modern financial sector, including a capital market, financial institutions and sustainable microfinance operations."* *"Fact sheet A : Appraisal Autorisation ", EIB, 2009, p 3*
I-1.6.2	**These objectives were maintained during implementation**
General	During the evaluation of the projects implemented according to the indicators of the DIAF, the EIB considers the fact that the projects are well implemented respectful of the broad EU objectives. *"Development impact and value added of investment loans in ACP loans", EIB, appendix 3*
2003_MAURITIUS CONTAINER	The EIB has foreseen a follow-up of the project's implantation with the administrative manager of CHCL. In that respect, the manager should have provided with short annual reports describing the progress of the project. These reports should have included container traffic statistics for the container terminal. Furthermore a project completion report should have been also provided to the EIB. This report included the following information: • the actual investment cost of the project, and reasons for major changes if any; • the actual implementation period of the project, and reasons for major changes if any; • the actual latest annual throughput of the Mauritius Container Terminal (imports, exports and trans-shipments for full and empty containers); • the average unit revenues (broken down as above) and, if available, unit operating costs of MCT (broken down as above); • the permanent employment generated at CHCL by the project; and • the additional investments planned for the short and medium-term at MCT. These reports are not included in the internal documents provided. Therefore, it is difficult to attest that the EU policy objectives have been maintained during the implementation phase. *« Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004, Appendix A.2*
2003_GILGEL GIBE	In the project progress report, the EIB tackled the development impact of the project. Therefore the development arguments used to support the project are taken into account during the implementation phase review made regularly by the EIB. More precisely, the development impact is described in this report as follows: *"Expansion of hydro generation capacity will help to replace thermal plants and meet rapidly growing demand. The project benefits must be seen in the context of the wider programme of investment in the electricity supply system. The extension of supply will deliver economic and social benefits in a situation where only a small part of the population is currently served. Moreover, connection of isolated systems to the grid will improve services that are currently limited in terms of capacity, quality, and in some instance restricted to certain hours of the day. By developing indigenous renewable energy resources, the project will contribute to the reduction of the atmospheric emissions of thermal generation alternatives."*

	"Ops B: Project Progress Report", EIB, *2009, p1-2*
2003_BOAD PG IV	No evidence on maintenance of development objectives during implementation could be found.
2003_Dakar-Ziguinchor	No evidence on maintenance of development objectives during implementation could be found.
2004_WAGP	They are not explicity repeated in the 10th EDF country strategy but implicitely they are maintained via the overall willingness to stimulate regional integration and alleviate constraints to private sector activity (which evidently includes availability and cost of power). Source : Republic of Ghana – European Community: Country Strategy Paper and Indicative Programme for the period 2002-2007. DEV 054-2002-EN. Ghana-European, Community: Country Strategy Paper and National Indicative Programme for the period 2008-2013, 9 December 2007. Afrique de l'Ouest – Communauté européenne : Document de stratégie de coopération régionale et Programme indicatif régional pour la période 2002-2007 (no date) Addendum au document de stratégie de coopération et au programme indicatif régional 2002-2007, Communauté européenne et région de l'Afrique de l'Ouest. Communauté européenne-Afrique de l'Ouest : Document de stratégie régionale et Pprogramme indicatif régional 2008-2013, 15/11/2008.
2004_OLKARIA	See I161
2006_EAU SENEGAL	As so far, no evidence has been identified that these objectives are maintained during the implantation phase.
2007_ACPGLOG SOCREDO	The operations funded by the EIB are environment related and thus they are related to the development needs expressed by the Commission. The objectives are therefore maintained during the implantation stage.
2009_MICRO FINANCE_ACP	No evidence was found in that respect.

EQ2	**To what extent did IF/OR operations improve, without market distortion, access by enterprises to finance that would otherwise have been unavailable under the prevailing market conditions?**
JC 2.1	***The IF/OR operations have met a substantial share of the financing needs of individual enterprises or, more broadly, a commensurate share of the productive sector***
General	See annexe 2 for a descriptive analysis of the Bank's operations under the Cotonou mandate, the sectors targeted and the instruments used.
I-2.1.1	**Financial needs of the ACP and OCT enterprises as identified by country/sector reviews**
General	According to the EIB, • Any country strategy should include a review of the local financial sector diagnosing the key issues and gaps. • Promoting change, rather than "business as usual", and being open to a range of alternative options should be high on the agenda. • Identification of potential areas of intervention should recognise the situation and state in the market, while also taking into account the activities of other players and the instruments and resources available to the IF. • Designing a strategy will require allocating adequate staff time and promoting team work and internal consultation. • Last but not least, a country-level financial sector strategy means focus on objectives and prioritisation of possible operations. This can only have a meaning if operational choices subsequently reflect such objectives and priorities. *"EIB strategic orientations for financial sector operations in ACP countries" EIB, document 08/53, 2008, p2,* In practice, in the financial sector, EIB, through DEAS, conducts Country Financial Sector Strategies identifying priority needs. These include the needs of SMEs and MSMEs which can be addressed through financial intermediaries. However, this is not uniformly applied (see JC 1.2 and underlying Indicators)
2003_MAURITIUS CONTAINER	***The financial needs of CHCL are well documented***. The CHCL's activities are described as well as its evolution. Its financial figures for several years are presented and commented by the EIB. The financial statements 2001-2004 are presented in the annexes. "In conclusion CHCL's financial situation shows an overall satisfactory financial structure whereby the relatively low, but still acceptable level of capitalisation is compensated by solid other features such as low level of LT interest bearing debt, a strong liquidity, cash flow and debt service coverage." Furthermore financial projections are prepared including different scenarios (base, worst and best case) in order to assess the financial viability of the project. The details of the projections are presented in the annexes. *« Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004, p 4-5*
2003_GILGEL GIBE	No evidence was found in that respect.
2005_ACPGLOB ADEMI	Dominican Republic Country Financial Sector Strategy identifies SMEs/MSMEs as being insufficiently served
2005_Pacific islands	The EIB has carried out in the context of the PIFF II a "Financial Report". This 28 pages document (+ annexes) essentially describes in a few pages the financial sector in the region and provides specific information on the different borrowing banks for this operation (~4 pages per bank). Regarding the contract with NDBP, as mentioned above under I-1.2.5, the report to the Board of the contract in Palau provides information on the context of the operation, notably on the limits of financial market liquidity for SMEs in the Pacific islands. *"(…) The development of SMEs and micro-sized initiatives is one of the keys to sustained employment growth in the Pacific region and is crucial to both poverty reduction and the building of stable democratic societies, and enjoys full support of the relevant Pacific Governments.* *Financial market liquidity in the Pacific Islands, where it exists, is primarily of a short term nature and the lack of longer*

	term financing precludes many projects from obtaining suitable funding from local sources. In the same way as the first PIFF operation, PIFF II focuses on SMEs and micro-sized businesses and the key value-added component is to encourage the development of a large number of micro-, small and medium-sized initiatives in the private sector throughout the Pacific region. It increases employment across a wide range of sectors. It also addresses micro-finance needs by giving the least privileged strata of the population access to appropriate credit facilities." *Source: "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006 (p3)*
2000_MAGADI SODA	The financial needs of the beneficiary in relation with the project are well documented and analysed in the preparatory documents. Activities and organization of the company are presented; historical financial data provided. Projections of financial flows are provided to verify the capacity of the project to bear the cost of the loan. Sources: OPS B Financial Report; Board Report.
2001 MOMA TITANIUM	The financial needs of the beneficiary in relation with the project are well documented and analysed in the preparatory documents. Projections of financial flows. Sources: OPS B Financial Report; Board Report
2004_LUMWANA	Standard analysis conducted: activities, organization and financial situation of the borrower; projections of the financial flows in relation with the investment and the financing modalities. Sources: Board Report.
2004_OLKARIA	It is a senior loan to the electricity company. The project preparatory documents state that "the loan size will be determined upon final assessment of the project cost and of the extent to which KenGen will be able to bear interest charges at commercial rates without having to increase the price of power sales to KPLC and threaten the financial equilibrium of the power sector". Sources: Factsheet A
2004_WAGP	The financing needs of the borrower (Republic of Ghana) is obvious in this case. The loan is meant to refinance the participation of the Republic of Ghana in WAPCO, this participation was previously financed with short term expensive borrowing. Preparatory documents include full financial analysis of the project with projection of financial flows and historical data. The financial situation of WAPCo is analysed. Source: Factsheet B Financing Proposal, Board Report.
2006_EAU SENEGAL	The EIB presents the situation of the drinking water distribution in the country and the evolution of the sector. Furthermore the EIB is active in that sector for more than 10 years in Senegal. Consequently, it has analyzed the results achieved during this period and it has a deep knowledge of that sector in Senegal. Regarding SONES, its financial situation is broadly documented by the EIB in order to correctly estimate its reimbursement capacity and its financial viability. Consequently the EIB has a correct view of the SONES financial needs. "Rapport financier. Projet: Programme eau Sénégal", EIB, 2007, p2-4-8-13
2005_ACPGLOB CA2006	The preparatory documents show that this operation responded to an opportunity to develop a new product in Kenya with partners having a valuable experience in the sector. The board report includes a short analysis of the Kenyan private equity market and SME sector in Kenya and concludes that there is a real need for the operation proposed: "There has, until recently, been a gap in the market for companies seeking equity investments of less than USD1m (see section 4.9 - Competition). This gap has been partially filled by local banks providing loans to clients whose risk profile is higher than they might otherwise like to lend to. However, it seems that man y young businesses simply cannot access any external funds and have to rely on investments by founders and informal sources of funds. There is also a belief that the private equity / venture capital model is not appropriate to address the means of young SMEs. Pure equity investment may be appropriate for some small Kenyan businesses, but a more sophisticated approach, such as that proposed by BPI-K is required to address the needs of and the risks presented by the majority. In summary, BPI is offering a fresh approach to addressing a diffcult challenge.. Source: Report to the Management Committee, 16/2/2006
2007_ACPGLOG	The EIB has identified the activities of SOCREDO as well as its position on the financial sector in

SOCREDO	French Polynesia. The analysis is well documented. *"SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p5*
2009_MICRO FINANCE_ACP	No evidence was found in that respect.
I-2.1.2	**EIB's documented strategy (concentration, diversification, …) in terms of addressing financing needs of enterprises**
Pacific General	The strategy of the Bank is mostly to use global loans to support the private sector. Local development banks have been privileged by the EIB to channel these global loan because of their capacity to reach segments and regions of the economy (for instance outer islands) that are not the object of the prospection of the commercial bank. Source: MN313
2003_Dakar-Ziguinchor	Upon a KfW request, a feasibility study has been undertaken by HPC Hamburg Port Consulting GmbH regarding the sea link Dakar-Ziguinchor. This study is aimed at conducting a financial and economic appraisal of the project, including an estimation of both financial and economic rates of return. However, the evaluators have only been provided with the annexes of this study. Apparently, the PJ based its financial and economic appraisal on the research conducted by the firm. Sources: « Rapport d'instruction », EIB, 2004, Annex F & « Etude de faisabilité pour la desserte maritime entre Dakar et Ziguinchor -ANNEXES », HPC Hamburg Port Consulting GmbH,
2003_MAURITIUS CONTAINER	An EIB's internal procedure is followed in order to assess the appropriateness of the financing. In that respect, the EIB's team in charge of the financing proposal described the situation as it is and the benefits resulted from the project. The team described the main issues at stake as well as the credit risk. Then the team concluded with a favourable opinion on that project but several conditions should be met (such as a tariff study needed to be carried out). In terms of financing sources, the financing plan is added and it is commented by the EIB as follows: "The financing plan is largely dominated by funding provided by MPA. Due to its healthy financial situation MPA is providing aprox. EUR 5.3m out of the EUR 6.0m own funds and in addition is granting a 10 year loan to CHCL at an attractive (average of 6.75%) interest rate in local currency. ***Note that the Bank's 20 year funding has been given preference by the promoter over a more diversified (but shorter term) loan structure from the local banking market as it allows to spread the financial implications of the investment over a longer period with corresponding favourable effects on cost reflective tariffs.*** While a guarantee by the Republic of Mauritius remains available for the project, the possibility of a first class commercial bank guarantee has recently arisen as alternative option; the Bank will evaluate the various aspects of such alternative guarantee arrangement in close contact with Government of Mauritius, the promoter and the commercial bank (Barclays) concerned." *Source : « Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004, p 7*
2003_GILGEL GIBE	No evidence was found in that respect.
2006_EAU SENEGAL	This project is falling under the Programme d'eau Potable et Assainissement Millénaire (PEPAM). The latter follows the PSE (Project Sectoriel Eau) and the PELT (Projet Eau Long Terme). These both projects were also co-financed by the EIB. Therefore the EIB tends to be active in the Senegalese sanitation sector on the long run. However the project documents do not refer to a specific strategy of the EIB regarding the financing in this sector. *Source: "Fact sheet A: Appraisal Authorisation", EIB, 2007, p1*
2007_ACPGLOG SOCREDO	No evidence was found in that respect.

2009_MICRO FINANCE_ACP	No evidence was found in that respect.
I-2.1.3	**Coverage by IF/OR operations of needs at country / sector / sub-sector / individual enterprise levels**
General	A difference must be made between loan operations and equity investments. For loan finance, EIB financing satisfies a need for long term finance that "serves" a given operation. For equity finance, parameters are different: the availability of equity finance allows for greenfield projects or expansion of existing operations that are made possible by such equity finance. A difference must also be made as to whether the operation ios a direct one or an indirect one (through financial intermediaries)
2003_BOAD PG IV	It is not clear to what extent this triple loan+guarantee+equity operation responded to needs at the country / sector / sub-sector levels. This is partly due to the absence of a needs analysis (see I-1.2.1). Nevertheless, at the level of the financial institution, project documents mention that the EIB participation to the BOAD's capital increase was important in terms of image and for future ranking of this regional bank: *"Contribution relativement modeste et symbolique mais toutefois très importante pour la BOAD en terme d'image et dans la perspective de son « rating » à terme. (…). Bien que modeste, cette augmentation de capital est particulièrement importante pour la Direction Générale de la BOAD qui considère les trois volets (package deal) comme l'expression du caractère stratégique du partenariat BOAD-BEI. »* Source : « Fact Sheet B : proposition de financement » (of the operation 2003_BOAD PG IV), EIB, 11 mars 2004 (p3)
2003_Dakar-Ziguinchor	This operation clearly covered needs at the level of the country and of the Casamance region, as it aimed at re-establishing the sea link Dakar - Ziguinchor which was not any more assured since the tragic wreck of the "Le Joola" ferry in September 2002. Given the limited profitability, and other difficulties and risks, it was necessary to benefit from support of the Government and of co-financiers. Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 March 2004 (p2)
2003_MAURITIUS CONTAINER	The needs are assessed at country level, sector and individual enterprise levels. "The harbour of Port Louis plays a key role in the Mauritian economy as the main thoroughfare for over 95% of the country's international trade." P 4 "Due to its island situation, practically all Mauritius trade passes through Port Louis, its sole commercial port. Furthermore, as 75% of trade is containerised nowadays, the Mauritius Container Terminal is a key component in the economic development of Mauritius." "Captive traffic (domestic imports and exports) developed at a fast pace of about 9% per year in the period 1996-2003. This trend is expected to continue, although at a slightly lower speed of 7% per year, in the period 2004-2010, and then at 6% until 2012 when the terminal is expected to reach full capacity. [...] Trans-shipment traffic is more difficult to forecast since it is a volatile market, dependent on tariffs and the level of service offered in competing markets. The nearby ports of Port-Est (Réunion Island) and Tamatave (Madagascar) are not real competitors, the former because of its high operating costs and poor working practices, the latter as it is in dire need of rehabilitation. In any case, both lack sufficient container stacking space. The competition will come from South Africa (Durban, currently fairly congested but improving, and the new port of Coega near Port Elisabeth). "However, as MCT still had spare capacity, CHCL decided to aggressively market the terminal for trans-shipment traffic in the region in 2001, offering very attractive rates to maritime companies. Within two years, MCT has become congested by trans-shipped containers, and requires urgent expansion. However, even without trans-shipment, MCT would very soon require a substantial increase in capacity." *Source: « Appraisal Report – Mauritius Container Terminal II – Mauritius », EIB, 2004, p4-5-7*
2003_GILGEL	The projects documents state that this project is necessary to ensure that the power generation capacity

GIBE	of the country meets the increasing electricity demand in the country at all times. The coverage at a country level is so identified. At the enterprise level, the EIB states that domestic long-term funding is not available. "The expansion of the power sector is an essential prerequisite for the country's development. Since no domestic long-term funding is available in Ethiopia, the provision of concessional EIB funding will help the promoter to modernize the sector without impairing Ethiopia's debt sustainability as a HIPC country." *Sources:* *"Preliminary Information Note", EIB, 2004, p1* *"Fact sheet B: financing proposal", EIB, 2005, p4*
2005_ACPGLOB ADEMI	EIB supported Banco Ademi in view of its focus on financing the smaller end of SMEs which were insufficiently served (according to EIB's Project docts), in particular in relation to longer term finance
2005_EMP AFRICA FUND II	Since this fund invests in highly profitable enterprises, the question is difficult to answer. Equity finance is always needed for growth, but it cannot be established if the investee companies would not have obtained investment funding from commercial sources. The additionality of EIB in investing in this fund is uncertain, as without EIB the fund may have obtained commercial investment in seek of high returns.
2005_ACPGLOB CA2004	Venture capital was (according to EIB's Project docts) not available for the lower end of SMEs in Madagascar
2005_ACPGLOB CA2006	Venture capital was (according to EIB's Project docts) not available for the lower end of SMEs in Kenya
2005_Pacific islands	The loan to the NDB (Niue's DFI), as part of the global loan to this facility, responded to country recovery needs following a natural disaster, according to the financial proposal: *"As a result of Hurricane Heta which devastated Niue in 2004, the island is presently still in a recovery phase. NDB being Niue's development finance institution, it is playing a key role in the island's recovery through its lending activities."* Source: "Fact Sheet B – Financing Proposal" (of the operation), EIB, 11/10/2006 (p2)
2006_EAU SENEGAL	The EIB presents the situation of the drinking water distribution in the country and the evolution of the sector. Furthermore the EIB is active in that sector for more than 10 years in Senegal. Consequently, it has analyzed the results achieved during this period and it has a deep knowledge of that sector in Senegal. Regarding SONES, its financial situation is broadly documented by the EIB in order to correctly estimate its reimbursement capacity and its financial viability. Consequently the EIB has a correct view of the SONES financial needs. "Rapport financier. Projet: Programme eau Sénégal", EIB, 2007, p2-4-8-13
2007_ACPGLOG SOCREDO	The needs expressed at individual enterprise level are covered by the IF operations. It is the substance of the project financed by the EIB.
2009_MICRO FINANCE_ACP	No evidence was found in that respect.

<table>
<tr><th>JC 2.2</th><th>IF/OR financing did address segments that are not, or are insufficiently, served</th></tr>
<tr><td>2005
Pacifric_Islands</td><td>
<table>
<tr><th colspan="6">Distribution of credits by sector</th></tr>
<tr><th></th><th>Amount in €</th><th>%</th><th>Number</th><th>%</th><th>Average value of credit (€)</th></tr>
<tr><td>Agriculture and fishing</td><td>414 092</td><td>7.8%</td><td>50</td><td>24.8%</td><td>8 282</td></tr>
<tr><td>Mining and quarrying</td><td>156 159</td><td>3.0%</td><td>1</td><td>0.5%</td><td>156 159</td></tr>
<tr><td>Manufacturing</td><td>605 897</td><td>11.5%</td><td>18</td><td>8.9%</td><td>33 661</td></tr>
<tr><td>Elec., gas and water supply</td><td>132 593</td><td>2.5%</td><td>4</td><td>2.0%</td><td>33 148</td></tr>
<tr><td>Construction</td><td>305 646</td><td>5.8%</td><td>6</td><td>3.0%</td><td>50 941</td></tr>
<tr><td>Wholesale and retail</td><td>959 693</td><td>18.1%</td><td>64</td><td>31.7%</td><td>14 995</td></tr>
<tr><td>Hotels and restaurants</td><td>2 006 459</td><td>37.9%</td><td>21</td><td>10.4%</td><td>95 546</td></tr>
<tr><td>Transport and storage</td><td>491 390</td><td>9.3%</td><td>21</td><td>10.4%</td><td>23 400</td></tr>
<tr><td>Real estate, renting, business act.</td><td>163 016</td><td>3.1%</td><td>9</td><td>4.5%</td><td>18 113</td></tr>
<tr><td>Other community activities</td><td>55 160</td><td>1.0%</td><td>8</td><td>4.0%</td><td>6 895</td></tr>
<tr><td>Total</td><td>5 290 105</td><td>100.0%</td><td>202</td><td>100.0%</td><td>26 189</td></tr>
</table>
The table shows the distribution of credits granted by DBS from the EIB global loans. In terms value, tourism is the main beneficiary. In terms of number it is wholesale and retail and agriculture. Both sectors are chracterised by the very small size of the credits which make them costly for the banks. Nevertheless DBS has been targeting these sectors because they are insufficiency covered by traditional banks and involve a large share of the population.
The geographic distribution of DBS credits extends to the second island, less important economically and improperly covered by commercial banks, but in practice not to outer islands were no significant economic activity is taking place.
Source MN33 and PIFF I "Project Progress Report" (of the operation), EIB, 01/12/2009
</td></tr>
<tr><td>I-2.2.1</td><td>Prior to the financing of the operations, a selective analysis of the financial needs of the ACP and OCT beneficiaries and their absorption capacity has taken place</td></tr>
<tr><td>2003_MAURITIUS CONTAINER</td><td>
The financial needs of CHCL are well documented by the EIB. In that respect, the Bank has also collaborated with the local stakeholders.
The EIB evaluated the financial situation of CHCL as well as the transhipment tariffs. In that respect, the EIB has granted the OR loan under a particular undertaking: a tariff study by an international consultant needs to be undertaken in order to clarify what the optimum level of charges should be for each type of traffic (imports/exports and transhipment).
Source: « Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004, p1-8
</td></tr>
<tr><td>2003_GILGEL GIBE</td><td>
The EIB observes that EEPCO capability of carrying out its expansion programmes and means of financing it should be appraised. No further document describing the financial situation and need of the company was found.
"Fact sheet A: proposal to appraise new operation", EIB, 2004, p4
Independent analysis of the promoter's Master Plan as well as tariff should have been performed. The results should have been transmitted to the Bank. That kind of documents was no found as so far.
Source: "Fact sheet B: financing proposal", EIB, 2005, p4
</td></tr>
<tr><td>2003_BOAD PG</td><td>There is no evidence of such analysis.</td></tr>
</table>

IV	
2003_Dakar-Ziguinchor	There is no evidence of such analysis.
2006_EAU SENEGAL	The RM and the CRD give their opinion and formulate recommendation on the specific project. In that respect, a review of the beneficiary accounts and financial standing should take place in order to confirm a sound balance sheet and positive operating cash flow. The confirmation of full funding project as well as the beneficiary's ability to generate cash flow is requested. Apart from these recommendations, the financial needs were not appropriately assessed by the EIB according to the documents provided. *Source: « Programme eau Senegal. RM/CRD opinion" Fact sheet A Ops B/ACP-IF/2006-0566, BEI, 2007* The EIB presents the situation of the drinking water distribution in the country and the evolution of the sector. Furthermore the EIB is active in that sector for more than 10 years in Senegal. Consequently, it has analyzed the results achieved during this period and it has a deep knowledge of that sector in Senegal. Regarding SONES, its financial situation is broadly documented by the EIB in order to correctly estimate its reimbursement capacity and its financial viability. Consequently the EIB has a correct view of the SONES financial needs. *Source:* "Rapport financier. Projet: Programme eau Sénégal", EIB, 2007, p2-4-8-13
2007_ACPGLOG SOCREDO	***At project level*** The financial needs of SOCREDO are identified in internal project documents. The balance sheets are provided as well as the financial forecasts. *Source: "SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p5*
TA2008_Dom Rep.	The EIB provided the evaluators with a financial sector strategy for the Dominican Republic. In this paper, the financial sector is analyzed as well as the microfinance sector. Furthermore, the potential EIB intervention in microfinance sector is presented. This allowed the Bank to evaluate its contribution to the sector. *Source:* "EIB, A financial sector strategy for the Dominican Republic"
2009_MICRO FINANCE_ACP	No evidence was found in that respect.
I-2.2.2	**Prior to the financing of the operations, a selective analysis of other sources of private and public financing for the relevant investments has taken place**
2000_MAGADI SODA	The financing scheme shows the distribution between own funds of MSC (43%) and external debt, as well as the composition of the latter:

	USD '000	**EUR '000*)**	**% total**
Own funds spent or held in reserve	20,900	17,885	21%
Own funds to be generated	21,374	18,290	22%
Total own funds:	**42,274**	**36,175**	**43%**
Senior debt:			
EIB	25,000	21,393	26%
IFC	22,000	18,826	23%
Subordinated debt:		0	
IFC	4,000	3,423	4%
EIB	2,000	1,711	2%
FMO	2,000	1,711	2%
Total debt:	**55,000**	**47,065**	**57%**
		0	
Total financing:	**97,274**	**83,240**	**100%**

<table>
<tr><td></td><td>*) converted from USD at the rate of 1.1686 USD to 1 EUR

Source: EIB. Board of Directors. Magadi Soda Pure Ash Project (Kenya). 9/10/2003</td></tr>
<tr><td>2003_BOAD PG IV</td><td>There is no evidence of this type of analysis as such.
Nevertheless, the operation's March 2004 fact sheet mentioned the following (comparative) information with regard to the pricing of this operation combining an OR global loan, IF guarantee, and IF equity investment (see extracts from original table below and under I-8.2.1).

<table>
<tr><td>Operation</td><td>a) Prêt Global (on OR) :EUR 25 millions
b) Facilité de garantie (on IF) : EUR 25 millions
c) Participation à l'augmentation de capital (on IF) pour un montant maximum de EUR 4.6 millions</td></tr>
<tr><td>Coût, pour l'emprunteur, d'un financement de substitution</td><td>a) Le coût moyen pondéré de la dernière émission obligataire dans la zone UEMOA, en FCFA, de la BOAD (durée 7 ans, 2 ans de différé) s'établit à 5.48%.
b) du même ordre que celui des garanties obtenues auprès des fonds de garanties locaux (1.5 to 3%), qui ont des limites de taille.
c) n.a.</td></tr>
</table>
Source : « Fact Sheet B : proposition de financement », EIB, 11 mars 2004 (p1)

Note. According to a 2004 note, the guarantee facility has an "open rate", with the interest rate not being determined at signature.
Source: "Note conjointe", EIB, 02/12/2004 (p2)

This operation has further been developed in coordination with the WB and the European Commission: see I-10.2.1</td></tr>
<tr><td>2003_Dakar-Ziguinchor</td><td>There is no evidence of this type of analysis as such.
Nevertheless, the operation was carried out in coordination with notably the KfW and the AFD (see I-10.2.1).</td></tr>
<tr><td>2003_MAURITIUS CONTAINER</td><td>No evidence has been found regarding an analysis of other sources of private and/or public financing. This kind of analysis does not seem to be included in the decision process of the EIB.</td></tr>
<tr><td>2003_GILGEL GIBE</td><td>No evidence has been found regarding an analysis of other sources of private and/or public financing. This kind of analysis does not seem to be included in the decision process of the EIB.</td></tr>
<tr><td>2004_LUMWANA</td><td>Financing plan (as of July 2005)
<u>USD m</u>
Equity from Equinox 60
EIB subordinated loan <u>50</u>
Sub-total equity/quasi-equity 110
Senior Loans:
AfDB 40
EIB, EDFIs 90
Export Credit Agencies 80
Commercial banks led by
Standard Bank <u>75</u>
Sub-total Senior Loans 285

Financing identified 395
Source : EIB Fact Sheet A: proposal to appraise new operation. Luxembourg 08/07/2005. OPS B/ACPIF-3SouthAfrica,0.Ind/2004-0146/BrandSchmitzWaltraud</td></tr>
<tr><td>2006_EAU SENEGAL</td><td>No evidence has been found regarding an analysis of other sources of private and/or public financing. This kind of analysis does not seem to be included in the decision process of the EIB.</td></tr>
<tr><td>2004_WAGP</td><td>The project is a joint venture of private international energy corporations and state owned companies of</td></tr>
</table>

	the 4 states involved in the pipe line development. The EIB loan is meant to partly refinance the participation of the Government of Ghana in WAGPCo. The preparatory documents do not include an analysis of alternative sources of financing, but as it is a loan with an interest subsidy it is likely to compare favourably. Sources: EIB Fact sheet B: Financing proposal, 2006. BEI Rapport au Conseil d'Administration, 2006.
2007_ACPGLOG SOCREDO	An EIB environmental specialist based in the EIB Pacific Regional Office monitored the eligibility of the proposed projects. In that respect he is provided the EIB with a summary of the envisaged operation, notably explaining the alternative financing available to the company. *Source: "SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p 8*
2009_MICRO FINANCE_ACP	As the project was initiated by IFC and KfW, the EIb knew the other sources of financing before taken a decision on its project's involvement. *Source: "Fact sheet A : Appraisal Autorisation ", EIB, 2009, p1*
I-2.2.3	**Evidence that without the EIB the operation would not, or would insufficiently, have been served**
General	
General	Due to the characteristics of its products (long term, risk capital, possibility to extend loans in local currency) the Bank has contributed to alleviate constraints on the local financial markets and to allow projects that would not have had access to finance. As the constraints become more binding with the financial crisis, the demand for EIB product increases. The two paragraphs hereafter illustrate these mpoints. The IF has the possibility to extend loans in local ACP currencies and take the foreign exchange risk. This option is aimed at helping SMEs and very small businesses which do not perform international transactions. Loans in local currencies are priced on a relevant local interest rate and can only be implemented in countries applying sound macro-economic policies and where interest rate are market determined. This allows the financing of certain projects which would not be implemented otherwise due to the reluctance of financial intermediaries and enterprises to incur debt in foreign currencies. *"Operational Guidelines of the IF", EIB, p13* *"ACP-IF prêts en monnaie locale et orientations pour leur mise en œuvre" p1* An EIB source noted that EIB funding demands have increased owing to the difficulties of getting commercial financing in the current crisis context: "*The impact of the current financial and economic crisis on the existing portfolio can already be felt both in the increase in the number of financing requests presented to the Bank for projects initially foreseen to be commercially funded and in the need to put more time and effort on post-signature activities involving i.a. more comprehensive monitoring of the existing portfolio and in particular projects in distress."* *Source: MN 027*
2000_MAGADI_ SODA	The scale and long term nature of funding required for this industrial project which is the largest carried out in Kenya in at least a decade would be beyond the resources of the local financial sector. Source. EIB: Fact Sheet A: proposal to appraise new operation. Magadi Soda Ltd, Luxembourg 6th September 2001. OP3/ACPII/Agora:20000279/DW/hb The nature and dimension of the investment and the borrower's forecast cash flow profile make finance of 10-year duration, with a grace period meeting the construction time, a prerequisite to project success. The Bank is providing such finance, which the promoter could otherwise not access on the local or international financial markets. The long grace period of the subordinated loan will help overcome cash constraints during the more risky early years after plant commissioning. Source EIB. Board of Directors. Magadi Soda Pure Ash Project (Kenya). 9/10/2003

2003_MAURITIUS CONTAINER	Without the EIB's intervention, this project would probably sufficiently be served. In fact, it is the borrower who has given its preference to a Bank's 20 year funding over a more diversified loan structure from the local banking market. According to the EIB, 20 year long-term financing is not available in Mauritius. Therefore the EIB's loan allows spreading the financial implications of this heavy investment over a long period. *Source: « Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004, p 2-7*
2003_GILGEL GIBE	According to project documents established by the EIB, local long-term funding is not available in Ethiopia. Consequently, the EIB's loan is judged necessary to help the promoter to modernize the sector without impairing Ethiopia's debt sustainability as a HIPC country. *Source: "Fact sheet B: financing proposal", EIB, 2005, p4*
2003_BOAD PG IV	The March 2004 fact sheet of this operation combining (a) an OR global loan, (b) IF guarantee, and (c) IF equity investment), mentioned that the EIB Global Loan will allow the beneficiary bank to "diversify long-term financing sources", and the Guarantee to "provide it headroom": Global loan : *« Le Prêt Global permettra à la BOAD de diversifier ses sources de financement long terme pour le financement d'opération de taille importante du secteur privé à des conditions financières raisonnables. »* Guarantee facility : « *Cette Facilité de Garantie permettra à la BOAD d'intervenir en financement d'opérations pour des montants supérieurs à ses propres limites statutaires qui aujourd'hui limitent ses interventions (FCFA 9 milliards maximum par emprunteur). En d'autres termes, elle offrira de la marge de manœuvre (du headroom) à cette institution»* Source : " Fact Sheet B : proposition de financement » (of operation 2003_BOAD PG IV), EIB, 11 mars 2004 (p3)
2003_Dakar-Ziguinchor	The operation's 2004 "fact sheet A" mentions the following value-added from the EIB loan in this operation (notably that it was a necessary condition for the AFD grant): «La contribution de la Banque au financement de ce projet est, en l'état de nos informations, une condition nécessaire pour le déblocage par la KfW de sa subvention. Par ailleurs, la Banque apporte une expérience précieuse en matière de contrat de gestion dans le domaine maritime. Enfin la Banque attachera une importance particulière : i) à une répartition équitable des risques et des retours sur investissements entre la société privée de gestion du navire et l'Etat dans le cadre des négociations à venir et ii) à ce que la privatisation de la gestion soit irréversible.» Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 March 2004 (p2) See also I-2.1.3 on the limited profitability and high risks of the project. According to the EIB, the Senegalese government did not find alternative financing sources with similar conditions. Source : Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p3
2004_WAPG	See I313
2004_LUMWANA	The subordinated loan/quasi-equity to be provided by the Bank is critical for the financing of the project, given the relatively small capital base of the promoter. Without support from the IF, the project would have great difficulty to go ahead. Source: EIB Fact Sheet B: financing proposal, Luxembourg 19/7/2006. 2004- OPS B/ACPIF 0146/BrandSchmitzWaltraud
2001_MOMA_ TITANIUM	Access to long-term funding for this type of project is essentially limited to the international financing agencies and export credit agencies (ECAs). Source EIB Fact Sheet B: financing proposal, Moma Titanium Mozambique, Luxembourg, 27th February 2003. Ops B/ACT-IF-3/2001-0242

<table>
<tr><td></td><td>Without the Bank's efforts the project would hardly materialize because, in addition to the senior lenders' security requirements the sponse will have to raise additional equity to complete the financing for the project. The EIB was undoubtedly the leader of the negotiations on the terms for the subordinated debt but came into a difficult stand when trying to achieve consensus with on the one side the equity partner, which defended the capability of raising further equity as opposed to the Bank's expectations to increase and improve the upsides linked to possible interest rates and conversion rights, and on the other side the senior lenders trying to equate the subordinated debt to equity when securities were discussed. In fact, the Bank acts in this project closer to an equity holder (with a EUR 40m subordinated loan) than to a traditional lender (EUR 10m of senior loan). This fact obliged the Bank to defend different views – and eventually opposite interests - regarding the mitigation of risks under the dual characteristics of its lending exposure. In fact the Bank was somehow squeezed between the legitimate interests of the senior lenders – of which the Bank is a part as well – wishing to crystallise the project proceeds in order to improve their security, and the need to have the Bank's subordinated loan repaid as soon as financially possible including additional upsides under certain events.

Source EIB Mozambique Moma Titanium, Ops B – Financial Report, Luxembourg27th March 2003, OpsB/ACP-IF-3/2003-320Q/GSF (Agora n°2001 0242 Investment Facility)</td></tr>
<tr><td>2004_OLKARIA</td><td>See I313</td></tr>
<tr><td>2005_ACPGLOB CA2006</td><td>Venture capital was (according to EIB's Project docts) not available for the lower end of SMEs in Kenya</td></tr>
<tr><td>2006_EAU SENEGAL</td><td>No evidence has been found so far.</td></tr>
<tr><td>2007_ACPGLOG SOCREDO</td><td>No evidence has been found in that respect.</td></tr>
<tr><td>TA2008_Dom Rep.</td><td>The long-term funding offered by the EIB is missing on the financial sector in that country. The EIB intervention will relieve this constraint and allow the MFIs to find long-term funding and generate more microcredit to SMEs.

"It is also relevant that the value-added of the EIB's intervention is considerably higher here than elsewhere. MFIs can only partly rely on deposits to finance their activities and are thus in demand of long-term funding."

Source: "EIB,A financial sector strategy for the Dominican Republic", p2</td></tr>
<tr><td>2009_MICRO FINANCE_ACP</td><td>No evidence has been found in that respect.</td></tr>
<tr><td>JC 2.3</td><td>IF/OR operations have not created distortions on local markets and have not displaced private sources of finance</td></tr>
<tr><td>2000_MAGADI_ SODA</td><td>For the Bank's senior loan on IF resources, the following mark up would apply according to the master-table for loan pricing on IF resources:
<table>
<tr><th>Risk dimension</th><th>Mark-up (bp)</th></tr>
<tr><td><u>Operating environment</u>: Kenya – no investment grade, medium risk</td><td>80</td></tr>
<tr><td><u>Borrower and project quality</u>:
Management – well managed company, one of Kenya's leading industrial enterprises; strong management support from UK parent company</td><td>0</td></tr>
<tr><td>Market aspects – borrower is a small player, relying on discount pricing and service quality; he will have to demonstrate his ability to sell higher quality product at higher prices – market risk is therefore high.</td><td>40</td></tr>
<tr><td>Financial situation and performance: large equity base, comfortable liquidity position, sales revenues secured by letter of credit; good financial</td><td>20</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td>
<table>
<tr><td>performance however has only been attained since recently

Outlook and robustness of projections – strong prospects in the medium and long run; cash shortfall risks however during project implementation and first years of operation</td><td>20</td></tr>
<tr><td>Technical/environmental – comprehensive project development, carried out by reputable independent advisors, no significant environmental impact.</td><td>0</td></tr>
<tr><td><u>Loan structure</u>: loans backed by project assets as well as borrower's existing property; liquidation of security however, through sale to one of the bigger world market players, may take time and require lenders' heavy involvement.</td><td>100</td></tr>
<tr><td>Total mark-up</td><td>260</td></tr>
</table>
This mark-up however would result in an interest rate significantly lower than the one proposed by IFC: LIBOR fixed rate plus 450 basis points until technical and financial completion of the project, 365 basis points thereafter. It is also lower than the rate the borrower is willing to pay: 400 basis points before completion, and 375 thereafter. In order not to avoid below market positioning, it is therefore proposed to follow the borrower's proposal.
For the subordinated loan, a rate apart from those computed according to the master-table should be charged, in line with its character as mezzanine finance, cushioning entrepreneurial risks. Its rationale is indeed to replace funds the promoter would have to put in place in case the company's cash flow for investment falls short of projections, or the project witnesses cost overruns, or sales revenues after commissioning the project are lower than expected. The borrower does not accept pricing related to the company's performance as this would give lenders quasi dividend income where shareholders have given up their dividend claims. IFC is proposing a fixed rate of 15 % p.a., while the borrower is targeting 11 % p.a. Given the Bank's pricing standards that normally do not result in rates at such a level, it is proposed here to accept the borrower's proposal
Source: EIB Magadi Soda Pure Ash Project. Ops B Financial report. 9th October 2004
</td></tr>
<tr><td>I-2.3.1</td><td>Evidence that products offered by the EIB would not otherwise be available.</td></tr>
<tr><td>General</td><td>According to an IEB staff member, the EIB's instruments are very flexible in the sense that the EIB can support all types of projects (public, private, PPP). There is no ideological or dogmatic bias. This is a major difference with other international institutions which can not finance State, for example.

Source: MN016</td></tr>
<tr><td>General</td><td>The EIB can provide under certain conditions local currency loans since the Cotonou Agreement. No rigid methodology. An EIB staff member mentioned hereby the following:
"Autre dimension plus ponctuelle et plus technique : intervenir en monnaie locale (synthétique) depuis Cotonou. C'est l'IF qui porte le risque de change, avec des restrictions sur le degré de risque (situation du pays, etc.). C'est la DEAS qui est sensée donner ce degré de risque. Ensuite le pricing : déterminer en monnaie locale un prix en accord avec les conditions du marché. Pas de méthodologie extrêmement rigide, mais en cours de formalisation pour déterminer taux raisonnable, pour éviter des distorsions et pour être quand même rentable (ex ante en tout cas). Les économistes de DEAS sont donc extrêmement impliqués dans les opérations financières. »
Source: MN 007

EIB staff members note the following with regard to (the limited use of) guarantees and (no use of) B-loans:
"In terms of guarantee, we are not very much equipped. We don't have much. I remember one operation where we were successful, relating to syndication of local banks. We have made guarantee facilities for other banks, which have not worked well for various reasons. Partially because they did not have the capacity and expertise in place to use it. Misjudgment in the beginning on our side. We don't do partial risk guarantees, where this possibility is mentioned. I didn't think any minute that we would do one: very complex and resource-intensive. There has been an external study on guarantees on operations</td></tr>
</table>

	outside the EU (incl. ACP), but no internal EIB conclusions were drawn so far from this study. Stéphanie will put us in touch with the EIB colleague dealing with this study. ***B-loans** are a very sensitive instrument that we don't have. We also don't have the resources to do this. The WB had a B-loan programme but abandoned it. Be careful in comparing EIB with IFC, as IFC is mostly with private clients, whereas the EIB is dealing mostly with the public sector."* *Source: MN 007* An IF Committee representative mentions on **guarantees** and **PPPs** that *"we have discussed guarantees in the IF committee, and the EIB said it was a question of resources. EIB made a decision on not putting resources on guarantees (resources-consuming business). PPPs: Possiblities are rather lmiteted in ACPs (to say the least)."* An EIB staff member confirmed the issue of the need for specific resources for guarantees: *"guarantees: also a question of resources. We need people with very specific skills and few of our people have it."* *Source: MN 020* EIB staff members note the following with regard to **blending** (incl. on interest rate subsidies) : *"The whole issue of blending started more at our shareholders level (EU MS) rather than from the EIB operational level. Interest rate subsidies: used in an unorganized way.* *Note. There are two types of "blending": between EIB instruments/resources, and with non-EIB instruments/resources. The second is new, to put EC grants with loans in a same Facility.* *Example of EU-Africa Infrastructure TF: Most operations in ACP are for the public sector → more concessionnality. When launching the Cotonou agreement, ACP countries did not like the idea that most loans should be market-based."* *Source: MN 007* Other EIB staff members also emphasize the importance of benefiting from grants for providing **TA**: *"[TA is a] very important aspect of our work. TA is really really improving our work over the last years. Such grant money is interesting. It really makes things possible which would otherwise not be possible. Blending grants and loans is very valuable".* Has TA been used frequently to develop a project for making it bankable in EIB terms? *"We are still climbing the learning curve, but yes, for instance with the EU-Africa ITF. E.g. to finance the environmental impact assessments."* Do you think the TA envelope is large enough? "*There are lots of projects e.g. support for organisations to convince of need of that instrument, for technical choices, EIAs. Particularly for infrastructure. The main issue is not money to be available, but projects to be ahead for moving. Grant money is essential. It is mainly used for hiring consultants (more than for financing personnel of the EIB); it hence hires external expertise, which increases expertise basis. Note. Water Facility : very small, just a few millions"* *Source: MN 024*
General (Lomé IV)	The Evaluation of EIB financing through individual loans under the Lomé IV Convention (covering the period 1990-2003, before the set-up of the IF under the Cotonou Agreement) describes the EIB's financial and non-financial value added to the projects financed: *"Under the Lomé IV convention, the already low ("AAA" based) EIB interest rates are either subsidised (own resources loans to ACP borrowers) or administratively fixed at a relatively low level (risk capital). The financial value added provided by the Bank has therefore generally been substantial. Alternative sources of funding with similar maturities and at comparative costs have in most cases not been available, and only in the case of fixed rate contracts denominated in foreign exchange did alternative sources of funding (e.g. local currency denominated loans at variable rates) become more attractive as interest rate levels generally declined over time and local currencies depreciated.* *An important factor is the substantial non-financial value added that the EIB was able to deliver to some of the projects. In particular public sector projects with weak promoters benefited substantially from the Bank's early involvement in project preparation and during implementation (e.g. competitive bidding for contracts). It is also noteworthy that a water project that was rated overall "unsatisfactory" was so largely because key measures identified ex-ante at appraisal (tariff increased, privatisation) and incorporated as covenants into the Banks finance contract were not implemented, resulting in the poor performance of the project. This case highlights the importance of a proper monitoring and follow-up by the Bank of project related covenants in the finance contracts that may relate to factors beyond the control of the promoters and need to be taken up with the appropriate government authorities."* Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p2).

2003_MAURITIUS CONTAINER	According to the EIB, 20 year long-term financing is not available in Mauritius. Therefore the EIB's loan allows spreading the financial implications of this heavy investment over a long period. "Together with the IBRD the Bank has played an important role in redeveloping the port sector in the past and the considerably more efficient handling of imports and exports at the newly created Mauritius Container Terminal over the last years has already added significant value to the Mauritian economy. 20 year LT financing is not available in Mauritius and is thus a welcome source of funding as it allows to spread the financial implications of this heavy investment over a long period." *Source: « Mauritius: Mauritius Container Terminal II Project. Extension of the Mauritius Container Terminal. Cotonou Agreement-Loan from the Bank's own resources. Ops B Financial report», EIB, 2004, p 2*
2003_GILGEL GIBE	According to project documents established by the EIB, local long-term funding is not available in Ethiopia. Consequently, the EIB's loan is judged necessary to help the promoter to modernize the sector without impairing Ethiopia's debt sustainability as a HIPC country. *Source: "Fact sheet B: financing proposal", EIB, 2005, p4*
2003_BOAD PG IV	*See I-2.2.3*
2003_Dakar-Ziguinchor	*See I-2.2.3*
2001_Moma Titanium	The large contribution of the Bank in the form of subordinated loan was crucial to make to project viable. It is impossible to affirm that another provider of mezzanine finance would have been impossible to find, but it is very likely. Sources MN302; EIB. Board of Directors. Moma Titanium Mozambique, 29 April 2003. Doc. 03/181.
2004_OLKARIA	As a result of delays in finalising the contract (due to delays in the turnkey contract) KenGen had to finance the implementation without being able to draw down on the eixisting loans with EIB (and AFD). It could however draw on the IDA loan. The transitional borrowing that KenGen had to do proved possible but at less favourable terms.It could however draw on the IDA loan. The transitional borrowing that KenGen had to do proved possible but at less favourable terms. MN342
2005_Pacific Islands	The Financial Report relating to this operation mentions that the risk of non-utilisation of the PIFF for the region is fairly low: " The risk of non utilisation of the proposed facility seems to be fairly low, as the Bank has carefully evaluated the potential dead flow of each participating intermediary. Funds can be reallocated." *Source: "Financial Report Ops B"(of the operation), EIB (p27)*
2006_EAU SENEGAL	No evidence has been found so far.
2007_ACPGLOG SOCREDO	No evidence has been found in that respect.
2009_MICRO FINANCE_ACP	No evidence has been found in that respect.
I-2.3.2	**Existence and justification of downward adjustments of the indicative credit spread (risk margin) in pricing risk of loans and guarantees**
2003_MAURITIUS CONTAINER	No evidence has been found so far.
2003_GILGEL GIBE	No guarantee is foreseen as sovereign lending. The only information provided on potential downward adjustment is the following: "The borrower is committed to public debt restriction under the HIPC program and therefore entitled to borrow **only at concessional rate including a minimum 35% grant element. The amount of the**

	subsidy attached to the proposed financing will be **determined at the time of the signature of the Finance Contract** but will not exceed EUR 25 M." *Source: "Fact sheet B: financing proposal", EIB, 2005, p 1*
2004_OLKARIA	EIB money has been more expensive than IDA and Jica.. Source: MN371
2006_EAU SENEGAL	In order to be compatible with the IMF requirements, an interest subsidy has been applied. Consequently the interest rate is 4%. *"Fact sheet B: financing proposal", EIB, 2007, p3*
2007_ACPGLOG SOCREDO	Only 50% of each operation presented by SOCREDO to EIB is financed by the IF. Furthermore a rate subsidy is granted. *Source: "SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p10*
2009_MICRO FINANCE_ACP	No evidence has been found in that respect.
I-2.3.3	**Conformity of criteria for selecting financial intermediaries with the EIB guidelines provisions**
2003_BOAD PG IV	In this operation, there was a potential risk of market distortion relating to loan guarantees, but this was tackled so as to avoid the issue, according to the EIB's operation fact sheet.: *« L'octroi de la garantie à un prêt de la BOAD pourrait conduire à l'exclusion de banques commerciales de projets aux financements desquels elles auraient participés sans la garantie de la Banque. Pour réduire ce risque, la Banque exigera, dans le cadre de garantie de prêt, qu'une partie substantielle des financements soient assurée par les banques commerciales.»* Source : " Fact Sheet B : proposition de financement » (of operation 2003_BOAD PG IV), EIB, 11 mars 2004 (p3)
2003_Dakar-Ziguinchor	This senior loan benefited from an interest rate subsidy, but there is no evidence of undercutting the market. At the contrary probably, it contributed to a project with low profitability and high risks *(see I-2.1.3).*
2003_MAURITIUS CONTAINER	No evidence has been found in that respect.
2003_GILGEL GIBE	N/A
2005_ACPGLOB CA2006	The intermediary was accepted by EIB (upon introduction by IFC) as it conformed to EIB's above-mentioned Strategic Orientations For Financial Sector Operations
2005_ACPGLOB ADEMI	This operation was selected and conducted in accordance with the EIB Strategic Orientations For Financial Sector Operations In Acp Countries- Board Of Directors- February 2008
2005_EMP AFRICA FUND II	This operation conforms to guidelines- This raises the question as to whether the guidelines are sufficiently clear in terms of EIB value added and prioritization of operations.
2005_ACPGLOB CA2004	The intermediary was accepted by EIB (upon introduction by IFC) as it conformed to EIB's above-mentioned Strategic Orientations For Financial Sector Operations
2005_ACPGLOB CA2006	The intermediary was accepted by EIB (upon introduction by IFC) as it conformed to EIB's above-mentioned Strategic Orientations For Financial Sector Operations
2006_EAU SENEGAL	N/A
2007_ACPGLOG SOCREDO	The financial situation and the activities of SOCREDO and its historical relations with the EIB are presented in the EIB's internal documents. The Standard & Poor's rating of the intermediary bank is analyzed. SOCREDO has to respect the environmental guidelines established by the EIB. *Source : "SOCREDO-ligne de crédit environnement (2007-328)", EIB, 2007, p 2*

2009_MICRO FINANCE_ACP	In the appraisal authorisation document, the EIB foresaw to assess the risk-retunr profile of the proposed investment and to evaluate its contribution to the sustainability of the IF's portfolio. In terms of governance and management, the application of satisfactory governance mechanisms as well as legal safeguards was checked by the EIB. This implied that the supervision of the selected managers and protection of shareholder interest are ensured. Finally, the EIB reviewed the initial deal-flow of proposed investments and ensured that a sufficient allocation is provided for MFIs in sub-Saharan Africa. *Source: "Fact sheet A : Appraisal Autorisation ", EIB, 2009, p 4*
JC 2.4	***IF/OR financing has brought specific added value***
2004-OLKARIA	The financing would be granted directly to KenGen, in recognition of its improving financial condition, and thereby contribute to confidence building among potential future lenders or, at a later stage of corporate development, in view of a possible public listing of shares. Source: EIB Fact Sheet A: proposal to appraise new operation. Luxembourg 19/11/2004. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL
I-2.4.1	**Evidence of the leading role of EIB in putting together the financing plan**
General	*- See I-9.3.1 on "IF/OR approach in project generation (reactive versus proactive)"* *- See also I-4.1.2 on the use of TA by the EIB in project generation (increasing possibility to use EIB TA but still limited compared to some peer institutions)*
2001_Moma Titanium	The project won already several awards, including the African Mining Deal of the Year (in 2004)[3] and is being presented as a case study in many universities world wide. In the Bank's IF presentations, Moma is given as an example of innovation in project financing. Source: EIB. Mozambique Moma Titanium. Project Progress Report, 25/7/2007. OpsB/ACP-IF-3/2007-1460/mh
2003_BOAD PG IV	There is no evidence on a leading role of the EIB. *See also I-10.2.1 (the WB had apparently the lead)*
2003_Dakar-Ziguinchor	There is no evidence on a leading role of the EIB.
2004_OLKARIA	AIB proved very constructive and helpful on roject design, identification of support for the energy sector reform. With AFD it provided valuable advise on how to finance operations and assisted in finding financial partmers. Source: MN371
2005_ACPGLOB CA2006	The leading role was by BPSA and IFC who introduced the operation to EIB
Fiji Denarau hotel	Clear evidence of proactive role in this regard in the initial phases of the project. And evidence that this early involvement of EIB gave credibility to the project and attracted other financial intermediaries, which permitted eventually to reduce the EIB financial investmen. Sources: MN 313, MN343
2005_ACPGLOB ADEMI	As the only IFI to take charge of initial support to Banco Ademi, and through its continued support since inception in 1997, EIB has exercised leadership in putting together the financing packages for this intermediary.
2005_EMP AFRICA FUND II	No leading role for EIB. Additionality of EIB is unclear. This operation is a follow-up on the AIG Infrastructure Fund under same management, introduced to EIB by IFC. At that time, ING Emerging Markets questioned the need for EIB to step into this operation supported already by several private as well as IFI sources. IFC did not participate into this operation in view of certain value added *Source: MN254 AFIG v0-01 20 100415 ec+CV).*

[3] Title awarded by the *Project Finance Magazine*. Moma Ttitanium got the "Most Effective Financing of a Mine or Expansion Project" by *Mining Journal* as well ;

2005_ACPGLOB CA2004	The leading role was by BPSA and IFC who introduced the operation to EIB
2005_ACPGLOB CA2006	The leading role was by BPSA and IFC who introduced the operation to EIB
2006_EAU SENEGAL	N/A
I-2.4.2	**Evidence that IF/OR specific risk- bearing capacity led to financing operations that would otherwise not have been financed or under less appropriate conditions.**
General	General comment on EIB value-added in ACP, according to an EIB staff member, owing to infusion of EIB proper experience within EU in ACP. High EIB additionality in ACP because of favorable financing conditions. Limitation is that it cannot be leveraged with TA on project design. *"EIB works both within and outside the EU: in particular sector people work in both regions; experience from EU MS. EIB technical people work globally, from Germany to Benin. That is also why we focus on infrastructure and financial sector, because this was our key expertise within the EU. Most other IFIs focus on development countries. Financial additionality: considered as high in ACP countries. Expertise (although TA funding is not sufficient): we often asked more funds for TA, we don't have enough funding, although we have the internal expertise with the Projects Department. Internal expertise used mainly for appraisal and design (setting and formatting) of the project. But not much to give full advises: we can say "you should do this kind of study" but we cannot do it ourselves. In particular upstream studies. In our EU-Africa Infrastructure TF: in the past we were being told we were arriving when everything was ready. Now with the TA money available we can finance all kind of earlier preparation work. We have TA since 2007. We still think that we desperately needed money for TA. Having more funding would enable bringing more TA to the project. Cf. WB in terms of missing link: they have created between IDA and IFC the "IFC advisory services" financed on TFs."* *Source: MN 007* A Commission staff member noted that the EIB value-added was sometimes used as an argument for not intervening in a specific sector. *Source: MN 023* EIB staff members linked the increasing use of interest rate subsidies and TA to debt requirements for HIPC countries: *"Why such an increase between Cotonou I and II? They had not realised that they would need this amount of subsidisation. First they thought the private sector would do it; then they started to conclude that the private sector is not a good option for large infrastructure: lot of public works needed. A lot of public funding would thus be needed; but there were a lot of HIPC countries. These countries, most of them, have entered into agreements with the IMF to limit their future indebtedness, by borrowing only funds with a certain element of concessionality. Most of them needs up to 50% grant element built in the loan they take. This can be done by subsidizing the investment. This is why IRS envelope increased. At the same time we realized that TA was on the rise and that it would be interesting to do more of that."* *Source: MN 102*
General (Lomé IV)	*See I-2.3.1, notably: "Under the Lomé IV convention, the already low ("AAA" based) EIB interest rates are either subsidised (own resources loans to ACP borrowers) or administratively fixed at a relatively low level (risk capital). The financial value added provided by the Bank has therefore generally been substantial."*
2003_BOAD PG IV	There is no such evidence.
2003_Dakar-Ziguinchor	There is not this type of evidence as such, but the EIB contributed here to a project with high risks - *See I-2.2.3*
2004_WAGP	Long term financial resources are scarce and expensive on the private financial market in Ghana. Therefore the Government could only obtain a transitional financing from the Nigerian state for this project. The EIB loan allows the Government of Ghana to reimburse the Nigerian loan, for which arrears were due, and to refinance its participation in the WAGP with long term resources. Source: BEI. CA Pret bonifié sur resources propres, projet WAGP, 12/12/2006, Document 06/517.
2005_Pacific Islands	The "Fact Sheet A" specifies that the credit guarantee helped risk taking in the Pacific region: *"A credit guarantee facility would help increase the amount of risk taking capital in the Pacific region, which could then be*

	used to increase the availability of targeted credit, denominated in either local currency, or foreign currency, as appropriate. The credit could possibly be in the form of (i) short term domestic trade credit (ii) medium term finance in the form of equipment lease, corporate and small business loans and home loans, which by their nature have local currency cash flows (iii) medium term finance in foreign currency to exporters and tourism operators. A regional approach would help each partner bank and the Bank to diversify risk across a number of relatively small countries." Source: "Fact Sheet A – Proposal to appraise new operations" (of the operation), EIB, 29/09/2005 (p1)
2006_EAU SENEGAL	The scope of the investments envisaged and the weak financial situation of the beneficiary imply that it could not borrow at the financial market condition without jeopardize its financial balance. Consequently, the EIB intervention through its OR specific risk-bearing capacity has allowed this project. *Source: "Fact sheet B: financing proposal", EIB, 2007, p3*
I-2.4.3	**IF/OR type of instruments (e.g. longer maturities and/or subsidised interest for loans; range of risk capital instruments) are not available from other sources**
General	Loans are extended, when feasible, in local ACP currencies, in line with the provisions of the Cotonou Agreement which enables the Bank to bear the forex risk on local currencies, notably for supporting SMEs. This is a major value added in certain circumstances in the sense that it meets the requirements of SMEs and other companies with very little, if any, foreign exchange revenues. *Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010 (page 27)* For economic infrastructure and asset with a long economic life the Bank can offer maturities and grace periods that are not available on the local markets. *Source: DG ECFIN Mid-term evaluation of EIB's external mandate, Final Report, March 2010*
General (Lomé IV)	*See I-2.3.1, notably: "Alternative sources of funding with similar maturities and at comparative costs have in most cases not been available"*
2003_BOAD PG IV	There is no evidence that IF/OR type of instruments were not available from other sources
2003_Dakar-Ziguinchor	There is no evidence that IF/OR type of instruments were not available from other sources
2005_Pacific islands	See I-2.1.1 with information from a 2009 PPR on this EIB operation in a context of limited financial market liquidity. However, it is not clear to what extent other DFIs provide such type of financing instruments and hence the EIB fills a real gap in the market.
2006_EAU SENEGAL	No evidence has been found so far.
TA2008_Dom. Rep.	EIB has been a leader in providing an integrated package to Microfinance Institutions/Banks in the Dom. Rep. The combination of loan, equity, TA for institution building has major value added. Value added of local currency loans. Major advantage of EIB-IF.
I-2.4.4	**Range of non-financial contributions offered by the EIB at investee company level (e.g. in terms of governance, integrity, social responsibility, capacity building and good management practices)**
General (Lomé IV)	*See I-2.3.1, notably: "the substantial non-financial value added that the EIB was able to deliver to some of the projects. In particular public sector projects with weak promoters benefited substantially from the Bank's early involvement in project preparation and during implementation (e.g. competitive bidding for contracts)."*
2001_Moma Titanium	The EIB support in leading the technical and governance assessment at the time of the financial montage of the operation involved considerable efforts from its staff and proved valuable for the investee and for the other financing partners. Source: MN302.
2003_BOAD PG IV	There is no evidence of EIB non-financial contributions as such, but the modest and relatively symbolic EIB equity investment in the BOAD was considered important *(see I-2.1.3)*
2003_Dakar-	The operation's 2004 "fact sheet A" mentions the following value-added from the EIB loan in this

Ziguinchor	operation (notably that it was a necessary condition for the AFD grant): *«La contribution de la Banque au financement de ce projet est, en l'état de nos informations, une condition nécessaire pour le déblocage par la KfW de sa subvention. Par ailleurs, la Banque apporte une expérience précieuse en matière de contrat de gestion dans le domaine maritime. Enfin la Banque attachera une importance particulière : i) à une répartition équitable des risques et des retours sur investissements entre la société privée de gestion du navire et l'Etat dans le cadre des négociations à venir et ii) à ce que la privatisation de la gestion soit irréversible.»* Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 March 2004 (p2) The EIB defined three conditions that have been met before the first disbursement. 1. Ministry of Infrastructure, Equipment and Transport has to create an unity of project's execution. 2. The boat's operator needs to be selected via an international tender procedure. The selection's conditions have to be considered as satisfactory by the Bank. Apparently, the Ministry will be supported by international consultants in order to prepare the tender, analyze the offers received and select the boat operator. No evidence has been found attesting that international consultants have effectively supported the Ministry. 3. The Dakar and Ziguinchor harbours have to be sufficiently developed as the boat can berth. Furthermore the boat's construction needed to be checked and certified by an international company as Lloyds, Veritas Two other conditions were identified by the EIB, which should be met during the project's execution phase: 1. If the profit and loss accounts show deficit, the Senegalese government and the operator should revise the costs and the tariff in order to achieve a financial balance. 2. An international company should certify, each year, the navigation's condition of the boat. The boat, the passengers and the merchandise should be properly insured. The boat and its crew members should meet the security guidelines defined by IMO's conventions (International Maritime Organization). Source : Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p6-9 The security was a high priority for the investors, mainly following the Joola disaster. In that respect, the EIB requested that several controls need to be performed by international firms and that the maintenance should be carried out on a yearly basis (at least). The project included security and safety components, lighting, supports for navigation, amongst others. These components are considered as value added and are mainly a necessity. Sources: MN017, « Rapport d'instruction », EIB, 2004
2005_ACPGLOB CA2006	This venture capital fund provides operational support to Kenyan investee SMEs. This non-financial contribution is made by the fund manager, and not EIB, but was a factor for EIB to enter this project. "*Investee Support Infrastructure (Technical Assistance Fund / SSC) - in 2001, BPSA transformed its mentor programme into a core part of its investment business. It has developed systems and experience in applying technical assistance using this programme. BVI-K has access to USD2.5m to implement this programme in Kenya which, even though it must be adapted to the Kenyan environment, puts the Fund in a uniquely strong position ta support the activities of its SMEs. The physical presence of the SSC in Nairobi will provide both top quality office infrastructure and assist in raising the profile of BPI-K.*" Source: Report to Management Committee, 16/2/2006, p. 21
2005_ACPGLOB CA2004	This venture capital fund provides operational support to Malagasy investee SMEs. This non-financial contribution is made by the fund manager, and not EIB, but was a factor for EIB to enter this project. Source: Fact Sheet B, Financing proposal.
2005_ACPGLOB ADEMI	EIB has been instrumental in the transformation of Banco Ademi from microfinance to banking institutions (and this seemingly has also been the case in respect of Banco ADOPEM which is not part

	of the operations selected for detailed review). The addition of TA to the EIB equity and loan finance formed a package that had a clear impact. The same applies to Banco ADOPEM in the Dominican Republic. *Source: MN 401 Banco ADEMI; MN 403 Banco ADOPEM*
Pacific PIFF I	Comparison of non financial value added of ADB and EIB ADB: When provide loans also always provide training opportunities for staff, in order to comply with their requirements in terms of credit rating, marketing, governance, management. Are bringing into the bank ideas that the staff should adopt in order to work more efficienctly, in terms of human resources management, for instance. Not just technical financial aspects. DBS was a recipient of those training activities and appreciated it. Training was free but travel to training places (e.g. Fiji for regional seminars) had to be covered by the DBS. EIB The DBS was visited by EIB personnel but mainly to check how the DBS used the funds, to assess its capacity, and to check its credibility. Very good relationship with the EIB in terms of lending. Relationship is strictly limited to lending. No training except some assistance with IT. In the past (long time ago), the EIB had a technical antenna (NB in fact it appeared that Mr. Wongsin meant the CDE). When the DBS identified a project opportunity, the DBS could recourse to the CDE to get technical expertise. The CDE would cover the cost of the TA whereas the DBS would pay the accommodation. Proved extremely valuable and the DBS regrets it is no more in application. Source MN363
2006_EAU SENEGAL	The EIB have defined a structure regarding the project implementation which has to be followed by the promoter. This structure needed to be in place prior to disbursement of the first instalment of the EIB loan. *"The promoter will be tasked with implementing the project and will receive assistance in its role as contracting authority for the entire duration of the project. A Project Management Unit (PMU) will be created under the auspices of the Works Directorate. The staff already have a highly successful track record with carrying out similar works under previous projects. However, the promoter needs to draw up a structure for its role as contracting authority tailored to the geographical scale of the project, with a regional breakdown of the works."* *"Conseil d'administration. Prêt à l'investissement bonifié sur ressources propres. Projet PROGRAMME EAU », EIB, 2007, p5*
TA2008_Dom. Rep.	TA was well designed, what we need to do, they are doing, they helped us to develop new products, to develop manuals. (DR Field Visit)
I-2.4.5	**EIB contribution at project execution level (procurement process) and due attention to cost-effectiveness**
General	For all projects analysed there is abundant evidence of EIB following closely the execution and its cost effectiveness.
2003_Dakar-Ziguinchor	Project progress reports should be sent to the EIB every six months in order to assess the effective project's implementation. These reports should also mention the total cost estimation (adjusted if necessary) and the planning of the project. These reports have been provided regularly to the EIB. Furthermore, the promoter should send a final report as soon as the boat is operating. This report will include: • Important differences between the technical description in the contract and the effective execution; • The real cost of each project's component; • The planning of the execution of each project's component; • The effective financial results of the first year. • The application of the specific conditions established in the contract; • The permanent employment effectively created.

	The final report is expected to be delivered in 2010. Sources : « Rapport d'instruction », EIB, 2004, Annex A & « Monitoring 2009 », EIB, 2009, p5
2006_EAU SENEGAL	According to the EIB Board of Directors document, the Bank is interested in the implementation process in respect with the degree of urgency, the stage of preparation, the complexity and the priority according to the prioritisation criteria defined in the programme. In that respect, "it would be advisable for the water treatment schemes that will have a significant impact on operating costs to be brought into operation at the end of the period (2010-2011). To that end, the following approach involving commitments and disbursements in tranches has been adopted: • successive €15m commitment tranches, renewed on the basis of the findings of "commitment" audits (conformity of projects carried out under the previous tranche) and of the updated projected programme of commitments under the following tranches, agreed with the lenders. The network upgrading schemes for which financing is included in the programme will strictly correspond to the contractual commitments of SONES; • successive €7m to €10m disbursement tranches, renewed where 80% of the previous tranche has been drawn down subject to the results of checks and ex post audits. These audits will cover both (i) the technical aspects (content and quality of the projects, checking that the physical results correspond to the approved projects, implementation of the environmental and social requirements) and (ii) the financial aspects (supporting documents for payments and advances) and procedures (procurement)." *Source : "Conseil d'administration. Prêt à l'investissement bonifié sur ressources propres. Projet PROGRAMME EAU », EIB, 2007, p5*

EQ3	**To what extent did IF/OR operations have a catalytic effect in helping enterprises mobilise long-term local and foreign loan resources and investment?**
JC 3.1	***EIB has contributed to mobilising a critical mass of additional finance needed by project beneficiaries***
General	➢ EIB-IF Policies and Guidelines attach major importance to catalytic effect in terms of mobilisation of (mainly) commercial finance ➢ Few actual cases of mobilization or catalytic presence of EIB identified, due to absence of specific monitoring (see below) ➢ In co-financings, EIB mostly appears to "join in" rather than being the initiator. (see also Indicator re: leading role in I-2.4.1). In that sense perhaps, EIB may be considered a "co-mobiliser" ➢ Limited effort for capital markets development [see more under EQ 4] ➢ EFP is a particular case of "leveraging" or catalytic effect, as EIB matching finance allows EDFIs to do more operations ➢ It is unclear to what extent mobilisation effect is considered an important element in selecting projects in accordance with Cotonou requirements and the requirement of EIB value-added. This indicates that EIB does not consistently apply the following requirement of the "Operational Guidelines of the IF, p. 10: "The choice of financial instruments depends on the individual operation concerned and is established in order to optimize the terms of the financing package and maximize the catalytic effect of the IF." ➢ Possibly, EIB sees an important mobilisation role in providing equity and subordinated finance, allowing the beneficiary to access commercial funding. But we have no evidence of that because EIB does not measure its mobilisation impact. ➢ Few of the 20 selected Ops are catalytic
I-3.1.1	**EIB measures its mobilisation effect**
General	EIB did not specifically measure its mobilization effect at project level or at portfolio level
2003_BOAD PG IV	*See I-3.1.2*
2003_Dakar-Ziguinchor	*See I-3.1.2*
2005_ACPGLOB CA2006	No evidence of role of EIB in mobilising resources for the Fund. The Fund may play a role in helping investee enterprises mobilise additional commercial finance
2005_ACPGLOB ADEMI	Evidence of mobilisation effect, as well as for the Banco ADOPEM project, though not measured specifically *Source: Project documentation; MN 401 Banco ADEMI; MN 403 Banco ADOPEM*
2005_ACPGLOB CA2004 Madagascar	No evidence of role of EIB in mobilising resources for the Fund. The Fund may play a role in helping investee enterprises mobilise additional commercial finance
2005_ACPGLOB CA2006Kenya	No evidence of role of EIB in mobilising resources for the Fund. The Fund may play a role in helping investee enterprises mobilise additional commercial finance
2005_EMP AFRICA FUND II	No evidence of role of EIB in mobilising resources for the Fund. The Fund may play a role in helping investee enterprises mobilise additional commercial finance
2006_EAU SENEGAL	No evidence has been found so far.
2008_EDFI	n/a (EFP is a special case of EIB leveraging, and the leverage ratio is well documented corresponding to the *pari-passu* financing ration)
I-3.1.2	**Ratio of mobilisation at project level**
General	EIB does not specifically measure its mobilization ratio at project level or at portfolio level

2003_BOAD PG IV	There is no evidence of ex-ante or ex-post measure by the EIB of its mobilisation effect in this operation.
2003_Dakar-Ziguinchor	There is no evidence of ex-ante or ex-post measure by the EIB of its mobilisation effect in this operation.
2005_ACPGLOB CA2006	Not measured
2005_ACPGLOB ADEMI	Not measured, though it must be important. The situation is similar for EIB's support to Banco ADOPEM. *Source: Project documentation* *MN 401 Banco ADEMI; MN 403 Banco ADOPEM*
2005_ACPGLOB CA2004 Madagascar	Not measured in project documentation
2005_ACPGLOB CA2006 Kenya	Not measured in project documentation
2005_EMP AFRICA FUND II	Not measured in project documentation
2006_EAU SENEGAL	No evidence has been found so far.
2008_EDFI	EIB's leverage effect corresponds to the *pari-passu* co-financing ratio
I-3.1.3	**Evidence of mobilisation effect and of extent to which it was critical to meeting financing needs**
2003_BOAD PG IV	Loan: There is no evidence on direct mobilisation effect as such. But this operation has been developed in coordination with the WB and the European Commission: *see I-10.2.1* Guarantee: EIB's guarantee instruments are geared to mobilization. Support to bond issues is all about mobilization. However, guarantee line not taken-up
2003_Dakar-Ziguinchor	There is no evidence on direct mobilisation effect as such. Exception: the EIB loan is said to have been a necessary condition for the AFD grant - *See I-2.2.3*. This operation was further carried out in coordination with notably the KfW and the AFD - *see I-10.2.1* The KfWgrant has been conditioned to the EIB's participation in this project. Source : Operation's « Conseil d'administration ». Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p3
2004_OLKARIA	This first financing **without** recourse to the Government of Kenya will encourage other lenders in the future to provide direct financing to KenGen, including commercial banks. Source: EIB Fact Sheet B: financing proposal, Luxembourg 24/2/2005. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL EIB is very constructive and helpful on project design, identification of support for supporting the energy sector reform. EIB and AFD advise on how to finance operations, finding financial partners. According to the authorities the Bank had a catalytic role and its presence strengthened the credibility of the government when seeking other sources of finance. Source: MN371
2004_WAGP	The Government of Ghana secured short term financing to meet the Final Investment Decision deadline in November 2004. This short term financing was intended as bridging finance, in anticipation of a more appropriate long-term funding arrangements. However, the market was not yet ready to take the long term credit risk on the project.

	For this reason the Government of Ghana approached the EIB to refinance its equity share in the pipeline. It can be inferred from this historical sequence that the contribution of the EIB was critical for the financial consolidation of this operation which is regarded as an important developmental project by the Government of Ghana. Source: D2
2004_LUMWANA	See I223
2001_MOMA_ TITANIUM	See I223
2005_Pacific Islands	This PIFF II operation was set-up as a €50m financing facility (of which €25m provided by the EIB on IF resources) for providing global loans to several banks in the Pacific region, for increasing the access to finance for SMEs. It also encompassed a guarantee facility. Both instruments and the second in particular, are geared towards mobilisation of resources from other sources. In the end, only one bank benefited from a global loan from this facility: the NDBP (National Development Bank of Palau) with a global loan of €5m. The total amount allocated and disbursed from those €5m was €3,3m (64%). Disbursements for the whole global loan facility overall represented hence not more than 13.1% (€3.3m out of €25m). The second part of the operation, the Guarantee facility, materialised even less, if it materialised at all. An EIB staff member mentioned it had not been used: *"Elle existe mais n'a pas été utilisée. Aucune garantie n'a été conclue. Pourquoi ? Parce que le cas ne s'est pas présenté, il n'y a pas eu d'opportunité. En fait à ma connaissance il n'y a jamais eu d'opération de garantie au sein de la Banque. C'est étonnant même qu'il soit proposé un instrument de garantie.* » *Source : MN 011*
PIFF I - Samoa	This PIFF I operation was set-up as a €40m financing facility (of which €20m provided by the EIB on IF resources) for providing global loans to several banks in the Pacific region, for increasing the access to finance for SMEs. This operation initially envisaged (cf. Fact Sheet A) to also provide a guarantee facility and equity investment, two instruments geared towards mobilisation of resources. The initial willingness to provide a guarantee facility and equity investments in this operation did not materialise. It is not clear what the reasons thereof were, but information provided in Fact Sheet A (p3) in terms of risks & issues provide possible indications: *"•The proposed portfolio guarantee product is a new one for the Bank and in defining its structure, close co-operation will be sought both with ACPIF's RD team and with CRD to ensure consistency with the Bank's mandate and coherence with the its credit risk policy guidelines.* *•The Bank's experience with venture capital funds has been mixed to date but there is clearly a need for equity funding in many of the projects in the region. In the appraisal of this part of the facility, lessons will be drawn from the Bank's experience to ensure that the chances of successful outcomes can be maximised"*
Pacific PIFF I	Guarantees: Was not used because the DBS concentrated on its lending activity; it is more manageable than guarantees. Loans allow a relationship with the client that involves a regular monitoring and confidence building. Guarantees are a facility the DBS is not so confident with because the people to whom the DBS would give guarantee would not take that as seriously as a loan. Source: MN 363
Fiji_Denarau Hotel	BEI intervenue avec un prêt participatif. Mécanique : BEI a proposé à Colonial Fiji, une compagnie d'assurance de prendre des participations dans Novotel et la BEI a fait un prêt participatif à Colonial Fiji pour refinancer sa participation. Plan initial : outre ce prêt

	participatif de 5mln à Colonial Fiji, la BEI consentait un prêt sur own resources de 15 mln ; ce dernier a été réduit à 6ml car au vu de l'implication de la BEI, l'ANZ (filiale d'une grande institution financière australienne) a été intéressée). Finalement l' ANZ a « éjecté » la BEI et pris tout le prêt. Effet catalytique clair. Source: MN313 and MN343
2006_EAU SENEGAL	No evidence has been found so far.
JC 3.2	***EIB's financial instruments (in particular the risk-sharing and credit enhancement instruments) encourage mobilisation of additional commercial finance; EIB makes optimal use of its financial and risk-bearing capacity***
General	➢ Credit enhancement not a major product line of EIB-IF, raising a question as to whether IF risk-bearing capacity for mobilisation effect is optimized ➢ Guarantees: Insufficient take-up of guarantees due to insufficient efforts by EIB to develop the guarantee instrument. In addition, EIB's guarantee instrument is, in the view of some financial intermediaries, not well adapted to the needs- on the contrary, guarantee instruments deployed by other institutions (Ex. AFD, USAID, IFC) have major impact in the absence of collateral that can be offered by SMEs, and such guarantees have larger value added and impact than lines of credit. *Source: EIB documentation and discussion with EIB staff* *MN 251 BOA- 20100416 CV* *MN 258 Ecobank v0-01 20 100415* ➢ EIB does not arrange B-loan type operations, as other major IFIs, for mobilisation ➢ EIB appears not to have an approach for mobilising commercial finance in PPPs, particularly infrastructure (EIB focus area) ➢ No evidence of EIB approach for enhancing capital markets development (such as increase the supply of good quality local securities and thus contribute to the development of local capital markets). ➢ Contrary to other IFIs, EIB does not believe that the use of financial intermediaries could, besides SME finance, also address housing finance *Sources re : housing finance:* IFC: http://www.ifc.org/ifcext/gfm.nsf/Content/HousingFinance FMO: http://www.fmo.nl/smartsite.dws?id=74 AKDN: http://www.akdn.org/Content/690 Other: examples: http://www.bis.org/ifc/publ/ifcb31i.pdf http://www.fias.net/ifcext/economics.nsf/Content/CON_Housing-Regional_SouthernAfrica_Nov08
I-3.2.1	**Extent to which EIB's instruments are geared to (design for) mobilisation**
General	EIB staff members noted that they don't do B-loans or syndications despite their high mobilization impact: *"we don't do B-loans or syndications because we don't have the resources necessary to set up a specific department. But indeed this instrument has a very high mobilization impact."* *Source: MN 007*
2003_BOAD PG IV	*See I-3.1.3 on the guarantee instrument*
2005_ACPGLOB CA2006	Equity and quasi-equity instruments for Kenyan SMEs by definition strengthen their capital base and may help them mobilize classical debt finance
2005_Pacific Islands	An EIB staff member mentions that the Guarantee facility, which was part of the initial set-up of this operation, had not been used. "Elle existe mais n'a pas été utilisée. Aucune garantie n'a été conclue. Pourquoi ? Parce que le cas ne s'est pas présenté, il n'y a pas eu d'opportunité. En fait à ma connaissance il

	n'y a jamais eu d'opération de garantie au sein de la Banque. C'est étonnant même qu'il soit proposé un instrument de garantie. » *Source : MN 011.*
2005_Pacific Islands	The operation has been designed with inclusion of a guarantee component. This component has not been implemented, and the same situation occurred to PIFF I. Reason; Facilité de garantie : BEI a essayé de la mettre en place avec l'ANZ principale banque privée. N'a pas marché. Principe : La BEI offre une garantie sur un portefeuille identifié. Danger que la banque bénéficiaire ne fournisse un portefeuille dans lequel elle inclut tous les projets à risques. D'où proposition de la BEI que la bq bénéficiaire prenne les premiers 20% , le reste étant pris à 50% par les deux institutions. Le portefeuille qu'on va garantir doit être bien identifié. Les grandes banques régionales ressortent de grandes banques australiennes et n'ont pas besoin de garanties. Par ex. en PNG il y a énormément de liquidités et donc les bqs ne cherchent pas de garanties. Source : Project reports, MN313
2005_ACPGLOB ADEMI	EIB's presence as a founding shareholder, and its continued subscriptions to Banco Ademi's share capital, has placed this institution in a stronger position to raise finance from local commercial sources. The same conclusion appears from the Banco ADOPEM Project. *Source: Project documentation; MN 401 Banco ADEMI; MN 403 Banco ADOPEM*
2005_ACPGLOB CA2004	Equity and quasi-equity instruments for Malagasy SMEs by definition strengthen their capital base and may help them mobilize classical debt finance
2005_ACPGLOB CA2006	Equity and quasi-equity instruments for Kenyan SMEs by definition strengthen their capital base and may help them mobilize classical debt finance
2006_EAU SENEGAL	No evidence has been found so far.
2008_EDFI	The three successive EDFI EUROPEAN FINANCING PARTNERS (EFP) operations are designed for leverage and the first two such operations were evaluated by EV as having a multiplier effect.
I-3.2.2	**Extent to which EIB assesses its mobilisation potential for each operation**
Operation /General	No evidence was found that catalytic/mobilisation effect is sought systematically by EIB when selecting operations. This should be covered in Country Financial Sector Strategy documents to answer this, but such documents were not available in all countries in which a financial sector operation was reviewed.
2003_BOAD PG IV	*See I-3.1.2*
2003_Dakar-Ziguinchor	*See I-3.1.2*
2005_ACPGLOB ADEMI	Mobilization potential of Banco Ademi was strengthened by EIB's continued support since inception in 1997. This is recorded as a strong point of this operation in EIB's Project docts
2005_EMP AFRICA FUND II	N/A
2005_ACPGLOB CA2004	Mobilization potential not assessed in EIB's Project docts
2005_ACPGLOB CA2006	Mobilization potential not assessed in EIB's Project docts
2005_ACPGLOB	Mobilization potential not assessed in EIB's Project docts

CA2006	
2006_EAU SENEGAL	No evidence has been found so far.
2008_EDFI	n/a
I-3.2.3	**Hurdles to deployment of mobilisation instruments (e.g. pricing of guarantees, limits to volumes of subordinated finance, etc.)**
2003_BOAD PG IV	*See I-3.1.3 on the guarantee instrument*
2005_Pacific Islands	An EIB staff member mentions that the Guarantee facility, which was part of the initial set-up of this operation, had not been used. "Elle existe mais n'a pas été utilisée. Aucune garantie n'a été conclue. Pourquoi ? Parce que le cas ne s'est pas présenté, il n'y a pas eu d'opportunité. En fait à ma connaissance il n'y a jamais eu d'opération de garantie au sein de la Banque. C'est étonnant même qu'il soit proposé un instrument de garantie. » *Source : MN 011.*
2005_Pacific Islands	The operation has been designed with inclusion of a guarantee component. This component has not been implemented, and the same situation occurred to PIFF I. Reason; Facilité de garantie : BEI a essayé de la mettre en place avec l'ANZ principale banque privée. N'a pas marché. Principe : La BEI offre une garantie sur un portefeuille identifié. Danger que la banque bénéficiaire ne fournisse un portefeuille dans lequel elle inclut tous les projets à risques. D'où proposition de la BEI que la bq bénéficiaire prenne les premiers 20% , le reste étant pris à 50% par les deux institutions. Le portefeuille qu'on va garantir doit être bien identifié. Les grandes banques régionales ressortent de grandes banques australiennes et n'ont pas besoin de garanties. Par ex. en PNG il y a énormément de liquidités et donc les bqs ne cherchent pas de garanties. Source : Project reports, MN313
Prelim. Findings	At general level: EIB does not monitor specifically this effect At project level: In some cases, EIB's participation in an operation provides comfort and confidence to other lenders or investors (same operations as referred under JC 3.1, i.e. Banco Ademi, Olkaria II, BOAD, BIMAO)
Hypothesis to test	*EIB's comfort role depends on its leading role in structuring an operation*
Information Gaps	Importance of catalytic effect for EIB
2001_MOMA_ TITANIUM	The following table summarises the commitments of senior and subordinated lenders:

Lender/ Facility	Loan Commitments (millions) Euros	US$	US$ Equivalent
Senior			
Absa	-	80.0	80.0
AfDB	-	40.0	40.0
EAIF	-	5.0	5.0
EIB	15.0	-	18.3
FMO A	-	15.0	15.0
FMO B	-	4.5	4.5
KfW/HERMES	-	25.5	25.5
KfW/MIGA	-	15.0	15.0
Subtotal	15.0	185.0	203.3
Subordinated			
EIB	40.0	-	48.8
FMO A	7.1	-	8.7
FMO B	-	10.0	10.0
Subtotal	47.1	10.0	67.5
Total	62.1	195.0	270.8

(1€ = 1.22 $US-
Source: EIB Project Progress Report, Moma Titanium (Serapis 200010242), Luxembourg 25 July 2007, OPS B/ACP-IF-3/2007-1460/mh., annex 2

JC 3.3	***EIB's participation in an operation provides comfort and confidence to other lenders or investors***
General	➢ EIB does not monitor specifically this effect ➢ In co-financings we find a "grey zone": EIB often appears to have "joined in" rather than being the initiator, but in limited other cases EIB took a leading position ➢ EIB's presence reinforced the credibility of projects in varying degrees. Where EIB acted as the main/sole IFI financier, EIB has been more instrumental in terms of catalytic effect. In two investment funds (Field Visit Senegal: ACRF; Microcred) , while EIB was not the initiator or in the lead, EIB's presence has nevertheless been instrumental in attracting other investors; this was found to be the case in view of EIB's traditional rigour in project appraisal. ➢ In some cases, EIB's participation in an operation provided comfort and confidence to other lenders or investors. EIB's stature reinforced the credibility of a number of projects; for a number of other projects, there is unclarity or "grey zone as to how instrumental EIB's presence was. During one Field Visit, the credibility of EIB technical services (engineers, environmental assessment, ...) were highlighted as lending credibility to projects. ➢ The degree of catalytic/mobilisation effect at portfolio level cannot be assessed, as EIB does not monitor specifically this effect.
I-3.3.1	**Extent to which sponsor investment has been encouraged/triggered by EIB presence**
2001_Moma Titanium	Kenmare, the promoter, a small mining company, chose an international bureau of financial advisers to pull the financial consortium to fund this operation, which was very large compared to the size of Kenmare. The EIB did not lead the financial montage but led the technical and governance assessment. Its positive appraisal gave confidence to the other partners.

	Source: MN302.
2003_BOAD PG IV	The operation's March 2004 fact sheet mentioned that the EIB participation to the BOAD's capital increase was important in terms of image and for future ranking: *"Contribution relativement modeste et symbolique mais toutefois très importante pour la BOAD en terme d'image et dans la perspective de son « rating » à terme. De plus, compte tenu de l'augmentation proposée la participation de la Banque serait portée au niveau de celle de la BAD et de Belgique. Bien que modeste, cette augmentation de capital est particulièrement importante pour la Direction Générale de la BOAD qui considère les trois volets (package deal) comme l'expression du caractère stratégique du partenariat BOAD-BEI. »* Source : « Fact Sheet B : proposition de financement » (of the operation 2003_BOAD PG IV), EIB, 11 mars 2004 (p3)
2003_Dakar-Ziguinchor	The EIB loan is said to have been a necessary condition for the AFD grant - *See I-2.2.3.* The KfW grant has been conditioned to the EIB's participation in this project. There is no other evidence.
2005_ACPGLOB ADEMI	As the only IFI to take charge of initial support to Banco Ademi, and through its continued support since inception in 1997, EIB has exercised leadership in putting together the financing packages for this intermediary.
2005_EMP AFRICA FUND II	It is difficult to make out whether EIB's presence has encouraged other investors, or rather whether other DFI investors encouraged EIB to invest
2005_ACPGLOB CA2004	In this case it seems that it was IFC's sponsorship that triggered/encouraged EIB investment
2006_EAU SENEGAL	This project is totally financed by IFIs and by the borrower itself. "The total estimated project cost is EUR 59 million. This will be financed, in addition to IF (25.5%), by AFD (EUR 20 million, 34%), BOAD (EUR 12.9 million, 22%) and by a grant from the EU Water Facility (EUR 9 million, 15%). The balance of the project is to be funded with the Borrower's own funds (EUR 2 million, 3.5%)." The fact that the EIB's financing should encourage sponsor investment cannot be assessed so far. *« Programme eau Senegal. RM/CRD opinion" Fact sheet A Ops B/ACP-IF/2006-0566, BEI, 2007, p1*
2008_EDFI	n/a
I-3.3.2	**Extent to which private commercial financing sources have been encouraged/triggered by EIB presence**
Field Visits	In Atlantic Coast Regional Fund (ACRF) and MicroCred Senegal (MicroCred I and MicroCred II)EIB's presence was catalytic in helping provide credibility which in turn attracted other investors. In the Fiji Denarau Hotel) EIB provided bridge financing for a project to go ahead, in order to be subsequently replaced by a commercial bank
2004_OLKARIA	The terms of the EIB loan, i.e. without recourse financing, encouraged commercial bank loan financing

EQ4	To what extent did IF/OR operations strengthen the local financial sector's capacity, including in terms of social responsibility, to address the financial needs of enterprises?
JC 4.1	*IF/OR operations have strengthened the viability of the local/regional bank and non-bank credit institutions and equity funds*
General	**At a general level, EIB has strengthened several intermediaries both with its <u>financial and non-financial contribution</u>.** **From the list of projects reviewed in detail, plus a few operations analysed during Field Visits, these represent a strong sample which benefited from balance sheet strengthening (financial contribution) as well as TA for management strengthening (non-financial contribution).** **While requirements on Governance and Compliance are in principle applied to all financial intermediaries, this could not be verified, except for two banks in the DR which were clearly subjected to these requirements.** **In terms of financial contribution:** - **EIB has strengthened the balance sheets of two banks** (Banco Ademi and Banco Adopem in the Dominican Republic) with its financial support. This financial support comprised successive **equity injections** helping strengthen the balance sheet of the banks and raise more debt finance (bond issues, savings accounts, short term borrowings) and deposits. The **long-term credit lines** helped the banks not only to make longer terms to their borrowers, but improved the transformation ratio. - **EIB has helped capitalize investment funds** (e.g. Atlantic Coast Regional Fund (ACRF); MicroCred Senegal (MicroCred I and MicroCred II). - **In some cases. Employment creation is monitored by EIB** **In terms of non-financial contribution:** - **EIB imposes requirements in respect of Governance and Social Responsibility,** thereby upgrading the overall standing and competitiveness of the financial institutions General EIB Policies and EIB-IF **Policies and Guidelines give major importance to basic "Requirements"** regarding governance, transparency, integrity, social responsibility and environment but **IF Equity Guidelines are more developed than non-equity** guidelines- Governance requirements are not reflected in IF Guidelines- e.g when providing a credit line ... Strong alignment on best practice of IFIs: 2007 Corporate Governance Approach Statement: EIB has signed Corporate Governance Approach Statement, based on OECD Principles of Governance, with 31 IFIs/DFIs, addressing Corporate Governance in Emerging Markets. Strong benefits for enterprises which are upgraded by demonstrating stronger transparency and good governance- this has become part of global competitiveness. Helps provide a degree of confidence that is necessary for the proper functioning of a market economy; as a result the cost of capital is lower and firms are encouraged to use resources more efficiently, thereby underpinning growth. *EIB Press release* Key practical aspects : the rights and equitable treatment of shareholders, the role of

	stakeholders, disclosure and transparency, responsibilities of the BoDs Transparency policies of EIB improve the transparency of enterprises financed by EIB. Social Responsibility Comprehensive Corporate Governance requirements are standard policy for financial intermediaries *MN308* - **EIB has Compliance Policies.** The EIB BoDs approved in 2008 (i) the Anti-Fraud Policy, namely Policy on Preventing and Deterring Corruption, Fraud, Collusion, Coercion, Money Laundering and the Financing of Terrorism in EIB activities and (ii) the Procedures for the Conduct of Investigations. EIB carries out Reputation check on managers of beneficiaries EIB sends questionnaire re Money laundering, ... to all companies *MN450* The Policy states EIB's commitment to "zero tolerance" in these matters. EIB is part of the 2006 International Financial Institutions Anti-Corruption Task Force, and has signed an agreement in April 2010 (after the period covered by this evaluation) with major IFIs on their common fight against corruption, namely the Task Force's Uniform Framework Agreement, including a Joint Sanction Accord. *EIB Press release* - - **TA has been used to strengthen management practices of financial intermediaries** TA was applied in several operations for strengthening management practices financial intermediaries. In some case, applied by EIB (Banco Ademi, DR; Banco Adopem, Fondesa in DR + TA Programme to Financial Institutions in the Dominican Republic for institutional capacity building. In some cases applied by other source of grant funding in support of EIB operation (BPI Madagascar SME Fund; BPI Kenya SME Fund). But TA resources envelope is viewed by EIB staff as **insufficient** for ACP (compared to e.g. FEMIP, IFC Advisory Services, ...). More blending is required of EC grant funding and EIB investment funding. It was also found that the Multilateral Investment Fund (MIF) of the IADB provides extensive TA for strengthening enterprises. - **Indirect** TA was applied also by EIB or others to help with the preparation of quality/bankable project requests submitted to the EIB supported Financial Intermediary or to strengthen investee companies (e.g PIFF II; BPI Madagascar SME Fund; BPI Kenya SME Fund)
I-4.1.1	**EIB has specific requirements (e.g. governance, social responsibility, risk management, integrity) for strengthening the viability of local/regional financial intermediaries**
General	**On Governance and Compliance- see above under General**
General	**Re: Tax heavens-** from Counterbalance Report The report points to the fact that many projects and beneficiaries funded by EIB money involve tax havens and transnational companies that use them for tax purposes. In the last five years, the EIB has loaned €5.66bn to the top tax haven users from the UK, France and the Netherlands, while €210m has gone to African funds using tax havens in their strategies. €196m out of €210m is allocated to one beneficiary, European Financing Partners (EFP). EFP, a joint venture to finance private sector operations in ACP, has been established by EDFI. 2 EDFI members generally use tax havens in their investment strategies. One example cited is the UK based development fund, Commonwealth Development Corporation (CDC), which announces in its 2007 annual report that at least 70% of its

	investment are made in the poorer countries of the world while most of its subsidiaries in Africa are based in the tax haven of Mauritius, two of its subsidiaries in Latin America are based in tax haven Barbados and its only subsidiary in Asia is based in the tax haven of Malaysia. The report further states that the EIB generally does not succeed in identifying tax evasion practices and that when it is the case, the sanctions are too weak. Moreover, the report states that the EIB tends to support European firms under its development cooperation objectives. Global loans, which represent 30% of EIB lending, are credit lines provided to intermediaries which in turn give loans to local authorities or SMEs for new capital investment projects worth up to €25m. Some major financial intermediaries benefitting from EIB funding in the ACP region are closely linked with major European banks. Most of these banks use tax havens in their investment strategies for tax purposes. The report gives several examples of projects financed by the EIB which are linked with tax havens : Tenke-Fungurume copper/cobalt mine in DRC, The West African Gas Pipeline from Nidgeria to Ghana, the Mopani copper project in Zambia, the Bujagali Hydroelectric Damproject in Uganda. The EIB has policies and procedures to guard against tax evasion and avoidance but these policies raise concerns within the NGO community and the European Parliament that qualify them of too passive. In its 2006 guidelines on fighting corruption, fraud, money laundering and financing terrorism, the EIB summarises the main points of its strategy in this area. These guidelines are supposed to ensure that the EIB does not support or undertake any project, structure or investment intended to permit fraud. This policy contains three key elements: - A ban on helping to finance structures that could be conducive to tax evasion, - Vigilance, by requiring documentary checks, and if necessary on site inspections in the case of a project that appears to have capital-links with the countries concerned, - Regular reporting to the Board of Directors if a new factor comes to light. In April 2008, the EIB published an updated policy "Preventing and deterring corruption, fraud, collusion, coercion, money laundering and the financing of terrorism in EIB activities". It is noted that the EIB will not tolerate prohibited practices, which include fraudulent practices, in its activities or operations. The report stresses that the treatment of tax havens is weaker and less explicit than in the previous version. On March 2009, the EP adopted a resolution which stressed that the EIB should pursue a zero tolerance policy in regard to fraud and corruption. *Source: Counter Balance, Challenging the EIB, "Flying in the face of development: how EIB loans enable tax havens?, July 2009" (pages 4,5, 13,17,19,20)* In 2009, the EIB updated its 2005 policy "EIB lending, borrowing and treasury activities (OFC structures) connected with offshore financial centres with its "Interim revised policy towards offshore financial centres". The core principles of this policy are: - Prohibition to operate or participate in OFC structures linked to prohibited jurisdictions - Enhanced vigilance on OFC structures linked to monitored jurisdictions, and - Informing the Board of Directors of the existence, nature and economic rationale of any OFC structure linked to a prohibited or a monitored jurisdiction *Source: EIB, "Interim revised policy towards offshore financial centres", July 2009*

	The European Investment Bank (EIB) has revised its existing policy towards Offshore Financial Centres (OFCs), ensuring that it is fully in line with the principles endorsed by the G20 summit of world leaders in London in April 2009. The EIB's Interim Revised OFC Policy was approved by the Board of Directors on 14th July 2009 following extensive consultations with EU Member States, key expert Lead Organisations, International Financial Institutions (IFIs) and other concerned stakeholders, including civil society organisations. Strict internal rules regarding the use of OFCs have been in place for several years at the EIB, which from 2005 was among the first IFIs to have a policy on such jurisdictions applicable to all EIB's lending, borrowing and treasury activities. With the adoption of the Interim Revised OFC Policy, and as the European Union's long-term financing institution, the EIB confirms its leading role in addressing the problems caused by non-cooperative jurisdictions, including tax havens, as well as its commitment to ensure that its loans are used for the purposes intended – that is, the promotion of EU priority objectives. *Source: EIB Press Release*
2003_BOAD PG IV	There is no evidence in documentation of this operation aiming at strengthening the BOAD that the EIB had specific requirements for strengthening the viability of local/regional financial intermediaries.
2005_ACPGLOB ADEMI	Project documents do no evidence this. However, Interview in Dom Rep indicate this is the case *Source: Project documentation* *MN 401 Banco ADEMI; MN 403 Banco ADOPEM*
2005_ACPGLOB CA2004 Madagascar	Project documents do no evidence this *Source: Project documentation*
2005_ACPGLOB CA2006 Kenya	Project documents do no evidence this *Source: Project documentation*
2005_Pacific Islands	The operation's report to the Board of Directors mentioned on p12 information relating to **anti-money laundering** (AML) and **combating the financing of terrorism** (CFT): While the Central Banks or other Supervisory Bodies in the various countries in the region are being pressed to ensure that all financial institutions (and not only commercial banks) are gradually falling under their supervision, the Pacific Islands Forum Secretariat has very recently (in September 2006) established a Pacific Anti-Money Laundering Programme (PALP) to help counter money laundering and terrorist financing in the region. The programme will assist all Pacific countries with their national anti-money laundering and counter-terrorism financing regulations, to comply with international standards and relevant United Nations Conventions and Security Council Resolutions. PALP is a joint intitiative between the Forum Secretariat, the United States Government through the Department of State's Bureau for International Narcotics and Law Enforcement Affairs (INF), and the United Nations Global Programme Against Money Laundering (UNGPML) in Vienna. The programme will be delivered to the Pacific countries through targeted regional technical assistance and training, supported by three resident mentors who will provide in-country guidance and on-site training. In line with the requirements of EU legislation and the recommendations of the Financial Action Task Force (FATF), adopted to protect the financial systems from being misused for money laundering and financing of terrorism purposes, the Bank has assessed the procedures put in place by the selected intermediaries to ensure that they contribute in a satisfactory way to AML and CFT. In this context, the Bank has sent out to all selected financial intermediaries the questionnaires related to AML and CFT, as prepared by OCCO. Disbursement of the facility will be conditional to a satisfactory review by OCCO of these questionnaires. That report to the Board further specifies that 3 out of the 4 countries supported are defined as **off-shore financial centers**, although they are not on the FATF and OECD lists:

	3 out of the 4 countries where the financial intermediaries are established are defined as Off-Shore Financial Centres. These countries are not on the FATF list of "Non-Cooperative Countries and Territories" nor on OECD's list of "Uncooperative Tax Jurisdictions. The proposed facility will only be targeted at the financing of local projects and will not involve international financial transactions from or to the countries concerned. *Source: "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006 (p2)*
2005_EMP AFRICA FUND II	Project documents indicate that access to this equity funding will encourage the improvement of corporate governance *Source: Project documentation*
2008_EDFI	Project documents do no evidence this
TA2008_Rep Dom.	The EIB intervention could improve the risk-taking attitude of the financial intermediaries in Dominican Republic. "In addition to expand access to finance for Dominican enterprises and economic agents, the EIB intervention should also aim at contributing to improve the risk-taking attitudes of local financial intermediaries. While credit lines can provide a small contribution in that direction, it would appear that in the Dominican context this would require the EIB to be prepared to assume some form of risk sharing with local institutions, for example by extending portfolio guarantees." *"A financial sector strategy for the Dominican Republic", p2*
Pacific PIFF I	The DBS is obliged to make some form of environmental assessment taking into account, the location of the projects, the type of production process, to ensure that waste is disposed safely. Credits between 70 K and 500 K have to be approved by EIB, and the compliance with the environmental measures is verified. For portfolio loan an annual report to EIB is provided. No conditions regarding the social policy of the clients. The DBS would not interfere in that aspect of the management of a client. But the government has a Department of Labour with a member on the board of the DBS; they would immediately come to the DBS in case in violation of the labour rules. Compliance with tax laws, customs regulations, are also to be respected and the DBS reminds them to its clients. *MN363*
I-4.1.2	**Extent to which EIB TA has been provided to strengthen the foregoing**
General	The 2009 Cotonou TA Annual Report notes (p1) that the focus of TA should lie on financial sector operations, in addition to infrastructure projects: *"In accordance with the strategic thrust of the Bank's operations in the ACP region, the 2009 TA programme continued to focus on: (i) financial sector operations (microfinance and SME lending, for instance in Ethiopia, Rwanda, Liberia, Uganda and the Dominican Republic); and (ii) infrastructure projects, notably initiatives in Central, West and East Africa and the Solomon Islands."* *(see also I-9.3.1 for a short description of Cotonou's TA programme).* It further mentions on p3 that the TA endowment benefited essentially the financial sector since 2008, while noting that infrastructure projects could benefit since then from other sources of TA funding (EU-Africa ITF and Water Facility): *"As shown in Table 3, 97% and 85 % of the Cotonou TA approvals have been accounted for by the financial sector TA operations in 2008 and 2009, respectively. This trend is expected to continue in 2010, with 2009 and 2010 approvals (not yet signed) of 8 MEUR for financial sector TA already. In 2007 the lion share of TA funds was still attributed to regional projects in the communication and energy sectors (83%). The significantly reduced funding for infrastructure TAs in 2008 is partially the result of a shift to a newly available funding opportunity, the EU-Africa Infrastructure Trust Fund3 (see also text section 3). Also, the Water Project Preparation Facility became operational in 2008."*

	A TA portfolio performance analysis conducted by the EIB (and referred to in the 2009 TA Annual Report, p5) notes that the largest share of Cotonou TA funds continues to be used for the promotion of microfinance investments vehicles that invest in, and provide technical assistance to, local microfinance institutions, and that >€15m have been made available for capacity-building measures in microfinance institutions: "*The largest share of Cotonou TA funds continues to be used for the promotion of microfinance investments. In order to address the limited availability of financial services to the poor and economically marginalized, the Bank has supported microfinance investment vehicles that invest in, and provide technical assistance to, local microfinance institutions. It is the aim to extend sustainable microfinance services and to develop innovative products that, in turn, will generate positive social and economic impacts to small and micro-businesses. Since 2007, more than MEUR 15 have been made available from the Cotonou TA envelope for capacity-building measures in microfinance institutions. Many MFIs have significant needs for capacitybuilding, and transfer of knowledge in order to succeed as self-sustaining institutions. In addition, more mature and well-established institutions still require TA for the Cotonou TA Annual Report 2009 6 development of new products, and the extension of operations into new geographical areas".* An EIB staff member notes that sustainability of MFI still remains challenging: *"Sustainability of the micro-finance institutions is a challenge. Will they be able to fly alone? What has worked in the Balkans would not necessarily work in Uganda… But that is why we do the TA."* *Source: MN 102* EIB staff members described as follows the different types of TA provided by the EIB: - *"Feasibility studies (including financing a pilot plant or a mining borehole (i.e. physical investment can be involved)* - *Capacity building* - *Implementation support* - *Project preparation and implementation* - *For SMEs: dedicated computer programme: also management capacity, training. Interim management team.* - *More or less in all sector but less in roads."* *Source: MN 102* EIB staff members described as follows the value added of (EIB) TA: - *in project preparation: it should lead to a project. No impact in terms of increasing lending figures at the end of the day, but better quality projects, improving quality of individual loan applications. (…) This is actually a key challenge for the EIB, that project preparation activities should also lead to an investment. E.g. power plant: long term projects which need a lot of preparation: important challenge: in such a long period economic/technical conditions can change.* - *allows EIB to become a more pro-active partner in the community* - *allows EIB to have a real strategic impact, as the EIB can propose to finance feasibility studies and hence can give them a certain direction.* - *capacity building.* - *social impact: environmental and social impact assessment, notably for large projects. E.g. WAGP. E.g. in mining sector: analyse social issues: it is a possibility but it has not been realised. You could do an evaluation on something like that (social consequences of mine activities).* - ***Leverage for enterprise performance? Not typically that they directly advice SMEs.*** *Source: MN 102* That 2009 TA AR provides the following examples (p6-7) aimed at demonstrating the capacity building efforts at the level of selected microfinance institutions: *"**Advans Cameroun**: Since 2007, Horus Development has delivered capacity-building services to Advans Cameroun in the area of operations (introduction of group and individual lending methodology, training of loan officers and branch staff, product range development including saving products and financial services, structuring of operations department at head office), human resources (management of operations and finance department were transferred to national executives; the 5 branches of the network now being managed by local branch managers; a training department was created), finance*

	(IFRS standards implemented, new budget process); management information system; and internal audit (a local audit committee has been established and a local audit department has become operational). Horus Development continues to assist Advans Cameroun via the secondment of an expatriate General Manager and a Head of SME unit, as well as continuous support from Horus' Head office in Paris. ***Dominican Republic** – capacity-building in the financial sector: For the past 12 years, the Bank has supported the development of the microfinance sector in the Dominican Republic. This co-operation also benefits from a comprehensive TA program which is divided into five components: (i) operational risk manual application; (ii) demand study; (iii) credit technology improvement; (iv) corporative governance improvement and (v) agricultural products. Within the Operational Risk Management (OR) Component, material and documents, such as manuals, are being elaborated. A training plan covering the relevant issues of OR is being designed and will be implemented. One principal objective of these trainings will be to enable the participating key personnel to train the rest of the institutions` staff by themselves afterwards ("Training of Trainers") and thereby to enhance the outreach of OR concepts to all levels of the Institution. The technical assistance aimed at FONDESA's credit products will achieve a comprehensive redesign of the product portfolio, defining policies and institutional arrangements, identifying priority customer segments and a medium-term goals definition for outreach of each segment.* ***AccessBank Liberia** – the Microfinance Bank: Teaming with Access Microfinance Holding of Germany as well as the IFC and the AfDB, EIB has established AccessBank Liberia as the country's first commercial bank specializing on micro and small business finance. After many years of a devastating civil war, Liberia's economy has started its recovery only very recently. Micro and small enterprises play a pivotal role in this process and have so far lacked any access to credit. Since opening doors in January 2009, AccessBank has extended more than 3,700 loans averaging some USD 1,100 to micro entrepreneurs. The outstanding portfolio amounts to some USD 2.5 million and shows an excellent quality – as of January 2010 only one of the outstanding 2,886 loans was in arrears by more than 30 days. Operating from three branches across Monrovia, AccessBank has trained already more than 160 local staff and has quickly established itself as the bank of choice for Liberia's small entrepreneurs. This is evidenced by the 14,000 savers who have opened accounts with AccessBank. EIB supports AccessBank with equity and technical assistance funds. The TA funds are mainly used to finance a team of international experts and capacity building measures in specific areas.* ***AccèsBanque Madagascar**: In January 2008, the EIB signed a TA agreement with LFS, the manager of Access Microfinance Holding and designated TA provider, to support the creation of 4 greenfield microfinance institutions, of which one was located in Madagascar. With regard to the microfinance institution (MFI) in Madagascar, the main objectives of the TA are (i) to ensure the successful creation of MFIs, (ii) to build capacity at local level and to transfer knowledge to the management and operational staff, (iii) to implement an efficient Management Information System, (iv) to support the growth and expansion of the MFI and (v) to ensure both financial sustainability and the quality of financial and operational data. TA services are mainly provided by LFS's its inhouse staff. Continuous backstopping services are also being provided from the headoffice of the holding company. In 2 years operation, AccèsBanque Madagascar (ABM) could open 6 branches in Antanananarivo."* Reading between the lines of that analysis shows that TA has not much been used for strengthening the viability of other financial institutions or beneficiary enterprises as such, although this may have occurred indirectly through sound design of investment projects or improved quality of investments: "*To learn lessons from previous assignments, the Technical Assistance Unit (TAU) of the Development Economics and Advisory Services (DEAS) in OpsB, together with relevant services of the Bank, has drawn up TA operation progress and completion sheets for TA operations several of which are financially closed and completed (see Annexes 1 and 2). These sheets (fifteen progress sheets and seven completion sheets) allow a view on the overall progress of the entire TA portfolio and achievements of individual TA operations. Quality-at-entry is another means to improve the TA portfolio performance: The EIB lays emphasis on developing well designed terms of reference/scope of work.* *TA is being used at different stages of the project cycle:* *1) the preparatory phase of design of investment projects – TA helps to ensure the quality and to further develop the Bank's portfolio of sustainable investment projects (e.g. Ethiopia Gibe III due diligence studies, feasibility study in the Solomon Islands, EASSY).* *2) in some cases, TA directly supports project implementation to ensure the quality of investments during subsequent phases of a project. TA operations also help to address typical problems during project implementation such as delays, cost overruns and other bottlenecks. TA is contributing to more general improvements in the running of project management units, by improving planning and procedures, improving tender documentation and tender procedures, focusing on quality*

	assurance and supervision, and through various training activities etc. *3) TA is also used to enhance the technical and financial attractiveness of EIB products, by combining TA with existing Global Loans, and by combining investments with TA, and to finance start-up costs of newly created commercial institutions, as is the case with several microfinance TA operations.* *Financial sector TA is often being provided in support of Global Loan operations: TA helps strengthen the lending capacities of financial intermediaries to ensure an effective and efficient use of EIB global loan facilities. This approach is having a positive impact on the quality of loans and on improving disbursement rates of global loan operations to small and medium-sized enterprises (Ethiopia, Rwanda, Dominican Republic, Uganda and Niue). Such TA operations are also helping to improve procedures and processes in the intermediary banks."* That same TA Annual Report notes (p2) provides details on actual approvals/ signatures/ disbursements. The second endowment (€40m) was almost double of the first endowment (€18m). Only half of the first TA endowment was disbursed at end 2009, but most of it was contracted and under imlementation: *"All approved TA operations under Cotonou I were contracted by end 2009 and hence are under implementation or are completed. As per Table 1, the disbursement level for TA operations under Cotonou II is low (MEUR 0,4); however, in view of the size of the signed contracts in 2009 (see Table 2) disbursements are expected to significantly increase in 2010.*

Table 3: Cotonou I and Cotonou II TA portfolio (MEUR) on 31 Dec. 2009

	Endowment	Approved	Contracted/ Signed	Disbursed
Cotonou I Approvals until 30 June 2008	18,7	17,7	17,5	9,4
Cotonou II 1 July 2008 until 2013	40,0	10,2	5,5	0,4
Total	**58,7**	**27,9**	**23,0**	**9,8**

The figures of TA operations contracted so far and the contract forecast for the coming year based on the provisional pipeline are as follows:

Table 2: TA service contracts signed 2007–2009 and forecast 2010

	2007	2008	2009	Outlook 2010	Total 2007-2009
Amount (MEUR)	3,6	7,9	11,5	14,0	23,0

The 2009 service contracts amount to EUR 11,5 million, compared to EUR 3,6 million and 7,9 million in 2007 and 2008, respectively. At the end of 2009, nineteen (19) TA operations were ongoing requiring a substantial amount of Bank staff resources to monitor and ensure their successful completion. Thirteen (13) TA operations had been completed at the end of 2009. Details regarding the individual TA operations are given in Annex 1.
By 28 February 2010 TA operations for EUR 13,0 million were already approved (but not yet signed), most of which are expected to be contracted by end 2010."

The table below from the 2009 Cotonou TA AR (p8) compares Cotonou data with EU-Africa ITF data, both for 2009

Table 6: Cotonou and EUITF financed TA operations in MEUR

	Approvals	Signatures	Disbursements
Cotonou TA	7,9	11,5	6,3
EU-Africa Infrastructure Trust Fund (EUITF)	9,0	2,8	2,0
Total	**16,9**	**14,3**	**8,3**

EIB staff members confirmed that there is an increasing demand for TA. They also considered that it is normal that microfinance require a lot of TA given that it takes ~5 years for setting up MFI:
"Portfolio is more and more diversified. They started in 2007 and there is now much more demand than three years ago. Start was like under FEMIP, takes some time, get used to working with consultants. Since then they have done a lot of things especially in the financial sector, notably micro-finance. Double focus of IF: financial sector and infrastructure. Therefore many TA projects in financial sector are finance feasibility studies. Work in all sectors. A lot is being done in the power sector. Also partnership with Development Bank in South Africa: they manage it, identify the projects which require feasibility projects. They hope there will be viable projects that can be co-financed. If micro-finance requires a lot of TA, this is a natural feature, especially for investment vehicles focussing on the creation of new financial institution: five years before they become profitable and viable. You need people, set up procedures, IT system, and management information system. TA is the right means to do that."
Source: MN 102

EIB staff members also provided the following explanation of the evolution:
"Why such an increase between Cotonou I and II? They had not realised that they would need this amount of subsidisation. First they thought the private sector would do it; then they started to conclude that the private sector is not a good option for large infrastructure: lot of public works needed. A lot of public funding would thus be needed; but there were a lot of HIPC countries. These countries, most of them, have entered into agreements with the IMF to limit their future indebtedness, by borrowing only funds with a certain element of concessionality. Most of them needs up to 50% grant element built in the loan they take. This can be done by subsidizing the investment. This is why IRS envelope increased. At the same time we realized that TA was on the rise and that it would be interesting to do more of that."
Source: MN 102

EIB staff members noted hereby that **"the good news is they are disbursing well, the bad news: they will run out of funds"**:
"Evolution: Cotonou 1: €187m for subsidies, of which 10% TA. 95 % used: there was a sunset clause (anything that was not used was gone) ; Cotonou 2: €400m of which 10% for TA, thus €40m. In 18 Months they signed 5,5 M; approved X: 50 % allocated. 20% allocated to future TA operations (figures to be checked). Time horizon for Cotonou 2 is 6 years. The good news is they are disbursing well, the bad news: they will run out of funds. Disbursement is always an important indicator for success. Maybe all this 20 M will be for financial structure. If they want more than 10% this would require an approval by ACP – EU Council and there might be resistance from the Commission, as they consider this is their job (although the Commission is not providing the same type of TA: e.g. they don't finance TA in infrastructure or micro-finance))."
Source: MN 102

EIB staff members noted that EIB TA is demand driven, which is less the case for some others such as the WB. They also explained that peer institutions considered before that the EIB was "free-riding":
"TA is demand driven: defined on needs, e.g. capacity building. During appraisal they decide whether TA is necessary.

	In ACP WB is very active and they often work with them. In some cases for instance, the WB worked on initial TOR, then processed by project team, then the EIB starts to select consultant or delegates it to the promoter (a bit different from MEDA). One reason for this change is to follow the Paris Declaration: more ownership. Moreover, as they are not a development Bank or not staffed as one (and no staff on site most of the time) generating and monitoring TA is not easy for them. They need to delegate the contracting authority. Sometimes they can do it themselves : e.g. Solomon Islands: engineer in Sidney office to be able to run the show. 2nd case in Kenia: Head of EIB office: engineer: he was involved." *"There is no single infrastructure where there is no TA. (…) A was provided by others before the EIB. For micro-finance: IFC, African Development Bank. Why did the EIB join the club? There was some frustration from other Banks: the EIB was free-riding. It is also a vehicle to identify projects: contribution to project."* *Source: MN 102* Note. More information on coordination with the EC and peer institutions on TA is provided under I-10.2.1 EIB staff members report that TA assistance is very limited, vs. for instance the FEMIP Trust Fund. They expressed their willingness to dispose of a similar instrument as well. They further indicated that an EIB limitation in ACP is that operations cannot be leveraged with TA on project design. They also specified that there is a missing link between the EC and EIB in terms of TA. *"FEMIP : il existe une enveloppe d'AT par la CE etc. BEI à aussi de l'AT mais doit être project-related. Récemment on a interprété la notion de project-related, en concluant un accord avec le FMI appelé AFRITAC, avec des experts dans chacun de ces centres appuyant certaines dimensions (y compris experts sur secteurs financiers aidant le Gouvernement). On a considéré que de ce point de vue qu'il pouvait être légitime de contribuer financièrement à leurs efforts (ils ont une capacité bien supérieure à la nôtre d'identifier les problèmes). Nous participons par exemple aux Steering Committee de ces centres. »* *"EIB works both within and outside the EU: in particular sector people work in both regions; experience from EU MS. EIB technical people work globally, from Germany to Benin. That is also why we focus on infrastructure and financial sector, because this was our key expertise within the EU. Most other IFIs focus on development countries. Financial additionality: considered as high in ACP countries. Expertise (although TA funding is not sufficient): we often asked more funds for TA, we don't have enough funding, although we have the internal expertise with the Projects Department. Internal expertise used mainly for appraisal and design (setting and formatting) of the project. But not much to give full advises: we can say "you should do this kind of study" but we cannot do it ourselves. In particular upstream studies. In our EU-Africa Infrastructure TF: in the past we were being told we were arriving when everything was ready. Now with the TA money available we can finance all kind of earlier preparation work. We have TA since 2007. We still think that we desperately needed money for TA. Having more funding would enable bringing more TA to the project. Cf. WB in terms of missing link: they have created between IDA and IFC the "IFC advisory services" financed on TFs."* *Source: MN 007* Other EIB staff members also emphasize the importance and benefits of TA: *"Very important aspect of our work. TA is really improving our work over the last years. Such grant money is interesting. It really makes things possible which would otherwise not be possible. Blending grants and loans is very valuable".* Has TA been used frequently to develop a project for making it bankable in EIB terms? *"We are still climbing the learning curve, but yes, for instance with the EU-Africa ITF. E.g. to finance the environmental impact assessments."* Do you think the TA envelope is large enough? "*There are lots of projects e.g. support for organisations to convince of need of that instrument, for technical choices, EIAs. Particularly for infrastructure. The main issue is not money to be available, but projects to be ahead for moving. Grant money is essential. It is mainly used for hiring consultants (more than for financing personnel of the EIB); it hence hires external expertise, which increases expertise basis. Note. Water Facility : very small, just a few millions"* *Source: MN 024*
2003_BOAD PG IV	There is no evidence of TA from the EIB for this operation aiming at strengthening the BOAD. A 2003 EIB fiche mentioned possible European Commission support through TA (but there is no evidence this has materialised – *see I-10.2.1*)

2005_ACPGLOB ADEMI & TA2008_Rep Dom	The specific objectives of the envisaged Technical Assistance programme are as follows: • to contribute to the capacity building of the intermediaries by transferring best industry practice in the areas of micro and small and medium sized enterprises lending, project appraisal, credit risk evaluation, credit portfolio management, exchange rate risk and interest rate risk management, human resources development as well as MIS and data software. The need for improvements in the institutions' AML/CFT will be assessed and addressed if necessary; • to help a more effective and efficient use of the EIB line of credit; • to support potential final beneficiaries of the lines of credit during the preparation and implementation of their investment projects to be financed by the intermediaries. *Project Documentation* Limited information was found in Project Documentation on the results of the above in the absence of a Monitoring/Progress report. However, the Filed Visist to DR evidenced strong effects of this TA (as well as for Banco Adopem). *Sources: MN401, MN403*
2005_Pacific Islands	The report to the Board of Directors mentioned on p2 that €1 was also envisaged for TA for the PIFF and PIFF II: To complement the availability of loan resources under PIFF II, an amount of EUR 1 m has been earmarked for the provision of technical assistance to final beneficiaries under the PIFF and PIFF II facilities, the objective being to provide assistance, through local or regional advisers or consultants, in the preparation of their project and in the presentation of their request for finance to the selected financial intermediaries under both facilities. The assistance will take the form of grants to cover part of the consultancy services provided. More details are provided on p13: In order to assist potential final beneficiaries in the preparation of their project and in the presentation of their request for finance to the selected financial intermediaries, it is proposed to allocate a maximum amount of EUR 1 m to part-finance the services of local and regional advisers and consultants to these potential beneficiaries. This recommendation results from a recent study undertaken in co-operation with the Commonwealth Secretariat which underlined the clear need for SMEs in the Pacific region to benefit from assistance in the preparation phase of their projects. Traditional methods of delivering technical assistance are however not adapted to the needs of Pacific SMEs. The procedures involved (defining the problem, writing some terms of reference, calling for proposal or at the very least identifying a possible consultant, and negotiation of a contract) can be extremely time-consuming and labour-intensive. What is needed is a procedure for delivering assistance with a minimum of administrative cost, which puts the local entrepreneur (who after all probably knows his needs better than anyone else) largely in control, and which is capable of sourcing the right sort of advice and support at a modest cost. The best, most cost-effective, source for such services will likely be someone within the local community or possibly from within the broader Pacific citizen community in the diaspora[2], and not a large firm of consultants based at the other side of the world. On the basis of these findings, the Bank is proposing to provide technical assistance/mentoring services to Pacific SMEs through a Pacific SME Website that would inter alia allow a simple registration of potential advisors / mentors throughout the region. Ultimately, the website would have a resource pool of advisers on which SMEs could draw according to their needs. It is also foreseen that the site would allow the beneficiaries of this technical assistance to give their feedback on the services provided by these consultants in order to enhance the quality of the services delivered. The proposed technical assistance component under the facility will also be applied to cover part of the costs of the services from the consultants/advisers to the final beneficiaries. Source: "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006 (p2 and p13)

	However, there is no information available on effective delivery of TA. An EIB staff member mentioned that final structuration of this TA is under way ("*Structuration finale est en cours").* Personal understanding on this TA was also provided: *"€1m prévu pour AT pour ce projet (dans l'approbation globale), qui serait à délivrer aux PME bénéficiaires pour améliorer le montage de leur dossier de crédit. On regarde cela de manière conjointe avec le CDE pour qu'il finance une partie des frais de structure et pour qu'il finance les plus petites PME. L'idée est de créer une plateforme pour mettre en relation les PME et les consultants d'AT. Après le processus, elles remettent leur proposition au secrétariat général .* *Source: MN 011.*
2005_Pacific Islands	Dans les 25 mln de PIFF II, 1mln était envisagé pour de l'AT. Diagnostic était que ces petites banques ont un énorme problème car les dossiers qui leur sont soumis par leurs clients n'ont pas la qualité minimale requise. D'où l'idée de créer un site web avec une liste de consultants agréés. Les emprunteurs auraient pu bénéficier d'un subside (75%) pour leur permettre de faire appel à l'un de ces consultants pour préparer leur dossier. CDE très intéressé. Idée était que CDE aurait développé une petite facilité « quick accesss » pour services de moins de 5000 euros, CDE (avec la TA de 1mln) pour plus grosses opérations. Difficultés passées du CDE ont bloqué l'opération. Va reprendre avec le bureau régional du CDE (le million est toujours là) Sources : MN313 EIB Pacific Regional Office, Quarterly Report, QIV: October-December 2009 EIB PIFF II Proposal to approve a) an additional intermediary and b) the technical assistance scheme under the Facility, Luxembourg 19th April 2010?
TA2007_ACP	The beneficiary bank of this TA, MicroCred S.A , financed capacity building and institutional strengthening for three of its network banks, according to the 2009 Cotonou TA Annual Report (Annexe 2): *"In September 2007, MicroCred S.A. has requested financial assistance to the EIB to finance capacity building and institutional strengthening for three of its network banks: MicroCred Madagascar (MCM), MicroCred Senegal (MCS) and a third MicroCred subsidiary which will be agreed upon at a later date.* *On December 20th, 2006, the EIB approved a EUR 3 million investment in MicroCred, an investment company created by Planet Finance that aims to create a group of commercial microfinance banks offering financial services to low-income entrepreneurs in developing countries.* *After having obtained approval from the IF Committee of the allocation of the TA funds on December 12th, 2007, the EIB has entered into a TA Agreement with MicroCred S.A. on January 21st, 2008. MicroCred has been awarded a TA funding line of EUR 2 million: EUR 800,000 were granted to MicroCred Madagascar (MC Madagascar), EUR 600,000 to MicroCred Senegal (MC Senegal) and the rest (EUR 600,000) to a third MicroCred MFIs in another ACP country still to be defined."* The following objectives were set for the TA, including in terms of strengthened financial sustainability: *"The main global objectives of TA activities can be divided into five categories:* *1. Ensure the successful creation of MicroCred companies;* *2. Building capacity of the local team and transfer of knowledge to middle management and operational staff;* *3. Implement a resilient and efficient Management Information System (MIS);* *4. Support to the operations of the company, and ensure the realization of objectives in terms of product development, network expansion, quality process of operations. In order to achieve these goals, consulting is provided by experts on various matters, including marketing and communications, training, market studies;* *5. Legal and Financial Counsel to ensure both financial sustainability of the company and quality of financial and operational data and help the MC companies on planning and fundraising matters in order to achieve a healthy growth."* *Source: Cotonou TA - Annual Report 2009, Annexe 2* The following two tables with performance indicators are provided in Annexe 2 of the Cotonou TA AR 2009:

Microcred Madagascar: Overview of Performance Indicators as of December 2009

Performance Indicators	December 2008 (EUR)	December 2009 (EUR)	
Portfolio	**Actual**	**Actual**	**Forecasted**
Average Loan Disbursed	868	793	1208
Number of Active Loans (#)	9,143	15,195	14,292
Gross Outstanding Portfolio (Volume)	5,521,210	9,033,287	12,198,456
Active Savings Accounts (#)	0	0	10,305
Outstanding Savings Portfolio	0	0	742,249
Risks			
PAR>30 days (%)	1.02%	1.4%	2.9%
Performance			
Net Income Before Taxes	-86,735	n/a	185,893
General Data			
Number of Branches (#)	6	8	9
Number of Loan Officers (#)	86	122	118
Total Number of Staff (#)	164	241	258
Staff recruited during the period (#)	18	63	33
Staff who left over the period (#)	8	30	0

The annual report comments hereby the following: *"launched its operations in Antananarivo at the beginning of December 2006. 2009 was a year of severe political and economical crisis in Madagascar. Economically, all sectors of activities have been affected directly or indirectly. Impact on local money was important, MGA –EURO exchange rate increased of 10% between January and December 2009. Local Medium enterprises exportations suffered from MGA devaluation. Technical Assistance support was consequently modified to better face the evaluation of operations. To face after-effects of the crisis on operations, COO's (FX. Poste) contract was extended for a three months period (from June to August). He ensured also transfer of knowledge to his successor. Other reinforcement at the Holding level were implemented:*
- The recruitment of an Audit and Performance Group Officer (P.Ecorcheville) has brought analysis expertise on finance and reinforcement control on audit.
- MicroCred Holding legal expert (J.P Bertolas) was involved in the finalization of Capital increase with AfricInvest."

	Microcred Senegal: Overview of Performance Indicators as of December 2009 <table><tr><th>Performance Indicators</th><th>December 2008 (EUR)</th><th colspan="2">December 2009 (EUR)</th></tr><tr><th>Portfolio</th><th>Actual</th><th>Actual</th><th>Forecasted</th></tr><tr><td>Average Loan Disbursed</td><td>771</td><td>847</td><td>1,288</td></tr><tr><td>Number of Active Loans (#)</td><td>2,498</td><td>11,559</td><td>14,233</td></tr><tr><td>Gross Outstanding Portfolio (Volume)</td><td>1,383,235</td><td>6,849,482</td><td>12,774,027</td></tr><tr><td>Active Savings Accounts (#)</td><td>5,443</td><td>23,142</td><td>22,146</td></tr><tr><td>Outstanding Savings Portfolio</td><td>520,165</td><td>2,304,581</td><td>1,346,640</td></tr><tr><td>Risks</td><td></td><td></td><td></td></tr><tr><td>PAR>30 days (%)</td><td>1.81%</td><td>1.6%</td><td>1.8%</td></tr><tr><td>Performance</td><td></td><td></td><td></td></tr><tr><td>Net Income Before Taxes</td><td>-1,144,176</td><td>n/a</td><td>-355,168</td></tr><tr><td>General Data</td><td></td><td></td><td></td></tr><tr><td>Number of Branches (#)</td><td>3</td><td>5</td><td>3</td></tr><tr><td>Number of Loan Officers (#)</td><td>48</td><td>79</td><td>76</td></tr><tr><td>Total Number of Staff (#)</td><td>104</td><td>159</td><td>216</td></tr><tr><td>Staff recruited during the period (#)</td><td>66</td><td>35</td><td>70</td></tr><tr><td>Staff who left over the period (#)</td><td>1</td><td>12</td><td>0</td></tr></table> The annual report comments hereby the following: *"The IFC capital increase postponed since 16 months has impacted the cash availabilities of the company. Consequently, growth was voluntary limited. This explains the non achievement of objectives of Active clients. Non Achievement of Outstanding Loan portfolio objectives is due to a much lower average loan at disbursement compared to projections."*
I-4.1.3	**Evidence of improvement in management practices and capacities, including in terms of social responsibility, following the EIB operation**
2003_BOAD PG IV	There is no such evidence in documentation of this operation, which aims at strengthening the BOAD.
2005_ACPGLOB CA2006	There is no monitoring report yet on this operation, but operational strengthening of Kenyan SMEs is expected to be provided
2005_Pacific Islands	See the indicator below (I-4.1.4), which information shows among all that the direct beneficiary bank in Palau (NDBP) has sound ratios with regard to non performing loans (NPL) and provisions, and also capital/asset.
2005_ACPGLOB ADEMI	Banco Ademi is a socially motivated private initiative specialised in financing micro and small enterprises. EIB's support was aimed at supporting this approach, and EIB continued to monitor employment creation by final beneficiaries. Strong evidence was found of management improvements, as well as at Banco Adopem *Sources: MN 401: MN 403*
2005_ACPGLOB CA2004	There is no monitoring report yet on this operation, but operational strengthening of Malagasy SMEs is expected to be provided
2005_ACPGLOB CA2006	There is no monitoring report yet on this operation, but operational strengthening of Kenyan SMEs is expected to be provided
2006_EAU SENEGAL	No evidence has been found in that respect.
Field Visits	In addition to Banco Adopem, management improvements were confirmed at Microcred Senegal.
I-4.1.4	**Evidence from intermediaries' balance sheets before and after EIB operation**
2003_BOAD PG IV	Information not available at the EIB.
2005_ACPGLOB CA2006	Not found in project docts

<table>
<tr><td>2005_ACPGLOB ADEMI</td><td>EIB's equity subscriptions improved Banco Ademi's capital base and solvency ratio to allow for a higher lending capacity.</td></tr>
<tr><td>2005_ACPGLOB CA2004 Madagascar</td><td>Not found in project docts</td></tr>
<tr><td>2005_ACPGLOB CA2006 Kenya</td><td>Not found in project docts</td></tr>
<tr><td>2005_EMP AFRICA FUND II</td><td>Not found in project docts</td></tr>
<tr><td>2005_Pacific Islands</td><td>For the Facility's first contract, with the NDBP, the following can be said with regard to compliance of this local bank with contractual terms and conditions of the global loan with the EIB, notably in terms of the capital/asset ratio, non performing loans (NPL) and provisions.

Note. This bank is a relatively small financial institution, with nine employees including the President, 5 of which are involved in loan operations (see annexes to this operation's report to the Board of the EIB).

<table>
<tr><td colspan="4">a. Financial Ratios</td></tr>
<tr><td>Article</td><td>Description</td><td>Compliance</td><td>Comments</td></tr>
<tr><td>6.06 A.</td><td>Capital to Total Asset Ratio > 20%</td><td>Yes</td><td>At 30 September 2008, expected level was 64%</td></tr>
<tr><td>6.06 B. (a)</td><td>NPL to Total Loans < 10%</td><td>Yes</td><td>At 30 September 2008, expected level was 7%</td></tr>
<tr><td>6.06 B. (b)</td><td>Provisions for Loan Losses to NPL > 90%</td><td>Yes</td><td>At 30 September 2008, expected level was 115%</td></tr>
</table>

<table>
<tr><td colspan="4">b. Information Covenants</td></tr>
<tr><td>Article</td><td>Description</td><td>Compliance</td><td>Comments</td></tr>
<tr><td>8.03(a)(ii)</td><td>Certificate from the Borrower of compliance with financial ratios based on unaudited accounts</td><td>Yes (see comments)</td><td>Before the 2008 audit was completed, in the borrower's statement received on 26 Dec. 2008, the ratio of provisions for loan losses to NPL was slightly less than the minimum required (89.23%). However the auditors finally set the ratio at 115%, which is largely within the contractual limits</td></tr>
<tr><td>8.03(a) (iii)</td><td>Certificate from the auditors confirming compliance with financial ratios</td><td>Yes</td><td>Deloitte's statement was received on 6 May 2009</td></tr>
<tr><td>8.03 (a)(i)</td><td>Annual Report</td><td></td><td>Received on 20 May 2009</td></tr>
</table>

<table>
<tr><td colspan="2">SCORE – Compliance</td></tr>
<tr><td>Financial Ratios</td><td>Good – 2</td></tr>
<tr><td>Information Covenants</td><td>Good – 2</td></tr>
<tr><td>Comments</td><td>Ops has regular e-mail contacts with its President, Acting President and Operations Manager, and Finance Manager</td></tr>
</table>
</td></tr>
</table>

	The President, Mr. Kaleb Udui, visited EIB in February 2009.

Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p4)

The 2009 PPR further provides on p5 information on evolution over the last three financial years. ("N-3" = FY 2006, "N-1" = FY 2008). It appears that there has been a significant increase in net income, while the total balance sheet increased (only) slightly. The return on assets and on equity ratios (ROA and ROE respectively) increased also significantly.

c. Financial Indicators			
Financial Data *(in million EUR, exchange rate used is 1 EUR = 1.4881 USD at 15 October 2009 – Source: EIB)*			
Indicator	N-3	N-2	N-1
Net Income	0.116	0.345	0.505
Net Income before Taxes	0.152	0.481	0.641
Current Assets	3.955	3.128	3.120
Current Liabilities	0.570	0.275	0.523
Total Balance Sheet	13.926	15.004	15.901
Ratios (%)			
Indicator	N-3	N-2	N-1
Equity/Total Assets	66.7	64.3	63.8
Debt/Equity	49.8	55.6	56.7
NPL/Total Loans	Not available	Not available	7.0
ROA	0.8	2.3	3.2
ROE	1.3	3.6	5.0
Current Ratio	693.0	1134.7	596.6
SCORE – Borrower Financial Situation		Good – 2	
External auditors opinion and other remarks			
In the auditors opinion (Deloitte & Touche LLC), the financial statements present fairly, in all material aspects, the financial position of the Bank as of 30 September 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.			

Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p5)

The 2009 PPR provide the following comments on the financial situation:
"The National Development Bank of Palau's (NDBP) financial situation in the financial year (FY) 2008 (September 30, 2008) is generally solid and the ratios show a rather prudential management. The Bank is government-owned and, according to DEAS, the Republic of Palau is rated Baa2 with a stable outlook.

NDBP is very well capitalised with a high degree of equity coverage to outstanding loans (74.1%) and a similarly appropriate equity to total assets ratio of 63.8% indicating NDBP's solvency.

The Banks profitability is fair with a 3.2% return on assets and a 5.0% return on equity. Both ratios have constantly improved since FY2006. Consequently, NDBP's efficiency in using its accumulated equity and assets to generate earnings has been adequate at FY2008 as net profit grew faster than the Bank's equity and asset base.

Operating expenses have increased 19% in FY2008 reflecting full staffing levels, travel and professional fees as well as trainings abroad. In addition to that, depreciation and amortization costs increased due to the fact that NDBP acquired leasehold as a source to generate new earnings leading to an equity increase of 5% because of the capital asset growth. The higher operating expenses are mirrored in slight increases of the relation between operating expenses to total assets and *total revenues but the respective levels of 2.7% and 35.7% are still adequate.*

The net profit margin as well demonstrates a positive development and stood at 39.3% in FY2008. The reason for the latter can be found in the net profit growth of 46% due to increased total revenues, lower provisioning costs and slightly lower interest expenses. Revenues are expected to rise even more in FY 2009 as loans worth USD 6.4 million have been approved in 2008 of which USD 2.7 million have not been disbursed then.

Total liabilities have increased by 7.2% and stood at USD 8.6 million in FY2008. This development can mainly be ascribed to the growth of current liabilities which in turn were primarily influenced by a USD 300,000 short term loan. Consequently, the debt to assets (36.2%) and debt to equity ratio (56.7%) have marginally worsened, as they have done since 2005, while long-term debt to equity (51.6) shows a slight amelioration in FY2008. Nevertheless, all debt ratios indicate healthy levels.

Liquidity levels are very good but have declined since FY2007 because the cash position has decreased from 9.7% to 3.6% while current liabilities have increased due to the short term loan in FY2008. Therefore, the current ratio shows a very healthy level of 5.96 and cash to current liabilities ratio stands at 1.09.

Total assets have increased by 6% to USD 24 million while gross loans have increased by 11% in FY2008 amounting to USD 20 million and accounting for 86% of NDBP's asset base. The largest components of the loan book are housing and commercial loans. The non-performing loan share of gross loans is 7% and provisions for loan losses relative to non-performing loans stand at 1.15 at financial year-end 2008. Provisions account for 7.6% of gross loans. Consequently, NDBP seems to be adequately provisioned."
Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p7)

PIFF I - Samoa

For the PIFF I contract, with the DBS, the following can be said with regard to the compliance of this local bank with contractual terms and conditions of the global loan with the EIB (which is qualified overall as "Regular -2"), notably in terms of the capital/asset ratio, non performing loans (NPL) and provisions.

3. COMPLIANCE WITH CONTRACTUAL TERMS AND CONDITIONS

08028-01 DEVELOPMENT BANK OF SAMOA

a. Financial Ratios

Article	Description	Compliance	Comments
6.06A	Capital/total assets >25%	Regular - 2	At 30 June 2008, expected level of ratio was 37.6%.
6.06B(a) + 6.06B(b)	NPL/total loans	Regular - 2	At 30 June 2008, expected level of ratio was 7.76% (<15% in Finance Contract).
6.06B(a) + 6.06B(b)	Provisions for loans losses/NPL	Regular - 2	At 30 June 2008, expected level of ratio was 142% (>90% in Finance Contract).

b. Information Covenants

Article	Description	Compliance	Comments
8.01 (a) (i) & (ii)	Annual Portfolio and Project Reports	Regular - 2	Latest DBS's Portfolio and Projects Report is attached (received on 22 May 2008).
8.03 (a) (i)	Annual report, Balance Sheet, P&L account and auditor's report	Regular - 2	Accounts at 30 June 2008 are expected.
8.03 (a) (ii) & (ii)	DBS Certificate for compliance with financial ratios based on unaudited accounts	Regular - 2	Latest certificate received on 10.09.2008.
8.03 (a) (ii) & (ii)	Auditors' certificate for compliance with ratios as soon as published	Regular - 2	Certificate is expected together with the accounts at 30 June 2008, once the audit is finalised.

SCORE - Compliance

Financial Ratios	Regular - 2
Information Covenants	Regular - 2
Overall Compliance	Regular - 2

Comments
DBS submits information in a timely manner. Ops has regular e-mail contacts with the head of operations and the head of finance in DBS.

Source: "Project Progress Report" (of the operation's contract n° 23209 with the DBS), EIB, 07/01/2009 (p2)

The 2009 PPR for the PIFF I global loan with the Development Bank of Samoa further provides on

	pages 3 and 4 information on financial indicators for two years, accompanied by comments. Overall, the DBS is received an "Acceptable – 1" EIB rating for its Financial Situation. It should be noted that between 2005 and 2007 DBS invested a large amount in a new building project, thereby significantly increasing Total Income in 2008, and increasing rental income in 2008. However, this increase in income has been outweighed by a proportionally greater increase in expenses attributed to the new building project and the challenging financial conditions. The consequence of this sharp rise in expenses has been the return of a loss for the 2008 financial year.

b. Financial Indicators			
Financial Data			
Indicator	2006	2007	2008
Net income	61.00	-156.00	
Total balance sheet	6,259.00	15,019.00	
Current assets	4,519.00	5,664.00	
Current liabilities	2,427.00	2,786.00	
Net income before taxes	86.00	-213.00	
Ratios			
Indicator	2006	2007	2008

SCORE - Borrower Financial Situation

Borrower Financial Situation Acceptable - 1

External auditors (qualified/unqualified) opinions and other remarks

Draft unaudited accounts for 2008 are annexed.

DBS's 2007 annual report was audited by the Audit Office assisted by the accounting firm of Betham & Co., Certified Public Accountants, under IAS. Their opinion is that the financial report give a true and fair view of the financial position of DBS at 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with IFRS.

Comments on Financial Situation

DBS has been facing increasing competition from other commercial banks in the country, which is starting to have a significant impact on their lending. Restrained to its development role, DBS does not hold a commercial banking licence. A proposal to be able to apply for this commercial licence has been put forward to DBS's Board. Further discussion with the Central Bank will take place in the coming months.

Net profit after tax has been declining since 2005 mainly due to costs overun on the purchase and construction of new office building, and the increase on borrowing costs.

DBS's overall asset base declined slightly in 2008. Current Assets narrowed by approx. 25% following a decrease in the level of current loans in the loan portfolio while Non-Current Assets expanded due to an increase in long term loans. The overall level of loans has remained extremely stable with little increase or decrease year on year. However, the make-up of the portfolio has changed greatly with current or due loans consistently decreasing and non-current loans increasing. This, combined with an increase in current liabilities, has affected the Bank's liquidity - reflected by the decline in the Current Ratio to 1.46 in 2008. This still represents a healthy level of current assets to current liabilities.

The provision for loan losses has remained relatively high, which indicates that the general quality of the loan portfolio has not improved.

Between 2005 and 2007 DBS invested a large amount in a new building project, thereby significantly expanding its property and equipment portfolio. As a result of this investment, rental income increased in 2008 contributing to a healthy rise in Total Income in 2008. However, this increase in income has been outweighed by a proportionally greater increase in expenses - there were notable increases in administration expenses, depreciation and interest on borrowings, all of which could be directly attributed to the new building project and the challenging financial conditions. The consequence of this sharp rise in expenses has been the return of a loss for the 2008 financial year.

DBS maintains a very healthy capital base with a Tier 1 capital adequacy ratio of 41.8% in 2008. The level of equity has grown substantially in recent years, both in absolute terms and relative to debt. The Debt/Equity ratio stood at a very healthy 1.54 in 2008.

DBS continues to be over-exposed to high-risk sectors such as agriculture and fishing. There is a strategy in place to continue to reduce this exposure, which is vital to ensure the quality of the portfolio.

Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p3-4)

2006_EAU SENEGAL	This kind of information was not provided.
2008_EDFI	Not found in project docts
I-4.1.5	**Evidence that EIB specific requirements and/or accompanying TA have contributed to strengthening viability**
2003_BOAD PG IV	*See 4.1.1 and 4.1.2*

2005_ACPGLOB CA2006	Accompanying World Bank TA are expected to strengthen management , accounting, etc. of investee companies, but no results found in project docts
2005_ACPGLOB ADEMI	Banco Ademi (as well as Banco ADOPEM and Fondesa) are supported by the TA Programme to Financial Institutions in the Dominican Republic for institutional capacity building. However, no Monitoring Report yet (too early to assess results). The Filed Visist to DR confirmed that EIB's TA was strongly instrumental.
2005_ACPGLOB CA2004 Madagascar	Accompanying World Bank TA are expected to strengthen management , accounting, etc. of investee companies, but no results found in project docts
2005_ACPGLOB CA2006 Kenya	Accompanying World Bank TA are expected to strengthen management , accounting, etc. of investee companies, but no results found in project docts
2005_EMP AFRICA FUND II	No evidence
2005_Pacific Islands	See possibly the previous indicator (I-4.1.4) and I-4.1.2
TA2008_Dom.Rep.	Banco Ademi (as well as Banco ADOPEM and Fondesa) are supported by the TA Programme to Financial Institutions in the Dominican Republic for institutional capacity building. However, no Monitoring Report yet (too early to assess results). However, no Monitoring Report yet (too early to assess results). The Filed Visits to DR confirmed that EIB's TA was strongly instrumental.
2008_EDFI	No evidence
JC 4.2	***Financial institutions supported by the EIB have improved their capacity to mobilise domestic savings***
General	At general level: - According to the Operational Guidelines of the IF, the efforts should be concentrated on the development of the local financial sector with the view to foster the capacity to mobilise domestic savings of small businesses *("Operational Guidelines of the IF, p. 4"; see also same Guidelines, section 1.1.1)* - Strengthening the balance sheet of a financial institution through equity investment places it in a position to mobilise funding (deposits; capital markets funding, ...) At project level: - Only one example found where this is evidenced: in the case of Banco Ademi in the DR, EIB places a financial intermediary in a position to raise commercial resources and encourages a local financial intermediary with which it is in partnership to improve its deposit mobilisation
I-4.2.1	**Trend in domestic savings mobilised by the IF/OR-supported institutions**
General	Capital markets development insufficiently addressed by EIB- capital markets development being one of the main components of the financial sector besides credit institutions
2003_BOAD PG IV	Information not available at the EIB.
2005_ACPGLOB ADEMI	EIB's equity subscriptions improved Ademi's capital base and solvency ratio to allow for a higher creditworthiness. In addition to capital subscriptions by local investors, Banco Ademi has succeeded in issuing bonds locally.
2005_ACPGLOB CA2004 Madagascar	No evidence found at Fund level or at SME investee level
2005_ACPGLOB CA2006 Kenya	No evidence found at Fund level or at SME investee level

2005_EMP AFRICA FUND II	No evidence found at Fund level or at SME investee level
2008_EDFI	No evidence found
I-4.2.2	**Evidence that this trend is linked to the EIB support**
2003_BOAD PG IV	Information not available at the EIB.
2005_ACPGLOB CA2006	No evidence found at Fund level or at SME investee level
2005_ACPGLOB ADEMI	This trend is at least partially due to EIB, as EIB's equity subscriptions improved Banco Ademi's capital base and solvency ratio to allow for a higher creditworthiness. EIB had explored the option of subscribing to, or guaranteeing, a bond issue in the Dominican market by Banco Ademi, which could not be done due to local regulatory conditions. But EIB's efforts for thus supporting the mobilization of domestic capital should be commended.
2005_ACPGLOB CA2004 Madagascar	No evidence found at Fund level or at SME investee level
2005_ACPGLOB CA2006 Kenya	No evidence found at Fund level or at SME investee level
2005_EMP AFRICA FUND II	No evidence found at Fund level or at SME investee level
2006_EAU SENEGAL	No evidence has been found in that respect.
2008_EDFI	No evidence found
JC 4.3	***Local/regional bank and non-bank financial institutions supported by IF/OR have financed the development of enterprises including SMEs***
General	At general level: - EIB's Strategic Orientations for Financial Sector Operations in ACP countries constitute a sound policy document for supporting SMEs - Capital markets development insufficiently addressed by EIB- capital markets development being one of the main components of the financial sector besides credit institutions? **This is a question only- I don't know the answer yet- see under General comments below** At project level: Serious effort by EIB to serve SME/MSME sector, including microfinance (Banco Ademi and Banco Adopem and Fondesa in the DR, Pacific Financing Facility, BPI Kenya, BPI Madagascar, SOCREDO in Fr.Polynesia, Microcred, ...)
General	EIB's capacity and major effort to provide local currency financing
I-4.3.1	**Trend in financing of enterprises by IF/OR-supported local/regional institutions**
2003_BOAD PG IV	Information not available at the EIB.
2005_ACPGLOB CA2006	This venture capital fund targets the lower end of the SME spectrum in Kenya
2005_ACPGLOB ADEMI	Banco Ademi is focused on financing local enterprises, principally small and very small enterprises.
2005_EMP AFRICA FUND II	This fund finances enterprises' growth.
2005_ACPGLOB CA2004	This venture capital fund targets the lower end of the SME spectrum in Madagascar

2005_ACPGLOB CA2006	This venture capital fund targets the lower end of the SME spectrum in Kenya
2005_Pacific Islands	The following can be said with regard to financing of SMEs by the NDBP relating direct to the facility's first contract of €5m with this bank: *"9 projects (small and medium sized projects each requiring an investment by the Bank comprised between EUR 70,000 and EUR 500,000) totalling USD 2.3M and 70 portfolio projects (below EUR 70,000) totalling USD 2.1M have been allocated and disbursed. Over a fourth of the GL has been allocated to construction (28.61%), another fourth (25.68%) to social housing (classified under real estate, renting and business activities), 18% to hotels and restaurants, 17% to wholesale and retail trade, 5.6% to transport, 2.2% to electricity, gas and water supply and 2.6% to other community, social and personal service activities."* *Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p2)*
PIFF I - Samoa	The following can be said with regard to financing of SMEs by the SBD relating direct to the PIFF I contract of €7m with this bank: *"To date [January 2009], 15 Projects (small and medium sized projects each requiring an investment by the Bank comprised between EUR 70,000 and EUR 500,000) and 184 Portfolio Projects (projects below EUR 70,000) have been allocated and disbursed (15 disbursements have occurred). 724 jobs have been created. More than a third (35%) of the GL has been allocated to hotels and restaurants, 20% to wholesale and retail trade, 10% to transport, storage and communication, 9% to manufacturing and 8% to agriculture, hunting and forestry."* *Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p2)*
I-4.3.2	**Banks supported through IF/OR have increased long-term lending or maintained it at previous levels**
2003_BOAD PG IV	Information not available at the EIB.
2005_ACPGLOB ADEMI	EIB's equity subscriptions improved Ademi's capital base and solvency ratio to allow for a higher long term lending capacity, and EIB's credit lines have directly been used for higher lending levels to very small and small enterprises.
I-4.3.3	**Evidence that this trend is linked to the EIB support**
2003_BOAD PG IV	Information not available at the EIB.
2005_ACPGLOB ADEMI	EIB's equity subscriptions improved Ademi's capital base and solvency ratio to allow for a higher creditworthiness. In addition to capital subscriptions by local investors, Banco Ademi has succeeded in issuing bonds locally.
I-4.3.4	**SME focus is among the criteria used by EIB for selecting financial intermediaries**
2003_BOAD PG IV	Information not available at the EIB.
2005_ACPGLOB CA2006	EIB has accepted this operation (selected by IFC) in view of its focus on the lower end of the SME market in Kenya, which was underserved
2005_Pacific Islands	The report to the Board for the operation's contract in Palau specifies that the NDBP has been selected among other criteria for its experience in providing assistance to SMEs and micro-sized initiatives: Quality of the intermediary (Pillar 2) Intermediary banks have been selected carefully on the basis of their overall performance and position in the financial sectors of the countries concerned, as well as their experience in providing assistance to SMEs and micro-sized initiatives. *Source: "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006 (p3)*
2005_ACPGLOB ADEMI	This operation was selected by EIB in view of its focus on financing small and very small enterprises.
2005_ACPGLOB CA2004	EIB has accepted this operation (selected by IFC) in view of its focus on the lower end of the SME market in Madagascar, which was underserved
2005_ACPGLOB CA2006	EIB has accepted this operation (selected by IFC) in view of its focus on the lower end of the SME market in Kenya, which was underserved
TA2008_Dom Rep.	As the project concerns the microfinance sector, the EIB clearly concentrates on the SMEs.

EQ5	**To what extent did enterprises which benefited from IF/OR support improve their performance and long term viability?**
JC 5.1	***Enterprises which benefited from IF/OR support have improved their governance and management capabilities***
I-5.1.1	**Changes in the behavioural patterns of the managers and management practices**
General	The IF Annual Report 2008 provides in a single paragraph an overall summary (p45) of various EIB commitments in terms of good governance: "*The EIB is committed to promoting good governance in all the projects that it finances. Supporting the objectives of the **EITI** reconfirms the Bank's recent joint undertaking with other development financing institutions, in the form of the **Approach Statement on Corporate Governance**, to promote sound corporate governance, as well as the orientation of its recently revised **antifraud and corruption policy**. The EIB applies **European Union standards** and international best practice to all the projects it finances, devoting particular attention to development, environmental and social issues.*" The EIB together with various Development Finance Institutions (DFIs) signed indeed on 19 October 2007 a "**Corporate Governance Approach Statement**" (an initiative from the FMO, according to an interviewee – *MN 007*). It applies to direct or indirect **equity investments** in private sector companies operations in emerging markets. This initiative highlights the increased role of good corporate governance as a facilitator of international capital flows to emerging market companies. By signing the statement the EIB recognises not only the importance of good corporate governance practices for sustainable economic development, but also the critical role that DFIs can play in their promotion in emerging markets at both the private and public sector level. The EIB and each DFI that adopted this Approach Statement endeavours hereby to develop and adopt guidelines, policies and procedures for good corporate governance, notably: "*1. Develop or adopt guidelines, policies or procedures on the role of corporate governance considerations in its due diligence and investment supervision operations; these could cover aspects such as: commitment to good corporate governance, the rights and equitable treatment of shareholders, the role of stakeholders, disclosure and transparency, and the composition and responsibilities of the Board of Directors.* *2. Provide or procure training on corporate governance issues to its investment and supervision staff* *3. Encourage companies where it invests in (whether directly or indirectly) to observe local codes of corporate governance in the spirit of best international practice. Engage company management and board members in a dialogue to foster improvement in those cases where corporate governance practices are weak.* *4. Promote the use of internationally-recognized financial reporting standards and encourage investee companies to adopt or align their accounting principles and practices to such standards.* *5. Collaborate with other DFIs on an ongoing basis, and when appropriate with its partners, to further advance the cause of good corporate governance."* *Sources: "A Corporate Governance Approach Statement by Development Finance Institutions", July 2007; EIB Press Release with reference "2007-109-EN".* According to an EIB staff member, these policies improve the transparency of enterprises financed by the EIB because they ensure an upgrading of enterprises which have to demonstrate an improved transparency and governance as elements showing their competitiveness. *Source: MN 308* The EIB further endorsed in 2008 the **Extractive Industries Transparency Initiative** (EITI). The initiative encourages, on a voluntary basis, the disclosure and reconciliation of **extractive industry** payments and revenues. Enhanced transparency from both governments and extractive companies should contribute to increased accountability regarding the use of extractive industries proceeds. The EIB supports EITI work in the resource-rich countries in which the Bank operates, by working with its project sponsors to introduce greater transparency and consistency in reporting on payments at a project level. At the same time, the EIB promotes the initiative in its contacts with governments and national authorities and encourages them to adopt the EITI

	principles for reporting and publishing extractive industry revenues. The EIB also actively supports the work of the EITI International Secretariat based in Oslo. *Sources: IF Annual Report 2008, EIB (p45); http://eitransparency.org* An EIB staff member notes that the EIB is also a financial sponsor of the EITI (also referred to as "the Tony Blair initiative"), with a view to apply those principles. *Source: MN 007* The EIB is also committed to attaining a high level of transparency of its activities, but this is essentially related to its own activities; its transparency policies are not geared towards beneficiaries as such (except clauses on fraud and corruption, see below). The **Information Policy Statement** published in October 2002 expressed the commitment of the EIB to attaining a high level of transparency of its activities. Two years later, a document entitled "**Transparency - Report and Proposals"** was endorsed on 15 June 2004. It provided clear proposals for enhancing transparency of the EIB activities. It was revised five years later in the "**EIB Transparency Policy**", dated 9 December 2009. This revision detailed EIB principles and practices in terms of practices. It specifies hereby the principle of promoting transparency also with regard to its project-level management (p8): "*In its financing operations, the Bank recognises the rights, interests and responsibilities of stakeholders to achieve sustainable outcomes. In this context, the EIB actively promotes transparency with its counterparts, including with the development and operations of financed projects".* An EIB staff member noted with regard to requirements that the Extractive Industry Transparency Initiative (EITI – see above) requires an AML (anti-money laundering) clause in contracts, although this is not a safeguard. The EIB has a **zero-tolerance policy** on fraud or corruption, incl. in connection with projects, loans or equity investments. Key reference documents are the 2006 EIB Guidelines on **Fighting Corruption, Fraud, Money Laundering and the Financing of Terrorism,** the EIB's 2008 **Anti Fraud Policy**, and the Procedures for the Conduct of Investigations. These documents are based on the Uniform Framework agreement reached by the IFI Anti-Corruption Task Force in September 2006, which harmonises the definitions of fraud, corruption, collusion and coercion across the IFIs. An Annual Report of Fraud Investigations is further published on the EIB website. An EIB staff member provides details on the EIB view on **"requirements"** (the EIB speaks of "requirements", while others such as the WB speak of **"safeguards"**): *"Quite naturally the evaluators think in terms of "impact", but there is a difference with "safeguarding" good practices (not using child labor etc.). We won't have an impact in terms of child labor… Everything we do is hence not with a quantifiable impact in terms of safeguards. Very important point. We will get projects with a negative footprint – we have to be prepared to accept that, balanced with other benefits of the project. But child labor etc is just not possible. Difficult question: what are the Bank's minimum requirements, its bottom line? E.g. co-labor. In some sectors we have a black line (e.g. for child labor) and not a dotted line."* *Source: MN 007* On **offshore financial centres**, a Commission staff member has a balanced view: *"Il y a également le problème des offshore centres. Ex. Ile Maurice pour ACP. Mais BEI dit que ce n'est pas sur la liste de l'OCDE. La BEI dit «alors pourquoi pas ? ». Il faut dire qu'il n'y pas beaucoup de centres financiers qui marchent en Afrique (Afrique du Sud, Maurice, autre ?). Ils ont fait une review sur les centres offshores en décembre 2009. Ils sont déjà en train de le revoir. Leur « Financial Action Task Force » s'occupe surtout de Anti-Money Laundering, Financing of Terrorism (pas seulement les paradis fiscaux). Ils ont maintenant une liste (différente de celle de l'OCDE accusée par certains d'être insuffisante) et des rapports sur cela. La BEI voudrait utiliser cette liste contre les pays qui y sont. La Grèce y est mentionnée par exemple. La BEI essaie de montrer avec les listes de différentes institutions qu'elle est réglo. »*

	Source : MN 023 An EIB staff member mentions as a general comment that *"these governance issues have come to the Bank relatively recently. They are relatively scattered around the Bank. Several of them are under the Secretary-General (not all)."* *Source: MN 007* When asked whether they really implement such governance guidelines **to notice improvements at the enterprise level**, responses from senior EIB staff were the following: *"This should be checked with people at project level. Relatively recent. In practice there are now training sessions for raising awareness; there are also rules now. It also depends on the issue (e.g. money-laundering, etc.). We have some clauses. During the due diligence we look if they have systems in place etc. In mining projects we also would have more than a general clause, a specific part of the contract committing the borrower to publish what they pay to the Government, to be transparent. Even encouraging the Government itself to subscribe to EITI. You have to look at all these different cases.* *Talking about private equity: investing in a fund = delegating management to the fund management. We ask him in the legal aspects to comply with some rules (transparency, …) and to report to the Bank on a yearly basis. The fund manager has actually to perform the due diligences to the enterprises."* *Source: MN 007*
General	There is no evidence from the documents that private sector enterprises that have benefitted from EIB funding have radically changed their management practices. The main reason is that for the EIB the quality of the management and the social, environmental and governance responsibilities of the promoter/beneficiary are a key criterion for selecting an operation. The Bank tends to provide funding to companies that have demonstrated, prior to the Bank intervention, managerial capacity and responsible behaviour. However, when the Banks participates to a project it imposes conditions for loan signatures, for first disbursement, for particular undertaking. These conditions always are meant to strengthen the beneficiary's managerial capacity and compliance with environmental, social and governance good practices. For instance, in the Pacific, the EIB targets, with its global loans, development banks if they commit themselves to undertake efforts to improve their effectiveness and governance. *Source : MN 313*
2000_Magadi Soda	The company has a long track record of good management practice (governance, environment, social policy, interaction with the local community) and this has been a positive criterion in the investment decision of the EIB. Whereas site visit, recent documents and contacts with authorities indicate that this standard is maintained there is no evidence that it improved as a consequence of the EIB operation. *See also JC 7.2* *Source: MN352*
2001_Moma Titanium	In the preparatory phase of the project the quality of the governance and the compliance of the promoter with environment and social measures have been checked by the Bank and led to a positive assessment. A key person clause has been included to ensure the continued quality of the management. The 2010 report prepared by an independent consultant engineering firm notes an improvement in the governance*: "Over the past year there has been a considerable improvement in the management of the operation and the development of management procedures and the impact of a more structured management system is already evident in improved production results and the general morale of the personnel on site. SRK considers that the improvements to the management procedures are progressing well and the development of management systems and training programmes has continued during December"*. However, there is no evidence that these improvements are a consequence of the Bank investment.

	Source: MN310, OPS B Financial Report 2003, Board of Directors 2003, SRK Consulting. Moma Titanium Minerals Project: December 2009 Project Update. Report Prepared for the Lenders, February 2010.
2003_Lumwana	As is the case with many operations of the Bank the promoter was known by the Bank from previous projects and judgement on its governance made in the preparation phase of the project was favourable. As indicated in I721 and I722 the company has an active policy with regards to human resources, relation with the community, security. Promoter reports are required by the Bank and evidence good governance practices. It is impossible to demonstrate that the quality of the governance has improved as a result of the Bank's operation. *Sources: Appraisal Report 2006; Monthly project report January 2010.*
2003_Dakar-Ziguinchor	Some undertakings to increase management practices have been considered: ▪ Certification on the proper condition of the ship provided annually by a company of international repute; ▪ Insurance obligation for ship, passengers and merchandises; ▪ Obligation on the part of the operator to seek to balance operating revenues and costs within the first two years of operation without government subsidies. If this condition is not met, the tariff structure should be adapted. Regarding the last undertaking, the Senegalese government is not willing to adapt the tariff applied. The authorities would like to keep low costs in order to maintain the social cohesion and to allow the regional development. The Monitoring report edited in 2009 mentions that the Senegalese government has not updated the tariff as requested by the financing contract of the EIB. *Sources: Operation's « RM/CRD opinion », EIB, 2004, p2 & Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p9 & « Monitoring 2009 », EIB, 2009, p7* *See I.9.1.1 for more details*
2004_OLKARIA	EIB supported a sound enterprise: Kengen is in a sound financial situation even if the profit before tax however decreased sharply from KShs 3,477M in 2006/7 to KShs 1,628M (EUR 16M) in 2007/08, as a result of foreign exchange losses of KShs 1.4bn (EUR 13.7M) attributed to the strengthening of the Japanese yen against the Kenya shilling, making it more expensive to service the debt contracted with JBIC. A tax credit of KShs 3,181M from capitalization costs of Sondu Miriu Power Station offset the effect of the foreign currency loss on profitability. A profit after tax of KShs 4,809M (EUR 47M) was reported compared to 2,446M in 2007/06. Electricity sales over the same period increased from KShs 14,552M to KShs 16,902M, while unit sales rose marginally from 4,599Gwh to 4,818Gwh. The company's net assets increased substantially from KShs 64,786M in 2005/06 to KShs 101,751M in 2006/7 as a result of a revaluation of plant and machinery which was carried out by an international valuation firm. The liquidity position has remained acceptable as indicated by the current ratio of 1.4 in 2007/06 and 1.3 in 2008/07. The capital adequacy position remains strong, with the GoK controlling 70% of the equity as at 30.06.08. *Source: EIB. Project Progress Report, Olkaria II Extentions.Luxembourg 10/6/2009. PPR 23027*
2005_ACPGLOB ADEMI	The EIB has requirements in terms of improved governance and managerial capabilities. It contributed to reinforce the governance practices of ADEMI (support to the development of a manual for anti-money laundering, KYC and support to the refinement of ADEMI's Operational Risk Management) *Source: Project documentation, MN 401*
2005_ACPGLOB CA2004	The EIB has requirements in terms of improved governance, but the actual effects are not documented.

Madagascar	*Source: Project documentation*
2005_ACPGLOB CA2006 Kenya	The EIB has requirements in terms of improved governance. In practice the EIB is not involved in the contacts of BPI Kenya Fund with the investees but it participates to its advisory committee. There is no evidence of particular follow up of the EIB on the respect of its requirements in terms of improved governance. However, the Funds managers before concluding an investment in an enterprise take into account the quality of its governance and this can be used as a deal breaker. *Source: Project documentation, MN352*
2005_EMP AFRICA FUND II	The EIB has requirements in terms of improved governance of investee companies, but the effects are not documented. *Source: Project documentation*
2006_EAU SENEGAL	Specific requirements in terms of management practices have been asked by the EIB: disbursement of the first EIB's loan payment will be conditional on the Project Management Unit (PMU) and also the environmental and social monitoring team being set up. An environmental and social monitoring team needs to be set up as part of the project under the auspices of the PMU. This unit will be given assistance in its role as contracting authority and, for that purpose, some SONES managerial personnel will receive additional training. *Source : "Conseil d'administration. Prêt à l'investissement bonifié sur ressources propres. Projet PROGRAMME EAU », EIB, 2007, p7* The above-mentioned EIB requirements have been applied and contributed to the strengthening in the management of utilities (SONES). *Source: MN 250*
2008_EDFI	Most EDFIs have strict requirements in terms of governance, but this is not documented in the documentation for this operation. The Evaluation of EFP carried out by EIB's EV does not focus specifically on governance (but reports strong social performance of the beneficiaries). *Source: Project documentation*
I-5.1.2	**Evolution of accounting and reporting**
General	Bank's conditions (see I-5.1.1) include reporting and precise information covenants to be completed by the beneficiary. See for example, 5001_Moma Titanium EIB Appraisal Report Moma Titanium. Luxembourg 27, 2003. PJ/I&S/2003-259/GCE/MUG/ms. PPR follow up and report whether these requirements have been complied with satisfactorily.
I-5.1.3	**Evolution of corporate governance**
General	See findings under I.5.1.1 which detail effects in terms of corporate governance.
2004_WAGP	The Government of Ghana had initially designated Takoradi Power Compaty Ltd (TAPCO), a wholly owned subsidiary of VRA, to hold the shares in the WAGP. However, the Bank suggested the Government of Ghana to create a special purpose vehicle to hold the shares in the WAGP, instead of VRA, so as to separate revenues from the pipeline from VRA's general operations. The EIB is therefore concerned for transparent governance mechanisms but the team has no information on whether EIB's suggestion in terms of corporate governance has been adopted by the Government. *Sources: EIB, Fact Sheet A: proposal to appraise new operation, Luxembourg 17/2/2005 and OPS/B/ACPIF-1 WestAfr & Sahel/20040026/Walter Eve*
2005_ACPGLOB _ADEMI	**EIB contributed to raise Ademi's standards in terms of corporate governance.** EIB helped Banco Ademi to obtain new regulations by accompanying Ademi to the Central Bank cf prudential rules on operational risk were unfavourable to Ademi. For every department, a manual for anti-money laundering, KYC and basic policies and procedures has been written. *Source: MN 401*
JC 5.2	***TA for institution building has contributed to creating sound enterprises and/or to***

	improving governance and management capabilities
I-5.2.1	**Changes in the behavioural patterns of managers, and in management practices, are observed in enterprises that benefited from TA**
General	**EIB TA has typically not been used for providing direct advice to SMEs.** *Source: MN 102* The *2009 Cotonou TA Annual Report* notes that the **focus of TA lied on financial sector operations and on infrastructure projects.** It further mentions that the **TA endowment benefited essentially the financial sector since 2008 (**>85%), and specifically micro-finance institutions, while noting that infrastructure projects could benefit since then from other sources of TA funding, notably the EU-Africa ITF and the Water Facility: nevertheless, all infrastructure projects are reported to have benefited from TA, from the EIB, from other EU instruments or from peer institutions. However, it is not clear whether such TA has been directed towards 'institution building aimed at creating sound enterprises and/or to improving governance and management capabilities'. *Source: 2009 Cotonou TA Annual Report* **Out of the 20 selected operations, TA has been provided for two operations:** - **TA Microcred (Madagascar&Sénégal)** - **TA Financial Institutions in DR** **Details for each operation are presented in the grid hereunder.** **TA was also foreseen for two other operations (BOAD PG IV and PIFF) but has not materialised.** *See I-4.1.2 and also I-9.3.1 for more details.*
2003_BOAD PG IV	An EIB fiche mentioned possible EC Support through TA but there is no evidence that this TA materialised. *See I-4.1.2 for more details*
2007_TA ACP	La TA reçue par MicroCred Sénégal a contribué à renforcer : - les pratiques de gestion de Microcred : en particulier, la TA a soutenu un système d'information commun à MicroCred ainsi qu'un jeu de procédures ; - Et la gouvernance de Microcred : la TA a financé des missions de supervision, contrôle et audit de leur holding. *Source : MN 261*
2006_EAU SENEGAL	Over a long period of time, SONES, the water supply company, has benefited from various forms of institutional support from the several IFIs which have supported the water sector in Senegal. EIB has not provided TA to SONES under this specific project. But in the broader water and sanitation sector, EIB has supported ONAS, the sanitation company, and has provided TA for a tariff study leading to improved financial management. *Source: MN259*
2005_Pacific Islands	The report to the Board of Directors mentioned on p2 that €1 was also envisaged for TA for the PIFF and PIFF II (see I-4.1.2). However, there is no information available on effective delivery of TA. Interviews confirmed this point: *« Dans les 25 mln de PIFF II, 1mln était envisagé pour de l'AT. Le diagnostic était que ces petites banques ont un énorme problème car les dossiers qui leur sont soumis par leurs clients n'ont pas la qualité minimale requise. D'où l'idée de créer un site web avec une liste de consultants agréés. Les emprunteurs auraient pu bénéficier d'un subside (75%) pour leur permettre de faire appel à l'un de ces consultants pour préparer leur dossier. CDE très*

	intéressé. L'idée était que le CDE aurait développé une petite facilité « quick access » pour des services de moins de 5000 euros, CDE (avec la TA de 1mln) pour plus grosses opérations. Mais les difficultés passées du CDE ont bloqué l'opération. L'opération va reprendre avec le bureau régional du CDE (le million est toujours disponible). » *Source: MN313* The proposal, submitted to the Management Committee on 19th April 2010 is to set up a technical assistance facility (1mln) pursuing three objectives: i° pre-investment support (financial diagnostic, feasibility study, business plan and credit proposal preparation), ii° post-investment support (training, information & management system setup), iii° capacity building (training, improvement of credit appraisal processes, bad loan management, etc.). An agreement has been reached with the CDE (Centre for Development of Enterprises) to manage this TA on their internal budget directly from their regional office to be established in Suva, Fiji. *Source: Note to the Management Committee: "PIFF II Proposal to approve A) an additional intermediary and B) the technical assistance scheme under the Facility. EIB Regional Office in the Pacific, Report 2009 Q.IV.*
TA2008_DomRep	**Micro-finance institutions having benefited from EIB TA in DR have reinforced their management practices.** Banco Ademi as well as Banco ADOPEM and Fondesa are supported by the TA Programme to Financial Institutions in the Dominican Republic for institutional capacity building. The main component of this facility focuses on the upgrading of the operational risk of these three institutions (creating a unit dealing with OR, hiring people, teaching people). The improvement of corporate governance is particularly relevant for Fondesa which is a non-regulated institution (NGO). The field visit to Dominican Republic evidenced that the TA provided has strengthened the management capacities of these banks/organisations (but there is no monitoring report as yet). For instance, the EIB TA allowed Ademi to refine its Operational Risk Management. EIB TA to Banco ADOPEM helped raised standards for governance, risk management, efficiency and transparency through the development of manuals. EIB TA to Fondesa contributed to the institutional strengthening of Fondesa in order to prepare the NGO to become a Bank. *Sources: ADEMI project documentation; MN 001 ; MN 401; MN 403, MN 425* In that respect, it should be noted that the EIB has been a leader in providing an integrated package to Microfinance Institutions/Banks in Dominican Republic. Beneficiaries reported that the combination of loan, equity, TA for institution building had major value added. Similarly, local currency loans provided under the EIB-IF presented a major value added for beneficiaries because other IFI do not offer local currency loans. *Sources: ADEMI project documentation; MN 401; MN 403, MN 425* *See also I4.1.2 for more details*
I-5.2.2	**Inclusion in the TA projects of indicators that permit assessment of results in the areas of corporate governance and management capabilities**
2007_TA ACP	The available documentation does not evidence the monitoring of TA activities on the basis of indicators that permit assessment of results in the areas of corporate governance and management capabilities. *Sources: TA_ACP documentation*
TA2008_DomRep	The ToR for this project require the definition of indicators in the areas of corporate governance to ensure monitoring and evaluation: - Application of the Regulation on Operational Risk : requirements of the Central Bank are met so as to meet the Regulation on Operational Risk - Improvement in coporate governance : the institution/bank supported is in line with the requirements of the Central Bank *Source: EIB, Programa de asistancia tecnica para el fortalecimiento institucional de entidades financieras que*

	intermedian con las MIPYME en la Republica Domonicana, Terminos de Referencia, 2008.
I-5.2.3	**Trends in these indicators**
2007_TA ACP	No monitoring on specific indicators in the areas of corporate governance and management capabilities (cf I.5.2.2). See I.5.2.1 for results of EIB TA.
TA2008_DomRep	No monitoring report as yet. See I.5.2.1 for results of EIB TA.
2006_EAU SENEGAL	No evidence has been found in that respect for this specific project. However, overa long period of time, SONES, the water supply company, has benefited from various forms of institutional support from the several IFIs which have supported the water sector in Senegal. EIB has not provided TA to SONES under this specific project. But in the broader water and sanitation sector, EIB has supported ONAS, the sanitation company, and has provided TA for a tariff study leading to improved financial management. EIB has insisted on the signature of a Performance Contract between the State and ONAS to monitor this.*MN259*
I-5.2.4	**Managers' opinions of enterprises which benefited from such TA**
2007_TA ACP	MicroCred Sénégal a reçu 800,000 euros d'AT en 2008-2009 (2 x €400,000). Cette AT a été stratégique car elle a soutenu la phase d'incubation du projet. Elle a couvert plusieurs aspects : - capacity building pour créer et monter la société (bénéfice de l'expertise de la BEI) - un système d'information commun à MicroCred, ainsi qu'un jeu de procédures - Missions de supervision, contrôle, audit de leur holding - Soutien à la création de leur réseau d'agences (6 agences au Sénégal). En 2008, la BEI couvrait l'ensemble de leur AT. *Source : MN 261*
TA2008_DomRep	Managers from the Banks (Ademi and Adopem) and organisations (Fondesa) having benefited from the TA are very positive on the EIB TA received. See I.5.2.1 *Sources: MN 401; MN 403, MN 425*
I-5.2.5	**Opinions of EIB and other donors involved**
General	EIB staff pointed to the fact that the TA was quite new (since 2007) and that the funds allocated to it were limited. EIB staff views as positive the TA provided under the DR Financing Facility, for the three institutions (including the ADEMI bank). The main component is the upgrade of the operational risk of these three institutions (creating a unit dealing with OR, hiring people, teaching people). As the three institutions are in different degrees of development, some components apply more for one or the other (e.g. as only 2 of the institutions are regulated (Ademi and Adopem), the improvement of corporate governance concerns more the non-regulated institution (Fondesa) while the development of a rural agricultural product concerns more Ademi and Adopem which so not have such products). *Source: MN 007, MN 001*
JC 5.3	***Enterprises which benefited from IF/OR support have improved/restored their financial viability***
I-5.3.1	**Evolution of financial results of enterprises which benefited from IF/OR support**
General	**As a general rule, enterprises in which the EIB strengthened the capital base (i.e EIB as shareholder) have improved their balance sheet and debt-equity ratios (e.g BOAD, ADEMI).** *Source: EIB project documentation, MN 401, MN 255* *See also EQ4, JC4.1*

1999_Maragra Sugar project	In 2006, it was expected that the company (Maragra), currently experiencing losses due to the 2000 floods in Mozambique, would become profitable in 2009 instead of 2006. The Economic Rate of Return is expected to be positive but lower than the 11% calculated during the appraisal stage. *Source: EIB project completion report*
2000_Magadi Soda	Magadi Soda benefited from one EIB operations composed of three loans (senior loan OR, senior loan IF and subordinated loan IF). The financial prospects of the projects were promising in the preparation phase. The attractiveness of the promoter, of the project, of the resource and of the location were confirmed in the implementation phase so that the promoter was taken over by an international group (Tata group) who repaid anticipatively the EIB loan. *Source: Board of Directors 2003; MN 352, MN310*
2001_MOMA TITANIUM	**For this operation, it is too early to assess the evolution of the result in terms of financial viability.** As the mine has not yet been capable of operating at the capacity level planned by management the Moma Titanium project has not yet posted any revenue in the income statement during the period; instead it capitalised operating and financial costs net of revenue. In end 2009 the profitability of the Moma mine is still uncertain. Kenmare expects relatively high returns but it is not known whether delays experienced by the project and the global crisis will have a major impact in the return of the Moma. *Sources: EIB. MOZAMBIQUE- MOMA TITANIUM (FI No, 22604, 22605 and 23084; Serapis No 2001-0242) Finance contract signed between the EIB and Kenmare Moma Processing (Mauritius) Ltd and Kenmare Moma Mining (Mauritius) Ltd on 18'" June 2004, 18'" June 2004 and 30th June 2005 respectively. Luxembourg, 30/11/2009*
2005_ACPGLOB CA2006 Kenya	The Kenya BPI Fund started operations in 2007 and is still building its portfolio. By end 2009, 61 deals had been concluded but it was too early to have information on the evolution of the financial situation of the investees. *Source: MN352*
2005_ACPGLOB ADEMI	**Banco Ademi has increased/maintained profitability**, and EIB has received dividends from its share subscriptions. EIB was instrumental in transforming Banco Ademi from a microfinance institution into a full-fledged bank. *Source: ADEMI project documentation, MN 401*
2005_ACPGLOB CA2004 Madagascar	This should be the expected result for SME investee companies, but the evidence was not fund in the EIB project documentation. *Source: EIB project documentation*
2006_EAU SENEGAL	This project corresponds to the 3d Bank operation with Sones. Two loans (in 1995 and in 2001) were previously provided to finance Sones long-term investment programmes aimed to improve the access to drinking water in Senegal. According to the EIB statements, these reforms previously undertaken have resulted in stabilising the financial equilibrium of the water sector since 2003. As from this date, Sones shows positive financial results. *Source: "Fact sheet B: financing proposal", EIB, 2007, p3*
2008_EDFI	This should be the expected result for SME investee companies, but the evidence was not found in the EIB project documentation for this specific operation. *Source: EIB project documentation*
I-5.3.2	**Evolution and importance of (profitable) involvement in new activities and business expansion by non-financial enterprises that benefited from IF or OR**
Fiji Denarau	**Pour cette opération, des signes positifs montrent que le prêt de la BEI va probablement**

Hotel	**aider l'hôtel à accroître son activité mais cela n'est pas démontré à ce jour.** Dans l'idée des promoteurs, la profitabilité de l'hôtel n'était pas le premier objectif ; l'objectif était de créer une capacité hôtelière suffisante pour générer une augmentation du trafic de passagers vers les Fidji. Bien entendu l'hôtel devait néanmoins être rentable. *« Le prêt participatif de 5mln est remboursable uniquement sur base de dividendes versés par Novotel à Colonial Fiji. Novotel n'a pas encore versé de dividendes. L'hôtel fonctionne actuellement sans bénéfice mais en couvrant ses coûts. La concurrence entre les transporteurs aériens s'aiguise, il y a de plus en plus de vols sur Fidji ce qui devrait favoriser le tourisme. A ce stade il n'est pas encore démontré que la BEI va entièrement recouvrir le risque qu'elle a pris. L'hôtel, ouvert depuis 2006, est très bien géré."* *Source: MN313* *"Room occupancy is high with an average rate of 72%. In face of the general economic crisis this is obtained by cutting down prices to maintain volume and generate revenues from food and beverage. Other others apply the same policy.* *Main origin of tourists: Australia and New Zealand. Growing European tourism, mainly from Britain and Germany. Small but extremely fast rising share of tourists from China. The European tourism was traditionally constrained by the fact that the only route was the unpleasant Los Angeles one. Since Air Pacific opened a route via Hong Kong European tourism expanded.* *Every year since 2008 the project has been to the point of recording profits and being able to serve a benefit but each time an external factor prevented such favourable development do materialise: coup d'état, devaluation of the currency, floods, have each time hit the tourist industry. As the owner, Richmond, is quite positive: he did not have to raise money from its shareholders. Richmond has therefore not yet paid a dividend. A dividend might be served this year."* *Source: MN 353*
1999_Maragra Sugar project	This EIB project focused on the rehabilitation and development of the Maragra sugar estate in Mozambique. The production expectations were more than fulfilled. After the 2000 floods in Mozambique which seriously affected the plantation, the production reached the projected production in 2003 and the project produced 74,552 tons of sugar in 2005, which is more than expected during the appraisal (+23%). This is mainly due to the better than expected agricultural yields. *Source: EIB project completion report*
J.5.4	***Enterprises which benefited from IF/OR support have maintained and/or increased their competitiveness***
General	The reinforcement of the resilience of the private sector is a major objective of the IF. As stated in the 2007 EIB Business Plan 2007-2009, *"the prime objective of the IF is to further the Cotonou Agreement's goal of reducing poverty in the ACP States by contributing to sustained economic growth and private sector development. (…) The IF endeavours to have a catalytic effect by encouraging the mobilisation of long-term international and local financial resources, in the form of both debt and equity investments, in favour of projects in the ACP States."* *Source: EIB, EIB Business Plan 2007-2009 , 2007* In general, the EIB supported sound financial institutions and enterprises with high potential. See also I.5.1.1. At operation level, the assessment of the effect of IF/OR on competitiveness is constrained by the fact that several operations are still ongoing and that external factors also play a significant role. Moreover, information on market shares is not always available for confidentiality reasons.

I-5.4.1	**Trend in the ratio of credit granted to enterprises provided by the financial intermediaries that benefited from IF or OR loans to *total* domestic credit granted to enterprises**
General	Such data are not available from project documentation.
2005_ACPGLOB ADEMI	While such data (ratio) are not available from project documentation, Banco Ademi has remained the largest development bank in the country. *Source: Project documentation, MN 401*
I-5.4.2	**Expansion of activities on the domestic and foreign markets of non-financial beneficiaries of IF/OR**
2001_MOMA TITANIUM	The EIB operation contributed to the launching and expansion of the activities of Moma Titanium. The minerals production site has a profitable production capacity of 625,000 t/year of ilmenite and of 24,000 t/year of Zircon and 12,000 t/year of rutile. *Source: project documentation*
2004_LUMWAN A	The EIB operation contributed to the development of Lumwana Mining Cy Ltd, one of the largest copper mines in the world, outside the copper belt. The EIB has been determinant in the financial engineering of the operation in providing quasi equity. *Source: Project documentation*
Fiji Digicel	Impact of the Digicel project: The introduction of Digicel, 2nd operator, has been important to boost competition in the Fiji. Vodaphone had been sole operator in Fiji for 14 years. To penetrate the market, Digicel cut prices and Vodaphone had to respond. Vodaphone made every attempt (price cuts) to outs Digicel of the country. Prices went from FJD 2/minute to FJD 0.02/minute. Vodaphone monopoly was broken. Currently Digicel market share is below initial expectations (figures not disclosed) and has not succeeded in taking a dominant position in the market. Vodaphone was extremely well prepared to face the competition, however the company is now solidly in the Fijian market and intends to stay there. Digicel has invested about 100 m $US in the country. About 50% has been spent in the country. Whereas Vodaphone focused on the corridors with the main revenues, Digicel invested everywhere, and forced Vodaphone to do the same. Prices have been cut for handphones as well: from 100$US to 20 $US. Development of retailers, also. Digicel also brought technology all over the country (notably internet access with mobile phones). *Source: MN337, MN362*
2006_EAU SENEGAL	The project was expected to allow 50 000 new social water connections by 2011. Therefore the activities of Sones are supposed to increase. In order to assess the expansion of the activities, a post-evaluation should be necessary. However the EIB documents analysed do not refer to such ex-post analysis. *Source : "Note à Ops B/ACPIF-1. Avis pour instruction », BEI, 2007, p3*

EQ6	**In what respect have IF/OR operations contributed to the sustainable growth of a competitive productive sector in the partner countries?**
JC 6.1	***EIB had an explicit strategy at country or sector level guiding the choice of operations to those most likely to generate a broader impact in terms of enhanced growth and competitiveness***
I-6.1.1	**Inclusion in EIB country and sector strategies of assessment of potential impact of proposed operations**
General	**Specific country/sector strategies have been developed for the financial sector within the framework of general strategic orientations ("Operational Strategies for the Financial Sector in the context of the ACP Investment Facility, DEAS, August 2007"). In the available documentation, 2 sector strategies (one for the Dominican Republic and one for the French Polynesia) have been made available to the team. They present an assessment of the sector and of the potential impact of the proposed operations. For other sectors, there are no country or sector strategies that provide an assessment of the potential impact of proposed operations.** A **Financial Sector Strategy for the Dominican Republic** has been produced. It presents: ▪ the situation of the financial sector in DR : little systemic risk, regulation and supervision have been significantly upgraded, small financial sector, limited competition among its players, capitalization levels are on the weak side. ▪ EIB interventions : *"through equity participations and lines of credit, the EIB has emerged a key player in the sector, having a close relationship with ADEMI (the EIB is the largest shareholder) as well as an operational role in another Savings and Credit Bank (ADOPEM) and FONDESA, a non-regulated NGO".* ▪ EIB prospects: *"In addition to expand access to finance for Dominican enterprises and economic agents, the EIB intervention should also aim at contributing to improve the risk-taking attitudes of local financial intermediaries. (…) Over the medium-term the EIB could also play a role in promoting the development of local capital markets, notably through the issuance of bonds denominated in Dominican pesos."* An assessment of the potential impact of proposed operations is made but is not very detailed: *"Any further interventions need to take into consideration the systemic impact of the EIB's positioning in the sector. It is also relevant that the value-added of the EIB's intervention is considerably higher here than elsewhere. MFIs can only partly rely on deposits to finance their activities and are thus in demand of long-term funding. Regulatory constraints – and good economic sense – force this funding to be denominated in local currency. The development impact of the microfinance sector, while limited by its small size, is not negligible, as it appears to have played a critical role in substantially expanding the access to finance for micro and small enterprises."* *Source: EIB, Financial Sector Strategy for the Dominican Republic, no date* An **Operational Strategy for the Financial Sector has been issued in 2007 for New Caledonia and French Polynesia**. It presents an analysis of the macroeconomic background as well as of the financial sector. The operation included in this financial sector review (SOCREDO-Ligne de crédit environnement) is assessed against the three-pillar structure of the EIB's value added framework. The lending should stimulate the development of the environment sector as well as of renewable energies through a better access of final beneficiaries to long-term financing via an interest rate subsidy. *Source: French Polynesia, Financial Sector Review, October 2007* **More generally, the Financial Rate of Return (FRR) and the Economic Rate of Return (ERR) analyses are the framework ensuring that selected operations have a broader growth and competitiveness impact.** Indeed, both an FRR and ERR analyses are required

	for all EIB projects: during project appraisal the Bank always examines the financial and private return generated by the investments it helps to support. But a comprehensive analysis is rarely performed. In practise, the ERR calculation focuses on adjusting the project's private costs and benefits by adding to (or subtracting from) the private revenue streams market distortion effects such as taxes, subsidies, tariffs and other transfers. A comprehensive analysis taking into account broader and development impacts is not performed. **In order to help improve the Bank's understanding and assessment of the impact of its direct lending operations on economic and social development in ACP countries, the Management Committee approved in March 2005 the establishment of a Development Impact Assessment Framework (DIAF) to be used on a pilot basis for investment loans under the IF. The DIAF corresponds to the second Pillar of the Bank's existing value-added framework but takes it one step further to take into account a wide range of impacts, notably in the social area.** In particular, project appraisal reports should include a qualitative judgement well-backed by an appendix of relevant statistics in seven crucial project performance aspects: - Financial performance - Economic performance - Social performance - Governance/institutional aspects - Environmental performance - IF strategic role, and - Contribution to MDG **In parallel, the Bank also designed and tested an ACP specific three-pillar value-added framework (VAF), similar to the one in place in operations in Europe.** It follows a similar three-pillar design: - Pillar 1 is about consistency with EU policies and priorities (for ACP countries, it means consistency with the Cotonou mandate) - Pillar 2 deals with the intrinsic quality and soundness of projects - Pillar 3 deals with the EIB's financial value-added DIA and VAF have been used exclusively for ex-ante assessments in the context of project appraisal. **In December 2006, the Board of Directors decided to fully integrate the DIAF and value added frameworks for direct lending operations of the Bank in ACP countries to avoid duplication of work. Corresponding frameworks for global loans/banking sector operations and for investment in equity funds were being developed in parallel because in the case of indirect operations, the ex-ante assessment has to focus on the intermediaries themselves as the projects to be financed by the various intermediaries are not known ex-ante.** **In February 2008, after approval by the Council of the new External Lending mandate, the Board of Directors decided to expand the original ACP DIAF to cover all operations, including the financial sector. The Economic and Social Impact Assessment Framework (ESIAF) is the framework for assessing, at approval stage, some of the key features of projects financed by the EIB outside the EU.** In full consistency with the value-added approach, the ESIAF relies on the three pillars of: ▪ Consistency with EU (mandate) objectives and policies (pillar 1) ▪ Project quality & soundness in terms of economic, financial, environmental, social and governance features/impact of the project (pillar 2). For financial sector operations, the quality of the operating environment, the quality of the financial intermediaries and the

	specific expected sector development impacts (e.g development of access to financial services, development of new products or markets, development of institutions and of the capacities of intermediaries, and improvement of environmental and social standards) are the three building blocks against which the assessment is made. ▪ The EIB's contribution to the project, both financial and non-financial (pillar 3) *Sources:* *EIB, Board of directors, Development Impact Assessment Framework of IF projects, April 2005.* *EIB, Board of directors, Development Impact Value Added of Investment Loans in ACP countries, December 2006.* *EIB, Board of directors, Extension and adaptation of the Economic and Social Impact Assessment Framework (ex-DIAF) to all operations (including financial sector operations) outside the EU and pre-accession countries, February 2008.*
I-6.1.2	**Evidence that potential development impact is used as a key criterion in selecting and prioritising operations**
General	**The development impact is always a criterion in selecting operations since the creation of the DIAF in 2005. Indeed, the Bank, recognising that the development impact could not be fully analysed in the project's financial and economic internal rates of return, designed the DIAF to assess the development impact of EIB's operations. This criterion is also part of the ESIAF, framework applied since 2008 (see also I.6.1.1).** *Sources:* *EIB, Board of directors, Development Impact Assessment Framework of IF projects, April 2005.* *EIB, Board of directors, Development Impact Value Added of Investment Loans in ACP countries, December 2006.* *EIB, Board of directors, Extension and adaptation of the Economic and Social Impact Assessment Framework (ex-DIAF) to all operations (including financial sector operations) outside the EU and pre-accession countries, February 2008.*
2000_MAGADI SODA	Preparatory documents specify that the main developmental benefits that justify the operation are completely in line with the Cotonou objectives. They are: ▪ Valorisation of local resources: the investment will increase the value added of an abundant local resource ▪ Positive employment effects and increased influx of foreign exchange. ▪ Important spill over on a region that is particularly poor and remote ("contribution to the bare survival of surrounding population") ▪ Support to private sector industrial activity According to EIB it is certain that the closure of MSC would have a large and distinct negative economic effect on a region that is already economically weak. *Sources:* *EIB Appraisal Report, Magadi Soda, Luxembourg 29/1/2002. (PJ/I&S/GCE/KAI/scm)* *EIB Magadi Soda Pure Ash Project, Project completion Report, Luxembourg 23/4/2008.* *EIB Board of Directors. Magadi Soda Pure Ash Project (Kenya). 9/10/2003*
2003_Dakar-Ziguinchor	The operation's 2004 "fact sheet A" mentions in its section « economic interest » that the project (reestablishing a sea link after the dramatic wreckage of the Joola in 2002) was a key element for realizing the economic and social recovery plan for the Casamance region: *« La liaison maritime Dakar – Ziguinchor est un complément indispensable à la voie routière qui traverse la Gambie. Elle est seule capable d'assurer le transport des voyageurs avec gros bagages ou des marchandises diverses. C'est un élément clé pour la réalisation du plan de redressement économique et social de la Casamance qui est un volet de l'accord de paix avec le Mouvement des forces démocratiques de Casamance. Au titre de la «*

	continuité territoriale », le gouvernement considère cette liaison maritime comme prioritaire. Depuis le tragique naufrage du ferry « Le Joola », en septembre 2002, elle n'est plus assurée. Toutefois, la rentabilité économique est moyenne, et la rentabilité financière faible voir négative (liée à un tarif assez bas tenant compte du faible pouvoir d'achat de la population et de la concurrence du transport par la route assuré par le secteur informel). Il est donc nécessaire que le gouvernement prenne en charge la quasi-totalité du coût d'acquisition du navire. » *Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 March 2004 (p2)*
2004-WAGP	The project appraisal documents clearly identify the main potential impact as being a reduction of the cost of electricity supply in Ghana, Togo and Benin by replacing oil with gas imported from Nigeria. They insist on the developmental importance of a natural gas pipeline throughout West Africa. It was already identified in 1982 as one of the key regional energy infrastructure projects by the ECOWAS. The following list of positive aspects of the projects shows the rationale behind the selection of the project: ▪ Well structured cross-border private/public partnership benefiting from the strong support of ECOWAS and the governments of Nigeria, Togo, Benin, Ghana and from the financial, technical and managerial strength of the participating private oil companies. ▪ The project will significantly reduce the cost of electricity supply in Ghana, Togo and Benin by replacing oil with natural gas imported from Nigeria. ▪ The project's environmental and social impact assessments are of high standards and provide a sound basis for environmental management during the project's implementation and operation. In addition, the replacement of liquid fuels by natural gas transported by the project will result in significant environmental benefits. ▪ Good financial and very good economic profitability under conservative assumptions. ▪ Secondary benefits could also be realised through new industrial development facilitated by the availability of reliable and cheap energy transported by the WAGP. *Source: EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006, Justifications.*
2001_Moma Titanium	This will be the largest project in the North of Mozambique, and the largest mining project ever implemented in the country. The project will yield substantial benefits for the regional economy of the Nampula province and the Mozambican economy in general. The most important are the improvement of infrastructure (roads, power supply and airstrip) as well as wages and salaries paid out la locally recruited employees (inclusive of the usual indirect multiplier effects). Moreover, income from royalties of the mineral license and tees for using the free trade zone will contribute to the positive economic impact of the project. *Source: EIB. Board of Directors. Moma Titanium Mozambique, 29 April 2003. Doc. 03/181.*
2004_OLKARIA	The potential development impact is considered in preparatory documents. Positive aspects of the project as seen in the EIB preparatory documents are: the development of an indigenous, environmentally friendly source of renewable energy at competitive cost, reducing Kenya's dependence on imports of fossil fuels and increasing the reliability of power supply and geothermal power being unaffected by hydrological conditions. *Source: EIB Fact Sheet B: financing proposal, Luxembourg 24/2/2005. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL*
2006_EAU SENEGAL	The potential development impact is described in the first EIB document related to this project. Therefore the EIB takes into account the development impact of the selected project. However, this does not imply that the potential development impact is considered as a key criterion in selecting and prioritising EIB's operations. *Source : "Note à Ops B/ACPIF-1. Avis pour instruction », BEI, 2007, p3*

JC 6.2	***EIB operations have contributed to improving the business environment***
General	**There are two business environment areas where the EIB had the capacity to intervene:** - **Access to infrastructure;** - **Regulatory and institutional framework** **The focus of EIB operations has generally not been put on the improvement of the business environment of the beneficiary countries. However, through specific operations, the EIB intervened at the two levels mentioned above and contributed to specific improvements**: - Access to infrastructure : facilitation via a reduction of the cost of the infrastructure (e.g electricity with Olkaria and WAGP, maritime infrastructure with Dakar Ziguinchor) - Regulatory and institutional framework: tariff study for the sanitation sector in Senegal, water/sanitation in Senegal and institutional strengthening of financial intermediaries with a view to ensure their compliance with the banking regulatory framework in DR) *See below for more details*
I-6.2.1	**Accompaniment of EIB operations by TA or conditions meant improving the legal and regulatory framework and the business environment.**
General	EIB staff members note that TA assistance is very limited, vs. for instance the FEMIP Trust Fund. They expressed their willingness to dispose of a similar instrument as well. They further indicated that an EIB limitation in ACP is that operations cannot be leveraged with TA on project design. They also specified that there is a missing link between the EC and EIB in terms of TA. *"FEMIP : il existe une enveloppe d'AT par la CE etc. BEI à aussi de l'AT mais doit être project-related. Récemment on a interprété la notion de project-related, en concluant un accord avec le FMI appelé AFRITAC, avec des experts dans chacun de ces centres appuyant certaines dimensions (y compris experts sur secteurs financiers aidant le Gouvernement). On a considéré que de ce point de vue qu'il pouvait être légitime de contribuer financièrement à leurs efforts (ils ont une capacité bien supérieure à la nôtre d'identifier les problèmes). Nous participons par exemple aux Steering Committee de ces centres. »* *"EIB works both within and outside the EU: in particular sector people work in both regions; experience from EU MS. EIB technical people work globally, from Germany to Benin. That is also why we focus on infrastructure and financial sector, because this was our key expertise within the EU. Most other IFIs focus on development countries. Financial additionality: considered as high in ACP countries. Expertise (although TA funding is not sufficient): we often asked more funds for TA, we don't have enough funding, although we have the internal expertise with the Projects Department. Internal expertise used mainly for appraisal and design (setting and formatting) of the project. But not much to give full advises: we can say "you should do this kind of study" but we cannot do it ourselves. In particular upstream studies. In our EU-Africa Infrastructure TF: in the past we were being told we were arriving when everything was ready. Now with the TA money available we can finance all kind of earlier preparation work. We have TA since 2007. We still think that we desperately needed money for TA. Having more funding would enable bringing more TA to the project. Cf. WB in terms of missing link: they have created between IDA and IFC the "IFC advisory services" financed on TFs."* *Source: MN 007* Other EIB staff members also emphasize the importance and benefits of TA: *"Very important aspect of our work. TA is really really improving our work over the last years. Such grant money is interesting. It really makes things possible which would otherwise not be possible. Blending grants and loans is very valuable"*. Has TA been used frequently to develop a project for making it bankable in EIB terms? *"We are still climbing the learning curve, but yes, for instance with the EU-Africa ITF. E.g. to finance the environmental impact assessments."* Do you think the TA envelope is large enough?

	"There are lots of projects e.g. support for organisations to convince of need of that instrument, for technical choices, EIAs. Particularly for infrastructure. The main issue is not money to be available, but projects to be ahead for moving. Grant money is essential. It is mainly used for hiring consultants (more than for financing personnel of the EIB); it hence hires external expertise, which increases expertise basis. Note. Water Facility : very small, just a few millions" *Source: MN 024*
2003_Dakar Ziguinchor	L'opération vise à faciliter le volet "accès à l'infrastructure" de l'environnement des affaires. *« Le projet inclut l'acquisition d'un navire roulier pour le transport de passagers et de marchandises entre Dakar et la région de la Casamance, et les aménagements portuaires connexes. Le rétablissement de la liaison maritime Dakar-Ziguinchor permettra de désenclaver une région en sortie de crise, d'assurer la continuité du territoire national (la seule liaison routière économique traverse la Gambie) ».* *Source : EIB, FSA, 2004*
2004_WAGP	The main expected impact of the project on the business environment is the reduction in the cost of power generation the project is expected to generate, particularly in Ghana. It should be noted that this operation does not foresee TA. *Sources: Fact Sheets A and B. Board Report*
2004_Olkaria	The operation aimed at improving the business environment in terms of improved access to infrastructure. In particular, it aimed at increasing the technical capacity and strengthening the economic viability of the electricity sector in Kenya through an extension of the capacity of the EIB financed Olkaria geothermal power station, by adding 35 MW_e to the existing 70 MW_e. *Source: EIB Fact Sheet A: proposal to appraise new operation. Luxembourg 19/11/2004. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL*
2005_Pacific Islands	The report to the Board of Directors mentioned on p2 that €1 was also envisaged for TA for the PIFF and PIFF II (see I-4.1.2). However, there is no information available on effective delivery of TA. *Source: Report to the Board of Directors*
2006_EAU SENEGAL	**This operation included conditions meant to improve the regulatory framework**. The EIB suggests reviewing the tariff adjustment in the water sector in order to ensure the financial viability of Sones. Furthermore, the promoter has to prepare a manual for the operational procedures which should facilitate the project's follow-up by the donors. *Sources:* *"Fact sheet A: Appraisal Authorisation", EIB, 2007, p 4* *"Fact sheet B: financing proposal", EIB, 2007, p2* **A TA financed by the Commission was also foreseen but was not meant to improvements of the business environment**. A technical assistance implemented by the AFD should limit the technical risks linked to the quality of the project at design and implementation stages. This TA should include several components such as assistance to project management and capacities enhancement (training, business plan, etc.). *Source : "Rapport financier. Projet: Programme eau Sénégal", EIB, 2007, p13*
2007_TA ACP	This EIB operation has not aimed at improving the business environment. Its objectives were: ▪ *"To ensure the successful creation of MicroCred companies;* ▪ *Building capacity of the local team and transfer of knowledge to middle management and operational staff;* ▪ *Implement a resilient and efficient Management Information System (MIS);* ▪ *Support to the operations of the company, and ensure the realization of objectives in terms of product*

	development, network expansion, quality process of operations. In order to achieve these goals, consulting is provided by experts on various matters, including marketing and communications, training, market studies; ▪ *Legal and Financial Counsel to ensure both financial sustainability of the company and quality of financial and operational data and help the MC companies on planning and fundraising matters in order to achieve a healthy growth."* *Source: EIB, TA Operation Progress Sheet, December 2009*
2008_TA Rep Dom	This EIB operation aimed at the institutional strengthening of the financial intermediaries supported. In particular, it foresaw support to ensure the adequacy of financial intermediaries with the requirements of the Central Bank. Moreover, it envisaged support to the transformation of FONDESA in a regulated institution. *Source: EIB, Terminos de Referencia, no date*
2008_Assainissement Senegal	En janvier 2008, la BEI et l'AFD on signé des prêts d'un montant de 20 M d'euros pour la BEI et d'un montant de 30 millions d'euros pour l'AFD pour financer la création d'un réseau d'assainissement le long de la Baie de Hann en vue de restaurer la qualité des eaux de la baie. *« En complément de ces prêts, l'AFD a également octroyé en 2008 une subvention de 2,5 millions d'euros pour ce projet. Elle permet notamment de financer un appui institutionnel aux autorités dans leur négociation avec les industriels pour qu'ils prennent en charge une partie du coût du service d'assainissement. La BEI a octroyé en 2008 un financement complémentaire de 831 000 euros sous forme d'assistance technique pour la réalisation d'une étude tarifaire ainsi que pour l'actualisation du Plan Directeur d'assainissement liquide de la ville de Dakar à l'horizon 2025. Cet appui vise à contribuer à l'amélioration de la performance opérationnelle et financière de l'Office National de l'Assainissement (ONAS). »* *Source : EIB web site, http://www.eib.org/eib.org/projects/press/2009/2009-002-pret-de-50-millions-deuros-de-lafd-et-de-la-bei-a-letat-du-senegal-pour-la-depollution-de-la-baie-de-hann.htm* Par ailleurs, la Commission européenne a financé étude organisationnelle de l'ONAS qui a résulté en un plan de réorganisation de l'office. La Commission, la BEI et l'AFD ont posé une condition avant le financement du projet : la signature d'un contrat de performance tarifaire entre l'Etat et l'ONAS visant à assurer cet équilibre. Ce document détermine l'engagement de l'Etat vis-à-vis de l'ONAS pour garantir l'équilibre financier. Dans le but d'assurer un suivi, les bailleurs ont organisé des réunions mensuelles de suivi rassemblant l'ONAS, l'AFD, la BEI, et le Ministère de l'environnement et de l'assainissement et un comité de pilotage a été créé pour faire le suivi du contrat de performance. *Source : MN 259*
I-6.2.2	**Evaluations of the results of such operations**
2003_Dakar Ziguinchor	Il n'y a pas dévaluation pour ce projet. La mission pays au Sénégal a permis de constater les effets positifs de cette opération en termes de facilitation d'accès aux infrastructures: la liaison maritime Dakar-Ziguinchor, à travers le financement d'un bateau, permet de désenclaver la région (transport des personnes et des marchandises). Sans ce bateau, il faut traverser la Gambie, ce qui est long (500 km) et compliqué. *Source : MN 263*
2004_WAGP	At the time of this evaluation the project was just being fully completed and therefore it was not possible to assess its impact as no documentation was available yet on its commercial operations (due in the first quarter of 2010). The new infrastructure will allow to replace fuel

	with gas imported from Nigeria and the pipeline capacity will allow for future demand growth in power generation. On 6th April 2010 WAGP co-issued a statement announcing that the volume of gas flowing from the Nigeria gas producers was about 30 million standard cubic feet per day, enough to generate 110 megawatts. It also announced the near completion of the project that should be in position to deliver compressed gas to all customers in the three countries (Ghana, Togo and Benin) in the summer 2010. *Sources: EIB, West African Gas Pipeline, Monitoring exercise 2009.* *http://41.204.59.211:81/ind.php?evt=1 : communication of Wapco on 6/4/2010*
2004_OLKARIA	There is no evaluation for this project. The field visit evidenced that this project contributed to improvements in terms of access to infrastructure: it is a project that involved technology transfer and development of new expertise in the country. With this project, KenGen has reached first class technical competence in geothermal power generation. The project permits to alleviate the constraints on power generation and to benefit from environmentally cleaner process. Currently total energy production is 1350 MW and there is a national reserve emergency power of 290 MW which is extremely costly to activate and environmentally adverse because it relies on expensive fuel power plants. The 35 MW additional capacity of Olkaria II extension will permit to rely less on these 290 MW; for instance during drought period. Interventions in power generation are important for the private sector as they contribute to lowering the high price of electricity, currently a strong impediment to the development of the private sector. *Sources: MN310, MN341, MN332*
Fiji Digicel	Cf I.5.4.2
2006_Eau Senegal	The EIB, the AFD and other institutions have been involved in the water & sanitation sector in Senegal for a number of years. A result has been the reorganisation of the water sector under a concession regime and the introduction of an "affermage" leading to sustainability of the water supply component. *Source : MN250*
2008_TA Rep Dom	No evaluations have been carried out. From the field visit, it appeared clearly that the operation contributed to the institutional strengthening of the financial intermediaries supported with a view to ensure the compliance of these institutions with the Dominican banking regulatory framework. In particular, the EIB helped Banco Ademi to obtain new regulations by accompanying Banco Ademi in the development of manuals for compliance with prudential rules on operational risk. It also accompanied Fondesa with a view to transform it in a regulated institution. Fondesa is not yet a regulated institution but was preparing itself to proceed with the transformation. However, the EIB support has not contributed to improvements of the Dominican banking regulatory framework as such. *Sources: MN 401, MN 425*
I-6.2.3	**Selected indicators from "Doing business in…." for those countries where substantial operations were conducted.**
JC 6.3	***EIB IF/OR support has contributed to developing / strengthening the local financial sector***
General	See findings under JC4.1
I-6.3.1	**Trend in the volume and quality of products offered by the local financial sector**
General and operation-specific	See findings under JC 4.3
Kula II Fund	The operation has introduced the product risk capital that was totally unknown in the region.

	Source: MN313
I-6.3.2	**Trend in credit to the private sector, and particularly to SMEs**
General and operation-specific	See findings under JC 4.3
2005_ACPGLOB CA2006	The fund started operations in January 2007 with the objective to invest $US 14.1. By end 2009 61 deals have been concluded for a total amount of $US12.4. The table provides the distribution of the loans granted by the fund:

Business Plans Gross Approved by Industry Classification	Since Inception			
Industry Classification	**Number**	**%**	**Value**	**%**
Agriculture, Hunting, Forestry & Fishing	2	3%	301 210	2%
Mining	2	3%	708 222	6%
MNF – Food & Beverages	6	10%	1 630 000	13%
MNF – Textiles	3	5%	531 769	4%
MNF - Wood Products	2	3%	157 632	1%
MNF - Chemicals & Rubber	1	2%	238 000	2%
MNF - Other non-metallic products	-	0%	-	0%
MNF - Iron, Steel, Mach, Equip, Transport Equip	2	3%	345 000	3%
MNF – Furniture	-	0%	-	0%
Construction	9	15%	1 674 000	13%
Wholesale & Repair – Personal, Household Goods	3	5%	323 000	3%
Retail & Repair - Personal, Household Goods	2	3%	417 888	3%
Sale, Maint & Repair of vehicles, Retail Auto	4	7%	899 000	7%
Hotels & Restaurants	2	3%	372 470	3%
Transport, Storage & Communication	5	8%	1 040 000	8%
Business Services	16	26%	3 460 812	28%
Social & Personal Services	2	3%	301 210	2%
Private Households, Exterr. Organisations	-	0%	-	0%
Total	**61**	**100%**	**12 400 213**	**100%**

	Source: MN352
2005_ACPGLOB ADEMI	Banco ADEMI was both transformed into a bank, and enlarged, with EIB support and has thus increased the supply of long term credit to SMEs *Sources:* *MN 401,* *EIB, Monitoring Exercise 8/2008 ADEMI V, ADEMI V A, ADEMI V C- OPS B Project Progress Report*
2005_ACPGLOB CA2004 Madagascar	This Fund is expected to have increased equity and quasi-equity supply to MSMEs *Source: Project documentation*
2005_ACPGLOB CA2006 Kenya	This Fund is expected to have increased equity and quasi-equity supply to MSMEs *Source: Project documentation*
2005_EMP AFRICA FUND II	This Fund is increasing equity supply to MSMEs. *Source: Project documentation*
2008_EDFI	
JC 6.4	***EIB IF/OR support has stimulated sector growth and competitiveness***
I-6.4.1	**Contribution of private sector to value added**
1999_Maragra Sugar project	The project stimulated the national economy : *"The project is making positive contributions to the national economy and to the local community. It allowed the generation of substantial sugar related revenue that flows into the communities through salaries and wages and from support services supplied by local entrepreneurs. In the factory and agricultural production, economic benefits are expected from significant savings in foreign exchange through import substitution."*

	Source: EIB project completion report
2001_Moma Titanium	When fully completed, (estimated date end 2010), the project will significantly increase the value added of the mining and manufacturing sectors (limited respectively to 0.25% and 13% of GDP despite favourable geological environment), moreover in one of the poorest areas of the country with no alternative sources of development. *Source: EIB. Board of Directors. Moma Titanium Mozambique, 29 April 2003. Doc. 03/181.*
2004_LUMWANA	Preparatory documents state: "Project team conclusions: The project is sustainable and profitable, and will generate direct income for Zambia (as well as producing dividends for shareholders and ensuring full debt service for lenders). It will at the same time contribute to Zambia's Poverty Reduction Strategy, create jobs, develop the local skill base and contribute to improvement in infrastructure. It is fully consistent with the objectives for the Cotonou Agreement, and merits support from the Bank." *Source: EIB Fact Sheet B: financing proposal, Luxembourg 19/7/2006. 2004- OPS B/ACPIF 0146/BrandSchmitzWaltraud, p.4*
2005_ACPGLOBCA2006	A new venture capital fund was created, and was supported by EIB, filling a gap in the local financial sector in Kenya *Source: MN 352*
2005_ACPGLOBADEMI	The 2008 Monitoring exercise states: *"ADEMI's activities have undoubtedly had a positive impact on the economic development of the country, since it has opened and widened access to credit for the smaller SMEs, whose crucial role in job creation is now widely recognised. [The Bank's][EIB's] support for ADEMI has been very important in enabling the institution to enlarge the amount as well as the duration of its loans along with dynamic growth of many of its customers. (…) The loan contributed so far to the financing of 161 projects."* *Source: Monitoring Exercise 8/2008 ADEMI V, ADEMI V A, ADEMI V C- OPS B Project Progress Report*
2005_ACPGLOBCA2004	A new venture capital fund was created, and was supported by EIB, filling a gap in the local financial sector in Madagascar *Source: Project documentation*
Fiji Denarau Hotel	<u>Benefits to the local community</u> Fiji native people are the owners and the land (10.7 ha) is leased 90 years. Landowners are benefitting from the lease. Schools and other amenities of the landowners communities are completely financed by the revenue from the lease. Lease is a % of turnover of the hotel, capped to 300 000 FJD (due by Richmond). Gross turnover is around 30 000 000 FJD. Note that there is no escalation clause to adjust the lease to inflation. The lease is only one source of income for the landowners. They have preference rights for jobs (on equal qualifications). (Indians would be more employed in the accounting). Hotel provides housing to the staff that is not local. The project has a strong potential. *Sources: MN313, MN343, MN362*
I-6.4.2	**Trend in employment in the private sector**
1999_Maragra Sugar project	The operation contributed to the creation of jobs. *"The rehabilitation of Maragra created direct employment of which permanent 1,791 and seasonal 3,369, which exceed the 3,100 people expected at the appraisal."* *Source: EIB project completion report*
Fiji Denarau Hotel	The operation contributed to the creation of jobs: 300 permanent staff + 300 at peak season (in the Sofitel, but one must also keep in mind that the number of hotels in Denarau increased

	from 2 to 8). To this direct employment must be added a variety of indirect jobs linked to the tourist activities. *Sources: MN313, MN343, MN362*
2000_MAGADI SODA	MSC is employing 410 people Number of people employed during implementation of project: 700 Number of new permanent jobs created: 40 (estimated number at appraisal, confirmed at completion) *Sources: EIB. Appraisal Report, Magadi Soda, Luxembourg 29/1/2002. (PJ/I&S/GCE/KAI/scm) EIB Magadi Soda Pure Ash Project, Project completion Report, Luxembourg 23/4/2008.*
2003_Dakar-Ziguinchor	The EIB evaluated the number of jobs created by the project: ▪ Boat's construction: 400 persons/year (temporary work) and 200 persons/year for the harbours developments. These estimations are based on the productivity of the low-income countries. ▪ Boat's exploitation: 90 employments created. *Source : Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p7*
2005_ACPGLOB ADEMI	The 2008 Monitoring exercise states: "*ADEMI's activities have undoubtedly had a positive impact on the economic development of the country, since it has opened and widened access to credit for the smaller SMEs, whose crucial role in job creation is now widely recognised. [The Bank's][EIB's] support for ADEMI has been very important in enabling the institution to enlarge the amount as well as the duration of its loans along with dynamic growth of many of its customers. (…) The loan contributed so far to the financing of 161 projects, creating 408 jobs.*" Source: *Monitoring Exercise 8/2008 ADEMI V, ADEMI V A, ADEMI V C- OPS B Project Progress Report*
2005_Pacific Islands	The PIFF II is expected to create at least 300 jobs in total: *"on the basis of the Bank's similar operations in the region, it is expected that the facility will contribute to the financing of at least 300 projects of all different sizes. Through these projects, the facility will help creating a considerable number of jobs across various sectors and different countries in the Pacific Region".* *Source: "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006 (p14)* For the facility's first contract of €5m with the NDBP, the 2009 Project Progress Report mentions that 194 jobs have been created, all in Palau. It also provides in the following text and table information on the sectors relating to this job creation, with hotels and restaurants accounting for almost two thirds (122/194 or 63%) of the jobs created: *"9 projects (small and medium sized projects each requiring an investment by the Bank comprised between EUR 70,000 and EUR 500,000) totalling USD 2.3M and 70 portfolio projects (below EUR 70,000) totalling USD 2.1M have been allocated and disbursed. Over a fourth of the GL has been allocated to construction (28.61%), another fourth (25.68%) to social housing (classified under real estate, renting and business activities), 18% to hotels and restaurants, 17% to wholesale and retail trade, 5.6% to transport, 2.2% to electricity, gas and water supply and 2.6% to other community, social and personal service activities.*"

	Sector analysis

Section	%	Allocated amount (EUR)	SubProject cost (EUR)	Jobs created
Section H : Hotels And Restaurants	18,01 %	531.625,41	26.424.110,57	122
Section G : Wholesale And Retail Trade; Repair Of Motor Vehicles, Motorcycles And Personal And Household Goods	17,30 %	510.660,04	1.021.320,07	12
Section I : Transport, Storage And Communication	5,59 %	164.993,73	1.227.031,03	7
Section K : Real Estate, Renting And Business Activities	25,68 %	758.214,49	1.808.378,66	5
Section O : Other Community, Social And Personal Service Activities	2,58 %	76.241,14	152.482,27	1
Section E : Electricity, Gas And Water Supply	2,23 %	65.732,62	131.465,25	20
Section F : Construction	28,61 %	844.753,31	2.256.927,72	27
	100 %	2.952.220,74	33.021.715,56	194

Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p2, 4)

PIFF I - Samoa	For the contract with the DBS, the January 2009 Project Progress Report mentions that 724 jobs have been created. *Source: "Project Progress Report" (of the operation's contract n° 23209 with the DBS), EIB, 07/01/2009 (p2)*
2006_EAU SENEGAL	The number of temporary jobs created during the construction is estimated at 500 man-years according to the EIB. *Source : "Conseil d'administration. Prêt à l'investissement bonifié sur ressources propres. Projet PROGRAMME EAU », EIB, 2007, p5*
I-6.4.3	**Trend in investments in the private sector.**
General	No evidence has been found in this respect

EQ7	**To what extent did IF/OR investments generate positive social and environmental impact?**
JC 7.1.	***EIB has systematically addressed social and environmental impact in its operations and ensured that mitigating measures were put in place***

General

The EIB issued a document outlining the procedures for environmental examination of projects in 2002. The environmental requirements are without clear performance levels or auditable compliance criteria ; it refers to EU policies, standards and laws. The most important EU directive in this context is the EIA directive. EIB projects outside the EU but excluding ACP countries show that generally projects are generally rated satisfactorily. With the issue of the EIB Statement of Environmental and Social Principles and Standards in 2009 reinforced environmental requirements for projects benefiting from a loan from the EIB.

In terms of social safeguard, the EIB should restrict its financing to projects that respect human rights and comply with EIB social standards, based on the principles of the Charter of Fundamental Rights of the EU. In all regions (except for Enlargement countries), the EIB's approach to social matters is based on the right-based approach mainstreaming the principles of HR law into practise through application of its Social Assessment Guidelines.

ESIAF has been used since 2007 for all direct project loans and for all financial sector operations outside Europe. ESIAF follows a three-pillar system (similar to the one of the value-added framework in MS and pre-accession countries):

- Pillar 1: contribution to overall mandate objectives and priorities (including consistency with EU policies)
- Pillar 2: quality and soundness of the project (includes the social and environmental impacts of all investment operations)
- Pillar 3 : EIB contribution to the project (includes the EIB's non-financial contribution)

Source : Mid Term Evaluation of EIB's External Mandate, DG ECFIN, March 2010.
For the Investment Facility projects approved in 2009, the outcome of ESIAF is as follows:

	Low	Medium	High
Pillar 1		5	30
Pillar 2			
- Financial sector		15	3
- Non financial sector		9	8
Pillar 3		12	23

This reflects that the EIB puts effort to meet the EIB's mandate in the regions of operations (by contributing to economic growth, development and ultimately to poverty reduction. The EIB also concentrates on projects where it can bring added value, notably by providing promoters with long maturities, grace periods and risk-capital instruments. Pillar 2 ratings also show that the EIB approved projects that meet an expanded set of economic, financial and environmental and social criteria.

Source: EIB, Investment Facioity Annual Report 2009.

The report indicates the example of the Nam Theun 2 Dam project in Laos to stress that environmental compliance is falling behind. According to the EIB, "NT2's environmental and social impacts and corresponding mitigation measures have been reviewed against the relevant policies of the EIB and the principles underlying related EU legislation. The EIA and design of mitigation measures are considered to have met EU standards". The EIB also claims that

	the "project complies with the EU's and the EIB's environmental policy, by taking climate change and promoting sustainable use of renewable natural resources". However, illegal logging and mining concessions are threatening the watershed area and the Nakai-Nam Theun National Protected Area. Poor environmental management practices, including the failure to control erosion, dust, sedimentation and excessive forest clearance along roads have been criticized. Similarly, the large NT2 reservoir will actually contribute to greenhouse gas emissions. Neither the company nor the Lao government has committed to clear biomass from the reservoir area before it is flooded, despite promises made in the EIA. Moreover, the EIB notes that "the project has gone a long way to meet WCD recommendations". However, the report stresses that the project fails to comply with 6 of the 7 strategic priorities outlined in the WCD report (gaining public acceptance, comprehensive options assessment, addressing existing dams, sustaining rivers and livelihoods, recognising entitlements and sharing benefits, and ensuring compliance." For example, WCD Strategic Priority 3, "Addressing Existing Dams", stipulates that outstanding issues with existing dams must be resolved before additional dams are built in the same river basin. But hydropower projects in Laos have left a legacy of destroyed livelihoods, decimated fisheries and environmental destruction. Some assistance was provided but villagers still have not been compensated for fish losses of up to 90% of their pre-project catch. Severe flooding and erosion along the Hinboun River continues to impact villagers. Similarly, taking WCD recommendations into account, the EIB stipulates that its loan is conditional on mitigation measures for directly affected people going beyond mere compensation but also providing a share in project benefits. The WCD requires that all adversely affected people negotiate formal and legally enforceable agreements guaranteeing their rights. This never occurred for Nam Theun 2 : there are no independent organisations in Laos that are able to monitor the project and the commitments made by the Government of Laos and Nam Theun 2 Power Company (NTPC). The legal system is not sufficiently developed to provide possible remedies for affected people. This calls into question the accountability of the parties who have not taken actions on these issues. *Source: CEE bankwatch network, "Raising the bar on big dams, Making the case for dam policy reform at the European Investment Bank", November 2007*
General	An EIB staff member noted that TA provided by the EIB has also value added in terms of environmental and social impact assessments, notably for large projects. E.g. WAGP. In the mining sector there is a possibility for analysing social issues, but it has not been realised. *Source: MN 102*
Pacific general	BEI a introduit des lignes de crédit environnementales, bonifiées (subsides d'intérêt) en Nouvelle Calédonie et Polynésie Française. La BNDP (Palau) en demande une de 2m à la BEI. Sous étude. MN313
Pacific Novotel Denrau	Views of partner authorities on social and environmental impact: **Tourism Sector:** The effort to build the Sofitel hotel has been instrumental in developing the tourism sector in Nadi and making Fiji an attractive destination for tourism. However, the ministry considers that developing the 5 stars segment of the tourism industry is necessary and welcome but not sufficient. The current policy is to support smaller touristic projects and eco-tourism, to increase the benefits for the local communities. In tourism projects there are three stakeholders: The promoters/investors The industry (operators) The local population (fishing rights, lease) The Government is an indirect benefactor: it gets taxes, foreign exchange revenues for the

	countries etc… but provides concessions in the form of tax holidays and various exemptions. After 2006 the government has considered that it was losing and is now trying to reduce the length of tax holidays and other concessions. The large tourism projects bring minimal benefits to the local populations because the operators are usually foreign. The ministry would like to develop smaller projects involving local operators. An issue with the large projects like the Denarau one is that on paper they are compliant with all the environmental regulations. In practice, tourist activities in the area have created some environmental negative consequences: water pollution, damage to corral, careless waste disposal, landscape modification. Tourism Fiji Board is attempting to identify them. The problem is that penalties are ludicrously small. **Communication sector:** Digicel project: Objectives of stimulating competition and reducing costs have been realised. Ministry would welcome help in developing the regulatory institutions for the sector. **Private sector development**: Support to the development banks and global loans are regarded as ideal. Global loan are currently not provided to Fiji Development Bank due to political situation. Authorities consider that this would be the most useful contribution to development in Fiji Source: MN362
2004-WAGP	The project was subject to rigorous Environmental and Social Impact Assessments including extensive public consultation, in line with EU standard and policies. Major potential impacts that have been identified relate to the change of land utilisation with possible resettlement[4] of population, the alteration of vegetation and gulf water habitats, the disruption of community activities, in particular fishing, the influx of construction workers, and the spread of disease and social issues (compensation and employment). Detailed environmental management plans (EMP) and resettlement action plans (RAP) have been developed to provide mitigation, compensation and monitoring requirements for the project. The result of the assessment is that no potentially high severity impacts would remain after the planned mitigation measures are applied. The EIA work is of good quality and was endorsed by the World Bank and Miga. The project will bring significant benefits in term of reduced air pollution in Ghana, Benin and Togo where natural gas transported by the project will replace liquid fuels. The project is generally supported by most of the affected communities and NGO's with the exception of some communities and NGO's (mostly in Nigeria) who are campaigning against the project on the basis of broader issues related to the environment and socio-political situation in the Niger Delta. Source: EIB, West African Gas Pipeline, Ghana, RM/CRD Opinion (Fact Sheet B Ops B/ACP-IF-1/2004-0026/EW)
I-7.1.1	**Consistency of project processing with EIB standards procedures and guidelines, as reflected in the ESIAF framework**
General	An EIB sources stated that the Bank is confronted in its activities with increasing '**stakeholder scrutiny**'*: "Under the Lomé Conventions, (…) a standard sovereign/public sector loan, typically to a national utility company, involved a relatively light appraisal, largely based on PJ's analysis of the technical, cost and economic profitability elements of the project. This was accompanied by a somewhat broad-brush financial assessment undertaken by OPs. Negotiations of the standard legal documents were usually no more than a one-to-two day, take it or leave it, affair. Today, the due diligence process with private sector counterparts is far more comprehensive encompassing increasingly sophisticated financial modelling, a detailed credit analysis involving CRD, the completion of the ESIAF to demonstrate the Bank's value-added, opinions from JU and OCCO, the provision of term sheets, long and complex legal discussions on tailor-made*

[4] At this stage it is estimated that the resettlement would concern around 150 households.

	contractual documents often involving external lawyers, NGO scrutiny etc. This process is particularly complex in the case of project finance/PPP operations".
	"ACP operations are now subject to much greater stakeholder scrutiny than in the past, be it from the shareholders, other EU institutions (Commission, Parliament and Court of Auditors) and, above all civil society and in particular NGOs".
	The EIB was asked for "introducing greater transparency into ACP operations and the resultant decision to extend the role of the IF Committee and to apply the ESIAF to all operations. Whilst the latter framework is in place consistent application and quality control have still to be assured. In short, either explicitly or implicitly, there is a view amongst the shareholders and the NGOs that the Bank should emulate its peers and be more active in, and thereby devote more resources than it has done traditionally to, the upstream and downstream parts of the project cycle. As far as ACP-IF is concerned, the impact is also felt through the burgeoning dialogue with the shareholders and especially the NGOs, either in the increasing number of conferences that the NGOs are organising about the Bank's criteria, safeguards and procedures or in the direct campaigns that they mount in the case of sensitive sectors such as dams, mining, renewable energy and climate change (e.g. Chad-Cameroon pipeline and Tenke Fungurume project in DRC). Also adding to the workload is the European Parliament's increased interest in the Bank's activities and a more critical approach by the Commission."
	Source: MN 027
	
	General points on this EQ follow here, as reported by an EIB staff member (*source: MN 007*). This includes the observation that the EIB doesn't have a scorecard on mechanical impact measurement like other DFIs but has its own approach of ex post impact measurement.
	
	▪ *« DEAS : on fait pas mal de choses diverses et variées.* ***Point de départ : aspects macroéconomiques au niveau des pays****. Ce sont nos macro économistes qui dirigent … A partir de là plusieurs choses se sont développées, en particulier avec une dimension risque.*
	▪ *Autre dimension (pas liées directement aux opérations) plus générale, de l'ordre de la politique/stratégie : ESIAF est un peu le fruit du hasard. Les idées ont commencé à venir en 2003, discussions internes quand on a commencé à introduire la dimension de* ***risque crédit*** *depuis Cotonou. Trouver l'équilibre entre la perspective risque et la perspective développement (= plus de développement qu'avant). Nous avons alors développé un premier cadre (DIAF), uniquement ACP et opérations directes. Avec le temps est devenu ESIAF et s'est élargi (opérations, dimensions, etc.). Après un certain temps on est aussi entrés en contact avec nos collègues de l'EVALUATION à la BEI – pour voir comment mesurer cela.*
	▪ *ESIAF (economic & social): concerne toute la performance de l'opération (incl. relevance, efficiency, etc.). It is inspired by two key documents : the EIB statement on social & environmental standards (last year), and the Environmental and Social Practices Handbook (latest public version is 2007 – but a draft of the revised manual is for next month).*
	▪ *ESIAF : trois piliers (déjà les indicateurs existaient depuis toujours, depuis le début en 2002, même si pas autant formalisés, pas de véritable innovation à l'exception des aspects sociaux):*
	    ▪ *Cohérence avec objectifs / mandats politiques (éligibilité)*
	    ▪ *Qualité projet*
	    ▪ *Contribution de la BEI*
	▪ ***Evaluation ex-post*** *: voir ex-post dans quelle mesure la réalité à été conforme aux attentes. Nous souhaiterions développer (encore au niveau du souhait…) que le cadre ESIAF (qui est encore de nature relativement qualitative) soit plus chiffré, avec objectifs mesurables, en tout cas au niveau projet. Il y a matière à intégrer de façon plus systématique des indicateurs quantitatifs. Il manque une certaine systématisation d'inclusion de tels indicateurs (qui sont parfois déjà utilisés).*
	    o *ESIAF n'est pas un système de* ***scoring*** *mécanique. DOTS de l'IFC c'est comme nous (appréciation sur la base du jugement). DEG et son GER est du scoring par exemple. PROPARCO l'a repris par exemple.*
	    o *Pilier 2 :* ***qualité*** *du projet. C'est la direction PJ qui a la responsabilité de remplir ces tableaux. Mais quand il s'agit de la dimension financière, ce sont nos services DEAS qui s'en chargent.*

	▪ *Dans le cadre actuel (ex ante) on ne dit rien sur les* **bénéficiaires finaux**. *Cela dit toutefois quelque chose sur (i) la qualité des intermédiaires financiers et l'environnement macro-financier, (iii) l'impact spécifique en termes de développement et (iii) les éventuelles dimensions développement spécifiques*[5]. *Mais vu que c'est ex ante, on ne peut dire grand-chose sur l'impact (emplois créés etc.) de façon ex ante. Mais ce n'est pas tant ce qu'on nous demande dans l'IF. Lorsqu'on a fait l'évaluation il y a qqs années (Lomé IV), quand on avait visité un quart des bénéficiaires, on avait dit que ce serait l'unité d'évaluation de la BEI (EV) qui serait chargée de faire ce type de rapport, car mesure ex-post. On le trouvera donc dans* **le rapport ACP sur les lignes de crédit**. *»* *Source : MN 007* **Monitoring** of development impact is hampered by lack of resources, as mentioned by EIB staff members (*see also I-9.3.2*): *"Selon « Fair evaluation » (international financial reportings standards – IFRS) il faut faire chaque année un inventaire de la valeur des actifs, y compris de la FI, notamment pour travail de provisions - on fait cela en même temps que le monitoring.* *Monitoring de l'impact en termes de développement : a été demandé clairement il y a qqs années. On a du mal à le mettre en place par manque de ressources. Bernard Ziller avait été voir des peer institutions pour voir comment ils faisaient : ils ont des ressources dédiées. Nous n'avons pas ces moyens.* *Décision du CD prise d'harmoniser maintenant toutes les activités monitoring au sein de la Banque dans le TMR (Transaction Management Restructuring), pareil pour EU et Externat Lending Mandate et ACP etc. Problème : c'est du monitoring point de vue risque. Le Département Projets serait sensé faire le monitoring point de vue physique, mais ils n'ont pas les ressources. Souvent ils font du copier coller de ce qu'on fait ici. »* *Source : MN 027*
General	According to this NGO report, EIB staff is supposed to appraise the projects proposed in relation to EIB priorities and EIB economic, technical, environmental and financial viability. However, the EIB makes too many ad-hoc decisions as it lacks a sufficiently clear way to assess project's likely impacts. The EIB says that it has introduced improvements in its project appraisal to balance financial and economic considerations with the project's expected social and development impact. The standard financial checks aim to determine : - Consistency with the objectives of the EIB's mandate under the Cotonou Agreement - Quality and soundness of projects (economic, environmental, social, financial and institutional) - EIB contribution or additionality (both financial and non-financial) The EIB spells this in an Economic and Social Impact Assessment Framework (ESIAF). The EIB claims that starting in 2008, the ESIAF has been systematically applied to benchmark all operations appraised, whether investment loans or financial sector operations. However, as a more focused implementation of ESIAF was planned for 2009, the EIB implicitly recognised that there was room for improvement. The EIB also has other documents, for example the Development Impact Assessment Framework which applies to the IF projects in ACP countries. This document requires the EIB project appraisal team to provide a development impact assessment which analyses the distribution of project effects and the project social acceptability, who benefits and who pays for the costs. According to this report, several examples show that these processes have not worked. For example, the Bujagali dam in Uganda in 2007 approved by the WB, EIB and ADB where the economic and environmental soundness were not properly assessed (in particular the effect on climate change, on the environment and on biodiversity). There is a high risk that the project will produce less power than expected and at a higher price: the dam's capacity has

5 Éléments qualitatifs dans la conception de l'intervention (ciblage, instrument, etc. éventuellement novateur sur le marché spécifique, impact spécifique, effort spécifique, etc.)

	been overestimated and the terms of the Power Purchase Agreement are disadvantageous implying that the electricity produced will only be affordable to the wealthiest segments of the Ugandan population. This project violates the principles stated in EIB policies including its Environmental Statement and the climate change provisions outlined in the Environmental and Social Practices Handbook. This report also points that the EIB sometimes approved projects before the completion of the Environmental Impact Assessment and before relevant approvals have been granted by national authorities. Example: the Gilgel Gibe II dam in Ethiopia where construction started before the environmental licence was released by the Ethiopian Environmental authority. In early February 2010, a critical water passage tunnel in the newly inaugurated project collapsed, shutting down operations for an extended period. *Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010* In its manual of social and environmental practices, the EIB has developed main lines on population displacements and resettlements. The project analysis should in particular "evaluate the will of the population to move" and the "consulting procedures put in place" as well as "the capacity of public services to manage the process". However, according to this report, these declarations are not accompanied by specific procedures or conditions. The report points to an example where these principles are not respected (Tenke-Fugurume project in DRC) *Source: Counter Balance, Réformer la Banque Européenne d'investissement, "Terrain miné, l'implication de la BEI dans le projet minier de Tenke-Fugurume en RDC », Août 2008 (page 15)* The EIB has been involved in a number of large dam projects in recent years, many of them in Africa. All could have been improved by more careful planning and better implementation standards. The report stresses that the EIB does not have clear internal safeguard policies and no comprehensive sector policy on dams. The EIB environmental policy ("Environmental Statement 2004") states that the "EIB is guided by the findings and recommendations of recognized international good practice for particular sectors". According to this report, the statement is too vague to be meaningful. Moreover, EIB's intentions are undermined in practice. According to its environmental statement, the EIB does not accept a project for financing that is likely to have a significant negative environmental impact. However, the EIB took on numerous projects with high environmental risks (mining in Africa, pulp mills in Brazil, dams project in ACP countries). The EIB's 2006 Corporate Responsibility Report indicates that the EIB's top two objectives for defining its environmental responsibility is to "promote projects that protect and improve the natural and built environments and foster social well-being in the interests of sustainable development". The large dam projects do not meet that definition: they have submerged productive farmland, forests and riverine habitat, left thousands of rural oustees more impoverished than before and sent some species to the brink of extinction. *Source: CEE bankwatch network, "Raising the bar on big dams, Making the case for dam policy reform at the European Investment Bank", November 2007*
General	Systematic environmental studies are always conducted and apply the norms. Their conclusions are always taken into consideration to appraise a project. And in all cases compliance with the environmental norms will be checked, generally before signature, and in any case before the first disbursement; the environmental studies are then available in a quasi final form. Similarly consultations are conducted according the rules. The standard of these

	studies and consultations is similar to that of IFC and other reputed institutions. It leads to the rejection of some projects: • Coal power generation was refused because the technology was not acceptable on the basis of environmental criteria. • Ardjanala dam in Benin was refused because it involved an excessive resettlement of populations. Source : MN266
2000_MAGADI_SODA	Environment Impact Study has been established. In view of the methods used, the mining and processing of trona at lake Magadi is not believed to present particular problems. Source: Note to OP3. Opinion for Appraisal Authorisation. Project Magadi Soda, country Kenya. Luxembourg 24/10/2000, PJ/I&S/2000-1186/GCE/SHW/ms
2003_BOAD PG IV	No information available.
2004_OLKARIA	Full scale environmental studies for the Olkaria II power station and related transmission line were carried out in 1993/1994. The content of the study for the power station, which did not find significant negative environmental impacts, is still mostly valid and also applicable to the present project. In 2004, an opinion report for the Extension project based on the existing EIA provided an indication of the significance (result: low) of possible impacts of the project. Also, an environmental audit has been established for the existing Olkaria II power station. The location of the project within the Hell's Gate National Park (as is the case for the power stations Olkaria I and II) requires special attention. Source EIB Fact Sheet A: proposal to appraise new operation. Luxembourg 19/11/2004. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL
2004_OLKARIA	The following steps have been undertaken for the Olkaria " Extension project: 1. A complete and detailed ElA had been set up in 1993/94 for the Olkaria " project. In essence, the study and findings are also valid for the Olkaria " Extension project as it concerns the same location and issues. This ElA had been complemented in 1998 on EIB's insistence for the transmission line outside the Hell's Gate National Park and the new Nairobi North Substation. 2. An independent consultant prepared in April 2004 a short opinion report for the promoter, screening the project for potential major issues. This report represents the project brief. 3. The same consultant issued in May 2004 the required audit report (in draft form). 4. The same consultant established in June 2004 a full ElA on the Olkaria " Extension project in draft form. Currently, the last landowners' consultation is underway. It is foreseen to submit the ElA in form of a final draft to NEMA in early 2005. Approval is expected during the second quarter 2005. 5. KenGen has no objection against EIB posting the ElA on its website . Source: EIB. Appraisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe., Appendix E
2004-WAGP	The project has been the object of in depth environmental and social assessments complied line with each country's legislation, submitted to public review. Results have been published of Environment Impact Assessments have been published on the web site of the promoter and the World Bank. Source EIB, West African Gas Pipeline, Ghana, RM/CRD Opinion (Fact Sheet B Ops B/ACP-IF-1/2004-0026/EW)
2004_LUMWANA	Environment Impact Assessment has been prepared by an independent consultant as part of the feasibility study. No major environmental problems have been detected. No resettlement of local population will be necessary. Source: EIB Note to Ops B/ACP-IF-3 Opinion for Appraisal, Luxembourg 27/5/2005. PJ/I&S/2005-598/GCE/MJ/aa Project information required by the Bank in the promoter's regular progress reports includes: - Update on staffing and training; - Update on environmental, safety and health situation at site and description of major

	issues; Information required in the completion report includes: - Number of new jobs created - Staff training activities - Description of the development and actual status of environmental issues, safety and health situation at site and description of any major issues health situation at site and description of any major issues health situation at site and description of any major issues. Source EIB Lumwana Copper Project, Appraisal report, Luxembourg 30/6/2006, PJ/I&S/2006-675/GCE/VMJ/aa. This document includes Evaluation summary sheet. They evidence the fact that the environmental situation is assessed and monitored, and they verify that consultation, public information has been done.
2001_MOMA_ TITANIUM	Full scale EIA carried out ad submitted for approval to the relevant authorities. No insurmountable problems expected. Sources EIB Note to OP3. Opinion for Appraisal Authorisation, Luxembourg, 15th May 2001, PJ/I&S/2001-0556/GCE/IK/sp EIB Appraisal Report, Moma Titanium, Luxembourg 27th February 2003, PJ/I&S/2003-259/GCE/MUG/ms EIB Fact Sheet A: proposal to appraise new operation, Luxembourg 28th February 2002, Ops B/ACP-3/A° 2001-0242
2001_MOMA_ TITANIUM	Under Mozambican environmental and mining law, the project requires an environmental licence, for which the approval process is well advanced and on track. Some negative project impacts, such as the jetty location, have already been mitigated in the project definition as a result! of an early independent environmental assessment. The highest remaining environ mental risk is a potential ship wreckage offshore in the transhipment area, which has been relocated in order to protect a coral island (now some 5 km away). However, the likelihood of such an incident is low and can be further reduced by imposing and respecting strict operational procedures. The other issues such as e.g. resettlement of a village (some 1000 people in total), mine closure and preservation of a sensitive coastal forest will be handled and mitigated accordingly, including an adequate resettlement and compensation plan following World Bank guidelines (as part of the Environment Management Programme) and a well-adapted mining plan. A conceptual mine closure plan will be set up during early construction. Il appears that the relevant issues have been properly addressed by the promoter and mitigation measures have been introduced or foreseen to the extent possible. The project thus complies with the Bank's environ mental principle of minimisation of negative environmental impacts, and is deemed environmentally acceptable. Source: EIB. Board of Directors. Moma Titanium Mozambique, 29 April 2003. Doc. 03/181.
2006_EAU SENEGAL	The CSPs for Senegal explain that for each project, an evaluation should be undertaken according to the EIB's guidelines and should determine the financing rules. *« Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007, p35* The DIAF report is annexed to the EIB Board of Directors document. The project is briefly analyzed through several attention points as the consistency with EC national priorities, attention paid to gender related aspects or use of technical assistance, for example. *"Conseil d'administration. Prêt à l'investissement bonifié sur ressources propres. Projet PROGRAMME EAU », EIB, 2007, p15*

I-7.1.2	**Degrees of environmental sustainability sought by the EIB (from introduction of environmental requirements for all beneficiaries to specific environmental projects)**
2000_MAGADI SODA	Acceptance of the project's EIA/Environmental Audit and Improvement Plan by NEMA (National Environment Management Agency), the Government's competent environmental authority and acceptance by MSC of the respective conditions potentially set by NEMA has been a condition imposed by EIB. Source: EIB. Appraisal Report, Magadi Soda, Luxembourg 29/1/2002. (PJ/I&S/GCE/KAI/scm)
2003_BOAD PG IV	Information not available .
2003_Dakar-Ziguinchor	The favourable environmental impact of the project is described by the EIB. In that respect, the emissions of CO2 are lower compared to the transport road. The difference should be more important because the shipping distance is less than the road distance between Dakar and Ziguinchor. The sea link should also reduce the traffic jams on the road Dakar-Rufisque-MBour (83 km). According to the EIB, environmental impact analysis is not required due to the fact that the harbours developments are limited. However specific environmental impacts have been assessed. For example, the boat's speed should be limited in order to avoid the shores erosion. No evidence has been found regarding the effective application of this recommendation. Finally, the boat should meet the IMO's convention in terms of shipping pollution, especially the MARPOL (i.e. the main international convention covering prevention of pollution of the marine environment by ships from operational or accidental causes). Source: Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p2 An environmental paper as well as an environmental summary are enclosed to the « Rapport d'instruction » edited by the EIB. Beside the element mentioned above, the paper specified that the antipollution system on the boat should be checked each year by an international firm. Source: « Rapport d'instruction », EIB, 2004, annex D
2004-OLKARIA	The project aims at the development of renewable energy resources in line with EIB environmental policy and will help meet growing electricity demand at a competitive cost and with a limited impact on environment. The behaviour of the geothermal reservoir is sufficiently known Source: EIB. Apparaisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe. Specific conditions of disbursements have been imposed by the EIB to avoid or limit environmental damage caused by the project: • First Disbursement conditions The promoter shall provide the preliminary results of the reservoir optimisation study to confirm the sustainability of the geothermal resource for the project. NEMA approval and KenGen acceptance of conditions set therein. • Last Disbursement conditions Last disbursement (no less than 20%) shall be conditional on the promoter demonstrating to the satisfaction of the Bank that the bulk supply tariff is established at a level sufficient to fully and continuously coyer the generating costs of its plant portfolio. • Undertakings Implementation of the recommendations cited in the Environmental Impact Assessment.

	Source: EIB. Apparaisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe.
2006_EAU SENEGAL	The EIB seems to see the environmental aspects as an important matter of attention. In that respect the EIB makes sure that the EC Directive 97/11/CE on the assessment of the effects of certain public and private projects on the environment is correctly applied by the promoter. The impact on the protected natural area should be also assessed. And the exploitation of underground water by drilling should be attentively followed up to avoid over-exploitation. The national legislation, the procedures applied by the promoter as well as the location of the new infrastructures should be analyzed in that respect. *"Fact sheet A: Appraisal Authorisation", EIB, 2007, p2* *"Note à Ops B/ACPIF-1. Avis pour instruction », BEI, 2007, p4*
JC 7.2	***Enterprises supported by IF/OR have applied sound social, employment, and environmental policies***
General	According to this NGO report, the EIB has so far failed to improve the environmental, social and human rights due diligence of the financial institutions it supported through lending, or introduce adequate monitoring procedures to verify that operations backed by financial intermediaries contribute in real terms to poverty reduction and sustainable development in developing countries. *Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010 (page 25)* The company in charge of implementing the mining Tenke-Fugurume project in RDC has not respected fundamental labour and human rights. For instance, to allow the building of the factory, the population of Mulumbu had to be displaced and the building of places of resettlement had been foreseen. Populations have actually been displaced without giving their consent and before these new shelters were ready. Moreover, the displacement has been made without taking due care of the relations among communities, hereby creating a risk of conflict among them. Several jobs have been created but the fundamental labour norms have not been respected: the employees could not unionize, received very low salaries and had to work extra-hours. Additionally, there has been very few jobs created, these were illegal and source of conflicts. *Source: Counter Balance, Réformer la Banque Européenne d'investissement, "Terrain miné, l'implication de la BEI dans le projet minier de Tenke-Fugurume en RDC », Août 2008*
2000_MAGADI SODA	Despite the fact that the HIV infection ratio in the Magadi region is currently below the national average the company in cooperation with its medical staff have taken a number of concrete steps to minimize the spread of HIV infection during the construction period of the new plant. The project thus fully complies with the Bank's environmental principles of sustainability and minimisation of negative environmental impacts. Source D12
2000_MAGADI SODA	People working in the plant : 450 (thus confirms addition of 40 to the initial 410) Magadi town: about 5000 people. The company provides jobs to the local community in salt work (non qualified work). The town is run by the company. Local market, three schools, water supply, 300 houses owned by the company, town maintenance run by the company). Company has contributed to 70% of the local hospital. NB: much of this existed before: the company is in its hundredth year. Tata took over and continued the tradition. The company is well known for its CSR (company safety rules?) are highly recorded and the company has won many awards (NB: I am not entirely sure of this, CSR is my interpretation)

	Region is vulnerable to floods in case of rains. The road is maintained by the company on over 100 km. NB: See the website: http://www.magadisoda.co.ke/ (in particular community) Source: MN352
2004_Lumwana	The project plays a significant role in the expansion of a previously isolated region, some 220 km west of the traditional Copper Belt. Hence, it is a step in the development of a new copper province in Northwest Zambia to even economic disparities between the regions. The project has created some 1150 direct jobs and in the medium term is expected to create at least three times as many indirect jobs. It values an indigenous natural resource, adds to Zambia's export revenues and generates direct Income for the country through mining royalties and corporate taxes. Through the training of local employees, the project contributes to the local skill base. LMC is constructing a new town (Lumwana town) to accommodate employees and their families, Including the opportunity for local nationals to purchase their homes through a home ownership mortgage program. The town community will also benefit from educational, recreational and cultural facilities, together with modem medical centres. This is the first new town to be built ln the country since its independence in 1964 Sources: EIB Fact Sheet A: proposal to appraise new operation. Luxembourg 08/07/2005. OPS B/ACPIF-3SouthAfrica,0.Ind/2004-0146/BrandSchmitzWaltraud EIB Lumwana Copper Project. Finance Contracts n°23717,13718 and 23719 signed on November 2006, Luxembourg, 23 Décember 2008. It is estimated that during the construction phase of the project, employment will be generated for between 1500 and 2500 people, 80% of which will be Zambian nationals. The project is expected to create some 1150 direct jobs, with only a small number being expatriates, and at least three times as many indirect jobs. This is an important impulse for the region, of which the overall population in the vicinity of project is estimated at 10,000 people with, in addition, another 14,000 residents in the Meheba refugee settlement, within 15 km of the project (refugees mainly from Angola, Congo, and Rwanda origin). Through the trainingof local employees, the project will further contribute to the development of the local skill Source: EIB Lumwana Copper Project, Appraisal report, Luxembourg 30/6/2006, PJ/I&S/2006-675/GCE/VMJ/aa
I-7.2.1	**EIB appraisal of implementation of sound social policies by IF/OR-supported enterprises**
General	EIB staff members noted that the EIB is calculating an ERR where possible, but that this does not integrate integrate the social & environmental dimensions (too demanding in terms of data): *"Economic rate of return calculated where possible. Incl. value for carbon. More recently also trying valuating other things ex ante. But we don't calculate an economic rate of return integrating also social & environmental dimension (too demanding in terms of data). We will systematically look at the expected impact on the* ***natural environment.*** *When negative, we are bound to identify ex ante mitigation and compensation measures. In the most extreme cases it will be part of a management plan. These mitigation and compensation measures will be factored in the project at they might have some costs. The project will then receive on environmental rating, a summary measurement. We are in the process of revising the handbook. Idea: that the rating evolves in the project cycle (e.g. with another rating after appraisal). We use a letter-based system (A, B, C etc.).* ***Social*** *considerations: five dimensions (co-labor standards, indigenous rights, etc.). Expectation is that project is judged against the compliance with those guidelines. Those ratings then come into the ESIAF. We might ask particular indicators for the monitoring depending on the specific cases."* *"Looking at the future: methodology for calculating carbon footprint: when we have got that data and be confident with the methodology, we will publish it. Likewise, we are piloting an environmental & social datasheet. This will facilitate our public disclosure policy."* *"Quite naturally the evaluators think in terms of "impact", but there is a difference with "****safeguarding****" good practices (not using child labor etc.). We won't have an impact in terms of child labor… Everything we do is hence not with a quantifiable impact in terms of safeguards. Very important point. We will get projects*

	with a negative footprint – we have to be prepared to accept that, balanced with other benefits of the project. But child labor etc is just not possible. Difficult question: what are the Bank's minimum requirements, its bottom line? E.g. co-labor. In some sectors we have a black line (e.g. for child labor) and not a dotted line." *Source: MN 007* A NGO interviewee noted that the EIB was responsive in the field of conflict prevention and peacebuilding: *"EIB quite responsive to advocacy in the field of conflict prevention and Peacebuilding. There is now a document in place that requires the Bank to be conflict sensitive when it considers it should. Published in February 2009. It would be interesting to see to what extent it would have been useful to have a conflict sensitive approach over the evaluation period. EIB is bound by European Consensus (cf. Göteborg etc.) to be sensitive on conflict sensitivity. All EIB activities ought to be part of this framework. It also makes sense for the EIB: violent conflict is not good for projects and for the Bank → moral imperative and personal interest. Maybe there needs to be a steer to ensure that the EIB turns its commitments on conflict prevention into action. Risk is that conflict prevention dimension falls outside the prioritisation (e.g. versus financial return of a project)."* *Source: MN 022* With regard to operations in the **mining** sector, a Commission staff member notes the following: *"A la DEV, il n'y a plus de politique sectorielle. Il n'y a plus de politique concernant le secteur minier. Avant il y avait par exemple l'instrument SISMIN.* *Il y des instruments liés à la gouvernance, la transparence, etc. mais pas liés directement aux secteurs miniers. En tant que CE on peut assurer le bon climat des affaires, la gouvernance, la transparence, mais pas directement les entreprises minières. C'est pour cela qu'il y a des interventions (prêts) de la BEI dans ce secteur. Mais très critiquées, pas mal de conflits entre multinationales vs. communautés locales, etc. Extraction minière souvent à la base de conflits armés également. Les investissements de la BEI essaient de ne plus être directement dans l'extraction, mais d'investir moins et dans des projets moins sensibles. Plutôt en transformation de matière première par exemple. Ex. projets de cimenterie ».* *Source : MN 023*
General	The EIB has conducted an Evaluation of activities under the <u>European Financing Partners (EFP) Agreement. The evaluation added to the usual DAC criteria a specific criterion on environmental and social impact of the operations. In includes the outcome of ex-ante appraisal projections, impact during implementation and impact ex-post. Out of 5 projects evaluated 1 was rated good, 4 satisfactory.</u> <u>Source: EIB, Synthesis Report, Evaluation of activities under the European Finaning Partners (EFP) Agreement, Janary 2009.</u>
2000_MAGADI SODA	MSC has commissioned an ElA of the project by an independent consultant established in 2000 with the participation of local stakeholders, This ElA has been submitted for approval to the relevant authority NEMA (National Environmental Management Agency) in October 2001, Additional requirements by NEMA are an independent environmental audit of MSC, an environ mental improvement plan and consent of ail stakeholders, Final acceptance is expected towards the end of the 1 quarter 2002, If located within the EU, the project would fall under point 6 (a) of the annex Il of the respective EU Directive 97/11. Parts of the Lake Magadi which serve as an important refuge for water birds (where a certain fresh water influx exists) have been, are and will be quite distinct, far and untouched from and not adversely affected by the MSC operation. The project has no major negative environmental impact. The project will be set up within the borders of the existing operation. Tailings particularly containing elevated levels of NaF are pumped back into mined out areas of the lake and stored there, S02 emissions from power generators are minimised by scrubbing the off-gas with naturally occurring soda liquor. Dust generated in the plant will be further reduced by the new processes and installations, Cogeneration of electric power contributes to limiting CO2 emission levels to a feasible extent. Sources

	EIB. Appraisal Report, Magadi Soda, Luxembourg 29/1/2002. (PJ/I&S/GCE/KAI/scm) EIB. Board of Directors. Magadi Soda Pure Ash Project (Kenya). 9/10/2003 The company has an active social and employment policy 450 people are working on the site (this figure confirms addition of 40 to the initial employment 410, as indicated in the preparatory document) The company is actively involved in the local community. Magadi town: about 5000 people. The company provides jobs to the local community in salt work (non qualified work).The town is run by the company. Local market, three schools, water supply, 300 houses owned by the company, town maintenance run by the company).Company has contributed to 70% of the local hospital. NB: much of this existed before: the company is in its hundredth year. Tata took over and continues the tradition. The company is well known for its safety rules which are highly recorded and won several awards. Region is vulnerable to floods in case of rains. The road is maintained by the company on over 100 km. NB: See the website: http://www.magadisoda.co.ke/ (in particular → community) MN352
2003_BOAD PG IV	There is no evidence of such appraisal of social policies
2003_Dakar-Ziguinchor	There is no evidence of such appraisal of social policies
2004_OLKARIA	The project implementation is assumed to generate direct temporary construction employment on site in the order of 500 staff-years. As the operator intends to use the current crew of Olkaria II to operate and maintain also the 3d unit, the total direct additional permanent employment generated by the operation of the project is negligible. Source: EIB. Apparaisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe.
2004_OLKARIA	At the outset of the project a baseline study was done to assess the CO2 emissions (from geothermal origin) and ground level concentration. Study conducted afterwards showed that there was no change. Only environmental nuisance is due to the site itself, for that reason adaptations were done to allow the animals to cross the site. Before being in the ground re-injected water PH is controlled. Source: MN 361
2004_LUMWANA	Disease issues like malaria and AIDS have been addressed in the EIS and the IPDP. The sa me is valid for housing, community development plans, security measures, influx management of people into the area, and employment. The project does not require any resettlement. The few -subsistence- farmers have been offered crop compensation schemes, in full consultation with ail people affected and the Zambian Ministry of Agriculture. The relationship between the promoter and the local communities (tribes, local, regional and national governmental agencies, and other stakeholders) is excellent. The Community Development Plan will further provide particular opportunities for vulnerable groups, including women, to develop sustainable livelihoods. NGOs will be involved in the implementation of the respective plans. Detailing of these plans is underway. Source: EIB. Board of Directors, Lumwana Copper Project. Luxembourg 26 septembre 2006, Document 06/354.
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2005_Pacific Islands	For the contract with NDBP, the report to the Board mentions (only) the following in terms of social impact: *"The proposed facility would contribute to the support of development finance institutions that are playing an important economic and social role in their respective countries."* *Source: "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006*

	(p14)
2006_EAU SENEGAL	No evidence was found in that respect.
I-7.2.2	**EIB appraisal of implementation of sound employment policies by IF/OR-supported enterprises**
General	EIB staff members noted that the EIB does not integrate the environmental dimension in the ERR, but that it is bound to identify ex ante mitigation and compensation measures if the expected impact appears ex ante to be negative in terms of respect of natural resources (*see details above under I-7.2.1*)
2000_MAGADI SODA	This aspect does not seem to have been the object of much follow up. Financial and technical issues, as well as environmental ones, have been followed more closely. Regarding employment policies only the document 'EIB Magadi Soda Pure Ash Project, Project completion Report, Luxembourg 23/4/2008'. simply indicates that the number of new permanent jobs created corresponded to the number that had been anticipated (40 people) and adds that this employment increase has been compensated by a general reduction in personnel. On the occasion of the site visit current management confirmed the net addition of 40 staff to the situation at the outset of the project. (MN 352)
2003_BOAD PG IV	There is no evidence of such appraisal of employment policies
2003_Dakar-Ziguinchor	No reference is made to effective employment policies. However, the EIB evaluated the number of jobs created by the project: • Boat's construction: 400 persons/year (temporary work) and 200 persons/year for the havens developments. These estimations are based on the productivity of the low-income countries. • Boat's exploitation: 90 employments created. Source : Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p7
2004-OLKARIA	*"There have been some social and environmental issues as detailed in the attached Annex II (Environmental, social and safety monitoring report). The report also details how these shall be addressed by Kengen, the contractor and other parties*". Source: Olkaria II Extension. Note do the File. Monitoring Exercise 2009, Nairobi 01/12/2009. OpsB/ACP-IF-2/2009/NN. However the annexes attached to the document do not include Annex II.
2004_LUMWANA	The company is providing monthly reports stating evolution of human resources, security, sustainability , town and development management. Thers reports are detailed and evidence an involvement of the company in community affairs, security and health safety and environment. Opinion of EIB staff is that the reports are credible. Sources: D20: Lumwana Mining Company, Monthly Project Report, Executive Summary, December 2009. D21: Lumwana Mining Company, Monthly Project Report, January 2010) MN307s
2005_ACPGLOB CA2006	No information found
2005_ACPGLOB ADEMI	No information found
2005_ACPGLOB CA2004 Madagas	No information found

car	
TA2008 DOM REP	Banco ADOPEM shows a good social return due to the fact that it targets the poor segment of the population. Indeed, Banco Adopem offers small credits with average loans amounted to \$300 - \$350 in 2008 and 2009 in peri-urban and marginal areas. Moreover, Banco Adopem offers a wide range of financial and non-financial products (credits to MSMEs, credits for consumption, credit for agriculture, savings, etc.) and the costs of the loans in Banco Adopem are inferior to the ones offered by other banks monitored by MicroRate. Banco ADOPEM also demonstrates a good institutional responsibility, mainly towards employees and clients. Moreover, initiatives have been undertaken towards the communities (e.g support for insertion in the labour market) and the environment (e.g no specific policies but practices aim at saving energy) and have shown good results. Monitoring exercises internal to the Bank exist and ensure a follow-up of the results. Social impacts analyses are realized each semester and each year. *Source: MicroRate, Banco Adopem, Junio 2009* Note : dès le départ, ADOPEM a eu une mission sociale (ONG à l'origine) et s'est toujours concentrée sur les micro-entreprises. La banque a un important impact social en Rep Dom et a bénéficié d'un appui de la BEI (TA, equity, loan) qui l'aide et qui est fortement apprécié mais il n'y a pas de preuve que l'appui BEI a permis à ADOPEM de se concentrer davantage/d'avoir plus d'impact en termes sociaux. Source : MN 401
2005_ACPGLOB CA2006 Kenya	No information found
2005_EMP AFRICA FUND II	No information found
2006_EAU SENEGAL	The number of employment generated by this project is equivalent to 20. However none of the documents refer to specific employment policy put in place by the beneficiary enterprise. *"Appendix Development Impact Assessment Framework", EIB, p1*
2008_EDFI	An evaluation by EV of the portfolio of projects under the first two of the three successive EDFI EUROPEAN FINANCING PARTNERS (EFP) operations shows substantial social (employment) and environmental impact. *EIB Group Operations Evaluation* *Synthesis Report : Evaluation of activities under the European Financing Partners (EFP) Agreement, January 2009*
I-7.2.3	**EIB appraisal of implementation of sound environmental policies by IF/OR-supported enterprises (e.g. with respect to reducing pollution loads, protecting biodiversity etc.)**
General	A specific section of an operation's "fact sheet A" is dedicated to environmental aspects. This has been observed in several operations, e.g. 2003_BOAD PG IV; 2003_Dakar-Ziguinchor; and 2005_Pacific Islands.
Operation /General	The EIB has not always received sufficient evidence from financial intermediaries/promoters regarding environmental compliance. The environmental monitoring performance by the EIB was limited to documentary checks, which did not constitute a comprehensive environmental monitoring exercise. For intermediated operations, the financing contracts and the practical provisions did not require environmental monitoring by the financial intermediaries after the investment screening and approval phases.

	Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010 (page 25)
2000_MAGADI SODA	Soda ash production takes place in a region where little other formal economic activities are to be found and has particular development implications for the indigenous population of that area. MSC maintains the main road which links Nairobi to Southwest Kenya, provides very low cost healthcare and educational opportunities for the Maasai community in the area, permits access to fresh water outside the plant and cooperates extensively with five foreign NGOs for regional development in Southwest Kenya. Source: EIB. Appraisal Report, Magadi Soda, Luxembourg 29/1/2002. (PJ/I&S/GCE/KAI/scm)
2003_BOAD PG IV	The operation's 2003 fact sheet A mentioned that a BOAD guidebook on environmental management had been introduced, developed with the WB and which should be acceptable for the EIB : *« Le Conseil des Ministres de l'Union Monétaire Ouest Africaine a adopté lors de sa session de juin 2003 un document de politique et procédures d'intervention de la BOAD en matière de gestion environnementale et sociale dans le financement des projets. Ce manuel a été préparé en étroite coopération avec les services de la Banque Mondiale et devrait être acceptable pour la Banque. »* Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 September 2003 (p2)
2003_Dakar-Ziguinchor	The operation's 2004 fact sheet A mentioned that sea transport pollutes less than road transport, and that the ship will be conform to international safety and pollution conventions:: *« Le principal avantage écologique du transport maritime est qu'il produit moins de dioxyde de carbone que le transport routier, et évite une congestion routière supplémentaire. Par ailleurs le navire sera conforme aux dispositions des conventions de l'OMI (Organisation Maritime Internationale) destinées à assurer la sécurité des passagers et à limiter la pollution en mer, en particulier MARPOL (International Convention for the Prevention of Pollution from Ships). »* Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 March 2004 (p1)
2004-WAGP	Volta River Authority be the final beneficiary of the loan is a repeat borrower of the Bank with a very good monitoring track record (regular submission of progress reports and good quality completion reports). A close follow-up of the project would be required to enable the Bank to respond effectively to possible NGOs' queries/criticism. Apart from the NGOs' risk, no special difficulties are foreseen as the project will be managed by an experienced operator (ChevronTexaco). Participation of the World Bank and Miga in the project guarantee scheme should facilitate the monitoring task as well as the reporting from independent environmental auditors that monitor the compliance with the Environmental Management plans. Source: D6
2004_Lumwana	No major insurmountable environmental problem has been detected. The mine and plant are designed according to international best practice and national laws. The main environ mental issues of the project relate to the separate handling and storing of uranium-bearing ore,a river diversion, development of the surface water quality, acid rock drainage and road transport of supplies and concentrate. For ail these issues, mitigation measures have been proposed in the EMP. They are satisfactory to the Bank. In addition, the final ECZ approval spells out a number of mitigating conditions, which are acceptable to the promoter and will be implemented. The EMP will be more developed in detail during construction and early production. Source: EIB. Board of Directors, Lumwana Copper Project. Luxembourg 26 septembre 2006, Document 06/354.
2005_Pacific Islands	The operation's 2005 fact sheet A refers to national legislation and the EU environmental policy: *« In line with EIB's environmental statement and procedures any sub-project would need to comply*

	with national environmental legislation, taking into account the principles and standards enshrined in EU environmental policy.» Source: "Fact Sheet A – Proposal to appraise new operations" (of the operation), EIB, 29/09/2005 (p2) The report to the Board for this operation further mentions the following obligations for the intermediaries: *"The intermediaries will provide the EIB with a summary on environmental impacts and mitigating action, they will make further investigations if the Bank so requests to ensure that projects to be financed comply with the environmental standards that satisfy the Bank's requirements. Guidelines on the Bank's environmental requirements will be provided to the banks as part of the loan negotiation process".* *Source: "Board of Directors, Global authorisation from IF resources" (for the operation), EIB, 21/11/2006 (p3)*
PIFF I (DBS)	There are conditions imposed by the EIB. The DBS is obliged to make some form of environmental assessment taking into account, the location of the projects, the type of production process, to ensure that waste is disposed safely. Credits between 70 K and 500 K have to be approved by EIB, and the compliance with the environmental measures is verified. For portfolio loan an annual report to EIB is provided. No conditions regarding the social policy of the clients. The DBS would not interfere in that aspect of the management of a client. But the government has a Department of Labour with a member on the board of the DBS; they would immediately come to the DBS in case in violation of the labour rules. Compliance with tax laws, customs regulations, are also to be respected and the DBS reminds them to its clients. Source MN 363
2005_EMP AFRICA FUND II	As in the Predecessor Fund, identification, analysis and supervision of the investments will be carried out with due regard to ecological and environmental factors and in accordance with both local law and World Bank standards. Investments in new projects will be made only where such projects have been designed so as to comply with applicable environmental regulations. The experience of the first Fund regarding environmental aspects has been positive. At the request of EIB, the Fund Managers have agreed to include a social assessment of all investments as part of their due diligence requirements. (Project Docs)
PIFF I - Samoa	The operation's 2004 fact sheet A refers on p1 to national legislation and the EU environmental policy, providing exactly the same text as for the PIFF II : *« In line with EIB's environmental statement and procedures any sub-project would need to comply with national environmental legislation, taking into account the principles and standards enshrined in EU environmental policy."*
2006_EAU SENEGAL	The EIB seems to see the environmental aspects as an important matter of attention. In that respect the EIB makes sure that the EC Directive 97/11/CE on the assessment of the effects of certain public and private projects on the environment is correctly applied by the promoter. The impact on the protected natural area should be also assessed. And the exploitation of underground water by drilling should be attentively followed up to avoid over-exploitation. The national legislation, the procedures applied by the promoter as well as the location of the new infrastructures should be analyzed in that respect. Source: *"Fact sheet A: Appraisal Authorisation", EIB, 2007, p2* *"Note à Ops B/ACPIF-1. Avis pour instruction », BEI, 2007, p4* Note that no evidence was found related to EIB appraisal of the environmental policies implantation for this specific project.
2008_EDFI	An evaluation by EV of the portfolio of projects under the first two of the three successive

	EDFI EUROPEAN FINANCING PARTNERS (EFP) operations shows substantial social (employment) and environmental impact. Five projects analysed (ex ante appraisal, performance during implementation, impact ex-post) , 4 with satisfactory social and environmental performance, one with good performance. *Source: EIB Group Operations Evaluation:Synthesis Report : Evaluation of activities under the European Financing Partners (EFP) Agreement, January 2009*
JC 7.3	***Infrastructure operations contributed to improving public services for the local population, including the poorer segments***
General	The report indicates the example of the Nam Theun 2 Dam project in Laos which does not evidence that infrastructure operations have contributed to improve public services for the local population. The EIB claims that overall NT2 project will generate a net environmental benefit for the region, improve living standards and economic development for the local population. But halfway through its construction phase, NT2 proves to be another two-speed infrastructure project where construction proceeds on schedule and social and environmental programs lag critically behind. Livelihood projects supported by village saving fund loans are getting underway and have yet to deliver results. Seventeen villages of more than 6,200 indigenous people on the Nakai Plateau are undergoing resettlement to make way for the NT2 reservoir. The resettlement program experienced delays and as a result, people are moved in temporary houses. Due to the poor quality of soil on the Plateau, NTC has had to abandon the agriculture plans for resettlers that were outlined in the 2005 NT2 Social Development Plan. *Source: CEE bankwatch network, "Raising the bar on big dams, Making the case for dam policy reform at the European Investment Bank", November 2007* In the context of the current global economic crisis, existing infrastructure projects have been affected and many sponsors are reluctant to embark on new projects. In 2009, 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 EIB's priority. *Source: MN 901*
I-7.3.1	**Evidence of consultation of the people affected by the infrastructure supported**
2003_BOAD PG IV	There is no evidence of such consultation.
2003_Dakar-Ziguinchor	There is no evidence of such consultation.
2004-WAGP	There is no such analysis in the preparatory and appraisal documents. It is simply stated the cost of electricity supply. The main project customers are the Takoradi Power stations. The project does not include measures to assess how lower production costs of the Takoradi Power stations will be passed upon their customers. Sources EIB, Fact Sheet A: proposal to appraise new operation, Luxembourg 17/2/2005, (OPS/B/ACPIF-1 WestAfr & Sahel/20040026/Walter Eve) EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006
2006_EAU SENEGAL	No evidence was found in that respect.

I-7.3.2	**Evidence of identification of target populations, i.e. intended beneficiaries of the infrastructure supported**
2003_BOAD PG IV	*See I-1.3.4*
2006_EAU SENEGAL	The facts sheets established by the EIB identify clearly the final beneficiary of the programme, i.e. Société Nationale des Eaux du Sénégal". From the EIB's point of view, the final beneficiary corresponds to the borrower. Regarding the final beneficiaries in terms of development needs, the EIB does not clearly identify them. Only the expected result in terms of new social connections to drinking water is evaluated in the appraisal authorisation. Source: *"Fact sheet B: financing proposal", EIB, 2007, p1* *"Fact sheet A: Appraisal Authorisation", EIB, 2007 p1-2* In its financial report, the EIB considers that new water connections allowed by the project will mainly concern the poorest population. However, this is highlighted in the specific context of potential risks linked to the evolution of drinking water demand. Indeed, as the beneficiaries will mainly correspond to the poorest population, the revenues growth of SONES could be less than expected. Source: "Rapport financier. Projet: Programme eau Sénégal", EIB, 2007, p13 The DIAF report evaluated the impacts on vulnerable groups, including indigenous peoples as good. The EIB has thus taken into account the potential effects on the poorest population. Source: *"Appendix Development Impact Assessment Framework", EIB, p2*
I-7.3.3	**Inclusion in operational design/conditions of indicators that allow verification that the expected benefits reached the targeted populations**
2003_BOAD PG IV	Information not available.
2003_Dakar-Ziguinchor	Information not available.
2004-WAGP	No such indicators. However, a June 2009 World Bank Mission concluded that the policies of WAPCo, particularly the participatory community development approach of that company produced positive and encouraging results. Source: PPR, WAGP, Luxembourg 19th November 2009, OpsB/ACP-IF1/2009/FFC.
2006_EAU SENEGAL	No evidence was found in that respect.
I-7.3.4	**Trends in these indicators**
2003_BOAD PG IV	Information not available.
2003_Dakar-Ziguinchor	Information not available .
2006_EAU SENEGAL	No evidence was found in that respect.

EQ 8	**To what extent is the IF financially sustainable over the long-term horizon of the Cotonou Agreement? Has a right balance been found between its developmental objective, the level of commensurate individual project risk borne by the IF, and the financial viability requirement on the basis of the portfolio as a whole?**
JC 8.1	***Compatibility of EIB's selection and processing of projects with Cotonou Agreements***
General	As a rule Bank will always consider as a first criterion for selecting a project , if it has a development potential in the sense of Cotonou, if no the analysis will not be pushed further; if yes then the Bank will consider the financial viability and the ways to improve it. Source: MN024
I-8.1.1	**Indicators related to JC 1.2**
2004-WAGP	The Bank has explicitly assessed the consistency of the project with EU policy objectives and concluded positively. Source: EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006
2004_Lumwana	The project is fully consistent with EU development policy objectives as specified in the Cotonou Agreement and with the mandate given to the Bank under the Investment Facility. It would contribute to development of the mining sector in Zambia with the direct participation of the private sector, and fils weil with Zambia's Poverty Reduction Strategy. In addition, the Government of Zambia is keen to develop the remote North-Western area and is assisting with infrastructure, i.e. road rehabilitation and electric power supply, to even out economic and social disparities be!ween the regions. The project is expected to create sorne 1 150 direct jobs, with only a small number being expatriates, and three times as many indirect jobs. Through the training of local employees, the project will further contribute to the development of the local skills base. The project will bring value to an indigenous natural resource, increase Zambia's export revenues, and generate fiscal income for the country through mining royalties and corporate taxes. Source: EIB. Board of Directors, Lumwana Copper Project. Luxembourg 26 septembre 2006, Document 06/354.
2000 Magadi Soda	Consistency with Cotonou objectives justified by: - Assists an ACP private sector development in accordance with the primary focus of its mandate under the Cotonou Agreement. - In line with Government of Kenya's objectives to improve the country's balance of payments, raise employment and reduce poverty, and indeed has Government's full support. *Source: EIB, Board of Directors, Magadi Soda Pure Ash Project (Kenya), 2003.*
2001 Moma Titanium	Consistency with the Cotonou objective justified by : - The project is promoted by the private sector and supported by the Government - It is implemented in the Nampula province, a region where the GDP/capita is estimated at some \$100, less than half the national average - It will contribute to theEU and Government strategy of poverty reduction by creating up to 600 temporary jobs for local residents during construction, and about 400 during operation,and indirectly around 1200 additional jobs. - It will increase the contribution of mining and manufacturing industries which is very limited (13% of GDP) notwithstanding a favourable geological environment. *.Source: EIB, Board of Directors, Moma Titanium, April 2003*
2004_Lumwana	The project is considered by the EIB as fully consistent with the Cotonou objectives and the EU development policy objectives for the following reasons: - It will contribute to the development of the mining sector in Zambia with the direct involvement of the private sector; - It fits well with Zambia's Poverty Reduction Strategy - The Government of Zambia wants to develop the remote North Western area and is assisting with infrastructure - Project is expected to create 1150 direct jobs, few of which expatriates, and 3 times as many

	indirect ones. - Through training of local employees the project with contribute to improve the local skills base - It will value an indigenous natural resource, increase Zambias export revenue and generate fiscal income *Source: EIB Board of Directors, Lumwana Copper project (Zambia), 2006*
2004 Olkaria	Consistency with Cotonou mandate and EU policy objectives justified by: Consistency with Kenya long-term energy policy objectives to make electricity available at a cost effective price and to support socio-economic development while protecting the environment In line with the Bank's policy of supporting renewable energy at competitive cost *Sources: EIB, Appraisal Report, Olkaria II Extension, Kenya, 2005.* *EIB : EIB, Olkaria II Extension, Value Added Pillar 1, (no date)*
2004_WAGP	Consistency with Cotonou objectives justified by its following expected outcomes: - Reduction of the cost of electricity supply in Ghana,Togo, Benin due to the replacement of oil by gas from Nigeria. - Pipeline capacity will permit future growth in power generation to respond to future demands from the industry - Environmental benefits of replacing oil with gas: improved air quality and reduction of emission of greenhouse gasses. - Promotes regional economic and political integration. *Source: EIB, Conseil d'Administration, Projet West African Gas Pipeline (Ghana), 2006*
2005_ACPGLOB CA2006 (BPI Kenya)	Consistency with Cotonou mandate : - Providing support to SME sector in ACP countries is a key requirement of Cotonou ; as the Bank cannot reach the sector directly, BPI_K is a credible way of doing so at the small end of the market. - If successful will constitute a platform that from which BPI could expand to new countries. Supporting this is in line with the IF financial and developmental objectives. *Source: EIB Management Committee, BPI Kenya SME Fund, 2006*
2005_Pacific Islands	The credit line is consistent with the Cotonou objectives in particular the objective of supporting the private sector; moreover, the credit line addresses MSMEs and as such is a key factor to generate sustainable employment growth in the Pacific region; and the project benefits from the total support of the governments. *Source: EIB Conseil d'Administration, Pacific Islands Financial Facility II, 2006.*
Digicel Fiji	Consistency with Cotonou: - Contribution to economic growth; access to competitive telecommunication is key for promoting development and fighting poverty; - Transfer of economic and technological knowledge - Improved competition and innovations; - Development of private sector services in line with objectives of Cotonou *Source: EIB, Board of Directors, Pacific Mobile Regional Network Development Project,, 2008*
Roco Ki Beach and Golf Resort, DR	Consistency with Cotonou objectives justified as follows: - Project in line with EC strategy to promote sustainable tourism in developing countries. - Project is a private sector investment which is consistent with the EIB mandate under the Cotonou Agreement - Project in line with DR development strategy geared to promote tourism investments, in particular high quality forms of accommodation through private sector investment and management. - Employment creation is expected to be of the order of 1000 direct and 500 indirect jobs. *Source: EIB, Proposal from the Management Committee to the Board of Directors.*

I-8.1.2	**Indicators related to JC 1.2**
2005_Pacific Islands	A 2006 financing proposal specifies the following: • *"Markup: 40bp"* • *"Loans to the three development banks will benefit from sovereign guarantees of the three countries concerned, while the loan to BSP will be made on a single signature basis, justified by the 'B' rating given by S&P for this institution."* • *"Fee: EUR 5000 per borrower (for smaller banks EUR 2500)"* • A "Risk Pricing" table is provided on p2 of that financing proposal, with the loan grading and risk pricing per borrower Source: "Fact Sheet B – Financing Proposal" (of the operation), EIB, 11/10/2006 (p1) In accordance with this, the RM/CRD Opinion Note on the Fact Sheet A mentions the following regarding loan grading and risk pricing: *"On the basis of the detailed information available at FSB stage, loan grading and risk pricing will be carried out individually for each bank participating in the global loan.* *Indicative risk pricing for the guarantees will be provided once the structure of the guarantees and the inherent risks are known. Individual operations will have to be priced on a case-by-case basis, after a thorough assessment of the underlying risks, in accordance with the principles outlined in the IF CRPGs."* Source: "Fact Sheet A – RM/CRD Opinion" (of the operation), EIB, 25/05/2005 (p2) The "Fact Sheet A" specifies additionally that there is "*Euro 5000 appraisal fee for each of the participating intermediary to be paid on loan signature". "Guarantee fees to be examined during appraisal".* Source: "Fact Sheet A – Proposal to appraise new operations" (of the operation), EIB, 29/09/2005 (p1) The 2009 Project Progress Report mentions that the first contract of €5m with the NDBP has a fixed interest rate (no further details), a 15-year term and a grace period of 3 years. *Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p1)*
PIFF I - Samoa	The 2009 Project Progress Report for the contract with the DBS mentions there is a fixed interest rate (no further details), a 15-year term and a grace period of 4 years. *Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p1)* The "Fact Sheet B" specified additionally on p1 that there was a due diligence fee of €5000. There would also be security/guarantee fee of € 5000 per borrower. The 'Fact Sheet A" for the operation provided (p4) the following information in terms of proposed front end fees: *"A minimum global front end fee of EUR 40 000 will be achieved through charging each of the potential development banks EUR 10 000 each, with the amounts to be paid on loan signature. Additional fees related to size of funding taken up by the individual development banks will be charged to ensure that the required 1% of loan amount is achieved overall. The delayed payment mechanism for the appraisal fee is proposed because the risk of the Borrowers not signing up to an EIB facility is considered to be low."*
J.8.2	***EIB's risk management systems and policies are aimed at long-term sustainability of the IF***
General	EIB's local currency financing entails substantial benefits, such as reducing exposure of final beneficiaries with no forex earnings to currency fluctuations. This in itself reduces the EIB credit risk under such operations. However, it is unclear why EIB does not hedge such exposures to protect the financial sustainability of the IF. It is unclear for instance why EIB-IF have not, like many EDFIs, EBRD, other IFIs, etc. joined TCX, the FMO sponsored Currency Exchange Fund. [staff interviewed were also wondering why this had not occurred, but could provide no explanation

	other than EIB-IF "passive model"- little interest in innovation due to the ACP "nuisance syndrome" amidst a bigger EIB.] TCX is a special purpose fund providing market risk management products to investors active in emerging markets. This unique fund focuses on currencies and maturities which are not covered by regular market providers. http://www.fmo.nl/smartsite.dws?id=1675 http://www.tcxfund.com/
2004_OLKARIA	In order to reduce the risks of non payment of the debt service the EIB took into consideration the more fundamental issues of the long term viability of KenGen and of the monopoly power distributor: "The project is small compared to KenGen's existing production facilities. Debt service is therefore not dependent upon project performance, but on the borrower's ability to carry on its business in a sound manner, and on KPLC, Kenya's monopoly power distributor, to pay for its purchases of bulk power. KenGen has a sound record of technical and financial performance. KPLC experienced financial difficulties from 2000 to 2003, but has recovered since with the help of the Government of Kenya; resolute performance enhancement measures have started showing success. In the framework of Kenya's Energy Sector Recovery Project (ESRP) under World Bank lead, KPLC's management capacities will further be strengthened and its infrastructure upgraded such as to expand its operations and reach higher levels of efficiency. In the framework of the ESRP, the Government has committed itself to ensuring cost covering sales prices for KenGen and KPLC; a tariff study will be carried out and KenGen's bulk supply price as well as KPLC's retail tariffs adjusted at the latest in 2006, to secure the utilities' financial viability. As KenGen will face increasing generation costs with each new power plant it takes on stream in accordance with Kenya's Least Cost Power Development Plan, the borrower will undertake to demonstrate to the Bank at all times that bulk supply prices are established allowing it to recover its costs of production fully and service its debt. Source EIB Fact Sheet B: financing proposal, Luxembourg 24/2/2005. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL Current bulk supply tariffs are not high enough to cover the cost of electricity generated from the project (financing costs included). Response to this issue: The tariff study that the Ministry of Energy is going to launch with a view to adjusting consumer prices of electricity will take into account KenGen's supply price requirements in line with the principle of long-term marginal cost recovery. Source: EIB Fact Sheet B: financing proposal, Luxembourg 24/2/2005. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL
2004_OLKARIA	Points that have been verified by the Bank to prepare its operation: -The behaviour of the geothermal reservoir is sufficiently well known. - In the framework of its Energy Sector Recovery Project, of which the Olkaria II extension is part, the Government of Kenya has demonstrated its commitment to increase competition and ensure the long-term viability of Kenya's power sector. Source EIB Fact Sheet B: financing proposal, Luxembourg 24/2/2005. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL Moreover the following conditions have been imposed to the promoter to ensure the environmental sustainability of the project: • First Disbursement conditions The promoter shall provide the preliminary results of the reservoir optimisation study to confirm thesustainability of the geothermal resource for the project. NEMA approval and KenGen acceptance of conditions set therein. • Last Disbursement conditions Last disbursement (no less than 20%) shall be conditional on the promoter demonstrating to the

<table>
<tr><td></td><td>satisfaction of the Bank that the bulk supply tariff is established at a level sufficient to fully and continuously coyer the generating costs of its plant portfolio.
• Undertakings
Implementation of the recommendations cited in the Environmental Impact Assessment.

Source: EIB. Apparaisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe.</td></tr>
<tr><td>I-8.2.1</td><td>Pricing of loans and of guarantees</td></tr>
<tr><td>General</td><td>In the case of local currency loans, DEAS assess if the exchange risk is acceptable and define the pricing of local currency loans according to the local market.
“Autre dimension plus ponctuelle et plus technique : intervenir en monnaie locale (synthétique) depuis Cotonou. C’est l’IF qui porte le risque de change, avec des restrictions sur le degré de risque (situation du pays, etc.). C’est la DEAS qui est sensée donner ce degré de risque. Ensuite le pricing : déterminer en monnaie locale un prix en accord avec les conditions du marché. Pas de méthodologie extrêmement rigide, mais en cours de formalisation pour déterminer taux raisonnable, pour éviter des distorsions et pour être quand même rentable (ex ante en tout cas). Les économistes de DEAS sont donc extrêmement impliqués dans les opérations financières. »
Source: MN 007</td></tr>
<tr><td>2000_MAGADI_ SODA</td><td>Appraisal/due diligence fee: € 40 K for the loan on own resources, 1% front-end fee upon signature for loans on IF.

Pricing/remuneration:
1) Standard rate for lending outside the EU (fixed rate or variable spread floating rate), in force at date of signature or of disbursement
2) Standard rate for lending outside the EU (fixed rate or variable spread floating rate based on EURIBOR or LIBOR), as at signature or disbursement date, increased by 400 bp until project completion and by 375 bp thereafter, plus the potential cost of hedging €/US$ forex risk incurred by the IF.
3) 11-13% p.a. fixed, plus the potential cost of hedging €/$US forex risk incurred by the IF.
Source EIB Fact Sheet B: financing proposal. Magadi Soda Pure Ash Project, Kenya, Luxembourg, 9th October 2003, Ops B/ACP-IF-2/2000-0279/MG

Loan grading and risk pricing:
<u>Senior IF loan</u>
<table><tr><td>Indicative loan grading</td><td>d2</td></tr><tr><td>General provisioning charge</td><td>20%</td></tr><tr><td>Risk pricing</td><td>3.46%</td></tr></table><u>Subordinated IF loan</u>
<table><tr><td>Indicative loan grading</td><td>e2</td></tr><tr><td>General provisioning charge</td><td>35%</td></tr><tr><td>Risk pricing</td><td>4.84%</td></tr></table>
Source: EIB Magadi Soda Pure Ash Project, RM/CRD Opinion, 22/1/2004</td></tr>
<tr><td>2003_BOAD PG IV</td><td>The March 2004 fact sheet of the operation 2003_BOAD PG IV (combining an OR global loan, IF guarantee, and IF equity investment) mentioned the following information with regard to the pricing under the guarantee facility:

“<u>Rémunération de la Facilité de Garantie :</u>
Le traitement de la rémunération de la garantie est proche de celle qui serait demandée dans le cadre de la mise en place d’un crédit, avec toutefois des minorations selon la garantie.
- Pour une garantie de prêt : la garantie de la Banque ne sera pas une garantie à première demande, elle ne</td></tr>
</table>

<table>
<tr><td></td><td>pourra être mise en jeu que dans certaines conditions. La commission de garantie devra refléter cette situation.
- Pour une garantie d'émission obligataire, les caractéristiques de la garantie seront plus proche de celle d'une garantie à première demande et la rémunération devra en tenir compte.
Ce taux sera établi en conformité avec les CRPG (Credit Risk Policy Guidelines), en coopération avec CRD, au cas par cas."
Source : « Fact Sheet B : proposition de financement » (of the operation 2003_BOAD PG IV), EIB, 11 mars 2004 (p2)</td></tr>
<tr><td>2003_BOAD PG IV</td><td>The operation's March 2004 fact sheet mentioned the following information with regard to the pricing of this operation combining an OR global loan, IF guarantee, and IF equity investment:
<table>
<tr><th>Operation</th><th>a) Prêt Global (on OR) :EUR 25 millions
b) Facilité de garantie (on IF) : EUR 25 millions
c) Participation à l'augmentation de capital (on IF) pour un montant maximum de EUR 4.6 millions</th></tr>
<tr><td>Formule de calcul du taux d'intérêt</td><td>a) Taux de référence OPSB</td></tr>
<tr><td>Recouvrement des coûts/commission d'instruction</td><td>40.000 EUR de commission d'instruction déjà réglée par la BOAD</td></tr>
<tr><td>Coût, pour l'emprunteur, d'un financement de substitution</td><td>d) Le coût moyen pondéré de la dernière émission obligataire dans la zone UEMOA, en FCFA, de la BOAD (durée 7 ans, 2 ans de différé) s'établit à 5.48%.
e) du même ordre que celui des garanties obtenues auprès des fonds de garanties locaux (1.5 to 3%), qui ont des limites de taille.
f) n.a.</td></tr>
<tr><td>Sûreté/Garanties</td><td>a) Mécanisme identique à celui mis en place à l'occasion des prêts globaux précédents : un engagement formel de la Banque Centrale des États de l'Afrique de l'Ouest de se substituer aux États actionnaires de la BOAD, en cas de besoin et en cas d'appel au capital non encore versé. Également sûretés négatives.
b) Les sûretés prises par la BOAD et satisfaisantes pour la Banque bénéficieront pari-passu aux deux institutions suite à une cession ou à une subrogation.
c) n.a.</td></tr>
<tr><td>Modalités et conditions de l'opération FI</td><td>b) Commission de mise en place : 0.50 % flat du montant de la Facilité lors de la mise en place de la première garantie. Commission d'engagement sur la partie garantie mais non-déboursée du prêt ou de l'émission obligataire sous-jacente de 0.5% l'an. Commission de garantie : comprise entre 0.50% et 3-5% selon le risque du bénéficiaire final tel qu'estimé par les services de la BEI
c) Une partie seulement de la participation à l'augmentation de capital sera versée, le solde restera bloqué dans les comptes de la Facilité.</td></tr>
<tr><td>Conditions spéciales</td><td>a) Lors des demandes d'affectations la Banque adossera la durée de chaque affectation à la durée respective des prêts subsidiaires.</td></tr>
<tr><td>Structure financière complexe nécessitant l'appui de FI lors de la négociation du contrat</td><td>Non mais s'agissant d'une première opération de garantie la participation de FI aux négociations sera demandée.</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td>Source : « Fact Sheet B : proposition de financement », EIB, 11 mars 2004 (p1)

That fact sheet further mentions the following with regard to dividends relating to the equity investment (see also I-8.3.1):
<u>« Modalités et Rémunération de la participation au capital :</u>
La BOAD n'a jamais distribué de dividende ce qui est normal pour une institution de développement. Toutefois alors que les statuts de la BOAD prévoient que le capital souscrit soit décomposé en capital appelé à hauteur de 25% et capital sujet à appel à hauteur de 75%, la Banque (comme d'autres actionnaires non régionaux) a versé l'intégralité de sa participation. La Direction Générale examine la possibilité d'appliquer les statuts à tous les actionnaires, ainsi la Banque pourrait porter son capital souscrit de FCFA 1 milliard (EUR 1.55 millions) à FCFA 4 milliards (EUR 6 millions), en augmentant simplement sa portion de capital sujet à appel conformément aux statuts. Le capital sujet à appel (en fait dans ce cas l'intégralité de l'augmentation de la participation) serait conservé par la Banque et pourrait générer un revenu pour la Facilité d'Investissement."
Source : « Fact Sheet B : proposition de financement », EIB, 11 mars 2004 (p2)

« Faible rémunération du fait de l'absence de distribution de dividende. Compte tenu du montage envisagé, le revenu du placement du capital sujet à appel permettrai d'assurer une rémunération satisfaisante. »
Source : « Fact Sheet B : proposition de financement » (of the operation 2003_BOAD PG IV), EIB, 11 mars 2004 (p3)

According to a 2004 note, the guarantee facility has an "open rate", with the interest rate not being determined at signature.
Source: "Note conjointe", EIB, 02/12/2004 (p2)

In terms of pricing, that joint note specifies the following:
« Les commissions à percevoir sont présentées dans l'article 5.
- Commission de mise en place 0.5% du montant de l'Affectation
- Commission d'engagement 0.25%
- Commission de garantie comprise entre 0.5% et 5% déterminée affectation par affectation . »
Source: "Note conjointe", EIB, 02/12/2004 (p1)</td></tr>
<tr><td>2003_Dakar-Ziguinchor</td><td>The interest rate before interest rate subsidy amounted to 5.7%, taking into account the market conditions prevailing at this time and the EIB's margin. A grant was applied (about 1.6 million EUR) in order to reduce the interest rate to 2.85%.

Source : Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime
Dakar-Ziguinchor (Sénégal) », EIB, 2004, p9

The monitoring report mentions an interest rate subsidy established at 2.28% (i.e. interest rate 4.51% + the
margin – the subsidy 3%).
Source : « Monitoring 2009 », EIB, 2009, p3</td></tr>
<tr><td>2004-WAGP</td><td>Ops B and Factsheet B provide information on the mark up and the risk pricing but under the hypothesis that the operation is an IF one. Eventually it was decided as a senior loan under the OR but we do not have the corresponding pricing.</td></tr>
<tr><td>2004_LUMWANA</td><td>Appraisal fee/due diligence fee: .5 to .75% of total loan amount, of which US$ 40 K to be paid upfront.
Indicative risk pricing:

<table><tr><th>Loan</th><th>Senior loan from IF resources</th><th>Senior loan from own resources</th><th>Subordinated loan from IF resources</th></tr></table></td></tr>
</table>

<table>
<tr>
<td></td>
<td>
<table>
<tr><th></th><th>(a)</th><th>(b)*</th><th>(c)</th></tr>
<tr><td>Indicative loan grading</td><td>d1</td><td>A-</td><td>e2</td></tr>
<tr><td>General provisioning charge</td><td>20%</td><td>0.20%</td><td>35%</td></tr>
<tr><td>Risk pricing</td><td>306 bps</td><td>N/A</td><td>713 bps</td></tr>
</table>
* Standard EU loan grading scale

Source: EIB Fact Sheet A. RM/CRD Opinion. Lumwana Copper project,12/7/2005 Ref. Ops B/ACPIF-3/2004-0146/WB
</td>
</tr>
<tr>
<td>2001_MOMA_ TITANIUM</td>
<td>
Appraisal/due diligence fee €40 K flat fee as a condition for progressing with project evaluation (in 2002), source. D2

Indicative loan grading, general provisioning and related risk pricing
<u>Senior IF Loan</u>
<table>
<tr><td>Indicative loan grading</td><td>e1</td></tr>
<tr><td>General provisioning charge</td><td>35%</td></tr>
<tr><td>Risk pricing</td><td>344 bps</td></tr>
</table>
<u>Subordinated IF Loan</u>
<table>
<tr><td>Indicative loan grading</td><td>e2</td></tr>
<tr><td>General provisioning charge</td><td>35%</td></tr>
<tr><td>Risk pricing</td><td>448 bps</td></tr>
</table>
<u>Ratings and assumptions</u>

Mozambique has been assigned a B2 rating by Fitch.
CRD assigned a B3 Moody’s equivalent rating (counterpart internal rating of 17) to KMML and KMPL on account of the low project profitability, the weakness of the promoter, the uncertainties relating to the turn-key contract and the participation of IDC, and the relatively weak security package.
The two loans bear interest at a fixed rate. Tenor is 13 years, including a 3-year grace period, for the senior loan, and 15 years, including a 5-year grace period, for the subordinated loan.
Both contracts include a financial covenant (debt service coverage ratio), in addition to the standard clauses (MAC, cross default and pari passu).
The security package includes claims on project’s assets and revenues. The standard recovery rate for senior loans (50%) has been decreased to 40% to take into account the tight market conditions faced by producers of titanium products. The recovery rate for the junior loan has been reduced by half to 20%.

Source: EIB Moma Titanium Project Mozambique, RM/CRD on operation already approved, 27th March 2003
</td>
</tr>
<tr>
<td>2001_MOMA_ TITANIM</td>
<td>The table summarises the commercial terms for the Senior and Subordinated loans and for the standby subordinated loans:</td>
</tr>
</table>

Lender/ Facility	Interest Basis	Margin	Commitment Fee	Up-front Fee[5]
Senior				
Absa[1]	CIRR	1.00%	0.25%	1.50%
AfDB	LIBOR	4.25%	0.75%	1.00%
EAIF	LIBOR	5.30%	0.50%	0.75%
EIB	EIB Fixed	3.50%	0.50%	0.00%
FMO A	LIBOR	5.30%	0.50%	1.50%
FMO B	LIBOR	5.30%	0.50%	1.20%
KfW/HERMES[1]	CIRR	3.50%	0.50%	1.31%
KfW/MIGA[2]	LIBOR	5.45%	0.50%	1.75%
Subordinated[3]				
EIB	10%	NA	1.00%	0.00%
FMO A	10%	NA	1.00%	2.00%
FMO B	LIBOR	8.00%	1.00%	2.00%
Standby Subordinated[3,4]				
EIB	10%	NA	1.00%	3.00%
FMO Standby C	10%	NA	1.00%	3.00%
FMO Standby D	LIBOR	8.00%	1.00%	3.00%

Source: EIB Project Progress Report, Moma Titanium (Serapis 200010242), Luxembourg 25 July 2007, OPS B/ACP-IF-3/2007-1460/mh, annex 2, §5

2004_OLKARIA	Interest rate formula: EIB's standard interest rate for lending outside the EU – fixed rate as at signature or at the date of each disbursement, or variable spread floating rate based on EURIBOR or LIBOR – increased by a credit spread of 207 bp, or 171 bp with financial covenants, and by the cost of hedging the possible USD exposure for the IF Due diligence fee: € 160 K, Security/guarantees: 0.5% front-end fee out of which € 40K have been paid up-front Pricing: Indicative loan grading: d2 General provisioning: 20% Risk pricing 2.07% Source EIB Fact Sheet B: financing proposal, Luxembourg 24/2/2005. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL
2006_EAU SENEGAL	In order to meet the IMF's conditions and due to the Senegal's HIPC status, the IF loan have to include an interest rate subsidy. The interest rate applied by the EIB after the interest rate subsidy should not be higher than 4%. *"Fact sheet B: financing proposal", EIB, 2007, p 3*
I-8.2.2	**Spectrum of risks/benefits between equity (and quasi-equity) and loan operations (taking subsidies into account)**
General	An EIB source mentioned the following with regard to lending to the public vs. private sector: *"Under the Lomé Conventions, the majority of loans were directed to the public sector (72 % under Lomé IV a and b, vs. 26 % under Cotonou I). A standard sovereign/public sector loan, typically to a national utility company, involved a relatively light appraisal, largely based on PJ's analysis of the technical, cost and economic profitability elements of the project. This was accompanied by a somewhat broad-brush financial assessment undertaken by OPs.* *Negotiations of the standard legal documents were usually no more than a one-to-two day, take it or leave it, affair. Today, the due diligence process with private sector counterparts is far more comprehensive encompassing increasingly sophisticated financial modelling, a detailed credit analysis involving CRD, the completion of the ESIAF to demonstrate the Bank's value-added, opinions from JU and OCCO, the provision of term sheets, long and complex legal discussions on tailor-made contractual documents often involving external lawyers, NGO scrutiny etc. This process is particularly complex in the case of project finance/PPP operations.* *Albeit to a somewhat lesser extent, the same type of due diligence is now also required for public sector projects. Furthermore, the Bank is increasingly getting more involved in the upstream project phase, ensuring that adequate*

	measures are in place to strengthen the institutional/financial framework and to develop capacity building. This is translating into the labour-intensive provision and follow-up of technical assistance and discussions with the counterparts and other donors. *Public sector financing is once again gaining new momentum and the new impetus given to regional infrastructure has accelerated this trend. Because of the sheer size of such operations, if the Bank wants to play the role that it is expected to play, e.g. in the context of the Trust Fund established under the EU-Africa Infrastructure Partnership, larger financial resources than currently available will be required. The current pipeline of projects comprises a number of mega projects such as the Ethiopia-Kenya transmission line and the Gilgel Gibe III projects the total cost of which amounts to EUR 600 m and EUR 1 billion respectively, to mention only two examples from the same region."* *Source: MN 027*
2004-WAGP	This operation had been initially envisaged as a risk capital operation under the IF in the form of a participating loan. Eventually it took the form of a sovereign loan financed by own resources and complemented by an interest subsidy financed by the IF. The project FIRR is estimated at 13% under conservative assumptions. Moreover the project benefits from a guarantee of the IBRD and the MIGA. The financial risks are therefore limited. However, the project revenues derive essentially from the payment of the transportation tariff by a single large customer VRA and the project viability thus is critically dependent on the ability of VRA to pay for the gas it has contracted. Source: EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006
I-8.2.3	**Exposure limits by sector, country, type of borrower/investee, instruments**
General	At the end of 2009, the bulk of the IF portfolio was characterised by a concentration of operations at "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 linked 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 EIB's operations and ex-post evaluations. *Source: EIB, IF Annual Report 2009, p. 66*
2003_Dakar-Ziguinchor	The borrower is the Senegalese government, especially Ministry of Infrastructure, Equipment and Transport. As it is a sovereign loan, no guarantee is requested by the Bank, but the government can not make over nor take out a mortgage on the boat. Source: Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p2
2004-WAGP	Borrower/exposure: Republic of Ghana: EIB's exposure (as of September 2006) to the Republic of Ghana amounts to €49 M. Sector exposure: EIB total IF exposure to the energy sector amounted to €196M or 19% of the signed IF portfolio(as of September 2006). No sector limit applies.
2004_LUMWANA	Equinox Copper Ventures Zambia Ltd (ECV) is a 100% subsidy of Equinox Minerals Ltd (EML). The EIB's existing exposures to EML amount to €7M (i.e. the co-financing of the feasibility study by the Bank) Sector Exposure/limit: No sector limit in place. IF exposure to the sector amounts (31st May 2005) to 27.5% of total signed IF exposure. Source: EIB Fact Sheet A. RM/CRD Opinion. Lumwana Copper project,12/7/2005 Ref. Ops B/ACPIF-3/2004-0146/WB
2001_MOMA_ TITANIUM	Borrowers/exposure: The Bank currently has a total exposure to Kenmare for the Grafites de Ancuabe project amounting to EUR 0.72 million (EUR 270,000 worth of Kenmare's shares[6] and EUR 450,000 in outstanding loan to Companhia de Desenvolvimento Mineiro, a state owned company). With the proposed loan, total exposure to Kenmare will amount to EUR 55.72 million, i.e. more than 100% of the company's own

[6] Due to market conditions (dumping from China), the Ancuabe Graphite Mine project was stopped, and EUR 3.4 million of the EUR 3.85 million outstanding loan were converted at a 94% discount into Kenmare's shares.

	funds at the end of 2001, while the prudential limit set by the IF CRPG is 50%. However, the company is planning to raise additional funds on the market, which might bring exposure within the prudential limit. The Bank currently has a total exposure to IDC amounting to EUR 141 million. With the proposed loan, total exposure to IDC will amount to EUR 196 million, i.e. around 9% of IDC's own funds at the end of 2001. Source: : EIB Moma Titanium Project Mozambique, RM/CRD on operation already approved, 27th March 2003 Sector exposure/limit: The loan will bring the IF's exposure to the African mining sector to EUR 102 million (EUR 55 million in addition to EUR 34 million for the Zambia Kansanshi Copper project and EUR 13 million for the Kenya Magadi Soda Pure Ash project). Source: EIB Moma Titanium Project Mozambique, RM/CRD on operation already approved, 27th March 2003.
2004_OLKARIA	This is 5th IF operation in the energy sector (all ACP) (following € 43 M in Kenya, $US 15 M in Grenada, €25 M in Mauritania, €15.25 M in Burkina Faso). No sector limit applies. Source: D5
I-8.2.4	**Country and risk assessment**
General	To counter the higher credit risk embedded in new operations, as well as the possible negative repercussions of the crisis on EIB's counterparties, a watchlist of potentially risky operations is regularly updated. The EIB's monitoring activity has been strengthened accordingly. *Source: EIB, IF Annual Report 2009, p. 66*
General	An EIB source mentioned the IF focus on risk considerations, which has also increased of OR operations: "*In line with the overall evolution of the Bank towards more commercial banking practices in the course of the last 15 years, project/borrower risk considerations, which were secondary under the successive Lomé Conventions, have become one of the central features of Cotonou operations as the Bank's role has changed from the management and recovery of Lomé risk capital to the management of the portfolio of the Investment Facility, a revolving fund with its own balance sheet. Under the IF, the Bank has to take risks which private sector operators would not be prepared to take, thereby playing a catalytic role, whilst at the same time being "developmental" and ensuring the long term financial sustainability of the IF on a portfolio basis. Also, risk management considerations have recently been progressively extended to own resources operations, the objective being to mitigate the risk borne by the Member States under their guarantee, and are expected to become more of an issue following the Member States' request for the Bank to bear part of the risk on its own resources lending in the ACP as from 2011. In addition, developments in corporate governance best practice in terms of compliance, ALM, audit/evaluation and corporate social responsibility etc. have also added to the due diligence process.*" *Source: MN 027*
General	DEAS country risk assessment approach uses rating agency rating and for non rated countries does its own assessment. For financial sector development, DEAS looks if the macro financial environment is favorable. In the case of local currency loans, they also assess if the exchange risk is acceptable and define the pricing of local currency loans according to the local market. *Source: MN 007* Risque pays : notation tous les deux ans – *« particulièrement relevant pour ACP car une quarantaine de pays ne sont pas notés par les agences. Intéressant pour le Risk Management.* (…) *Source: MN 007* An EIB staff member notes the following with regard to the evolution behind the ESIAF. "*Autre dimension (pas liées directement aux opérations) plus générale, de l'ordre de la politique/stratégie : ESIAF est*

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un peu le fruit du hasard. Les idées ont commencé à venir en 2003, discussions internes quand on a commencé à introduire la dimension de risque crédit depuis Cotonou. Trouver l'équilibre entre la perspective risque et la perspective développement (= plus de développement qu'avant). Nous avons alors développé un premier cadre (DIAF), uniquement ACP et opérations directes. Avec le temps est devenu ESIAF et s'est élargi (opérations, dimensions, etc.). Après un certain temps on est aussi entrés en contact avec nos collègues de l'EVALUATION à la BEI – pour voir comment mesurer cela. »
Source: MN 007

A NGO interviewee noted that the EIB was interested in following countries' conflict sensitivity: "EIB quite responsive to advocacy in the field of conflict prevention and Peacebuilding. There is now a document in place that requires the Bank to be conflict sensitive when it considers it should. Published in February 2009. It would be interesting to see to what extent it would have been useful to have a conflict sensitive approach over the evaluation period. EIB is bound by European Consensus (cf. Göteborg etc.) to be sensitive on conflict sensitivity. All EIB activities ought to be part of this framework. It also makes sense for the EIB: violent conflict is not good for projects and for the Bank → moral imperative and personal interest. Maybe there needs to be a steer to ensure that the EIB turns its commitments on conflict prevention into action. Risk is that conflict prevention dimension falls outside the prioritisation (e.g. versus financial return of a project)."
Source: MN 022

A Commission staff member mentions that the EIB focused on lower-risk countries: " La BEI a aussi typiquement choisi les pays avec un risque moindre (stabilité politique, etc.). Elle a complètement ignoré des pays avec un risque moindre. Un peu plus de la moitié des pays ACP reçoivent un financement de la BEI. Sauf si catastrophe naturelle (cf. Haïti il y a quelques mois). Un prêt non remboursé deviendra un grant à la fin (cf. restructuration de la dette – HIPC). ».
Source : MN 023

In the same line, an EIB source mentioned that the EU MS are not at all comfortable with the idea of bearing the unpredictable political risk associated with lending in the weaker ACP countries through the OR guarantee mechanism (see I-8.2.6 below). Source: MN 027
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<tr>
<td>General (Lomé IV)</td>
<td>
<u>Methodologies for financial and economic risk appraisal</u>: The Evaluation of EIB financing through individual loans under the Lomé IV Convention (covering the period 1990-2003, before the set-up of the IF under the Cotonou Agreement) recommended better explanation of the methodologies used in the financial and economic appraisal of the project. See the table below, which also provides the EIB response.

<table>
<tr><th>EIB Evaluation's recommendation 7</th><th>EIB Services' Comments</th></tr>
<tr><td>The appraisal reports should more clearly explain and justify the methodologies used in the financial and economic appraisal of the project. If a cost benefit framework is used, the project specific bench-marks used to accept/reject a project based on the internal financial and economic rates of return of the project should be clearly defined and mentioned. (Section 5.2)</td><td>The Bank's services will more clearly explain and justify the financial and economic methodologies used through the appraisal report.. The appraisal report should explicitly state the assumptions made. In line with practice followed by several other MDBs (World Bank, IADB, AsDB,..) working in the same area and often in cooperation with the EIB, the reference ERR level for projects outside the EU is 10%, with the results being interpreted according to the sector and the extent to which economic externalities have been captured. However, for a number of sectors it is not possible to quantify the economic returns and other methodologies must be used. Besides profitability, there are also other factors to be taken into account for the opinion for financing.</td></tr>
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Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB,
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<td>2006 (p5).

<u>Risk of market reform</u>: That same Lomé IV Evaluation recommended better risk management of projects in protected markets that are subject to market reforms. See the table below, which also provides the EIB response.

<table>
<tr><th>EIB Evaluation’s recommendation 8</th><th>EIB Services’ Comments</th></tr>
<tr><td>For projects in protected markets that are subject to market reforms, the likely impact of such reforms to the financial performance of the project need to be analysed in detail at appraisal, the risks to the financial sustainability of the projects be clearly indicated, and the results of the analysis be incorporated in the economic appraisal of the project. (Sections 3.1.1.3, 3.1.2, 3.3 and 6.2)</td><td>The Bank’s services agree that this should be part of the sensitivity analysis of the project and assessed when identifying the major risks and their possible mitigation. The impact of market reforms are analysed at appraisal and are incorporated in the various scenarios used through risk assessment matrices, which consider market reform issues, where the Bank takes project risk.</td></tr>
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Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p6).</td>
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<td>2000_MAGADI_ SODA</td>
<td>The main risks are:
▪ The high volatility of world market prices for soda ash and intensifying competition inducing price pressure.
▪ Railway transport reliability, although improved, remains a significant risk for the smooth operation of the project.
Source Note to OP3. Opinion for Appraisal Authorisation. Project Magadi Soda, country Kenya. Luxembourg 24/10/2000, PJ/I&S/2000-1186/GCE/SHW/ms</td>
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<td>2003_BOAD PG IV</td>
<td>The March 2004 fact sheet of this operation combining (a) an OR global loan, (b) IF guarantee, and (c) IF equity investment), mentioned the following regarding the (low) credit risk related to this operation:
« <u>Risques de crédit et mesures d’atténuation des risques :</u>
a)La BOAD est une banque dont la situation financière est saine et qui a pour objectif à moyen terme d’être notée. Elle a toujours honoré de manière ponctuelle ses engagements envers la Banque. En dernier recours la Banque disposera de la garantie des États Membres de l’U.E.
b) et c) S’agissant d’opérations sur ressources IF, aucune risque de crédit n’en découle pour la Banque. »
Source : “ Fact Sheet B : proposition de financement » (of operation 2003_BOAD PG IV), EIB, 11 mars 2004 (p3)

<u>Exchange rate risk</u> will now be taken by final beneficiaries, not anymore the direct beneficiary bank (BOAD):
« Le <u>risque de change</u> qui était jusqu’à présent supporté directement par la BOAD, sera transféré dorénavant aux bénéficiaires finaux selon des modalités qui seront déterminées préalablement à la mise en place du prêt »
Source : “ Fact Sheet B : proposition de financement » (of operation 2003_BOAD PG IV), EIB, 11 mars 2004 (p3)</td>
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<td>2003_Dakar-Ziguinchor</td>
<td>The operation’s 2004 “fact sheet A” mentions that the financial return will be limited or even negative:
«La rentabilité financière de l’ensemble du projet sera faible voir probablement négative, ce qui est souvent le cas pour les projets de transport public destinés aux populations les plus défavorisées. Cette situation est acceptable à condition que l’équilibre d’exploitation du navire soit assuré durant toute la durée de vie du projet. Toutefois, l’amortissement de l’investissement (le navire) ne pourra probablement pas être supporté intégralement par l’exploitant. Cette situation, avait été envisagée lors de la rédaction de l’accord de Cotonou, qui prévoit la possibilité d’octroyer une bonification pour les projets de restructuration dans le cadre de la privatisation ou de projets assortis d’avantages sociaux substantiels (Chap.1, Art.2 Para.7).»
Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 March 2004 (p2)</td>
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	It further observes the following with regard to the economic return (p2): *« La rentabilité économique du projet devra inclure les avantages liés à la valorisation des productions vivrières transportées vers les marchés de Dakar. Ces avantages ne sont que très partiellement pris en compte dans l'étude du consultant. »* Still in the same document (p3), the EIB Operations Deparment commented on hypotheses for the possible internal return rate and the need for an interest rate subsidy: *« L'étude de faisabilité conclut, à partir d'hypothèses raisonnables en terme de volume de trafic et de tarifs qu'avec une subvention initiale de EUR 6 millions pour l'acquisition du navire, le taux de rentabilité interne du projet s'établirait à 5.8% et la période de remboursement à 15 ans. Les résultats de cette étude devront être confrontés à la réalité, c'est à dire aux résultats des appels d'offres notamment en ce qui concerne les caractéristiques et donc les coûts d'exploitations du navire, et les risques que pourrait supporter l'opérateur du navire. La Banque devra s'assurer notamment que i) les tarifs permettent d'atteindre l'équilibre financier d'exploitation (y compris l'entretien du navire et les taxes portuaires), et ii) qu'une partie de l'amortissement du navire puisse, dans la mesure du possible, être recouvrée par l'Etat. »* *« Pour que la Banque puisse envisager de participer à ce projet, qui a un impact sur le développement de la Casamance indiscutable, bien que difficilement quantifiable, il est nécessaire et justifié qu'elle puisse affecter à son concours une bonification d'intérêt. L'avis de la Commission à ce propos a été sollicité. »* The EOB Projects Department further commented in that document (p3) that the project is difficult and confronted with strong risks: *« Le projet est difficile et risqué. Il sera probablement difficile de trouver un bon opérateur pour l'exploitation du navire étant donnée la faible rentabilité financière de la ligne ; le problème du partage des risques commerciaux entre l'Etat et l'exploitant devra faire l'objet d'une attention toute particulière. En plus des risques liés à l'incertitude du trafic et à la faible solvabilité des utilisateurs, il y a un risque technique d'exploitation (nécessité d'une rotation en 48 heures afin d'assurer un maximum de productivité) qui nécessitera une gestion très rigoureuse des opérations aux escales. Afin de réduire ce risque, la Banque insistera pour que l'exploitant soit étroitement associé à la définition de certains aménagements du navire et du matériel de manutention et conditionnement du fret. Le Ministère de l'infrastructure de l'Equipement et des Transports ne semble pas avoir l'expérience de gestion de projet d'une telle complexité. »*
2003_Dakar-Ziguinchor	The economic rate of return is evaluated at 14%, which is considered by the Bank as satisfactory. This implies that the pillar 2 of the value added analysis (i.e. economic viability of the project) carried out by the EIB is considered as fulfilled. Source : Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p3
2004-OLKARIA	The main financial risk that had been anticipated was linked to the tariffs. Bulk supply tariffs were not high enough to cover the cost of electricity generated by the project. This risk did not materialise because new Power Purchased Agreements were negotiated with KPLC. Sources: D12, D11 The risk that materialised, i.e. the change of market conditions that led to a enormous increase in the price to pay for the turnkey contract, had not been anticipated and obliged to adapt severely the financing plan. Sources: Note conjointe. Olkaria II Extension. Luxembourg 26/5/2005. Note conjointe n° FI/2004-523, Operation 2004-0255., Olkaria II Extension. Note do the File. Monitoring Exercise 2009, Nairobi 01/12/2009. OpsB/ACP-IF-2/2009/NN.
2004-OLKARIA	The project's economic life span is 20 years. The financial profitability is extremely low: IRR 4.5% assuming a flat energy tariff higher than the one prevailing at the time of the design of the project). Indicates that even with that tariff the project would not generate sufficient revenue to fully covers its costs. This is the reason why the EIB imposed as a condition that the tariff be revised before the project is commissioned. The ERR is much higher and estimated at 16%. When assessed taking into account the environmental damage costs of using alternative fuel based plants, the ERR can be as high as 19 to 25%.

	Source: EIB. Apparaisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe.
2004-WAGP	Main risks are enumerated in EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006; • Project relies initially and primarily on a single customer, the Takoradi Power stations, and VRA, the main gas purchaser has been operating at losses over the last years. The risk of payment default, which has been partially mitigated through external guarantees, cannot be excluded. • Gas supply interruptions due to social instability in Nigeria. • Some NGO's (most notably FoE) are campaigning against the project for not sufficiently addressing the environmental and social issues in the Niger delta and in particular the flaring of associated gas. The contribution of the WAGP to reducing gas flaring in Nigeria will in any case be modest when compared with other major export schemes that are being developed as part of the Nigeria programme for ending flaring by 2008. However the Bank could not obtain during appraisal clear commitments from the oil companies that volumes of associated gas transported by the WAGP will be maximised at all times).
2001_MOMA_ TITANIUM	Key credit risks: ▪ limited capacity of the principal sponsor Kenmare; ▪ the nature of the market for the products; ▪ uncertainty regarding project cost until the turnkey EPCM contract has been negotiated and concluded (which will fix the price of construction); ▪ only modest financial profitability Source EIB Fact Sheet B: financing proposal, Moma Titanium Mozambique, Luxembourg, 27th February 2003. Ops B/ACT-IF-3/2001-0242
2004_LUMWANA	DEAS Country risk in July 2009 is B3 with outlook negative. Zambia's B3 rating is supported by improved fiscal accounts, resulting from a substantial reduction in external debt obligations. However, the magnitude of development challenges and the country's limited institutional capacity to tackle those problems remain a drag on its creditworthiness. Moreover, in light of the progressively more difficult external environment, DEAS has revised its outlook on Zambia's country rating to negative, down from stable in July. Source: D19: EIB Lumwana Copper Project. Finance Contracts n°23717,13718 and 23719 signed on November 2006, Luxembourg, 23 Décember 2008. Risks and mitigants: The principal risks associated with this project are: (i) construction/cost over-run risk (ii) market risk; (iii) environmental risk; (iv) counterpart risk and (v) country risk. Mitigants of these risks are (i) a fixed-price EPC (Engineering, Procurement, Construction) contract is being negotiated with a reputable and experienced contractor; (ii) prudent priee assumptions made in the financial projections (USD 1.30/lb in the mid-case and USD 1.00/lb in the low case scenario), as compared to a current price of USD 3.40/lb; (iii) ElA established and approved; (iv) strong security package and financial covenants, and (v) the project is wholly export-oriented and not exposed to domestic demand: Zambia has a long history of mining, and since the las! ten years has had a pro-business approach to foreign investment. Source: EIB. Board of Directors, Lumwana Copper Project. Luxembourg 26 septembre 2006, Document 06/354
2005_Pacific islands	The 2006 financial proposal mentions the following regarding credit risk: *"The financial intermediaries will assume the commercial risk of the sub-loans to be refinanced under this facility, the credit risk of the proposed operation consists mainly of the quality of the selected financial intermediaries."* Source: "Fact Sheet B – Financing Proposal" (of the operation), EIB, 11/10/2006 (p2)

	The RM/CRD Opinion Note on the Fact Sheet A mentions further the following regarding "Guarantee/Security": *"(a) The availability of government guarantees for the global loan will be investigated during appraisal.* *(b) For the guarantee product, it is anticipated that project security will be shared with the commercial banks providing the loans/ credit lines."* Source: "Fact Sheet A – RM/CRD Opinion" (of the operation), EIB, 25/05/2005 (p1) Regarding the facility's first contract, the local bank supported, NDBP, is a 100% public bank, with an EIB "Internal rating" of "B1" (not clear what it refers to). The score provided by the EIB to the NDBP in terms of "Borrower quality" is "Good – 2". This is the first and only operation of the Borrower with the Bank. The 2009 PPR further mentions that *"At the time of appraisal, the Republic of Palau had been assigned an informal Ba3 Moody's equivalent rating by DEAS. In December 2008, DEAS assigned to the Republic of Palau an internal rating of Baa2 (investment grade) and it has not changed since then."* The "Borrower Financial Situation" further receives that score " Good – 2" *Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p5)* The 2009 PPR further summarises information on risk rating of this contract with NDBP as such: ***d. Risk identified at Appraisal*** <u>CRD recommendations at Fact Sheet B stage</u> The loan agreements should include pari passu with other senior indebtedness, negative pledge undertaking, cross default and material adverse change clauses and compliance with the prudential standards set by the Central Banks. In line with other global loans signed under the IF, financial covenants should be introduced in the finance contract, including capital adequacy ratios, asset quality ratios and provisioning ratios. The level of these ratios was to be set above the requirements by the Central Bank and in agreement with CRD during the course of the negotiations. Appropriate information covenants, including audited statements of compliance with financial covenants, were to be inserted in the finance contract. Ratings and assumptions for the loan to NDBP • Palau is rated Ba3 by DEAS; • The IF benefits from a first demand guarantee from the Government of Palau; • Guarantee agreement includes cross default and pari passu on the Government of Palau; • NDBP is assigned a counterpart internal rating of B1; • The correlation between NDBP and the Government of Palau is set to single risk; • The loan is disbursed in EUR; • Tenor is 15 years, including a grace period of 3 years. **Extracts from FSB** <u>Credit risks and mitigants</u> The financial intermediaries will assume the commercial risk of the sub-loans to be refinanced under this facility, the credit risk of the proposed operation consists mainly of the quality of the selected financial intermediaries. <u>Project issues</u> Positive • Quality of the selected intermediaries with a good local reputation, a sound financial base and

good operational results relative to their peer institutions in the Pacific region. Banks have been selected carefully on the basis of their overall performance and standing in the industry as well as their experience in and capacity for the financing of SMEs and micro-sized projects.

- Selected banks meet respective national prudential guidelines applied.
- Evidence of a structural lack of medium and long-term resources justifying an intervention by the Bank.

Negative
- Although measures taken in recent years have helped to improve the system of regulation and supervision, the Pacific regulatory framework still has room for further improvement in terms of strengthened prudential guidelines from Central Banks.
- The slow pace of economic reforms and a weak basic infrastructure are still major impediments to private sector development.

Intended solution
- The proposal will be backed by appropriate financial covenants in order to ensure a minimum of quality standards throughout the duration of the loans.

e. Comment on above risk/Identification of new risks

Both information and financial covenants have been inserted in the finance contract and complied with by NDBP.

A year ago, Palau was rated Baa2 by DEAS, better than previous informal rating of Ba3 at appraisal stage.

The two disbursements occurred in USD instead of EUR (according to the Finance Contract, the Borrower can choose between EUR and USD).

Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p9-10)

The 2009 PPR further summarises the EIB B1 grading for this loan to the NDBP as follows:

CRD Loan Grading
12864-01 NATIONAL DEVELOPMENT BANK OF PALAU
Comments
At appraisal stage (October 2006), CRD gave to this global loan an indicative loan grading of b1. At the time, the Republic of Palau had been assigned an informal Ba3 rating by DEAS. Given that the loan is guaranteed by the Republic of Palau and that since December 2008 DEAS has assigned a Baa2 rating to the country, an upgrading of the loan might have to be considered. Please note that the loan grading has been changed from b1 to D- according to the new CRPG. OPS will probably have to cancel the undrawn balance of the credit in Q1 2010.

Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p10)

*Additionnally, the 2009 PPR provided the following overview relating to the "DEAS Country Risk Rating" for Palau in July 2009 of "*Baa2":

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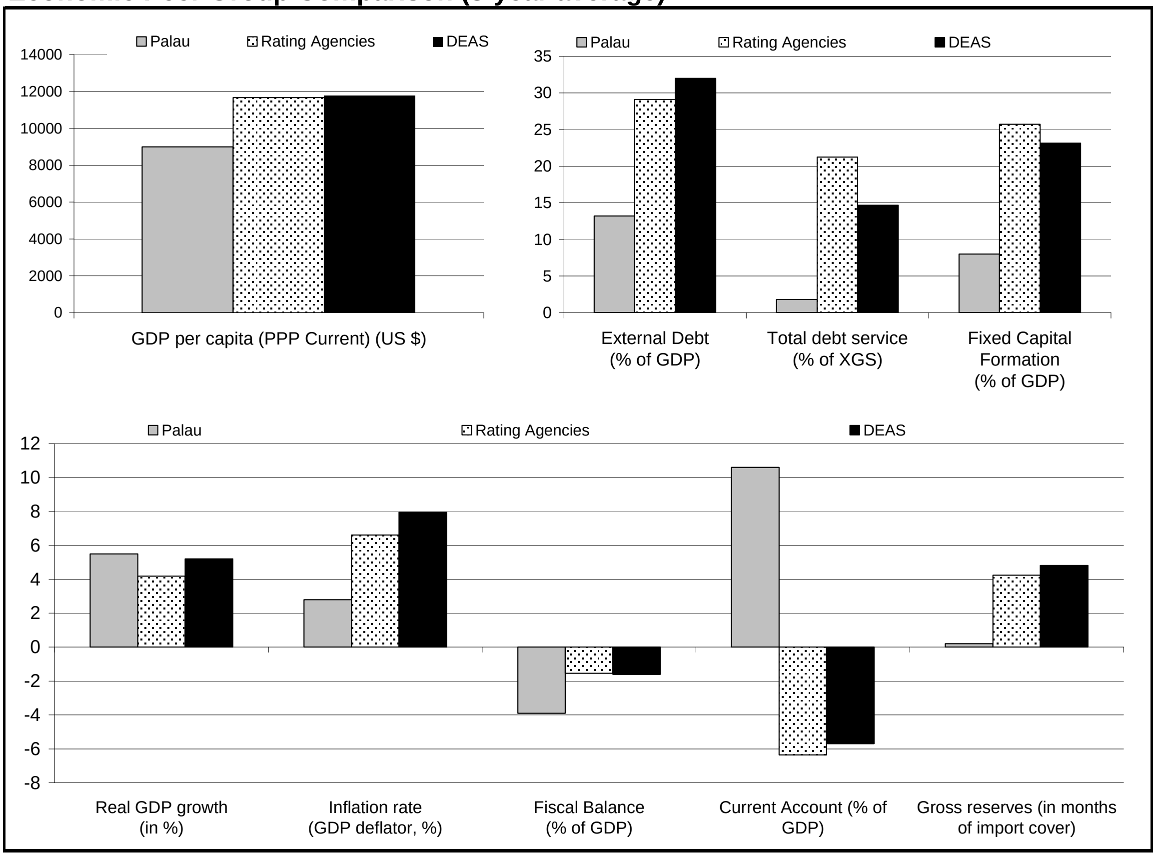
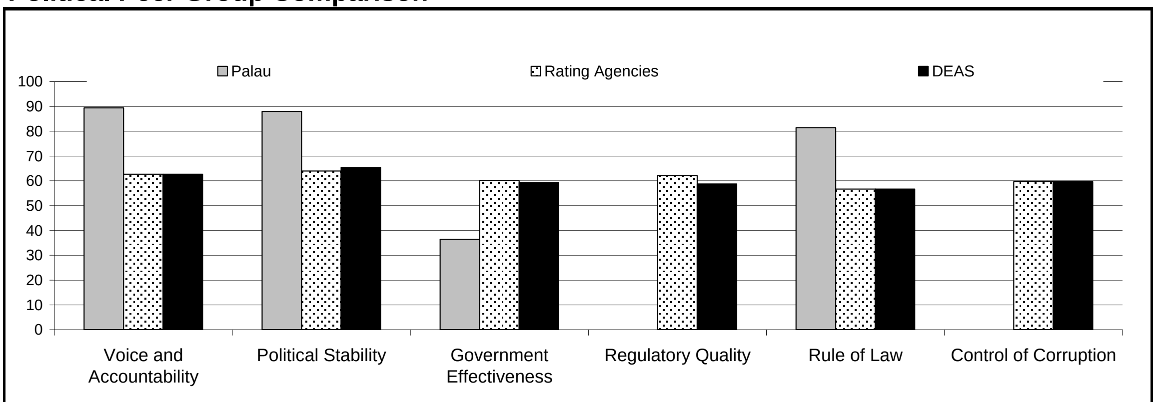
Economic Peer Group Comparison (3-year average)



Political Peer Group Comparison



Voice and Accountability: the extent to which citizens of a country participate in the selection of governments.
Political Stability and Absence of Violence: the likelihood that the government will be destabilized/overthrown by unconstitutional and/or violent means.
Government Effectiveness: the quality of public service provision and of the bureaucracy as well as the government's commitment to policies.
Regulatory Quality: the incidence of market-unfriendly policies, as well as burdens imposed by excessive regulation.
Rule of Law: the incidence of crime, the effectiveness and predictability of the judiciary, and the enforceability of contracts.
Control of Corruption: the extent of corruption, conventionally defined as the exercise of public power for private gain.

Data sources are the April 2009 IMF World Economic Outlook and the 2008 World Bank Governance Indicators (unless noted otherwise).
Each variable is compared against the control group "Rating Agencies" and – in those cases where the country is not rated by at least one of the Rating Agencies (Fitch, Moody's or Standard and Poor's) – also against the control group "DEAS". Values in the control group reflect the median of the corresponding variable in all countries with a comparable risk profile as measured by the Rating Agencies or DEAS. Economic data are averaged over the period 2006-2008, while the governance data correspond to 2008.

Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p13)
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<td>PIFF I - Samoa</td>
<td>Regarding the PIFF I contract with the DBS, the local bank supported is a 100% public bank, with an EIB "Internal rating" of "B1" (not clear what it refers to). The score provided by the EIB to the SDB in terms of "Borrower quality" is "Good – 2". The EIB has already experience with this bank through</td>
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several operations, including 5 global loans. The PPR provides hereby the following comment and table:

SCORE - Borrower Quality	
Borrower Quality	Good - 2

Comments

DBS has been beneficiary of several global loans from the Bank with good results, despite a generally difficult political and economic environment in the Pacific region. Under Lomé the Bank has previously made five global loans to DBS. The debt service on these loans has been regular albeit with occasional delays, due to administrative difficulties.

DBS has been assigned an internal rating of B1. Ops-B proposes to leave it unchanged.

Amounts shown below are expressed in '000 EUR. Exchange rate used EUR 1 = WST 3.372236 at 15 November 2008 (source: EIB).
For key data and ratios, please also refer to the annex.

Operations with the Bank

Operation ID	FI Number	Name of contract	Currency	Contract amount	Status
2004-0138	23209	PACIFIC ISLANDS FINANCING FACILITY	EUR	7,000,000.00	Signed
2002-0322	21769	DBS GL V	EUR	4,000,000.00	Disbursed
2000-0163	20739	DBS GLOBAL LOAN IV	EUR	3,000,000.00	Disbursed
1996-2180	71104	DBWS GL III	ECU	2,000,000.00	Disbursed
1993-5077	70951	DBWS GL II	ECU	1,500,000.00	Disbursed
1987-1064	70750	DBWS GL	ECU	800,000.00	Fully Reimbursed
1979-0000	80053	PROMOT. SM FIRMS WEST SAMOA	ECU	890,000.00	Disbursed

Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p3)

This PPR further reports the following in terms of risk.
The credit risk is born by the DBS for this global loan. As a consequence, the EIB is willing to introduce for instance standard protective clauses. :

6. RISKS AND MONITORING ACTIONS

a. Risks identified at Appraisal

As the financial intermediary assumes the commercial risk of the sub-loans to be refinanced under this facility, the credit risk of the operation consists mainly of the quality of DBS.

CRD recommended to introduce standard protective clauses (material adverse change, negative pledge/pari passu and cross default), financial covenants and particular undertakings were introduced in the finance contract, including:

- An appropriate maximum ratio of non-performing loans to gross loans (17 to 18%) and a commitment to improve this ratio (to 10-11%) within 5 to 6 years;
- A minimum provisioning rate of 90%;
- An undertaking to maintain a capital to total assets ratio above 25%; and
- An undertaking to reduce exposure to the fishing and primary agriculture sectors.

b. Comment on above risk/identification of new risks

Although DBS complies with the above-mentioned ratios, the overall credit position of the institution has deteriorated. DBS has not been able to compensate the costs incurred in the construction of the new building and the sharp rise on borrowing costs with an increase on their loan book. DBS accounting loss for the year has been greatly impacted by a high depreciation charge on the building. DBS cash position and its ability to serve the debt remains satisfactory.

It should furthermore be noted that DBS is adequately provisioned and has managed to improve the quality of the portfolio by significantly reducing the % of non performing loans to total loans to 8%. DBS retains a very good level of capitalisation, but a further capital injection from the government could be realised in the course of 2009.

Comments on loan grading

OPS recommends to leave the LG assigned to this contract unchanged (b2) due to the strong government support to this institution.

Overall Evaluation/Actions to be taken

The Fact Sheet B of the overall PIFF I operation provided on p1 the following indication on loan grading, risk pricing and provisioning:

	<table><tr><th></th><th>Indicative Loan Grading</th><th>General Provisioning</th><th>Risk Pricing</th><th>Additional Risk Pricing</th></tr><tr><td>CRD</td><td>c1</td><td>12.000</td><td>1.370</td><td></td></tr><tr><td>OPS</td><td></td><td></td><td></td><td></td></tr></table> The fact sheet B also provided (p4) the following in terms of "Main issues & Risks" the following project issues: "***Positive:*** *•Quality of the selected intermediaries with a good local reputation as being dynamic and experienced, a firm financial base and good operational results relative to their peer institutions in the Pacific region;* *•A proven track record of similar medium to long-term credit lines from either EIB or other international institutions;* *•Selected development banks meet respective national prudential guidelines.* *•Evidence of a structural lack of medium and long term resources justifying an intervention by the Bank.* *•The development of SMMI businesses is one of the keys to the sustained employment growth that is crucial to both poverty reduction and the building of stable democratic societies. To respond to the issue of poverty alleviation the overall objective of this proposal is to maintain a sustainable SMMI financing capacity through financial intermediaries focusing not only on small and medium sized investments but also to address micro-finance by providing for tailor-made financing and giving the least privileged strata of the population access to credit.* *•Participating banks are government owned and have been selected carefully on the basis of their overall performance and standing in the industry as well as their experience in and capacity for SMMI financing. In addition, the Pacific Financing Facility will be backed by financial covenants in order to maintain an acceptable quality standard. The sound use of IF resources should be ensured through the selection of dynamic and solid intermediaries in addition to DBS and TDB with a proven track record and adequate monitoring capacities.* *•Previous global loan operations have yielded positive results and merit continuation under the Cotonou agreement. They have proven to be a useful instrument to leverage intermediaries and have also enabled the Bank to branch prudently into areas such as SMMI finance."* ***Negative:*** *•Although measures taken in recent years have helped to improve the system of regulation and supervision, the regulatory framework still gives room for further improvement in terms of strengthened prudential guidelines and prompt remedial actions against distressed banks to be taken by the Central Bank;* *•The slow pace of economic reforms and a weak basic infrastructure are still major impediments to private sector development.* *•Common characteristics in the region's banking system are that commercial banks do not reach beyond main urban areas and have little outreach to outer islands, credit to indigenous entrepreneurs is extremely limited, there is little lending to agriculture and fishing by the commercial banks and interest rate spreads are large."*
I-8.2.5	**Provisioning policies**
2000_MAGADI_ SODA	The Bank's exposure under the loan on own resources is adequately covered by a guarantee of FMO. The loans on IF are backed by project security as well as by charges over the borrower's existing property, which would be fully in place from first disbursement, providing as best a protection against project completion risks as could be obtained. The mortgage over MSC's issued shares, and the financiers' option to require from Brunner Mond Group transfer of the shares to them, are primarily meant as a leverage to help mobilise shareholder support in the event of a default by MSC in project completion or debt service. The possibility to sell the company at a price satisfying at least lenders' claims is realistic since the Magadi plant with its access to a rare natural resource would be a strategic asset to each of the bigger players in the world's soda ash markets. Source: Note to OP3. Opinion for Appraisal Authorisation. Project Magadi Soda, country Kenya. Luxembourg 24/10/2000, PJ/I&S/2000-1186/GCE/SHW/ms NB: The last sentence is important since it shows that from the beginning of the project the possibility that it would be sold to a larger group was anticipated. However, it was envisaged exclusively from the point of view of the financial consequences; the consequences (environmental, social, etc..) of a takeover were not analysed as rightly mentioned in *EIB, Magadi Soda Pure Ash Project completion report,*

	24/4/2008. Security package: The Bank's loan from own resources is proposed to be guaranteed by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), a major development finance institution owned by the State of the Netherlands (51 % of shares) and the Dutch private sector. FMO, whose portfolio expansion the State is strongly backing through annual equity contributions, enjoys Standard & Poor's "Triple A" rating. The loans from the Investment Facility will be backed by security over all of MSC's existing and future, fixed and current assets, shared pari passu among the project financiers, including FMO as guarantor. Such security would be first ranking, except for that created over certain current assets in respect of which local banks may enjoy first ranking security for limited amounts of working capital finance provided by them. In respect of these current assets, the financiers' security would be second ranking. Claims under the subordinated loans would be satisfied after those relating to the senior loans and to FMO's potential claims as subrogate to the EIB in case the guarantee was executed. The security package further includes a permanent debt service reserve to be maintained on bank account pledged to the lenders from the beginning of the repayment period, equivalent to one half-year debt service instalment, and a first ranking mortgage, shared pari passu among the three financiers, over all of Brunner Mond Group's shares in MSC's capital. Source: EIB. Board of Directors. Magadi Soda Pure Ash Project (Kenya). 9/10/2003
2004-WAGP	Participation of the World Bank and Miga in the project guarantee scheme should facilitate the monitoring task as well as the reporting from independent environmental auditors that monitor the compliance with the Environmental Management plans. Source D6. ¨The CRD Opinion include the following recommendations to mitigate the risks: CRD supports the proposal by Ops B. The following clauses should be included in the finance agreement with the Republic of Ghana: **Pari passu ranking**: the proposed loan should rank pari passu in terms of all other obligations and prepayments of the Republic of Ghana, with the obligation on the part of the Borrower not to grant security to any other lender without providing equal treatment to the Bank; and **Cross default**: any default on any other long-term indebtedness of the Republic of Ghana should result in an Event of Default under the loan and the right of the Bank to demand immediate repayment (any default on a loan from the resources of the Bank or the European Community should trigger an Event of default, independently of amount and tenor). Source: EIB Fact Sheet B: financing proposal, Luxembourg 19/7/2006. 2004- OPS B/ACPIF 0146/BrandSchmitzWaltraud D6: EIB Lumwana Copper Project, Appraisal report, Luxembourg 30/6/2006, PJ/I&S/2006-675/GCE/VMJ/aa Project conditions, split into disbursement conditions and undertakings by the borrower are spelled out in EIB Lumwana Copper Project, Appraisal report, Luxembourg 30/6/2006, PJ/I&S/2006-675/GCE/VMJ/aa §12.
2004-LUMWANA	(a) First charge on project security package, pari passu with other senior lenders. (b) Third party guarantee from KfW or other eligible financial institution. In line with the Risk Sharing scheme adopted by the Bank and the Member States, the Bank will enter into intercreditor arrangements with the guarantor, limiting its rights to call on the guarantee to risk events not covered by the Member States guarantee. (c) Second ranking charge on the project security package under (a) above. Source: : EIB Fact Sheet A. RM/CRD Opinion. Lumwana Copper project,12/7/2005 Ref. Ops B/ACPIF-3/2004-0146/WB
2005_Pacific Islands	See I-4.1.4, which provides that for the contract in Palau the direct beneficiary bank (NDBP) had its

<table>
<tr><td></td><td>ratio of “Provisions for Loan Losses to NPL” at 30 September 2008 expected to have a level of 115%.</td></tr>
<tr><td>PIFF I – Samoa</td><td>The Fact Sheet B of the overall PIFF I operation provided on p1 the following indication on provisioning:
<table>
<tr><td></td><td>Indicative Loan Grading</td><td>General Provisioning</td><td>Risk Pricing</td><td>Additional Risk Pricing</td></tr>
<tr><td>CRD</td><td>c1</td><td>12.000</td><td>1.370</td><td></td></tr>
<tr><td>OPS</td><td></td><td></td><td></td><td></td></tr>
</table></td></tr>
<tr><td>I-8.2.6</td><td>Mix of IF and OR</td></tr>
<tr><td>General</td><td>EIB staff members note the following with regard to blending:
“The whole issue of blending started more at our shareholders level (EU MS) rather than from the EIB operational level. Interest rate subsidies: used in an unorganized way.
Note. There are two types of “blending”: between EIB instruments/resources, and with non-EIB instruments/resources. The second is new, to put EC grants with loans in a same Facility.
Example of EU-Africa Infrastructure TF: Most operations in ACP are for the public sector → more concessionnality.
When launching the Cotonou agreement, ACP countries did not like the idea that most loans should be market-based.”
Source: MN 007

An EIB source mentioned that the EU MS are not at all comfortable with the idea of bearing the unpredictable political risk associated with lending in the weaker ACP countries through the OR guarantee mechanism: “(…) Adaptations to the financial resources have been made, notably by making possible own resource lending for all public sector projects, including in the weaker countries. However, even this solution obviously does not have wholehearted shareholder support, as recently evidenced by the decision of the Board to split the financing of the Inga Rehabilitation project in the Democratic Republic of Congo on IF and OR respectively, contrary to the Bank proposal to finance the project entirely from its own resources, which was fully in line with the modalities approved in June 2007. It is indeed becoming evident that Member States are not at all comfortable with the idea of bearing the unpredictable political risk associated with lending in the weaker ACP countries through the OR guarantee mechanism. They prefer by far the Bank to make use of the IF, i.e. budgetary funds for which they have the necessary procedural system in place, rather than the contingent liabilities inherent in their guarantee.”
Source: MN 027</td></tr>
<tr><td>Operation /General</td><td>For 2010, the EIB plans to 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.

Source: EIB, IF Annual Report 2009.</td></tr>
<tr><td>2004-WAGP</td><td>An interest rate subsidy is funded out of the IF in order to meet the specific requirements for HIPC countries. The resources freed by the interest will be used to fund poverty reduction measures in agreement with the Government of Ghana and the IMF.
Source:
BEI. CA Pret bonifié sur resources propres, projet WAGP, 12/12/2006, Document 06/517.
PPR, WAGP, Luxembourg 19th November 2009, OpsB/ACP-IF1/2009/FFC.</td></tr>
<tr><td>2004_LUMWANA</td><td>See project description and I222</td></tr>
<tr><td>JC 8.3</td><td>IF’s inflows and reflows (fees and interest, reimbursements, equity sales) are providing, or are expected to provide, a revolving character to the IF</td></tr>
<tr><td>General</td><td>At the end of 2009, accumulated reflows stood at €380m, of which €110m for 2009 alone. Principal repayments on loans, interest income, sales of shares and dividend income on ongoing projects explain mainly this figure.

Source: EIB, IF Annual Report 2009</td></tr>
<tr><td>Pacific</td><td>Qualité financière du portefeuille de la BEI :
Projet forestier aux Salomon pourrait être mis sur la Watch List : actionnaire principal est un fond qui a décidé de céder sa participation. 3 acquéreurs sont sur les rangs. Pose problèmes de suivi, de changement de direction. Projet est maintenant monitoré par la nouvelle unité de monitoring la BEI
MN313</td></tr>
<tr><td>2001_MOMA_</td><td>In July 2007 all three loans have been fully disbursed.</td></tr>
</table>

TITANIUM	In regards to the EUR 15m senior loan, the first capital repayment is expected to take place 1 February 2008, while the last such instalment falls due 1 August 2018. <u>The settlement of both interest and commissions due have been punctual.</u> In regards to the EUR 40m subordinated loan, the first capital repayment is expected to take place 1 August 2009, while the last such instalment falls due 1 August 2019. Under this loan, interest is capitalised, resulting in an increase of the loan amount by a principal amount equal to the former. Source: EIB Project Progress Report, Moma Titanium (Serapis 200010242), Luxembourg 25 July 2007, OPS B/ACP-IF-3/2007-1460/mh.
2001_MOMA_ TITANIUM	Management related issues and technical problems encountered during the final phase of construction of the project have delay completion date (by 3.5 years). A restructuring of the loan was concluded in March 2009 between the promoter and the lender, and the promoter succeeded in raising additional equity in June 09. The EIB put the project on the watch list and has recorded a provision of 35% for this operation. Latest (nov. 09) production figures showed positive trends; the EIB will continue to monitor the project and eventually withdraw if from the watch list. On 31/12/09 the arrears amounted to € 6.08 M > 30 days and € 6.08 > 90 days. Source: EIB: Cotonou Risk Report 31st December 2009, 3/2/2010.
2004_MOMA_ TITANIUM	The project faced delays in complement and a number of events that have not yet permitted it to reach its full production capacity. This made necessary to revise the initial financial operation with a number of waivers and amendments (deferment of payments, issuance of equity shares).Their impact will likely be very limited due to the compensation ln the fonn of sharas. incraase in interas! rate. and fees obtained from the borrower and Its shareholder. Kenmare. Dependlng on the future performance of the company and its shares the Impact could in fact tum out to be positive. Source: EIB. Moma Titanium Minerals. Change to operation after Board Approval. Luxembourg 5/2/2010, Refs: Ops B/ACP-IF-3/OP-2010-223.
2004_LUMWANA	First capital repayment in September 2009 was full and punctual, but given a lack of visibility on the prospects of the project, the EIB maintained it on the Watch List and will eventually remove it if financial forecasts show that the outlook is positive. A specific provision of 25% has been recorded. Source: EIB: Cotonou Risk Report 31st December 2009, 3/2/2010.
I-8.3.1	**Balance sheet and portfolio management**
2003_BOAD PG IV	The March 2004 fact sheet of this operation (combining an OR global loan, IF guarantee, and IF equity investment) mentioned the following information with regard to dividends relating to the equity investment and an exit strategy: *<u>« Modalités et Rémunération de la participation au capital :</u>* *La BOAD n'a jamais distribué de dividende ce qui est normal pour une institution de développement. Toutefois alors que les statuts de la BOAD prévoient que le capital souscrit soit décomposé en capital appelé à hauteur de 25% et capital sujet à appel à hauteur de 75%, la Banque (comme d'autres actionnaires non régionaux) a versé l'intégralité de sa participation. La Direction Générale examine la possibilité d'appliquer les statuts à tous les actionnaires, ainsi la Banque pourrait porter son capital souscrit de FCFA 1 milliard (EUR 1.55 millions) à FCFA 4 milliards (EUR 6 millions), en augmentant simplement sa portion de capital sujet à appel conformément aux statuts. Le capital sujet à appel (en fait dans ce cas l'intégralité de l'augmentation de la participation) serait conservé par la Banque et pourrait générer un revenu pour la Facilité d'Investissement.* *<u>Stratégie de sortie pour la participation au capital :</u>* *La BOAD s'engage à prendre les mesures de son ressort pour que, lorsque la Banque en fera la demande, et d'accord parties, les actions de la BOAD détenues par la Banque au nom de la C.E.E. soient rachetées. »* Source : « Fact Sheet B : proposition de financement », EIB, 11 mars 2004 (p2)
I-8.3.2	**Income statement: profitability by asset class; key profit drivers; actual and projected returns**
2000_MAGADI SODA	The profitability of the project is based on a differential cash flow for a 15-year lifetime. The IRR under the base case conservative assumptions is estimated at 13% . The ERR is calculated at 14%. It take into account the negative effects of a possible upward adjustment of the royalties paid by MSC to the Kenyan state; but does not take the possible additional benefits coming from the maintenance of the main road between Nairobi and Magadi by MSC, from

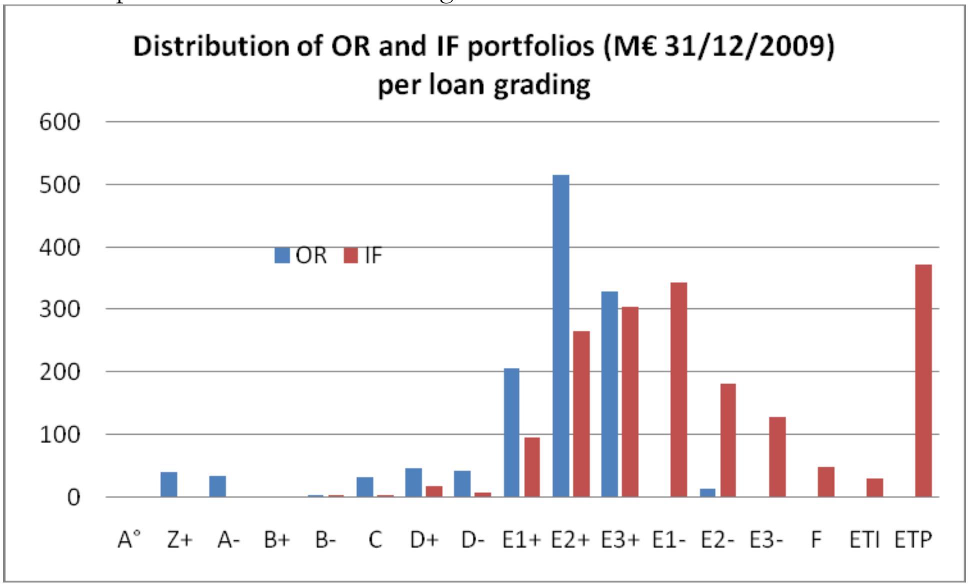
	indirect and temporary labour created by the project, reduction of dust emissions in the working place and provision of water to the indigenous populations. Source EIB. Appraisal Report, Magadi Soda, Luxembourg 29/1/2002. (PJ/I&S/GCE/KAI/scm) It is important to note that MSC is export oriented, and that its revenues are based on USD, whereas part of its production cost is based on KSH. The applicable KSH/USD exchange rate therefore plays an important role in determining the profitability the project. For the profitability analysis, it is assumed that the KSH/USD exchange rate will remain constant though the lifetime of the project. Given the past experience, this appears to be a conservative assumption, which adds confidence to the financial and economic viability of the project. Source: EIB. Appraisal Report, Magadi Soda, Luxembourg 29/1/2002. (PJ/I&S/GCE/KAI/scm) In 2003 project preparation concluded that total project costs could be lowered whereas market prices projections and technical concept remained unchanged. This should improve the project profitability . However, for prudential reasons expected profitability has not bee revised. Source.: EIB Update to the PJ Appraisal Report of 29/1/2002 (PJ/I&S/GCE/KAI/scm). EIB. Board of Directors. Magadi Soda Pure Ash Project (Kenya). 9/10/2003
2004_LUMWANA	Cf Project description and I222. The project rate of return is estimated around 15%. Source: D6§3.2; §13
2001_MOMA_ TITANIUM	Profitability analysis provided in D7, appendix F. Projections provided in D5 annexes 5 and 7 The project rate of return is estimated at around 11% by the Bank (promoter's estimates are higher) Source: EIB Fact Sheet B: financing proposal, Moma Titanium Mozambique, Luxembourg, 27th February 2003. Ops B/ACT-IF-3/2001-0242
2004_WAGP	The financial and economic profitability analysis of the project are detailed in Appendices F/1 and F/2 of D6: The pipeline tariff methodology was defined in the International Project Agreement. It is designed to enable WAPCO to achieve a real after tax rate of return of 12% on total capital employed, from payments derived from Foundation Customers Gas transportation Agreements, and a real after tax rate of return of 15% from payments derived from all gas transportation agreements if new customers book pipeline capacity in addition to the one already reserved by the foundation customers. The calculation of the rate of returns mentioned above is to be based on an approved project cost of 630.4 MUSD and therefore WAPCO will assume the risk of cost overrun (but also would benefit from cost underrun). Source: D6
2005_ACPGLOB ADEMI	Banco Ademi is a creditworthy institution (Fitch rating BBB), and loan interest is paid when due, and EIB is receiving dividends from its equity investments. However, there is unclarity as to EIB's approach for exiting its equity stake in Banco ADEMI.
2005_EMP AFRICA FUND II	EIB-IF's investment in this fund provides a high and relatively secure return. The presence of such investments in the IF portfolio is conducive to strengthening the IF's income statement. However, Project Docts do not provide a clear indication as to IF exit strategies in such cases.
2005_ACPGLOB CA2004 Madagascar	Only one Progress report dated 11/2008. No distribution of proceeds yet. A sound deal flow pipeline continues to be developed. Value of investments approved seems well ion excess of budgeted. Expected first month on month profit in December 2008 – no indication of actual. Other than three investments, portfolio appears healthy. Valuation approach is at cost, i.e. conservative.
2005_ACPGLOB CA2006 Kenya	Only one Monitoring Report (Monitoring Exercise 2009). Substantial rtisks identified: poor performance of investee companies, leading to difficulty in exiting; level of demand from good quality SMEs lower than expected; Fund incurs substantial currency risk. *2005_ACPGLOB CA2006 Kenya* is on EIB-IF's watch list.
2005_ACPGLOB CA2006	Only one Monitoring Report (Monitoring Exercise 2009). Substantial rtisks identified: poor performance of investee companies, leading to difficulty in exiting; level of demand from good quality SMEs lower than expected; Fund incurs substantial currency risk. *2005_ACPGLOB CA2006 Kenya* is

	on EIB-IF's watch list.
2008_EDFI	EIB-IF will benefit pari-passu from EDFIs' returns and decisions re: equity exits. Not known: 2008_EDFI not yet disbursed
J.C.8.4	***The IF manages to reconcile its development mandate and its objective of financial health and sustainability***
I-8.4.1	**Utilisation of IF's and OR's risk-bearing capacity for higher development impact**
General	An EIB source mentioned that the IF was criticised for not being sufficiently 'developmental': "*ACP operations are now subject to much greater stakeholder scrutiny than in the past, be it from the shareholders, other EU institutions (Commission, Parliament and Court of Auditors) and, above all civil society and in particular NGOs, with the result that the Bank is now required to unambiguously demonstrate the value added of each individual operation. As attended to above, there seems to be a perception that the Bank has so far focused mainly on identifying and financing good private sector projects, which in itself is already not an easy task in the ACP context and in that respect, the Bank has been fundamentally in line with the letter of its Cotonou mandate. However it is also being criticised to various degrees, by NGOs, but also by the Commission and by at least one influential Member State for not being sufficiently "developmental" and for being too risk averse."* *Source: MN 027* A Commission staff member mentions that the EIB first concern is on the IF financial sustainability, while complying with the development objective*: "BEI : objectif premier : assurer la pérennité de la FI → souci de rentabilité, tout en satisfaisant l'objectif de développement. Ils tâtonnent... ils commencent à comprendre dans quoi ils peuvent intervenir. Ils interviennent très peu en agriculture par exemple (risques énormes – leur projets dans ce secteur sont d'ailleurs très peu rentables et en difficulté). Je les comprends, il s'agit d'un trade-off. S'ils exagèrent d'un côté, ils sont critiqués de l'autre (development vs. risk). Est-il possible d'intervenir avec le même niveau de risque dans des opérations plus orientées développement (« plus de développement pour un même risque » ?) ? La BEI pourrait-elle s'investir plus directement en développement (santé, éducation, etc.) ? C'est une question. Le nouveau traité de Lisbonne oblige l'UE (y compris donc la BEI) à s'engager sur la voie d'éradication de la pauvreté (Articles 208 à 2010).* *Source : MN 023* Monitoring of development impact is hampered by lack of resources, as mentioned by EIB staff members (*see also below under I-9.3.2*): *" Monitoring de l'impact en termes de développement : a été demandé clairement il y a qqs années. On a du mal à le mettre en place par manque de ressources. Bernard Ziller avait été voir des peer institutions pour voir comment ils faisaient : ils ont des ressources dédiées. Nous n'avons pas ces moyens.* *Décision du CD prise d'harmoniser maintenant toutes les activités monitoring au sein de la Banque dans le TMR (Transaction Management Restructuring), pareil pour EU et Externat Lending Mandate et ACP etc. Problème : c'est du monitoring point de vue risque. Le Département Projets serait sensé faire le monitoring point de vue physique, mais ils n'ont pas les ressources. Souvent ils font du copier coller de ce qu'on fait ici. »* *Source : MN 027*
2003_Dakar-Ziguinchor	*See I-2.1.3*
I-8.4.2	**Use of subsidies**
General	*See also I-8.2.6 above*
2003_Dakar-Ziguinchor	This IF loan benefited from an interest rate subsidy (*see I-1.4.1*).
2004-WAGP	No information available.
I-8.4.3	**Use of TA to strengthen investee companies**
General	EIB staff members note that TA assistance is very limited, vs. for instance the FEMIP Trust Fund. They expressed their willingness to dispose of a similar instrument as well. They further indicated that an EIB limitation in ACP is that operations cannot be leveraged with TA on project design. They also specified that there is a missing link between the EC and EIB in terms of TA. *"FEMIP : il existe une enveloppe d'AT par la CE etc. BEI à aussi de l'AT mais doit être project-related. Récemment*

	on a interprété la notion de project-related, en concluant un accord avec le FMI appelé AFRITAC, avec des experts dans chacun de ces centres appuyant certaines dimensions (y compris experts sur secteurs financiers aidant le Gouvernement). On a considéré que de ce point de vue qu'il pouvait être légitime de contribuer financièrement à leurs efforts (ils ont une capacité bien supérieure à la nôtre d'identifier les problèmes). Nous participons par exemple aux Steering Committee de ces centres. » *"EIB works both within and outside the EU: in particular sector people work in both regions; experience from EU MS. EIB technical people work globally, from Germany to Benin. That is also why we focus on infrastructure and financial sector, because this was our key expertise within the EU. Most other IFIs focus on development countries. Financial additionality: considered as high in ACP countries. Expertise (although TA funding is not sufficient): we often asked more funds for TA, we don't have enough funding, although we have the internal expertise with the Projects Department. Internal expertise used mainly for appraisal and design (setting and formatting) of the project. But not much to give full advises: we can say "you should do this kind of study" but we cannot do it ourselves. In particular upstream studies. In our EU-Africa Infrastructure TF: in the past we were being told we were arriving when everything was ready. Now with the TA money available we can finance all kind of earlier preparation work. We have TA since 2007. We still think that we desperately needed money for TA. Having more funding would enable bringing more TA to the project. Cf. WB in terms of missing link: they have created between IDA and IFC the "IFC advisory services" financed on TFs."* *Source: MN 007* Other EIB staff members also emphasize the importance and benefits of TA: *"Very important aspect of our work. TA is really really improving our work over the last years. Such grant money is interesting. It really makes things possible which would otherwise not be possible. Blending grants and loans is very valuable".* Has TA been used frequently to develop a project for making it bankable in EIB terms? *"We are still climbing the learning curve, but yes, for instance with the EU-Africa ITF. E.g. to finance the environmental impact assessments."* Do you think the TA envelope is large enough? *"There are lots of projects e.g. support for organisations to convince of need of that instrument, for technical choices, EIAs. Particularly for infrastructure. The main issue is not money to be available, but projects to be ahead for moving. Grant money is essential. It is mainly used for hiring consultants (more than for financing personnel of the EIB); it hence hires external expertise, which increases expertise basis. Note. Water Facility : very small, just a few millions"* *Source: MN 024*
2005_ACPGLOB CA2006	The intervention model is for the fund manager to offer TA (World Bank financed) for operational support to investee SMEs to strengthen management. Impact not yet measured.
2005_Pacific Islands	The report to the Board of Directors mentioned on p2 that €1 was also envisaged for TA for the PIFF and PIFF II (see I-4.1.2). However, there is no information available on effective delivery of TA.
2005_ACPGLOB CA2004 Madagascar	The intervention model is for the fund manager to offer TA (World Bank financed) for operational support to investee SMEs to strengthen management. Impact not yet measured.
2005_ACPGLOB CA2006 Kenya	The intervention model is for the fund manager to offer TA (World Bank financed) for operational support to investee SMEs to strengthen management. Impact not yet measured.
J.C.8.5	***The IF's financial sustainability is being ensured through management of the portfolio as a whole and not only on a project-by-project basis***
General	The yearly "Cotonou Risk Report" constitute and analysis of the risk situation of the whole portfolio.
I-8.5.1	**Balancing of risk through the whole portfolio**
General	EIB: Cotonou Risk Report 31/12/2009, 9/2/2010 provides the following table with the distribution of OR and IF portfolios of signed exposures per loan grading as of 31/12/2009

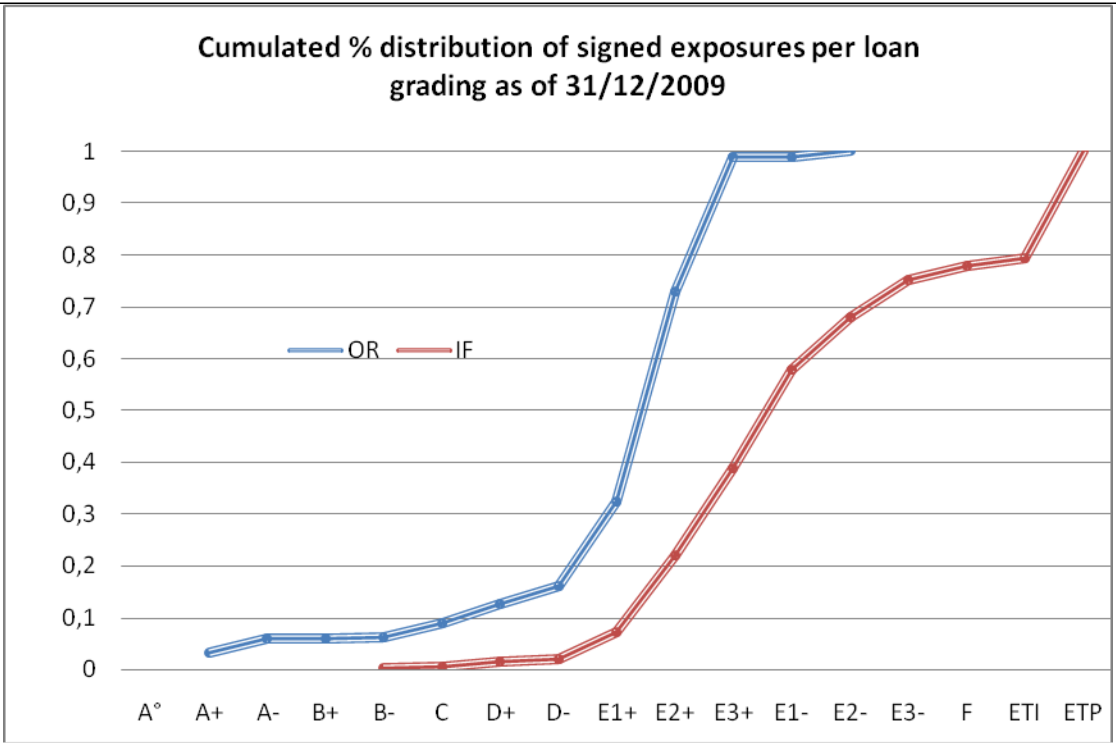
Loan Grading	OR Portfolio		IF Portfolio	
	EUR m	%	EUR m	%
A°	-	0.0%	-	0.0%
A+	40.6	3.2%	-	0.0%
A-	35.5	2.8%	-	0.0%
B+	-	0.0%	-	0.0%
B-	4.1	0.3%	4.3	0.2%
C	33.0	2.6%	4.8	0.3%
D+	47.8	3.8%	18.0	1.0%
D-	43.3	3.4%	8.0	0.4%
E1+	207.6	16.3%	96.1	5.3%
E2+	516.2	40.6%	266.7	14.8%
E3+	328.9	25.9%	306.0	16.9%
E1-	-	0.0%	343.1	19.0%
E2-	15.0	1.2%	182.3	10.1%
E3-	-	0.0%	128.3	7.1%
F	-	0.0%	48.4	2.7%
ETI	-	0.0%	30.0	1.7%
ETP	-	0.0%	371.6	20.6%
Total	**1,271.8**	**100.0%**	**1,807.5**	**100.0%**

The table permits to draw the following charts:



The above chart shows that the bulk of OR operations are low risk (A° to D+) or high risk (D-to E3+). The majority is high risk.
For the IF the majority in the very high risk category (E1- to F) (ETI and ETP are equity type individuals and equity type portfolio)

The second chart below shows the cumulative distributions with the IF significantly on the right of the OR presenting a much riskier profile.

	
2005_EMP AFRICA FUND II	EIB-IF's investment in this fund provides a high and relatively secure return. The presence of such investments in the IF portfolio is conducive to strengthening the IF's income statement. However, Project Docts do not provide a clear indication as to IF exit strategies in such cases.
I-8.5.2	**Risk reporting**
2004_Lumwana	In 2008 the first capital repayment was due, to the extent 40% of the debt. The sharp decline in copper prices made this financial model unsustainable and the schedule of payments was revised, the first repayment being brought down to 20% Simultaneously, following a valuation exercise, the Bank put loans A and B on the Watch List and revised their rating (to E^- for both loans). (Loan C, senior loan from OR is guaranteed by KfW and rated A+)
I-8.5.3	**Risk forecasts in three-year business plan**
I-8.5.4	**Income recognition policies**
I-8.5.5	**Budget forecasts; ratio analysis**
2000_MAGADI_ SODA	Large investment compared to the size of the borrower: Investment = almost3 times borrower's balance sheet 5 times the borrower's fixed assets net book value. Source : : EIB Fact Sheet B: financing proposal. Magadi Soda Pure Ash Project, Kenya, Luxembourg, 9th October 2003, Ops B/ACP-IF-2/2000-0279/MG
I-8.5.6	**Risk profile of OR operations in terms of coherence in relation to IF's risk profile**

<table>
<tr><td>EQ 9</td><td>To what extent did the use of human and financial resources, and the regulatory and administrative framework, allow results to be achieved in a timely manner and at reasonable cost?</td></tr>
<tr><td>JC 9.1</td><td>The IF/OR operations remain in line with planning and are cost-effective</td></tr>
<tr><td>I-9.1.1</td><td>Comparison of planning of operations and effective implementation</td></tr>
<tr><td>2000_MAGADI SODA</td><td>The total accumulated delay for set-up of the operation and implementation of the project is 5.5 years. Indeed, there was a 3.5 years delay in setting up the project (it started on 30/06/2006 instead of in the second half of 2002 as envisaged in the EIB appraisal report). Furthermore, the project was expected to last 2.5 years (from 01/10/2003 to 30/06/2006), but lasted in total 4.5 years (from 01/04/2004 to 31/12/2008), corresponding hence to a delay of 2 years in project implementation. This is detailed in the information below.

Timetable: The time frame expected by the promoter of some 27 months for the project (21 months for construction and 6 months for commissioning and production ramp-up) appears tight Given the circumstances, a period of 30 months is probably more realistic. A project start at the beginning of the second half of 2002 would therefore lead to a fully operational project at the end of 2004. This appears realistic in view of the outstanding financial close of the project which is expected not before the second quarter of 2002.
Source EIB. Appraisal Report, Magadi Soda, Luxembourg 29/1/2002. (PJ/I&S/GCE/KAI/scm)

Eventually comparison of the time table at appraisal and completion periods is as follows:
<table>
<tr><td>Time table:</td><td>Appraisal</td><td>Completion</td></tr>
<tr><td>Start of works</td><td>01/10/2003</td><td>01/04/2004</td></tr>
<tr><td>End of works</td><td>30/06/2006</td><td>31/12/2008</td></tr>
</table>
Source: EIB Magadi Soda Pure Ash Project, Project completion Report, Luxembourg 23/4/2008.</td></tr>
<tr><td>2001_MOMA_ TITANIUM</td><td>Project completed in 2007 with a 4 month delay to the initial two year forecast. Lower than anticipated ramp-up in production further delayed full production revenues.
Financial completion was scheduled (in July 2007) for 30th June 2009, a six month delay compared to the original plan.
Project cost increased 16.8% from $US 318.5 M to $US 372.2 M due to addition in capital expenditure in order to improve product quality and quantity, as well as the mining operations.
Source: EIB Project Progress Report, Moma Titanium (Serapis 200010242), Luxembourg 25 July 2007, OPS B/ACP-IF-3/2007-1460/mh.
Comparison of original budget with cost estimate (May 2007) ($US 000)
<table>
<tr><td></td><td>Original budget</td><td>May 2007 Estimate</td><td>Variance</td></tr>
<tr><td>EPC Construction Contract</td><td>236,750</td><td>262,971</td><td>26,221</td></tr>
<tr><td>Owners' Costs</td><td>20,000</td><td>32,447</td><td>12,447</td></tr>
<tr><td>Financing Costs</td><td>61,800</td><td>76,820</td><td>15,020</td></tr>
<tr><td>Total Moma Project Costs</td><td>318,550</td><td>372,238</td><td>53,688</td></tr>
</table>
Source: EIB Project Progress Report, Moma Titanium (Serapis 200010242), Luxembourg 25 July 2007, OPS B/ACP-IF-3/2007-1460/mh., Annex 3</td></tr>
<tr><td>2003_BOAD PG IV</td><td>This financial operation's March 2004 fact sheet mentioned that timing had been swiftly respected so far: "La BOAD a honoré de manière ponctuelle et régulière ses obligations vis-à-vis de la Banque".
Source : « Fact Sheet B : proposition de financement », EIB, 11 mars 2004 (p2)

The EIB has been a decade-long partner and shareholder of the BOAD.</td></tr>
<tr><td>2003_Dakar-Ziguinchor</td><td>The boat has been delivered at the end of 2007 and all harbour's developments have been realised as foreseen apart from the maritime station of Dakar. The boat carried out its first journey on the 10th March 2008.

The Senegalese State changed the boat operator in 2008 without consultation of the EIB, which</td></tr>
</table>

	was not in line with contractual obligations (until 30/10/2008, it was MARITALIA SA and as from this date the new boat operator was COSAMA). EIB and KfW subsequent verifications showed that conditions were only partially met, in terms of safety, tariff policy and profitability. Furthermore, the condition precedent of having finished sea station developments was not met. Initial business plan objectives were not met. The sea link is still heavily dependent from State grants, which is in contradiction with the spirit of the financing contract with the EIB. The Senegalese State did pay the last invoice, without the last tranche of EIB financing. The EIB will hence cancel the non-disbursed part of the loan (EUR 2,150,000). In 2009, the COSAMA's statements have not been audited and the financial statements are still temporary. The business plan of COSAMA did not take into account the auditors recommendations regarding the filling rate. Indeed COSAMA took into account a rate of 70% for the first two quarters and 90% for the last two quarter while the auditors advised to take into account a rate of 60% for the first semester, 70% for the second semester and 80% for the following semesters. According the COSAMA calculations, the condition fixed by the EIB (i.e. profit and loss form balanced within the two first years without direct subsidy from the government) will be effectively met. However, taking into consideration the calculation of the auditors, COSAMA can not be considered as economically independent, which is contradictory with the financing contract with the EIB. Source : « Monitoring 2009 », EIB, 2009
2004_OLKARIA	Initial estimated cost of project $90.2 M (€ 67.8 M) Estimated cost increase in February 2009: 58%, from € 67.8 M to € 114.5 M End of project according to initial planning: end 2007. Current (end 2009) estimation of end of project: May 2010 → + 2.5 years Sources: Olkaria II Extension. Note do the File. Monitoring Exercise 2009, Nairobi 01/12/2009. OpsB/ACP-IF-2/2009/NN. EIB. Project Progress Report, Olkaria II Extentions.Luxembourg 10/6/2009. PPR 23027 Evidence that the EIB has assessed the managerial capacity of the operator. – The promoter has acquired long-term experience with developing and operating geothermal power plants; efficient and cost effective implementation of the project is ensured through a fixed-price turnkey contract. Source EIB Fact Sheet B: financing proposal, Luxembourg 24/2/2005. OPS B/ACPIF-2CENT&EASTAFR/2004-0255/GOUNOT MARCEL
2004_LUMWANA	▪ Project cost: at appraisal $US 925 m., December 2009: US$ 1005 m (+8.6%). ▪ Completion date of project: Apparaisal: 30/6/2008, Dec. 2009: 31/12/2008 → + 6 months Source EIB Lumwana Copper Project. Finance Contracts n°23717,13718 and 23719 signed on November 2006, Luxembourg, 23 Décember 2008. Since the start of commercial production in December 2008, the project has faced a number of challenges during the ramp-up phase, namely: • Lower than planned availability of the mines shovel and truck fleet; • Lower than planned shovel and truck productivlty; • More than expected transition material being mined rather than sulphide material; • The occurrence of uranium within the high grade ore which has to be stockpiled. Source: EIB Lumwana Copper Project. Finance Contracts n°23717,13718 and 23719 signed on November 2006, Luxembourg, 23 Décember 2008. EIB relies on the promoter's experience for the monitoring of the project. This experience has been tested during the feasibility study: "The promoter is known from the previous project: Lumwana study – i.e. the feasibility study for the project presented. The promoter's reporting to and liaising with the Bank has always been accurate, timely and cooperative."

	Source: EIB Lumwana Copper Project, Appraisal report, Luxembourg 30/6/2006, PJ/I&S/2006-675/GCE/VMJ/aa
2004_WAGP	The project has run out of the original budget (revised in November 2006 before contract inception). The difference in overall costs (USD 270.86 million) is explained for 72% by construction and for 28% by charges generated by WAPCo's activity. Construction costs are mainly driven on one hand, by onshore construction (onshore-offshore installation), and on the other hand, by team and inspection charges (construction management and support). Source: PPR, WAGP, Luxembourg 19th November 2009, OpsB/ACP-IF1/2009/FFC. The execution advanced well but it accumulated significant overall delay mainly due to political unrest in the Niger Delta and interruption in the supply material. These delays prevented the third disbursement and made necessary an amendment to the financial contract to postpone the date limit for this disbursement. Sources: PPR, WAGP, Luxembourg 19th November 2009, OpsB/ACP-IF1/2009/FFC. It appears clearly from the appraisal documents that the EIB pays attention to the issue of monitoring and the managerial experience of the operator. In the present case "Apart from the NGO's risk (NB linked to environmental issues) no special difficulties are foreseen as the project will be managed by an experienced operator (Chevron Texaco)?. In addition independent environmental auditors will monitor the compliance with the Environmental Management plans and report to the Bank. Estimated staff input will be further assessed during appraisal. Source: EIB, Note to Ops B, Opinion for Appraisal, Luxembourg 4/2/2005 PJ/ENERCOM/2005-0124/FT/GF/mh) See also I825, I723. The issue of management is addressed in the preparatory documents: WAPCo will be responsible for the management, operation and maintenance of the WAGP. Experienced personnel from WAPCo shareholders Chevron, Shell, NNPC and VRA) will be hired as secondees to fill key positions in WAPCO operational organisation during the first years of operation. They will be gradually replaced by nationals with the objective that a majority of senior management and supervisory personnel of the company being held by citizens of ECOWAS States. Pipeline and facilities control will primarily be from the Central Dispatch Center (CDC) located at the Lagos Beach Compressor Station and in event of an emergency situation, from a backup CDC co-located with WAPCo Headquarters in Ghana. Source: EIB, Appraisal Report, West African Gas Pipeline, Ghana. Luxembourg, 02/10/2006: §8.1
2005_Pacific Islands	The 2009 PPR of the facility's first contract, with the NDBP, mentions the following issues, relating in particular to delays in fulfilling condition precedents. It has apparently led to un-disbursement of 36% of the envisaged global loan for this local bank: *"Disbursements under this global loan (tranche with National Development Bank of Palau) started two years after the signature of the Finance Contract. The first reason of this delay was the time elapsed between the signature of the Finance Contract (December 2006), the signature of the Guarantee and Indemnity Agreement with the Republic of Palau (September 2007)*[7] *and the receipt by the Bank (April 2008) of the Senate Joint Resolution approving the entry by the Republic of Palau into the Guarantee and Indemnity Agreement. The second reason was that one of the conditions precedent for the first disbursement was fulfilled only in January 2009, namely the letter confirming the acceptance of the process Agent. To date, 65% of this global loan has been allocated and disbursed (in USD). It is very unlikely that NDBP will draw down the remaining amount within the current deadlines (5 December 2009 for*

[7] The 2009 PPR provides more information on this on p8: *"The Guarantee and Indemnity Agreement has been signed between the Republic of Palau and EIB on 28 September 2007. The Senate Joint Resolution approving the entry by the Republic of Palau into the Guarantee and Indemnity Agreement, received in April 2008, limits the exposure of the Republic of Palau to USD 6,800,500 (instead of EUR 5,000,000). It is not clear whether this Senate Joint Resolution does in fact limit the Guarantee and Indemnity Agreement, but it was Ops, JU and CRD's view that it would be prudent to limit disbursements to this amount until an amending Senate Joint Resolution was provided."*

	allocations proposals and disbursement requests). Furthermore, as the repayment of principal is to start in March 2010, it is most probable that those deadlines will not be extended." *Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p2)* The 2009 PPR further reports on p7 that repayment was timely: *"interest payments and commitment fees payments have been regularly served by NDBP. First repayment of principal is due to start in March 2010"*. It attributed a score for "Contract Debt Servicing" of "Good – 2a". The National Development Bank of Palau was a new borrower for the EIB, as mentioned on p12 of the 2009 PPR: "This is the first and only operation of the Borrower with the Bank". This is also true for the other banks: the report to the Board mentions on p3 that "there has been no previous relationship with any of the proposed financial intermediaries".
PIFF I - Samoa	For the PIFF I overall, the EIB has already relations with several local banks, mainly in countries which are historically part of the ACP agreements: "*Previous global loans with Fiji Development Bank, Bank of Samoa and Tonga Development Bank. No previous relationship with the proposed bank in the Cook Islands which is a new ACP country. Working relationship with ANZ but no financing facilities to date with either it or Westpac. EIB is investor in Kula I; Samoa Venture Capital (which is being co-ordinated by the IFC) is a new operation".* *Source: "Fact Sheet A – Proposal to appraise new operations" (of the operation), EIB, 05/03/2004 (p1)* Regarding the Development Bank of Samoa in particular, the 2009 PPR mentions that past relations with this bank were positive overall and that debt service on these loans has been regular albeit with occasional delays: "*DBS has been beneficiary of several global loans from the Bank with good results, despite a generally difficult political and economic environment in the Pacific region. Under Lomé the Bank has previously made five global loans to DBS. The debt service on these loans has been regular albeit with occasional delays, due to administrative difficulties.* *Source: "Project Progress Report" (of the operation's contract n° 23209 with the DBS), EIB, 07/01/2009 (p3)* For the contract with the DBS, the January 2009 PPR mentions that there have been delays in the disbursement plan, but that a 9-month extension of the deadline made it possible to disburse the entire €7m global loan envelope as planned: *"A nine-month extension for allocations and disbursement requests has just been granted (Nov. 2008) to allow DBS to access the remaining EUR 2M under this facility. The current deadline for disbursement requests is 15 June 2009."* It further mentions an additional constraint linked to the contractual limitation of max number of project tranches to be disbursed: "*We might encounter a constraint with the contractual limitation of max 20 project tranches to be disbursed since there are only 5 left. A request to increase the limit on project tranches may be put forward in Q1 2009."* Additionally, that PPR mentions on p2 that interaction with DBS is timely: "*DBS submits information in a timely manner. Ops has regular e-mail contacts with the head of operations and the head of finance in DBS"*. The PPR further reports on p7 that for the EIB-DBS contract, "*interest payments have been regularly served*". It attributed a score for "Contract Debt Servicing" of "Good – 2". For the DBS overall, the PPR notes that repayment was regular: *"Debt service on DBS's loans has been regular albeit with occasional delays, due to administrative difficulties."*. It attributed a score for "Contract Debt Servicing" of "Good – 2" also for the DBS overall. *Source: "Project Progress Report" (of the operation's contract n° 23209 with the DBS), EIB, 07/01/2009 (p2, p7)* **Approval process:** Information from a few sources allow to summarise the process for generation of this operation as follows. There was apparently in total a delay of almost 1 year: few weeks delay

<table>
<tr><td></td><td>for the Board meeting, held mid-October 2004 and planned for September, and nine-month delay in disbursement (see above).

<table>
<tr><th>Process Step</th><th>Date</th><th>Status</th><th>Source</th></tr>
<tr><td>Fact Sheet A</td><td>05/03/2004</td><td>Delivered</td><td>Fact Sheet A</td></tr>
<tr><td>Relevé Quotidien</td><td>25/02/2004</td><td>Delivered</td><td>Fact Sheet A</td></tr>
<tr><td>Fact Sheet B</td><td>21/10/2004</td><td>Delivered</td><td>Fact Sheet B</td></tr>
<tr><td>ACP States opinions:</td><td>28/09/2004</td><td>Delivered</td><td>Fact Sheet B</td></tr>
<tr><td>Commission opinion:</td><td>10/09/2004</td><td>Delivered</td><td>Fact Sheet B</td></tr>
<tr><td>Article 14 MS / IF Committee opinion :</td><td>28/09/2004</td><td>Delivered</td><td>Fact Sheet B</td></tr>
<tr><td>Board meeting:</td><td>14/10/2004</td><td>Delivered</td><td>Fact Sheet B</td></tr>
<tr><td>Signature:</td><td>4th Quarter 2004</td><td>unknown</td><td>Fact Sheet A</td></tr>
<tr><td>Disbursements:</td><td>2005-2009</td><td>delivered</td><td>Disbursement table</td></tr>
</table></td></tr>
<tr><td>2006_EAU SENEGAL</td><td>An EIB staff member mentioned that PPR are annually provided. More precisely, a report has been edited in December 2008 and at the end of 2009.
Source: MN016

According to the promoter's forecasts, project implementation will be phased over the period 2007-2011. However, the Bank envisages that the works will be completed in 2012.
"Conseil d'administration. Prêt à l'investissement bonifié sur ressources propres. Projet PROGRAMME EAU », EIB, 2007, p5</td></tr>
<tr><td>I-9.1.2</td><td>Specific patterns in observed delays, if any, and factors explaining them</td></tr>
<tr><td>General (Lomé IV)</td><td><u>Management weaknesses and procurement</u>: For projects implemented by the EIB under the Lomé IV Convention (before the set-up of the IF under the Cotonou Agreement), an EIB evaluation notes that "The difficulties observed in the projects' performance were essentially related to management weakness. In addition, most public sector projects were implemented with long delays that were often caused by procurement related problems."
Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p2).

<u>Project appraisal and implementation</u>: The Evaluation of EIB financing through individual loans under the Lomé IV Convention (covering the period 1990-2003, before the set-up of the IF under the Cotonou Agreement) recommended more careful analysis of institutional issues at appraisal in order to strengthen the project implementation and management capacities, in particular of public sector promoters, and including appropriate measures as loan conditions. See the table below, which also provides the EIB response.</td></tr>
</table>

<table>
<tr><td></td><td>

<table>
<tr><th>EIB Evaluation's recommendation 4</th><th>EIB Services' Comments</th></tr>
<tr><td>In order to strengthen the project implementation and management capacities in particular of public sector promoters, institutional issues need to be analysed more carefully at appraisal, and appropriate measures (project implementation units, technical assistance, training etc.) be included as loan conditions. This may require the provision of adequate resources to strengthen the Bank's monitoring capacities, e.g. through Technical Assistance. (Sections 3.1.1.2, 3.1.1.3, 3.1.1.5, 3.1.2 and 6.2)</td><td>The principle has been agreed with the Commission that, under Cotonou II, the Bank should have funds readily available for the selective use of Technical Assistance both for direct projects as well as for financial sector operations. In the meantime, the Bank's services will reinforce the application of measures to strengthen organisational weakness especially in relation to project implementation capacity. While institutional issues are analysed in detail at appraisal stage (systematically in some sectors, e.g. water), loan conditions relating to institutional and regulation reform depend upon the case in question, bearing in mind that putting in place the required technical assistance and adequately monitoring these issues is often a staff intensive exercise, and for this the hiring of additional staff is in progress.</td></tr>
</table>

Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p5).

<u>Project conditionalities</u>: That same Lomé IV Evaluation recommended better setting, follow-up and control of conditions. See the table below, which also provides the EIB response.

<table>
<tr><th>EIB Evaluation's recommendation 6</th><th>EIB Services' Comments</th></tr>
<tr><td>Some covenants included in the Finance Contracts go beyond the control of the borrowers and need to be implemented by Government institutions (e.g. tariff increases, institutional reforms, ...). The Bank, together with the concerned bodies, should take measures in order to be more effective in the setting, follow-up and control of those conditions. (Sections 3.1.2, 3.2.1, 3.3, 5.3 and 6.2)</td><td>The Bank's services agree that covenants should be set with care, and appropriate structures should be put in place to ensure that covenants can be and are actually acted upon. The Bank has most leverage to oblige sovereign entities to comply at the outset when it still has the choice of whether or not to fund a project. Once projects are financed, the Bank will actively work with the EU Commission to address issues of compliance at the national level.</td></tr>
</table>

Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p6).</td></tr>
<tr><td>General</td><td>EIB staff members noted that in terms of delays, condition precedents are an issue:
" Condition precedents: remain a problem.» Plus que d'autres ? « Il semblerait que comme on se réfère aux directives européennes (environnement etc.) : directives plus contraignantes que par exemple WBG. On est plus stricts, surtout au niveau du risque (financier). On ne décaisse pas plus vite car beaucoup de conditions préalables au décaissement, demandées notamment par RM et Dép Juridique. Cf. public utilities, ou projets régionaux (conditions dans 3 pays), ou conditions de plusieurs bailleurs de fonds. La recommandation du rapport Camdessus d'encourager les cofinancements avec les autres (mutual reliance etc.) a un coût. Avec la mutual reliance, on est en phase pilote avec KFW et AFD, mais cela coince sur plusieurs points. Risk assessment est un réel problème. AFD est par ailleurs très stricte sur money laundering par exemple. EFP : cela marche très bien par contre. »
Source : MN 027, MN 329</td></tr>
<tr><td>2000_MAGADI SODA</td><td>Delays due to technical failure in the design of he calciner burner chamber. Provoked instability in production and eventually, a new chamber will have to be build capable to withstand higher temperatures.
Source: EIB PJ-PPR Summary Report (2007)</td></tr>
</table>

2001_MOMA_ TITANIUM	Delays are mainly due to technical adjustments during the construction and the ramp-up phases of the project. These adjustments were done to adapt quality and quantity of production. *See detail in EIB Fact Sheet B: financing proposal, Moma Titanium Mozambique, Luxembourg, 27th February 2003. Ops B/ACT-IF-3/2001-0242 annex 4.* This project involved a very significant amount of time and work by the EIB Staff and the acquisition of a good knowledge of the promoter and borrower and their management. The Bank staff has used its knowledge of the promoter through a previous project that had been successfully conducted (Ancuabe Graphite Mine, cf. D5), conducted thorough analysis of Kenmare, took many steps to ensure good governance and sound management: e.g. with the group of lenders decided that the experience, the personality and the overall qualities of the managing director should be seen as an essential asset for the project, at least until project financial completion is attained, and decided that his engagement to the project should be formalised in the loan documentation texts being drafted. The managing director is in place since 1986 and is a member of the family who are also shareholders in the company and who have extensive experience in the mining industry. (*Cf. EIB, Mozambique Moma Titanium, Ops B – Financial Report, Luxembourg27th March 2003, OpsB/ACP-IF-3/2003-320Q/GSF (Agora n°2001 0242 Investment Facility*). For administrative and monitoring purposes, the lenders agreed to use the services of consultants throughout the project construction and operation. These include : a) An independent engineer – SRK - responsible for providing comfort to the lenders on technical, environmental and financial model purposes. Within the lenders group, the Bank was appointed as link entity for technical and environmental issues and ABSA as link entity for the financial model. b) A market consultant – IBMA – responsible for providing regular updates on the market, competition and prices. KFW and AfDB were appointed as link entities. c) A legal advisor – Milbank – to support the lenders in terms of drafting the legal documentation with the Borrower's legal advisor Sullivan and Cromwell and with the financial advisor Rothschild, as well as in providing general advise on the risks. d) An Administrative Agent – formerly ABSA, now Barclays – to monitor and manage all project accounts, applying and certifying drawdown conditions. e) A Security Trustee – Barclays - where the securities are placed. The reporting by the various consultants has been deemed both punctual and to the satisfaction of the Bank. *Source : EIB Appraisal Report, Moma Titanium, Luxembourg 27th February 2003, PJ/I&S/2003-259/GCE/MUG/ms* The Bank has taken an important and constructive role in the project by advising the sponsors in many different areas of the project and facilitating the sponsor's contacts with the Mozambican authorities and co-financiers at different levels and areas. By combining financial instruments available under the Investment Facility (IF) – senior debt and subordinated debt - the Bank made the project financially attractive both to raise new equity and to bring other debt (co-financiers) along. *Source EIB Mozambique Moma Titanium, Ops B – Financial Report, Luxembourg27th March 2003, OpsB/ACP-IF-3/2003-320Q/GSF (Agora n°2001 0242 Investment Facility)*
2004_OLKARIA	The project implementation has fallen behind schedule by close to three years following a delay in awarding the turnkey contract. This was due to a time consuming procurement process. Unexpected market conditions met during the procurement procedures were totally out of the control of the borrower. Additional delays were imposed by the civil troubles in the first months of 2008. The contract was eventually awarded at a higher cost than anticipated and imposed a revision of the financial plan with the introduction of AfD as cofinancier with € 20M. and an increase of the EIB loan from €32.5 to €36.8 M (NB See D13; BEI. CA. Projet Olkaria II Extsnsion. CA/423/09. 3 février 2009. Document 09/53. and , EIB. Project Progress Report, Olkaria II

<table>
<tr><td></td><td>Extentions.Luxembourg 10/6/2009. PPR 23027

The renegotiation of the contract took EIB till December to revise the contract amendment. (In December 2009 that increase had not been decided yet)

The reason why such market conditions had not been anticipated is that there are only a few suppliers in the world for this sort of equipment and this was an extension of an existing structure already built by Mitsubishi. The China boom created an unforeseen negative situation for it attracted the suppliers elsewhere.

Sources:
Olkaria II Extension. Note do the File. Monitoring Exercise 2009, Nairobi 01/12/2009. OpsB/ACP-IF-2/2009/NN.
EIB. Apparaisal Report. Olkaria II Extension. Extension of a geothermal power station. Luxembourg 18/1/2005. PJ/Enercom/I&S/2005-25/EH/EG/fe.
BEI. CA. Projet Olkaria II Extsnsion. CA/423/09. 3 février 2009. Document 09/53.
MN310</td></tr>
<tr><td>2006_EAU SENEGAL</td><td>The project's documents do not provide any information in that respect.</td></tr>
<tr><td>I-9.1.3</td><td>Trend in ratio of IF/OR administrative expenses to volume of operations</td></tr>
<tr><td>I-9.1.4</td><td>Evidence from IF/OR investees on administrative costs linked to EIB operations</td></tr>
<tr><td>General</td><td>See I-8.2.1 and I-9.1.3

The "Report and recommendations of the Steering Committee of "Wise Persons"" noted for the external lending mandate (excl. ACP) mentions relatively low margins: "the EIB transfers the financial benefits of its funding to the beneficiaries with relatively low margins to cover 100% of the administrative costs. The EIB has specific targets to ensure cost coverage of operations and build the necessary reserves to self-finance capital increases and support the expansion of the activity, on the basis of its statutory obligations."
Source: Camdessus, "Mid-Term review of EIB external mandate – Report of the Steering Committee" February 2010 (pages 26, 37)</td></tr>
<tr><td>General (Lomé IV)</td><td><u>Appraisal fees</u>: The Evaluation of EIB financing through individual loans under the Lomé IV Convention (covering the period 1990-2003, before the set-up of the IF under the Cotonou Agreement) recommended considering appraisal fees for better cost recovery. This is now the case under the IF (at the contrary of a majority of other DFIs). The table below provides also the EIB view on the benefits from such charging of appraisal fees, but also on the complexity of their implementation.

<table>
<tr><th>EIB Evaluation's recommendation 3</th><th>EIB Services' Comments</th></tr>
<tr><td>Appraisal fees should be regularly considered, both for private and public sector operations, amongst others, to allow for a better EIB cost recovery. (Sections 2.3 and 5.2)</td><td>Since inception of the Cotonou Agreement, appraisal fees have been systematically introduced for private sector operations on both Investment Facility and the Bank's own resources. So far, it has been Bank policy not to apply any appraisal fees to public sector borrowers, a policy that is also followed by a majority of other DFIs. Appraisal fees may nevertheless be charged to commercially run public enterprises.
Generally, appraisal fees do not discourage promoters who perceive an advantage in having Bank participation in a project. But, while they encourage accountability within the promoter organisation, their implementation can become complex when the Bank is involved at a very early stage in the project cycle. Hence they are best handled on a case-by-case basis.</td></tr>
</table>
Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention,</td></tr>
</table>

	EIB, 2006 (p5).
2001_MOMA_ TITANIUM	We do not have (also not for other projects) the actual costs incurred by the EIB and nor if and to what extent they have exceeded the appraisal/due diligence fees. (Cf I-8.2.1)
2006_EAU SENEGAL	The project's documents do not provide any information in that respect.
JC 9.2	***The "regulatory and administrative" framework for IF/OR operations enhances timeliness and cost reduction***
I-9.2.1	**The guidelines are explicitly geared to timeliness and cost reduction**
General	The process for global loans aims at reducing the overall time frame, according to an EIB staff member : *"Autorisation globale demandée pour ce type de projets au Comité de Direction (global loan). On identifie toujours un nombre d'intermédiaires semi-directs, en laissant la porte ouverte à d'autres qui seront alors approuvés par Credit Risk, OCCO, Département ACP, etc. Avoir l'accord pour financer d'autres intermédiaires. On gagne ainsi en période d'approbation (on ne devra plus aller ni à l'IF ni au Board). Ceci pour les petites opérations, de max €5m".* *Source: MN 011*
2005_Pacific Islands	The specifications for the use of TA in PIFF and PIFF II were clearly taking account of efficiency. This is detailed under I-4.1.2, of which a small paragraph is reproduced here: The best, most cost-effective, source for such services will likely be someone within the local community or possibly from within the broader Pacific citizen community in the diaspora[2], and not a large firm of consultants based at the other side of the world.
I-9.2.2	**Evidence that the regulatory and administrative framework is conducive to enhanced timeliness and cost reduction**
General	**Background on EIB organisation:** *"**EIB head office in Luxembourg:** As part of the Directorate for Lending Operations outside the European Union, the ACP-IF Department is responsible for the management of projects and EIB activities carried out in the OCTs and ACP countries, including the Republic of South Africa. Tasks cover the whole project cycle, from identification to appraisal and actual project implementation and operation.* *To carry out these tasks, the Department, in close cooperation with the project promoter, relies on multidisciplinary teams, drawing on resources from other Bank departments, namely engineers, economists and risk analysts. It also benefits from the services of the Bank's non-operational support Directorates such as Human Resources, Information Technology and Financial Control.* *The ACP-IF Department's move in early 2009 to the EIB's expanded Kirchberg head office buildings will ease communication and interaction among the different Departments.* *At the end of 2008, a total of 114 Equivalent Full-Time Staff (EFT) were assigned to ACP/OCT-related operations throughout the Bank.* *Source: IF Annual Report 2008 (p65)* The 2009 IF annual report mentions further the following: *"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."* *Source: Investment Facility Annual Report 2009, EIB, 2010 (p57)* EIB staff members emphasized that there is a serious resource issue in the **regional offices**, as detailed under I-9.3.3. An EIB source mentioned that the **ACP mandate is particularly complex to manage** for a number of reasons: *"Apart from being fairly unique in the Bank due to its developmental dimension, the ACP mandate is particularly complex for a number of reasons: it involves the management of a dedicated fund on a revolving basis over a 20-year horizon; it covers a very broad spectrum of countries in which, within certain limits, the*

	Bank is expected to operate; it entails interactions with counterparts operating in a very often difficult environment characterised by weak institutions and regulatory or legal frameworks; it involves a large number of players involved in aid and development finance, with whom the Bank needs to develop and implement various coordination and consultation mechanisms, in line with the principle of the 2005 Paris Declaration on Aid Effectiveness; it is characterised by increasingly changing and even conflicting objectives and expectations from different stakeholders." Source: MN 027 *See also JC 9.3 on the issues relating to EIB resources* The same source adds the following with regard to **additional workload related to lending to the private sector and to 'stakeholder scrutiny'**: *"Under the Lomé Conventions, (…) a standard sovereign/public sector loan, typically to a national utility company, involved a relatively light appraisal, largely based on PJ's analysis of the technical, cost and economic profitability elements of the project. This was accompanied by a somewhat broad-brush financial assessment undertaken by OPs. Negotiations of the standard legal documents were usually no more than a one-to-two day, take it or leave it, affair. Today, the due diligence process with private sector counterparts is far more comprehensive encompassing increasingly sophisticated financial modelling, a detailed credit analysis involving CRD, the completion of the ESIAF to demonstrate the Bank's value-added, opinions from JU and OCCO, the provision of term sheets, long and complex legal discussions on tailor-made contractual documents often involving external lawyers, NGO scrutiny etc. This process is particularly complex in the case of project finance/PPP operations".* *"ACP operations are now subject to much greater stakeholder scrutiny than in the past, be it from the shareholders, other EU institutions (Commission, Parliament and Court of Auditors) and, above all civil society and in particular NGOs".* The EIB was asked for *"introducing greater transparency into ACP operations and the resultant decision to extend the role of the IF Committee and to apply the ESIAF to all operations. Whilst the latter framework is in place, consistent application and quality control have still to be assured. In short, either explicitly or implicitly, there is a view amongst the shareholders and the NGOs that the Bank should emulate its peers and be more active in, and thereby devote more resources than it has done traditionally to, the upstream and downstream parts of the project cycle. As far as ACP-IF is concerned, the impact is also felt through the burgeoning dialogue with the shareholders and especially the NGOs, either in the increasing number of conferences that the NGOs are organising about the Bank's criteria, safeguards and procedures or in the direct campaigns that they mount in the case of sensitive sectors such as dams, mining, renewable energy and climate change (e.g. Chad-Cameroon pipeline and Tenke Fungurume project in DRC). Also adding to the workload is the European Parliament's increased interest in the Bank's activities and a more critical approach by the Commission."* *"Dealing with both internal and external audit as well as evaluation has become a regular part of the department's workload. More recently, due to a greater awareness of and willingness to acknowledge the issue both within and outside the Bank, cases of suspected fraud and corruption have become more prevalent. It is not surprising that there is a disproportionate concentration in the ACP countries, where the issue is compounded by the greater susceptibility of small projects to such acts of malfeasance. (…). More generally, the Bank operates within a more complex institutional framework than most of its peers as exemplified by the mandate that it receives from the Commission and Member States with its wide-ranging oversight arrangements and reporting obligations. Despite the intention to streamline the role of the IF Committee compared to its predecessor Art. 28 Committee under Lomé, the opposite has occurred. Another example of greater complexity is the new Member States Guarantee and Arrears Administration Agreement."* *Source: MN 027* *See also JC 9.3 for more information on time-consuming aspects of EIB operations in ACP countries.* EIB staff members mentioned that the **internal set-up initially envisaged for the IF** was based on 'risk fencing' with a Service Level Agreement (SLA), for direct cost attribution while keeping economies of scale. This set-up implies that IF costs will appear similar to EIB costs. But : *« IF en tant que telle n'existe pas dans la BEI. Il existe un Département Opérationnel spécifique pour la FI (Autonomous Business Unit Department – seul département ainsi de la BEI). Mais Département travaille pour IF*

	+ Afrique du Sud + autres pays Lomé. Ce cadre organisationnel a été réglé ainsi pour plusieurs raisons. IF devait au début travailler comme un Service Level Agreement, avec le concours des autres directions de la BEI (ex. ingénieurs, juristes pour contrôle crédit). On n'aurait pas pu bénéficier d'économies d'échelles ni du travail des ingénieurs par exemple (PJ) si on n'avait travaillé qu'avec des ressources dédiées. Idée : « ring fencing » : identifier le department au sein de la BEI pour permettre de gérer la FI (avec comptes séparés etc.). La BEI doit couvrir ses coûts dans la FI (full cost recovery). La meilleure façon de faire cela était le ring fencing, avec autonomie financière suffisante. Idée donc du Service Level Agreement, qui allait acheter ses services aux autres départements opérationnels: départements Services, Crédit (RM), Juridique. On travaille au niveau produit (parfois opération, parfois mandat). Corporate est alloué sur base forfaitaire par rapport aux autres coûts. (…) Les coûts de la IF sont similaires à ceux de la BEI, par définition selon le principe comptable utilisé. » But *"(…) shortcomings of the Service Level Agreement (SLA) (…) The SLA has, actually, never really been properly implemented (…)* – see I-9.3.2*)* *Source : MN 027* EIB staff members noted that the role of the **IF Committee** was extended compared to what was initially envisaged. The additional step of presentation to the IF Committee requires typically 3 weeks; few projects are blocked. All members do not have sufficient expertise for due appreciation of IF activities and budgets: *"Comité IF : on avait essayé de revoir le rôle du comité (plus orientation générale). Cf. rules of procedures. Mais cela n'a pas marché. Ils voulaient tout voir. On se retrouve avec un set-up où tous les projets IF + OR (!) passent par comité. Vu comme comité préparatoire au CA maintenant."* *« IF : seule différence avec le reste de la BEI c'est le passage par l'IF Committee – cela prend 3 semaines de plus. Pas négligeable pour un opérateur privé par exemple. Traitement moyen d'une opération au sein de la Banque: 6 mois. Ex. Pour passer au CA de mai il faut envoyer au CD le 17 mars. »* *«Problème principal : le turnover des membres (certains EU MS changent tous les 6 mois), toujours un peu plus jeunes et plus inexpérimenté. D'autres EU MS sont bcp mieux : ex. la Belgique avec son représentant qui connait très bien la ritournelle (il est d'ailleurs Chair du Committee). Mais un des EU MS a par exemple une demande par semaine, pur micro-management. Même tendance à l'OCDE par exemple. (…) Il y a aussi eu beaucoup d'exercices démagogiques au Comité. »* *« Un avantage du Comité FI par rapport au CA : moins formel. Il y a qd même un certain formalisme (envoyer questions par écrit une semaine avant, seulement tour de table après si questions supplémentaires). Au cours des quelques dernières années, on a réussi à établir une relation suffisamment ouverte et franche avec les core members pour que les débats soient ouverts. »* *« Certains projets sont bloqués, typiquement un ou deux par an (= très rare). De toute façon, ils ne décident pas, ils émettent une opinion. Problèmes surtout dans secteur minier et en téléphonie mobile (car plutôt aux banques commerciales qu'à la BEI d'intervenir selon eux). Manque de coordination entre les différents éléments de décision. Comité approuve aussi le Financial Statement. Mais il y a des questions chaque année là-dessus et cela prend du temps – perte d'efficience et d'efficacité. Problème en particulier de compétences des membres du Comité, qui ne savent pas lire un bilan. »* *Source: MN 027, MN 201* Several EIB staff members noted that there is an issue of experience and understanding of development finance among some participants to the IF Committee. *Source: MN 201, MN 329* The evaluators could not investigate the above further as they were not granted open access to IF Committee meetings or meeting notes. **Global authorisations** (for global loans) contribute to greater efficiency, according to EIB staff *Source: MN 027* In terms of **TA**, EIB staff members consider that the TA organization as it is organised now is right: *"Organization as such is the right one, it works. We are told since 18 months that we might be organized (= we won't be?). We are now at cruising speed"*

Source: MN 102

Overall, the total aggregate loans granted to ACP countries represented 0.4% of the EIB's total, as according to figures provided in the EIB Group Annual Report 2009:

Table: EIB aggregate loans granted, 2009

Aggregate loans granted	Total 2009	
	in €m	in %
EU	367,122	92.3%
Candidate countries	14,263	3.6%
ACP states	1,782	0.4%
Asia	2,289	0.6%
Balkans	3,832	1.0%
Central and Latin America	2,108	0.5%
EFTA countries (Norway & Island)	1,325	0.3%
Meditarrenan countries	11,335	2.8%
OCT	13	0.0%
Eastern Europe, Southern Caucasus, Russia	706	0.2%
South Africa	1,217	0.3%
Total Loans for projects outside the Union	38,871	**9.8%**
Total Loans for ACP States	1,782	**0.4%**
Total	397,784	**100%**

Source: EIB AR 2009, Financial Report

Overall set-up within the EIB: EIB staff members noted that being a minority activity in the overall organization is suboptimal. Many EIB staff members involved with operations in ACP countries, including several senior persons, agreed with the recommendation from the Camdessus Report to create a separate European development bank:
*"One of the handicaps we have at EIB (external wing of the Bank ELM & ACP/OCTs): we are only the tale of the dog (and dogs don't wait for their tale)… We are not core business, only small part of business. This was perceived in wise men report. I would fine it personally a very good idea to have it a separate Bank (*others nodding*). Value added of being so close to the client is huge. And it would allow having more technical expertise, with also broad-minded people. More experience. That would be helpful – other institutions have such on the ground technical expertise."*
« On souffre aussi du fait qu'on est minoritaires dans la Banque. Cf. rapport Camdessus : les gens au sein d'OPS B étaient relativement positifs sur les recommandations de Camdessus. Au début de la FI beaucoup de gens étaient très pessimistes (sur risk pricing etc.) – beaucoup de contraintes (ex. financières, passer par le Comité 3 fois par an, etc.), lourd à gérer en interne (BEI est surtout institution de prêt, instruments flexibles ne peuvent pas être gérés par les systèmes et on n'est pas prioritaires pour les développements informatiques par exemple car on est minoritaires dans la Banque), pas facile, mais je continue à penser que c'est un bel instrument. A force on a réussi à mettre des choses en place, mais tout n'est pas encore en ordre. Gouvernance pas optimale. Il y a aussi eu beaucoup d'exercices démagogiques au Comité. »
Sources : MN 024, MN 027

The Mid-term evaluation of **EIB's external mandate** (i.e. all activities outside the EU excluding ACP and OCT countries) report that the **EIB in general is often considered as a very efficient institution**:
"Among IFIs the EIB is often considered a very efficient institution with large volumes of lending processed per staff, the cost to asset ratio, and the cost to loans outstanding as efficiency indicators.
A proper efficiency assessment in terms of such benchmarking requires, however, that comparison be made between broadly similar institutions.
In this context, it appears that, for example, comparisons between the EIB and other MDBs such as the EBRD in terms of efficiency are very complex since these institutions present a different business model and are different in terms of tasks assigned and external resources available."

	Source: Mid-term evaluation of EIB's external mandate, COWI, March 2010 (p145) The related "Report and recommendations of the Steering Committee of "Wise Persons"" (covering also the EIB's external mandate) also mentions that "*One of the EIB's most important comparative advantages is its lean and efficient set-up, which entails limited administrative costs. Compared to other IFIs, the EIB presents the highest ratio in terms of lending volume per staff member".* *Source: Camdessus, "Mid-Term review of EIB external mandate – Report of the Steering Committee" February 2010 (pages 26)* Numerous persons interviewed in this evaluation also considered the EIB as an efficient organization overall. To provide just one example, a Commission staff member mentioned that *"The EIB is a very lean & efficient institution, and the EU wants to keep it as it is." (Source: MN 020)* But the current level of human resources is also a source of concern. *See JC 9.3 below for more information.* Nevertheless, that Wise Men Report concluded that the current operational setup for the external lending mandate (excl. ACP) within the EIB appeared now less and less adapted: *"One of the EIB's most important comparative advantages is its lean and efficient set-up, which entails limited administrative costs. Compared to other IFIs, the EIB presents the highest ratio in terms of lending volume per staff member. For reference, the EIB operational lending directorates include about 200 staff members dealing with direct banking activity in regions outside the EU (including about 80 staff members working on ACP). An additional estimated 100-150 support staff is involved in external financing activities* *(project appraisal/monitoring, legal, credit risk) or administrative and financial support.* *EIB lending signatures outside the EU in 2009 amounted to EUR 8.8bn, an amount higher than the total activity of EBRD, and about 1/3 of the combined activity of IBRD and IFC over the period 2004-2008.* *The EIB transfers the financial benefits of its funding to the beneficiaries with relatively low margins to cover 100% of the administrative costs. The EIB has specific targets to ensure cost coverage of operations and build the necessary reserves to self-finance capital increases and support the expansion of the activity, on the basis of its statutory obligations.* *Nevertheless, with reference to EIB activity in the regions covered by the external mandate, the evaluation found that the tight staff resources of the EIB reduce in certain circumstances the effectiveness of EIB operations taking into account the requests put on EIB, as well as expectations of the EU Institutions and civil society. In particular, the evaluation found that: (i) the translation of EU policies into EIB lending strategies and the economic and sector analysis of country needs are very limited; (ii) the EIB efforts to monitor project implementation, ensure local presence and follow-up on environmental and social aspects, appear still insufficient; (iii) the EIB ability to satisfy the mandate requirements on development aspects is only indirect. The project selection process is also influenced by limited resources, by a higher emphasis on relatively larger and relatively less complex operations.* *Thus, the evaluation concludes that the capability of the EIB to properly contribute to EU external policies and serve EU interests is hampered by limited staff and limited local presence."* *"The EIB governing bodies, in particular the Management Committee and the Board of Directors, are appointed by the EU Member States and deal with all EIB activities, inside and outside the EU. The Commission is a member of the Board of Directors, but not a shareholder.* *The current setup of the Bank is such that the operational staff (banking function) for activities outside Europe (Neighbourhood and partner countries, Asia and Latin America, ACP including South Africa) is organised in a specific directorate, while the operational staff dealing with Pre-Accession countries is part of the directorate for operations in the EU. The support functions, including project engineers and economists, legal staff, credit risk staff, are each part of a separate Bank's directorate which deals with both operations in the EU and outside the EU. Most of the resources are absorbed by the activity in the EU.* *This operational setup resulting from the history of the Institution and which has served relatively well so far appears now less and less adapted to the growing volume, complexity and importance of its external operations. This should now be reviewed, so as to allow a more focused management of external operations and a change in the culture of the*

	organisation including a closer collaboration with the Commission. *For this purpose, the Steering Committee is of the opinion that all the EIB financing activities outside the EU27 should be consolidated in a dedicated EIB entity with appropriate participation of the Commission."* Further details on the recommended set-up are provided in pages 37 and 38 of the report. *Source: Camdessus, "Mid-Term review of EIB external mandate – Report of the Steering Committee" February 2010 (pages 26, 37)* The Mid-term evaluation of EIB's external mandate (i.e. all activities outside the EU excluding ACP and OCT countries) also report that there are **two areas where efficiency could be improved**, which relate to EIB disbursement procedures for private sector projects and global loans: *"Disbursement requirements: Inputs from stakeholders during the country case studies have pointed to two areas where efficiency may be improved, reaching the same level of effectiveness, and without adversely impacting the credit risk of the operations.* *The first area is the disbursement procedures of the Bank. At least for some projects in the private sector, the Bank will only disburse against actual or proforma invoices of the beneficiary. Given that the Bank has carried out a comprehensive assessment of the creditworthiness and implementation capacity of the borrower, it should be considered if this assessment is sufficient to trust that the borrower will spend the loan funds of the Bank in accordance with the stipulations of the finance contract.* *On the disbursement side also but applying to global loans: Some banks are asked to secure approval of individual allocations after that approval of reasonably sized disbursements. Others may request a block disbursement for prefinance with later Bank approval of the projects, and the risk of non-approval placed with the borrowing bank. Since an in-depth appraisal of this bank will have been performed it would increase operational efficiency if a block disbursement procedure were used for all. It may also improve effectiveness since it will not deter banks from establishing (further) credit lines with the EIB due to these time consuming procedures; an observation made by more global loan beneficiaries interviewed.* *However, this further increases the risk of eventually not reaching the intended EU policy objectives as mentioned in the section above. Therefore, an appropriate balance should be struck between increase in efficiency and monitoring of implementation.* *Source: Mid-term evaluation of EIB's external mandate, COWI, March 2010 (p147)* The related "Report and recommendations of the Steering Committee of "Wise Persons"", also focusing on pre-accession countries and countries of the Southern Neighbourhood, Easter Neighbourhood, Russia, Asia, Latin America and South Africa (i.e. excluding ACP/OCTs), provides the following findings at a general level with relation to the **average disbursement level** that are worth mentioning here. *"The average disbursement rate for the EIB operations signed in the period 2000-2007 has been 75% measured at end June 2009. The pattern for disbursements is twofold:* • *For private sector operations the disbursement rate is normally higher, as observed under EIB own-risk facilities and in ALA region. Lower level of disbursements in Mediterranean and China at EIB own-risk is linked to operations signed recently.* • *Disbursement rates are lower for public sector operations where difficulties are mainly due to weak institutional promoters in implementing infrastructure projects, which are often complex in nature, combined with limited EIB resources for technical assistance and monitoring support, thus increasing the risk of implementation delays. This is especially the case in Western Balkans. Across all regions, it is noticed that some operations take a long time until completion, either because of an initial long delay for the preparation of the project, or because of slow implementation progress."* *Source: Camdessus, "Mid-Term review of EIB external mandate – Report of the Steering Committee" February 2010 (page 10)*
I-9.2.3	**Evidence that the guidelines are applied systematically**
General	The recurrence of the same documents (PIN, appraisal, financial proposal, etc…) for all projects indicates that indeed guidelines are applied systematically. This appears to be the case at least until

	effective start of the project; ensuring systematic monitoring during the lifetime of the project is more problematic, as mentioned under JC 9.3
2004_LUMWANA	The project is duly monitored by EIB. Monitoring report of Dec. 2009 shows that compliance with financial rations and information covenants has been satisfactory. *Source EIB Lumwana Copper Project. Finance Contracts n°23717,13718 and 23719 signed on November 2006, Luxembourg, 23 Décember 2008.*
JC 9.3	***Sufficient resources are available for EIB to take a proactive, as opposed to reactive, approach in project generation, and to enhance timeliness and cost-effectiveness.***
I-9.3.1	**IF/OR approach in project generation (reactive versus proactive)**
General	*See also JC 3.3 on the role of the EIB in project generation and mobilization of resources* According to an EIB staff member, proactiveness could be improved essentially for the monitoring phase, relying on others for the upfront work: *"The proactiveness could be improved regarding the monitoring phase, the follow-up rather than the identification phase. For instance, the World Bank performs more upfront work compared to the EIB. As long as the EIB works in strong cooperation with other donors, it is not really an issue.* *Regarding the monitoring phase, the EIB has some difficulties to be very proactive. This is explained by insufficient resources available on the field and the distance from Luxembourg. The EIB local offices would work differently (e.g. set up an advisory board,...). Increasing the number of staff in local offices would certainly improve the projects monitoring."* *Source: MN017* An EIB staff member noted that the **notion of proactiveness** should be considered carefully: "*«Proactive »: what does it mean? E.g. Mozambique: opening up of a port : that project has been stopped; it got basically blocked (partial promise of funding but nothing happening). Promoter got nervous. EIB went to promoter, discussed root causes, went to discuss with WB, and then back to the promoter. Is that proactive? Not in the sense that the project already existed, but that it involved proactive attitude."* *Source: MN 024* An EIB staff member provides as **example** of lack of resources hampering generation of operations the case of the idea for creation of a **Caribbean Infrastructure TF**: *"Based on the success of the EU-Africa ITF, there is an initiative now to establish a Caribbean ITF, with a similar scope (not entirely limited to Infrastructure, we are now for instance considering also mining and smelting). But resources issue for writing ToR, hiring consultants, etc. This takes (significant) time but that is underestimated, it has to be done on top of people's activities."* *Source: MN 024* The 2009 Cotonou TA Annual Report notes (p1) that **TA** should support the efficient utilisation of loan finance, and should enable the EIB to pursue its goal of becoming more proactive in its approach to investment projects in the ACP region. TA should whatsoever be project-related: *"Article 2 (9) of Annex 2 of the ACP-EC partnership agreement (Cotonou I and II) states that "interest subsidies may be capitalised or may be used in the form of grants. Up to 10% of the budget for interest rate subsidies may be used to support project related technical assistance in ACP countries". In accordance with the above, all technical assistance (TA) operations shall have a link to ongoing or future investment projects (loans).* *The availability of the above grant funding for TA enables the Bank to become more proactive in its approach to investment projects in the ACP region[8], a goal that the EIB pursues. Year 2009 was the ACP-IF Department's third operational year in utilizing the Cotonou TA Fund. It was a year in which the EIB continued to expand and consolidate its TA program[9] in the ACP region, helping to support a range of projects and lending programmes.*

[8] *As per ACP Business Plan 2009-2011.*

[9] *In addition, ACP TA operations benefited from the EU-Africa Infrastructure Trust Fund, and the EU-ACP Water Project Preparation Facility, established under the 9th EDF EU-ACP Water Facility, which are not covered by this report.*

	Most TA operations under the Cotonou I and II frameworks are designed to either help identify and prepare Investment Facility (IF) or Own Resources (OR) projects to facilitate their implementation. TA supports the efficient utilisation of loan finance and can contribute to generate new lending opportunities. *In accordance with the strategic thrust of the Bank's operations in the ACP region, the 2009 TA programme continued to focus on: (i) financial sector operations (microfinance and SME lending, for instance in Ethiopia, Rwanda, Liberia, Uganda and the Dominican Republic); and (ii) infrastructure projects, notably initiatives in Central, West and East Africa and the Solomon Islands.* *In March 2007, the Management Committee and the IF Committee endorsed a first Global Authorization (GA) for TA for a total amount of MEUR 15 (MEUR 13 were approved by end 2009 under this GA). (…) The IF Committee, in its meeting on 25 March 2010, approved a second GA for TA with an amount of up to EUR 8m, to be drawn from the Cotonou II TA endowment (EUR 40m). Under the GA the size of individual allocations is up to EUR 2m. The IF Committee approves all other TA operations that are not covered by the GA for TA."* EIB staff members noted that EIB **TA** is demand driven (which is less the case for some others such as the WB). This is partially related to resource availability: *"TA is demand driven: defined on needs, e.g. capacity building. During appraisal they decide whether TA is necessary. In ACP WB is very active and they often work with them. In some cases for instance, the WB worked on initial TOR, then processed by project team, then the EIB starts to select consultant or delegates it to the promoter (a bit different from MEDA). One reason for this change is to follow the Paris Declaration: more ownership. Moreover, as they are not a development Bank or not staffed as one (and no staff on site most of the time) generating and monitoring TA is not easy for them. They need to delegate the contracting authority. Sometimes they can do it themselves : e.g. Solomon Islands: engineer in Sidney office to be able to run the show. 2nd case in Kenia: Head of EIB office: engineer: he was involved."* *Source: MN 102* For EIB operations outside the EU but excluding ACP countries, the concept of "**restricted participation during appraisal**" is applied for operations with known borrowers with known implementation capacity. EIB technical staff does not participate in project development to the same extent as other MDBs and less non-financial value added is brought to borrowers. *Source: Mid-term evaluation of EIB's external mandate, COWI, March 2010*
2004_Lumwana	Considerable amount of resources and time have been devoted to a **feasibility study** launched in 2001. The cost of the study wa €15.4 and was partially financed (E7 M) with an EIB loan from the IF resources. The study was meant to establishing the comprehensive bankable feasibility of a new copper mine at Lumwana in North-western Zambia. The study includes an assessment of the social and environmental impact of the project. Sources EIB Fact Sheet A, Proposal to appraise new operation: Zambia Lumwana Feasibility Study, Luxembourg, 31/1/2001, OP3/ACPIII/AGORAn°20010013/SAK/ar. EIB. Appraisal Report, Lumwana study, Feasibility study for a copper mining project, Luxembourg 23/3/2001, PJ/I&S/2001-338/GCE/VMJ/ms EIB Annex to Fact Sheet B. Board of Directors, Lumwana Feasibility Study,2/4/2001 EIB Lumwana Feasibility study Project. Finance Contract between EIB and Equinox Cooper Ventures Ltd(Zambia). Luxembourg, Paris, 2/10/2001
2005_ACPGLOB CA2006	EIB's entry into this Project (and in the preceding such fund) was reactive, requiring minimal staff input.
2005_ACPGLOB ADEMI	EIB appears to have played a leading and proactive role in helping Banco Ademi expand and strengthen its capital base.
2005_EMP AFRICA FUND II	EIB's entry into this Project (and in the preceding such fund) was reactive, requiring minimal staff input.
2005_ACPGLOB CA2004	EIB's entry into this Project was reactive, requiring minimal staff input. EIB was invited by IFC, a sponsor of this venture capital fund.
2005_ACPGLOB	EIB's entry into this Project (and in the preceding such fund) was reactive, requiring minimal staff

CA2006	input.
2006_EAU SENEGAL	As this project is the continuation of two previous projects already financed by the EIB, it is difficult to attest of the proactive/reactive position of the Bank. However the EIB tend to be an important actor on the water and sanitation field in Senegal as it is explained in the CSP *Source: « Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007, p35* However the EIB is active in the drinking water sector in Senegal for more than 10 years. *Source: "Rapport financier. Projet: Programme eau Sénégal", EIB, 2007, p2*
I-9.3.2	**Trend in ratio of full-time equivalent staff to volume of operations**
I-9.3.3	**Evidence from staff on availability of HR to fulfil the mandate**
General	**Regional Offices: Background on EIB organisation:** *"At the end of 2008, a total of 114 Equivalent Full-Time Staff (EFT) were assigned to ACP/OCT-related operations throughout the Bank.* ***EIB External Regional Offices in the ACP countries:*** *The Luxembourg-based resources are complemented in the field by five External Regional Offices in Dakar, Fort-de-France, Nairobi, Sydney and Tshwane (Pretoria), covering respectively West Africa and Sahel, the Caribbean region, Central and East Africa, the Pacific and Southern Africa and the Indian Ocean. At the end of 2008, 10 EIB staff, supported by 17 locally hired contract staff were assigned to the five External Regional Offices."* *Source: IF Annual Report 2008 (p65)* The 2009 IF annual report mentions further the following: *"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."* *Source: Investment Facility Annual Report 2009, EIB, 2010 (p57)* **Regional offices:** EIB staff members described as follows the set-up history of the regional offices; they also referred to a 2008 review on regional offices[10] which mentioned reportedly that offices were running at the limit of human capacity, with a serious reputation risk for the Bank and a serious disadvantage compared to other institutions: ▪ *"Several threats: see change in the Bank from Lomé Conventions (simple quote projects: Government projects, circumscribed by the State), whereas Cotonou had a different flavour, with a large private sector flavour, at a time where many African countries were undergoing privatisations. Recognition of need of closer involvement in the field. EIB was then starting parachuting people from Luxembourg for a few days in the field to meet Ministers etc. That was an issue also in renewing the EIB activities in ACP. Several peer institutions (KFW etc.) commented on this, saying that they were present on the ground but not the EIB. EIB decided hence to set up "representations" (not offices!) = for strengthening the dialogue with stakeholders in the country (national*

[10] "Review of the Bank's External offices in Sub-Saharan Africa and the Mediterannean Region", produced for the IF Committee, EU MS and EC (October 2008, 15p, report prepared by J R Loasby. This document was not provided to the evaluators.

	authorities, Banks, cofinancing organisations, private sector, regional economic communities – CEMAC/COMESA/EAC/etc.). Also question of raising the profile of the EIB (= EU), and participation in public events which would require local presence (and not empty EIB chairs as before), and also prospective, marketing arm in the field, for a better grasp of what is happening in the field (finding new people, getting involved in new activities, finding a wider breath of opportunities for being active in the countries). This was the broad set of targets set up by management at the time. Idea to have close cooperation with EC, but actually it never implied sharing offices with the EC (nevertheless, often close to EC Delegation). ▪ *These representations were bounded on an existing structure of geographical divisions in the EIB head office. This was rather unlike all the other peer institutions (IFC, WB, KfW, AFD, etc.), which have […], carrying out there appraisals for instance at sector level at their head offices. Curious structure at EIB vs. all other institutions. It merits at least consideration of whether we have the right structure. Should we use our local representations more extensively? A lot of us do feel that this would be a very interesting approach. It would nevertheless imply shifting of resources.* ▪ *This is another discrepancy: a note to the IF Committee mentioned for instance the following: "offices running at the limit of human capacity"; "not a sustainable basis"; "serious reputation risk for the Bank"; "serious disadvantage compared to other institutions". Since that report has been released one year ago, there has been no increase of resources. Serious issue.* o *Number of resources available (1 in Pretoria) vs. number of activities/countries to cover (15 countries for Pretoria office).* o *AFD: Only in Pretoria (excl. their offices in Mauritius and Madagascar): 6 from Paris + 10 back-up people.* o *Pretoria office last year: 488 working days for last year for 2 people: 212 were spent on mission → max. 1 person or no person in the office.* ▪ *Very much improved relationship with EC since representations. The same can be said with peer institutions (frequent meetings with AFD, a bit less but still with KfW or WB). Active participation with regional economic communities. Very different level and quality of cooperation compared to beforehand. Being able to be informed, involved at earlier stage.* o *E.g. Pretoria: 80% of approvals and 74% of signatures were project originated, developed, and nurtured locally. This is quite "parlant" as to the efficiency of this system (although this is not sustainable).* ▪ *« Proactive »: what does it mean? E.g. Mozambique: opening up of a port → that project has been stopped; it got basically blocked (partial promise of funding but nothing happening). Promoter got nervous. EIB went to promoter, discussed root causes, went to discuss with WB, and then back to the promoter. Is that proactive? Not in the sense that the project already existed, but that it involved proactive attitude.* *Source: MN 024* In the same line, the Mid-term evaluation of the EIB's external mandate report the following with regard to **local offices** in Turkey, Morocco, Tunis, Egypt, and South Africa (the latter covering a number of ACP countries): *"All offices have the character of representative offices and support to appraisal of new operations is only done exceptionally. The offices each have one or two professional staff seconded from Luxembourg none of which are technical staff (engineers).* *When the offices were set up they were envisaged to serve a representative role with national stakeholders, to support the operational divisions in project identification and in monitoring, and to improve the coordination with the EU delegation and with the IFIs and DFIs with local offices of their own.* *The Commission assessment of FEMIP in 2006 pointed to the need for reinforced local presence of the EIB in the FEMIP further to the 3 local offices already then established and of the partnership role of FEMIP to be enhanced. Interviews with project beneficiaries and other external stakeholders have shown that the mainly representative role of the existing local offices and the absence of a local presence in other countries are considered an element that reduces the non-financial value added to beneficiaries. It is also seen to reduce the capacity of the EIB to cooperate effectively in the field with the EU and with IFIs/DFIs in mandate loan operations.* *The local offices at the same time report that the monitoring missions from Luxembourg to support project implementation have become fewer in the face of cost cutting measures to improve cost coverage.*

	Beneficiaries expect project monitoring to include staff with technical expertise, since this expertise is not available in the local offices. They compare this situation with that of other IFIs and DFIs represented, with at least some engineering expertise in their local offices. *The interviews with IFIs and DFIs showed the scope of these offices to be much wider with active participation in project development from seconded engineers. The offices would typically have between 4 and 10 professional staff, including staff hired locally. The interviews exclude the likes of the World Bank and the IFC, which have substantially larger local offices but also a broader mission.* *The IFIs/DFIs interviewed in Serbia where the EIB does not have a local office had mixed views on the need for one. For the cooperation required on larger scale and relatively less complex transport projects, the absence of a local office was deemed to be justified.* *The DFI interviewed (KfW) with a broader and more development oriented focus in the environmental infrastructure sector saw the absence of the EIB as a problem in the EU/IFI/DFI coordination work that takes place within the framework of the Infrastructure Projects Facility (IPF) of the Commission and which targets municipal infrastructure investments.* *The DG charged with running the IPF, DG ELARG, shared this view and added that the absence of an EIB local office impacted adversely on the effectiveness of the IPF where the EIB is the largest player in terms of funding availability. The Bank was found by this DG to be unable to substantively follow up with municipalities on project proposals as opposed to the EBRD and the KfW which both have local offices.* *The EU Delegation representative in Belgrade interviewed covering the key areas of municipal infrastructure investments confirmed that coordination efforts on projects, involving also other IFIs/DFIs, was hampered by the lack of a local EIB office.* *In countries where the EIB does have a local office, staff resources was pointed out as an issue since the technical skills in demand were not available among the staff in the offices. Also, it was found that since the Egypt office is a regional one covering several countries, it constrains the availability of local staff for projects in Egypt. A similar situation was found in South Africa, where the office is also regional."* *Source: Mid-term evaluation of EIB's external mandate, COWI, March 2010 (pp104-105)* EIB staff members noted that they have undertaken a **peer comparison analysis** on allocated resources based on end-2007 figures, which showed that the EIB had staff levels that remain limited vs. peer institutions: *"Peer comparisons are useful in providing orders of magnitude, but in doing so their different roles and funding arrangements have to be borne in mind. Nevertheless, by any yardstick, the Bank's ACP operations would appear to be considerably less staffed than those of its peers. The most relevant peers are IFC (its African operations only), FMO, DEG and Proparco (bearing in mind that Proparco would appear to obtain considerable corporate support from AFD, its main shareholder). (…) Broadly, ACP-IF staffing is similar to that of FMO and Proparco, which do not operate in as many countries and have much smaller outstanding portfolios. Staffing in DEG and in IFC (SSA activities only), which is probably the closest comparator, are much higher although IFC's costs per staff member are lower, no doubt reflecting the extensive use of locally recruited personnel as well as most likely lower corporate overheads".* *Source: MN 027* The Mid-term evaluation of **EIB's external mandate** (i.e. all activities outside the EU excluding ACP and OCT countries) report that **benchmarking** with other institutions is complex: *"Among IFIs the EIB is often considered a very efficient institution with large volumes of lending processed per staff, the cost to asset ratio, and the cost to loans outstanding as efficiency indicators.* *A proper efficiency assessment in terms of such benchmarking requires, however, that comparison be made between broadly similar institutions.* *In this context, it appears that, for example, comparisons between the EIB and other MDBs such as the EBRD in terms of efficiency are very complex since these institutions present a different business model and are different in terms of tasks assigned and external resources available."* *Source: Mid-term evaluation of EIB's external mandate, COWI, March 2010 (p145)* Nevertheless, the related "Report and recommendations of the Steering Committee of "**Wise**

Persons"" noted for the external lending mandate (excl. ACP) that the evaluation concludes that the capability of the EIB to properly contribute to EU external policies and serve EU interests is **hampered by limited staff and limited local presence**.":

"One of the EIB's most important comparative advantages is its lean and efficient set-up, which entails limited administrative costs. Compared to other IFIs, the EIB presents the highest ratio in terms of lending volume per staff member. For reference, the EIB operational lending directorates include about 200 staff members dealing with direct banking activity in regions outside the EU (including about 80 staff members working on ACP). An additional estimated 100-150 support staff is involved in external financing activities (project appraisal/monitoring, legal, credit risk) or administrative and financial support.

EIB lending signatures outside the EU in 2009 amounted to EUR 8.8bn, an amount higher than the total activity of EBRD, and about 1/3 of the combined activity of IBRD and IFC over the period 2004-2008.

The EIB transfers the financial benefits of its funding to the beneficiaries with relatively low margins to cover 100% of the administrative costs. The EIB has specific targets to ensure cost coverage of operations and build the necessary reserves to self-finance capital increases and support the expansion of the activity, on the basis of its statutory obligations.

Nevertheless, with reference to EIB activity in the regions covered by the external mandate, the evaluation found that the tight staff resources of the EIB reduce in certain circumstances the effectiveness of EIB operations taking into account the requests put on EIB, as well as expectations of the EU Institutions and civil society. In particular, the evaluation found that: (i) the translation of EU policies into EIB lending strategies and the economic and sector analysis of country needs are very limited; (ii) the EIB efforts to monitor project implementation, ensure local presence and follow-up on environmental and social aspects, appear still insufficient; (iii) the EIB ability to satisfy the mandate requirements on development aspects is only indirect. The project selection process is also influenced by limited resources, by a higher emphasis on relatively larger and relatively less complex operations.

Thus, the evaluation concludes that the capability of the EIB to properly contribute to EU external policies and serve EU interests is hampered by limited staff and limited local presence."

Source: Camdessus, "Mid-Term review of EIB external mandate – Report of the Steering Committee" February 2010 (pages 26, 37)

The **Wise Men Report** provides on p60 the following table with indicative staff data of EIB and peer institutions operating outside the EU, indicating where **ACP** countries are covered:

Table 4. Indicative data on staff, financing commitments and grants of EIB and selected IFIs and EBFIs operating outside EU

	EIB (Operations outside EU)		**Agence Française de Développement**	**KFW Entwicklungsbank (excluding DEG)**	**EBRD**	**World Bank Group**			
Regions of Operation:	Pre-Accession, Mediterranean, Russia and Eastern Neighbours, <u>ACP</u>, South Africa, ALA	All regions covered by the mandate <u>excluding ACP</u>	Asia and Pacific, Sub-Saharan Africa, North Africa and Middle East, Latin America - Caribbean, French Overseas Comm.'s	Asia and Oceania, Sub-Saharan Africa, North Africa and Middle East, Europe and Caucasus, Latin America	Western Balkans, Turkey, Central & Eastern Europe, Easter Neighbours, Russia, Central Asia and Mongolia	IBRD + IDA + IFC Worldwide	IBRD	IDA	IFC
Year	**2009**	**2009**	**2008**	**2009**	**2009**	**FY2009**	**FY2009**	**FY2009**	**FY2009**
Staff (direct and indirect)	**339**	**185**	**1,412**	**507**	**1,375**	**11,633**			**3,402**
of which, in field offices	29	11	603	63	393	6,564			1,837
Staff in field offices [%]	9%	6%	43%	12%	29%	56%			54%
Number of Field Offices	9	4	64	60	34	120			106
Financing Commitments (loans, grants, etc.) [mEUR] [33]	**8,772**	**7,909**	**4,469**	**3,715**	**7,861**	**46,014**	**23,508**	**10,029**	**7,534**
Financing Commitments [mEUR / employee]	**25.9**	**42.8**	**3.2**	**7.3**	**5.7**	**4.0**			**2.2**
by Type of Funding									
Loans	8,222	7,822	3,450	2,259	6,400	35,010	23,508	7,886	3,616
Grants	78	65	698	1,112	146	2,014		1,857	157
EIB EC Guarantee [34]	207	207							
WB Trust Funds						4,943			
Guarantees			215		304	1,792		286	1,507
Equity	472	22	106		1,157	1,258			1,258
Other			-	344		996			996
Concessional financing commitments [35] [% of total Financing]	**3%**	**3%**	**16%**	**30%**	**2%**	**15%**			**2%**

[33] EUR=1.4USD for World Bank Group figures.
[34] Calculated on the basis of the incremental amount provisioned in the EC Guarantee Fund, equal to 9% of the EIB disbursements.
[35] Sum of Grants, EC Guarantee (EIB) and Trust Funds.

	It comments hereby the following: *"With respect to local presence, it is noticed that the EIB has established 9 small external offices (5 in ACP, 3 in Mediterranean, 1 in Turkey) with about 27 staff in total, which have mainly a representative function. This local presence is much lower than that of MDBs and the main EBFIs (see Table 4 in annex 3) and is found to limit the effectiveness and impact of EIB operations. It is thus recommended to reinforce the role of local offices, exploiting possible synergies with the Commission's delegations, in order to enhance project monitoring and help overcoming project bottlenecks, as well as to improve interaction with beneficiaries including supporting public participation in EIB due diligence process." (pp25-26)* *"as shown in Table 4 in annex 3, it can be estimated that the EIB lends outside the EU more than EUR 40m per staff member (about EUR 25m including ACP), compared with about EUR 3-7m for a typical MDB, i.e. about 10 times more, given the different mandate and type of activity of the EIB." (p26)* *Source: Camdessus, "Mid-Term review of EIB external mandate – Report of the Steering Committee" February 2010 (pages 60)* In terms of human resources, an EIB source noted that they have increased, but that activities in ACP are much more **time-consuming**. There are also **internal organisational issues** in terms of resources: *"Two points should be made at the outset. First, there has been an increase in staff over the last few years. Second, by the nature of the business, there is no ideal staff number that can be generated by precise quantification.* *Under Lomé IV, i.e. until about 2002, ACP activities were handled by roughly 64 EFT staff across the Bank (of which 35 in ACP-IF), a figure that had remained more or less constant since Lomé IV came into force in 1990. The comparable figure for 2008 is 115 EFT, of which 76 in ACP-IF. At the same time, the Bank's traditional systems and procedures for measuring efficiency and productivity indicate a sharp drop in productivity, with the average number of projects per loan officer having dropped below. In this regard, one notes a clear – and worrying – trend whereby operational staff is actually no longer able to allocate sufficient time to the identification and appraisal of new operations, and progressively has had to take on more and more activities of an administrative nature, or at least tasks not directly project related. (…) in 2007, only 41.4% was related to specific projects. A similar pattern can be observed for 2008 (…).* *Operational support provided by other Directorates to the ACP-IF is also a source of concern and largely reflects the shortcomings of the Service Level Agreement (SLA) signed between the Bank and ACP-IF at the end of 2002, which defined the number of EFT staff or ad hoc resources expected to be dedicated to the IF by the EIB-Corporate and their related charges. (…) The SLA has, actually, never really been properly implemented and resources have to a large extent been allocated on an ad hoc basis, depending on priorities, which has sometimes resulted – and continues to result – in major bottle-necks. The lack of available and dedicated resources for ACP-IF operations (and this is also true for ENPC and ALA Departments) in other Directorates is certainly another explanation for lower productivity, and may well become even more of an issue in view of the current focus on achieving ambitious corporate targets in the Ops A countries in response to the economic and financial crisis."* *"Un des objectifs de l'ABU-IF (Autonomous Business Unit Department) était de nous donner une certaine autonomie budgétaire. Mais in fine on n'a pas bénéficié de cette autonomie. On était par exemple soumis aux freeze des engagements de ressources de la BEI quand il y en avait. On a par exemple dû se battre 3 ans pour avoir 5 ressources supplémentaires. »* *« Problème clair: on est sous-staffés. Y compris au niveau des opérations. Faire un projet en RDC n'est pas la même chose qu'au Benelux ou même au Maroc. Maintenant : moins de 1 projet par an signé par personne. Les gens passent plus de 50% de leur temps à faire autre chose (monitoring, tâches administratives).»* *Source: MN 027* EIB staff members mentioned that this implied significant **overwork** at HQ Level: *«Le staff de la BEI sur IF travaille typiquement 20-30% de plus que les 8h par jour comptabilisées --> faire attention aux benchmarks (ex. est-ce que l'overtime est comptabilisé ?).»* Significant overwork is also mentioned for Regional Offices (*see I-9.2.2 below*). *Source : MN 027, MN 024* According to an EIB staff member, the **workload** is not evenly divided across the time. That staff member estimates that it does not miss too many opportunities, thanks also to the local offices, but

	the EIB would certainly be more proactive if more resources would be available. The proactiveness could be improved regarding the monitoring phase, the follow-up rather than the identification phase. For instance, the World Bank performs more upfront work compared to the EIB. As long as the EIB works in strong cooperation with other donors, it is not really an issue. Regarding the monitoring phase, the EIB has some difficulties to be very **proactive**. This is explained by insufficient resources available on the field and the distance from Luxembourg. The EIB local offices would work differently (e.g. set up an advisory board,...). Increasing the number of staff in local offices would certainly improve the projects **monitoring**. *Source: MN017* A Commission representative notes that the EIB is an efficient organisation, although possibly with **limited staff**: *"EIB is understaffed": probably it's true. The EIB is a very lean & efficient institution, and the EU wants to keep it as it is. If we recommend that more staff is needed, we have to take into account that the EC is behind the EIB. The EIB might be more involved in CSP/RSP, etc., for instance with one paragraph dedicated to the EIB, but the EIB should rely on EC policies etc., not duplicating the work. EIB is not just another IFI; it is the bank for the EU."* *Source: MN 020* Staff: An EIB staff member mentioned that EIB staff in charge of ACP operations have **experience in both banking and development**: *"ACP : Turnover beaucoup plus bas pour ACP par rapport à d'autres (plusieurs ont plus de 20 ans dans le département). Beaucoup ont background dans le financement du développement (SFI, AFD, etc.) ou PPP etc. venant chez nous par intérêt. Avec double casquette banquier + développement. Beaucoup d'économistes de formation, également ingénieurs (agronomes).* *Mobilité interne : décision a été prise de renforcer la mobilité interne, entre types de départements et entre régions géographiques. Avant la région ACP était celle qui avait le plus d'interaction avec la CE. On avait toujours les instruments de blending (risk capital, IRS, equity). Maintenant ces instruments se généralisent peu à peu dans la Banque , ce n'est plus une spécificité ACP, il faut donc ouvrir cela à la BEI. A aussi du positif : avoir des gens avec de l'expérience EU peut être utile.* *Nouvelle règle 3-5-7 : Après 3 ans sur un poste il faut commencer à envisager de changer, 5 ans cela devient plus délicat, 7 ans out. Mobilité interne intra-ACP : on change typiquement de pays tous les 5 ans, c'est l'idée. Mais ne pose pas trop de problème. Le département est suffisamment intégré pour que cela ne pose pas trop de pbm. Hand-over bien fait, avec mission sur le terrain avec ancien et nouveau.* *Missions des opérationnels : pas aussi longues qu'à la WB (juska 3 semaines). Typiquement 3-4 fois par an en mission, chaque fois une semaine. »* *Source : MN 027* EIB staff members emphasized that **proactiveness** is hampered by the number of resources, as detailed above under I-9.3.1. **TA**: The 2009 TA Cotonou Annual Report provides information on resources and a description of the organisational structure for managing TA (on pages 1 and 7- 8 respectively): *"At the end of 2009, nineteen (19) TA operations were ongoing requiring a substantial amount of Bank staff resources to monitor and ensure their successful completion".* *"The organisational structure for preparing and implementing TA operations has been derived from the proven EIB approach for project appraisal. For environment, water, human capital and infrastructure related projects, a TA team is composed of a geographical (OpsB) and sector (PJ) officer; for financial sector and risk capital operations, the full responsibility lies with the geographical team. The teams are responsible for defining the relevance, substance and expected results of each TA operation, for the monitoring of the consultant and the approval of reports. The TAU supports the TA team on administrative, procedural, technical and contractual matters during the preparation and implementation of TA operations, and it liaises with external stakeholders, ensures compliance, organises the tender process, checks the overall quality and acts as the main interlocutor during audit and evaluation exercises."*

	EIB staff members noted that they had to face the teething problems of managing **TA**: *"Start was like under FEMIP, takes some time, get used to working with consultants. Since then they have done a lot of things especially in the financial sector, notably micro-finance."* *Source: MN 102* In this respect, a recent evaluation covering EIB TA under FEMIP (i.e. in the Mediterranean region) noted that *"regarding TA on EIB loans, despite the EIB's limited experience with managing TA prior to the creation of the FEMIP Support Fund, interviewees recognise that the EIB was in the best position to identify and manage the TA necessary for the loans it provided, albeit with support from the Commission in one reported case".* *Source: Evaluation of Commission's Aid Delivery through Development Banks and the EIB, ADE, 2008 (p52)* A senior EIB staff member notes that **monitoring** is still an issue: *"We are lean but indeed it [monitoring resources] is a constraint. We don't have the resources to do this."* *Source: MN 020* EIB staff members note hereby that lack of resources hampered setting up of a **monitoring** system for measurement of **development impact**: *"Selon « Fair evaluation » (international financial reportings standards – IFRS) il faut faire chaque année un inventaire de la valeur des actifs, y compris de la FI, notamment pour travail de provisions - on fait cela en même temps que le monitoring.* *Monitoring de l'impact en termes de développement : a été demandé clairement il y a qqs années. On a du mal à le mettre en place par manque de ressources. Le responsable BEI avait été voir des peer institutions pour voir comment ils faisaient : ils ont des ressources dédiées. Nous n'avons pas ces moyens.* *Décision du CD prise d'harmoniser maintenant toutes les activités monitoring au sein de la Banque dans le TMR (Transaction Management Restructuring), pareil pour EU et Externat Lending Mandate et ACP etc. Problème : c'est du monitoring point de vue risque. Le Département Projets serait sensé faire le monitoring point de vue physique, mais ils n'ont pas les ressources. Souvent ils font du copier coller de ce qu'on fait ici. »* *Source : MN 027* Another EIB source completes the above, noting that **monitoring** entails an additional burden and can be as resource intensive as the appraisal/diligence process, and even more so with the crisis of the last years: *"The ACP monitoring plan was discussed and endorsed by the Management Committee on 30 September 2008. The traditional Bank concept of monitoring, which also encompasses disbursements, no longer suffices to convey all that is involved in managing operations and contracts post signature, an example being agreeing to waivers. The obligations that flow from Basel II and the application of IFRS in terms of annual valuations of each individual operation with apparently no allowances possible for small operations of minimal materiality entails an additional burden in terms of post-signature activity and can be as resource intensive as the appraisal/diligence process, as evidenced from the ACP-IF time recording statistics. And this is without taking into account the likely spill-over effects of the current financial crisis in developing countries, and resulting impact on the ACP operators with whom the Bank is involved. It is already evident from recent developments (including the likely higher level of provisioning under the IF for 2008) that a number of projects under implementation are facing problems and will require a more intense and resource intensive follow-up during the year. This situation may persist throughout 2010."* *Source: MN 027* The issue of limited staff resources for **monitoring** is also observed in the other EIB operating regions outside the EU: *""The limited* staff resources *made available by the Bank for mandate loan operations have been found to impact not only monitoring but also to reduce effectiveness through the project selection process."* *"Contractual requirements. The project case studies show that the number of contractual undertakings of finance contracts with sector conditionality are few, and with limited monitoring of and enforcement.* *Monitoring of contractual requirements in general is not found satisfactory. The e-survey of EIB staff showed that*

	time constraints for the majority often or very often affected monitoring and project follow-up. Both factors reduce Programme effectiveness." *"(…) limited availability of staff resources have impacted on operational procedures including appraisal and particularly monitoring procedures."* *Source: Mid-term evaluation of EIB's external mandate, COWI, March 2010 (p vi, p145)* **Monitoring of TA** is not easy notably due to availability of resources and of local staff, according to EIB staff members. *"as they are not a development Bank or not staffed as one (and no staff on site most of the time) generating and monitoring TA is not easy for them. They need to delegate the contracting authority. Sometimes they can do it themselves : e.g. Solomon Islands: engineer in Sidney office to be able to run the show. 2nd case in Kenia: Head of EIB office: engineer: he was involved."* *"Monitoring consultants is not always easy. Bigger TAs: we try to monitor them closely, e.g. every 6 months. The EIB is not on site… We don't have daily contacts. But we try to meet them when we go over there. And, important, we have people in-house who could do the job, in the sense that they are capable, they know what should be done, they know the job; this makes monitoring easier".* *"Microfinance: challenge to find the right consultants. It is always a challenge to find good people in the market. All in all we find good people. We work quite a lot with big consulting firms, e.g. there are always on big infrastructure projects. Note: Under the IF we use the EIB eligibility criteria: worldwide, for people and firms. Not as the Commission (EU 27)"* *Source: MN 102*
General Pacific	The opening of regional office in the Pacific Region has been a considerable improvement compared to the previous situation. EIB tasks managers used to conduct fly-in fly-out missions to the Pacific which did not permit to properly identify projects and to allocate resources efficiently. The resources of the Regional Office remain extremely limited compared to other agencies. World Bank, ADB, and Commission have each between 60 and 80 resident staff in the region. EIB has only 4 and covers 19 countries. Obviously this does not permit to have the same proactivity as the other agencies. However, the Office with its limited resources, participates to 4 coordination groups : private sector, infrastructure, energy, regional coordination. It prepares a quarterly report covering an analysis of the region from the political and economic point of views, the situation of the projects, and studies of specific topics. Moreover the Office produces a small weekly report for the headquarter. These tasks mobilise two full time staff. Given that there are many potential projects in the Pacific Region, with the current organisation there are not enough human resources to identify, prepare and monitor projects. One person in Luxembourg is responsible for the preparation of projects (in practice 1 person can prepare 3 projects per year). There are four persons in the regional office in Sydney to identify projects, to conduct the contacts with the governments of the region, to coordinate with other donors and financial agencies and to monitoring the projects. The choice of Sydney to establish the regional office, rather than a Pacific country has been questioned. The advantage of Sydney is that several donors (World Bank, ADB, Aussaid) have made it their focal point in the region. Moreover Sydney is a hub through which most project promoters in the Region would regularly go and where many regional consultancies are based. The alternative of being located in one Pacific country would make contacts easier with that country but more difficult with all other part or the region. The main disadvantage of Sydney is that it is not the seat of the regional Delegation of the Commission for the Pacific. *Sources: MN313, MN343.* Manque de visibilité de la BEI faute de ressources. Il faudrait pouvoir aller beaucoup plus dans les pays. Effort de marketing envisagé par le bureau régional mais crainte de ne pouvoir suivre. *Source: MN313*
General Kenya	The constraints in terms of resources within the Regional Offices were also mentioned during the

<table>
<tr><td></td><td>country visit in Kenya. The Regional Representation based in Nairobi has 3 full time staff and 3 support staff to deal with 18 countries. On this basis it is very difficult for the EIB to have a strategic approach, especially outside the sectors defined by the Business Plan. This is also a constraint in terms of follow-up of the projects. Coordination with other IFIs for monitoring can however lighten the burden to a certain extent.
Source: MN 331</td></tr>
<tr><td>General Dom. Republic</td><td>Visibility: In the Dominican Republic, the role of EIB is not well highlighted in the EU Delegation's communications. Neither is it more broadly vs. taxpayers and all beneficiaries.
Visibility could be reinforced by:
- A joint communication plan
- More EIB investment in communication
- The EC could impose in its communications guidelines to include EIB projects in the EU Delegations' communications
Source: MN 004

Is EIB visible to final beneficiaries ? (E.g. SMEs/MSMEs?) In the Dom. Rep, Banco ADEMI does not refer to EIB in its individual loan contracts, but Banco ADOPEM does.
Source: MN 401, MN 403</td></tr>
<tr><td>General (Lomé IV)</td><td><u>Monitoring (1/2):</u> The Evaluation of EIB financing through individual loans under the Lomé IV Convention (covering the period 1990-2003, before the set-up of the IF under the Cotonou Agreement) recommended provision of adequate resources to strengthen the EIB monitoring capacities, e.g. through TA – see the table below, which also provides the EIB response (notably that it might be intensive).

<table>
<tr><th>EIB Evaluation's recommendation 4</th><th>EIB Services' Comments</th></tr>
<tr><td>In order to strengthen the project implementation and management capacities in particular of public sector promoters, institutional issues need to be analysed more carefully at appraisal, and appropriate measures (project implementation units, technical assistance, training etc.) be included as loan conditions. This may require the provision of adequate resources to strengthen the Bank's monitoring capacities, e.g. through Technical Assistance. (Sections 3.1.1.2, 3.1.1.3, 3.1.1.5, 3.1.2 and 6.2)</td><td>The principle has been agreed with the Commission that, under Cotonou II, the Bank should have funds readily available for the selective use of Technical Assistance both for direct projects as well as for financial sector operations. In the meantime, the Bank's services will reinforce the application of measures to strengthen organisational weakness especially in relation to project implementation capacity. While institutional issues are analysed in detail at appraisal stage (systematically in some sectors, e.g. water), loan conditions relating to institutional and regulation reform depend upon the case in question, bearing in mind that putting in place the required technical assistance and adequately monitoring these issues is often a staff intensive exercise, and for this the hiring of additional staff is in progress.</td></tr>
</table>
Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p5).

<u>Monitoring (2/2)</u>: that same Lomé IV Evaluation recommended more careful project monitoring, whereby the EIB responded that progress had been made already in the first years of the Cotonou Agreement (see table below).</td></tr>
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<tr><th>EIB Evaluation's recommendation 5</th><th>EIB Services' Comments</th></tr>
<tr><td>Project related covenants have to be carefully monitored and appropriate decisions taken, considering also observations made after loan signature. (e.g. creation of special funds, recruitment of TA, environmental measures). (Sections 3.1.1.4, 3.2.1, 5.3 and 6.2)</td><td>Far fewer subsidy-related special funds will be created under Cotonou, but the point is well taken. Over the last two years, new resources have progressively been allocated to the area of project monitoring (there are currently two Monitoring Officers per operational division), while progress has been made in the field of improving the electronic tracking of contract compliance. This will enable the Bank to better enforce promoters' contractual obligations.</td></tr>
</table>
Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p5).
</td></tr>
<tr><td>2001_MOMA_ TITANIUM</td><td>This project involved a very significant amount of time and work by the EIB Staff and the acquisition of a good knowledge of the promoter and borrower and their management.
See I-9.1.2</td></tr>
<tr><td>2003_BOAD PG IV</td><td>There was a lack of resources at the time of appraisal of the projects, in particular for having to deal with a new instrument (guarantee line):
"<u>Estimation des ressources nécessaires de OPS, PJ ET JU :</u> Pour OPS ACPIF-I, la préparation de cette opération pourrait être affectée par les problèmes de ressources de la division et par la nécessité de coordonner les activités de CRD, RD et DEAS (cf. ci-dessous) dans la préparation de cette opération.
Si le renouvellement du Prêt Global sur RP ne devrait pas nécessiter d'input très important de la part de JU, la ligne de garantie dans le cadre de la Facilité pourrait être particulièrement « labour intensive », s'agissant d'un nouvel instrument pour lequel JU ne dispose pas nécessairement de Contrat type. »
Source : FSA Annexe I (of the operation), EIB, 22/9/2003</td></tr>
<tr><td>2004_Lumwana</td><td>Considerable amount of resources and time have been devoted to a feasibility study launched in 2001.
Sources
EIB Fact Sheet A, Proposal to appraise new operation: Zambia Lumwana Feasibility Study, Luxembourg, 31/1/2001, OP3/ACPIII/AGORAn°20010013/SAK/ar.
EIB. Appraisal Report, Lumwana study, Feasibility study for a copper mining project, Luxembourg 23/3/2001, PJ/I&S/2001-338/GCE/VMJ/ms
EIB Annex to Fact Sheet B. Board of Directors, Lumwana Feasibility Study,2/4/2001
EIB Lumwana Feasibility study Project. Finance Contract between EIB and Equinox Cooper Ventures Ltd(Zambia). Luxembourg, Paris, 2/10/2001</td></tr>
<tr><td>2005_Pacific Islands</td><td>The 2009 Project Progress Report of the operation's contract in Palau mentions that EIB relations with the head of the NDBP are good: "Ops has regular e-mail contacts with its President, Acting President and Operations Manager, and Finance Manager. The President, Mr. Kaleb Udui, visited EIB in February 2009."
Source: "Project Progress Report" (of the operation), EIB, 01/12/2009 (p4)</td></tr>
<tr><td>2006_EAU SENEGAL</td><td>No evidence has been found in that respect.</td></tr>
<tr><td>2008_EDFI</td><td>In the case of the first two successive EDFI EUROPEAN FINANCING PARTNERS (EFP) operations, a risk was identified that the EFP's administration (Secretariat) is handled by one person. The recommendation was made to remedy that.
EIB Group Operations Evaluation
Synthesis Report : Evaluation of activities under the European Financing Partners (EFP) Agreement, January 2009

Visibililty: The EDFIs invest more in communications than EIB. EDFIs have a large number of communications officers
Source: MN 407 EDFI BRUSSELS: JAN RIXEN</td></tr>
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<tr><td>EQ 10</td><td>To what extent were IF/OR operations complementary to and coordinated with those of the EC and EU MS and of other international and bilateral institutions and agencies?</td></tr>
<tr><td>JC 10.1</td><td>Prior to financing one or several operations in a country or a sector, the EIB consults the other institutions and agencies active in the field/country, and in particular the EC and the EU MS, with a view to enhancing complementarity of operations</td></tr>
<tr><td>General</td><td>The Council decision establishing the general mandate for the period 2007-2013 (EIB operations outside the EU except for ACP countries) foresees regular and systematic dialogue and early consultation between the Commission on strategies and other policy documents with the aimof consistency between EIB external actions and EU policy objectives. These consultations are to cover:
- Commission’s strategic documents (CSP, RSP, etc)
- EIB’s strategic planning documents and project pipelines
- Other policy and operationalaspects
The MoU specifies the procedures for policy dialogue.

Overall, collaboration on strategic issues is found to have improved since the adoption of the 2007-2013 mandate.

Cooperation in relation to specific operations normally takes place at partner country level. In general, this cooperation has been found to have been carried out on an ad-hoc basis where the Commission and the EIB co-financed specific projects.

MoUs have been entered with other IFIs already before the Council Decision of December 2006 which foresees the cooperation of the EIB with all international organizations active in fields similar to its own. Traditionally, IFIs and DFIs co-funding has mostly been done through the means of parallel co-financing where the project is split into a number of clearly identifiable sub-projects which are financed by different partners.

Source: MN 900

Whereas the recent “Report and recommendations of the Steering Committee of “Wise Persons”” does not cover ACP countries but pre-accession countries and countries of the Southern Neighbourhood, Easter Neighbourhood, Russia, Asia, Latin America and South Africa, it nevertheless provides findings at a general level that are worth mentioning here.

“While cooperation between the EIB and the Commission was very limited before 2000, it has made good progress over the period under review i.e. 2000-2009. There is scope for further improving the combined action of the two institutions to contribute to the common EU external objectives.

The EIB relies on the Commission for definition of strategy and policies at country level. The contribution of the EIB to this definition is ad-hoc and rather limited compared with the financial and technical expertise developed by the EIB through its interaction with borrowers and project promoters. Moreover, a specific gap also exists at sector level.

The Memorandum of Understanding between the Commission and the EIB established under the new mandate 2007-2013 has allowed the start of a closer cooperation and dialogue at strategy and policy level. The effort is still in progress: while a high degree of mutual understanding is observed at the political and top management level, a part of the staff in the two institutions does not always understand and value each other’s role and potential contribution to the common EU objectives.</td></tr>
</table>

	The current EC programming for allocation of EU budget in various external regions is geared to the delivery of grant assistance, and not well suited for the delivery of EIB lending support. On the other hand, EIB's programming and project identification is also constrained, e.g. by the terms of its finance (non concessional) and by its lack of staff." *"The EBRD has a specific transition mandate and a business model based on local presence and higher risk-taking profile than the EIB. The EIB and the EBRD have different mandates, partly different shareholders and different business models, as well as different internal organisational cultures. However, the common EU shareholders and the EC have an interest to ensure that the synergies between the two Institutions are maximised, also considering that over the last years their areas of operation and sectors of intervention have increasingly been overlapping outside the EU."* *Source: Camdessus, "Mid-Term review of EIB external mandate – Report of the Steering Committee" February 2010 (pages 28, 33)* Coopération avec la Commission dans les domaines de l'eau, l'énergie. En infrastructure, coopération de la CE et BEI dans la Pacific Regional Infrastruture Facility (voir rapport trimestriel bureau régional BEI). Participants : néo-zélandais, australiens, Bq Mondiale, BAsD. La CE et la BEI ont fait le forcing pour entrer également dans la facilité, avec une voix pour la CE et la BEI. Blending AT et prêts apparaît ici aussi comme une solution. Dans le cadre de la PRIF les ressources de la Commission (contribution de 10mln au titre de grants) seront gérées par la BEI sous forme de blending de ses prêts. MN313, MN343 EIB is quasi unknown at the Central Bank of Samoa. The CBS only knows of EIB because they are aware DBS has benefitted from a global loan. For them EIB is just another multilateral development financial institution but on a very small scale. CBS has never had any contacts with the EIB. It has frequent and fruitful contacts with World Bank and ADB (NB: World Bank and ADB have a "joint WB-ADB liaison office" next door to the CBS governor's office). Their policy dialogue is quasi continuous on the difficult issue on how to finance economic activity in a small island economy. This lack of visibility is confirmed throughout the interviews. MN384; MN367; MN363
I-10.1.1	**The EIB meets the Commission, EU MS and other agencies (including IFIs) during the appraisal of its operations so as to promote complementarities between interventions**
General	According to an EIB staff member, the EC programmatic approach over 5 years is an obstacle to complementarity: *"La CE travaille avec des stratégies pays à cinq ans avec des secteurs de concentration. Mais si la BEI arrive après deux ans avec un nouveau secteur, la CE envoie paître. Contrainte à une vraie complémentarité. CE n'a pas la capacité à titre institutionnel (sans parles du personnel).»* *Source: MN 007* Note. The Commission has an office in Luxembourg for liaising EC, EP and MEPs with the EIB, as described by a Commission staff member: *"ECFIN L2 based in Luxembourg – relations with IFIs. EP and MEPs have formally to pass through ECFIN for contacting the EIB. We co-chair the meeting of the so-called MoU on cooperation and coordination between EIB-EC on external mandate (RELEX and ECFIN). ECFIN liaises. Objective that EIB projects are eligible under EU policies. We coordinate the say of the 19 DGs (we did not have a preponderant "Article 21" before Lisbon, now "Article 19" Consultation Group on the statute of the EIB*

	("all proposals should be checked by EC and EU MS", at appraisal phase). But this is not the case for the IF as the guarantee is from the EU MS. *When a project comes to the Board, we receive all EIB projects, incl. IF/OR projects, because the Director General of ECFIN is a full member of the Board of the EIB (= extra layer of scrutiny). Around 2-3 weeks before the Board, we receive the proposal and check it.* *Source: MN 020* A Commission representative notes that the EIB and EC are not that much coordinated for CSPs: *"EIB is understaffed": probably it's true. The EIB is a very lean & efficient institution, and the EU wants to keep it as it is. If we recommend that more staff is needed, we have to take into account that the EC is behind the EIB. The EIB might be more involved in CSP/RSP, etc., for instance with one paragraph dedicated to the EIB, but the EIB should rely on EC policies etc., not duplicating the work. EIB is not just another IFI; it is the bank for the EU. Normally the EC should conduct analysis. I acknowledge that the EIB is not really taken on board. But now EIB is much more on the spot in recent years. RELEX understands it better now. Normally the EC should prepare the strategy for the EIB; only the very end, which is deciding on projects, should be left to the EIB.* *In practice it depends actually on the geographical areas. Now under Community guarantee we have a structured dialogue (RELEX, ECFIN, etc. with EIB). Before that (and even now): lots of inputs; not streamlined for the time being. They talk to each other, but not streamlined. We started to change this situation."* It appears also from that meeting that there is apparently little triangular coordination involving also EU MS. *Source: MN 020* An EC staff member describes relations between DG DEV, AIDCO and the EIB: *"DEV participe de temps à autre (3 à 4 fois par an) aux réunions de la FI. AIDCO gère plutôt les projets, DEV plutôt les aspects policy & strategy. DEV est consultée pour chaque projet. AIDCO se charge de contacter les délégations, les desks géogr. AIDCO et leur demande de se prononcer. DEV ne sait pas trop, ne connait pas le détail de l'accord de la BEI avec les politiques de développement de la CE. DEV est plutôt au niveau sectoriel. AIDCO et la BEI sont au niveau projet. »* *Source : MN 023* Country visits show that cooperation with the Commission in the field is more punctual and informal, than structured and systematic. The approach is not to sit together and design a common strategy. No examples could be provided of the Commission calling upon the EIB to provide complementary financing to sectors were the Commission is intervening. The preparation of the CSP is also a quite formal process. Contact were mostly informal discussions through contacts between individuals. Interviews showed also that Commission representatives were not fully aware of the activities of the EIB. It was also mentioned that the consultation process where the Commission needs to provide its approval for a specific EIB financing is more a formal consultation, where the Commission is consulted to late (whether at HQ of Delegation level) and where in fact it is very difficult to refuse a project. Interviewees also explained that the state of mind of the Bank and the Commission are very different, Banks working on the basis of risk assessment, whereas the EC has a development policy agenda. The Commission also mentioned that it had never been invited to participate to any feasibility exercise. In Kenya, for the mid-term review of the CSP, there had been quasi no consultation. (MN 331 and MN 332). Interviewees at country level underlined that there was close cooperation with other IFIs. There are indeed lot of opportunities in many sectors and as a general rule, IFIs prefer to share the risk (*« Nobody wants to go alone »*). Moreover most lenders have their limits on projects. (MN 321, MN 331).

	According to an EIB representative, several initiatives are taken to in terms of collaboration with the EC delegations: visiting Delegations to explain their activities, coordination of external communication with the EC Delegations (ask the Ambassador to be present), when there is an EIB mission, the EC Delegation is systematically visited (MN 266). Private Sector and Trade are priorities of the EC in the Dom. Rep. EIB works with the banking system and microfinance institutions- this is good complementarity with the Commission- EC could not do it- does not have the instruments nor the know-how Good but sparse contact with the regional EIB coordinator who comes for key events. EIB is present at coordination level, e.g. contributes to EC programming *Source: MN 004* EIB makes efforts at communicating w/ the EU Delegations in Senegal and Dominican Republic. (In the DR, EIB coordinates better with the EU Delegation than several EC DGs.) Lack of local EIB representation makes it difficult for AFD, IDB, IFC, to coordinate *Source: MN 004 , MN 406 , MN 400, MN 410, MN 253, MN 257* The lack of resources of the EIB Regional Office in the Pacific prevents a real participation of the Bank into the policy dialogue of the donors and the countries. In case of co-financing of a particular operation the Bank closely cooperates with others. Similarly with the Commission, the EIB activities are not, or very vaguely known, by the Commission except for a few operations. When there is a decision to go together for a sector (e.g. water sector in Samoa-, then cooperation is very close. MN 317; MN367
2003_BOAD PG IV	See I-10.2.1
2003_Dakar-Ziguinchor	See I-10.2.1
2004_OLKARIA	The project is in line with the World Bank Energy Sector Recovery Programme. Source: EIB Note to Ops B/ACP-IF-2 Opinion for Appraisal, Luxembourg 14/9/2004. PJ/ENERCOM/I&S/2004-965/EG/fe
2004-WAGP	D6 provides the list of persons and institutions consulted during the appraisal mission conducted from 22 to 27 May. It does not include the Commission, the MS nor other agencies.
2001_MOMA_ TITANIUM	It is worth noting that the EIB has not required the Commission Opinion on this project because under the Cotonou Agreement this is required only for IF projects in cases of subsidised loans, public-sector loans or financial sector loans. Source EIB Moma Titanium Project Mozambique, RM/CRD on operation already approved, 27th March 2003., §5
2005_ACPGLOB CA2006	The CSP/NIP 2003-2007 for Kenya, in a section devoted to PSD, refers to: ➢ Kenya's privatization strategy ("EIB will follow the privatisation process to identify opportunities", with emphasis on infrastructure ➢ The Micro-enterprises support programme (MESP) and the establishment of a Micro-credit Trust Fund. However, there is no clear connection between such effort and EIB's effort to reach micro-enterprises under this Project. It is not clear if EIB could utilize this Trust Fund in relation to its operations in this field. The CSP/NIP 2008 for Kenya on the other hand contains an expanded PSD review, namely: ➢ The Private-Sector Development Strategy is anchored in five strategic goals, all related to the business environment ➢ PSD medium-term policy objectives of a general nature (competitiveness of SMEs,

	infrastructure development, capacity building, Kenyan ownership, reposition the PS to contribute substantially to employment and GDP, developing entrepreneurship) ➢ The EC financed Micro-Enterprises Support Programme Trust Fund (MESPT), but the link with EIB operations in this field is not made. ➢ A Technical Cooperation Facility (TCF) of € 4.6 m to implement EC assistance, "notably covering technical studies, project formulation, implementation, monitoring and evaluation", but seemingly without a connection with EIB operations. A two page Annex on EIB Financing Operations in Kenya lists EIB targeted activities in Kenya at that point of time- i.e. not necessarily valid in further years. However, this indicates that EIB has a relatively detailed country approach in this case.
2005_Pacific Islands	See I-10.1.2
2006_EAU SENEGAL	No evidence has been found in that respect.
I-10.1.2	**The EIB is active, during the appraisal of its operations, in the search for synergies with the Commission, EU MS and other agencies' (including IFIs) interventions**
General	Some joint appraisals are now taking place with other funders. Different banks will not each appraise projects they are co-funding. Instead, they will recognise and use the appraisal carried out by others. The EIB already relyies on sectoral and technical studies carried out by the World Bank. *Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010 (page 27)* EIB staff always consult w/ the EU Delegations in Senegal and Dominican Republic. *Source: MN 004, MN 257* The EIB contacts with the Commission and other agencies, mainly WB and ADB have considerably improved since the creation of the Regional Office in the Pacific. However, the visibility of the EIB remains extremely limited. It could be observed that neither the European Delegation in Fiji, nor the ADB office had a clear idea of the EIB activities in the Pacific region. The situation is improving with the regional office and considerable efforts are done identify joint projects but the very limited resources of the Bank do not allow to develop the full potentialities of cooperation with other donors. Source: MN313, MN363, MN337 Whereas the Commission, the WB and the ADB are identifying their interventions essentially through the policy dialogue they engage with the partner countries, the EIB does not have a policy dialogue with the partners, but respond to requests. It does that in it not active in searching for synergies with other agencies but it does so only a project level. Given the fact that under the 10Th EDF the focal sectors of the Commission are, in most Pacific countries, renewable energies and water and sanitation, the search for synergies might be intensified but it would require that when conducting its policy dialogue the Delegation has a good understanding and takes into account the potential contribution of the EIB and that the EIB is fully aware of the policy dialogue conducted by the Commission with the partner countries. At the moment this does not seem to be the case.The formal consultation of the EIB on the Commission country and regional strategy papers does not permit to reach this objective. Source: MN313, MN362. Cooperation is also limited by the fact the EIB may have comparative advantages in sectors

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<td>that are not selected as focal sectors by the Commission. For instance, the EIB is active in supporting the private sector, notably with the global loans to financial institutions. The Commission's activities to support the private sector in the region are extremely limited and essentially in the context of its regional programme one focal of which is trade related capacity building in view of strengthening the regional integration.
Source: MN313, MN362

The Evaluation of EIB financing through individual loans under the Lomé IV Convention (covering the period 1990-2003, before the set-up of the IF under the Cotonou Agreement) recommended strengthened cooperation with other co-financiers, in particular other MDBs, at the project identification, formulation, and follow-up stages - see the table below, with shows also the EIB response and explanation:

<table>
<tr><th>EIB Evaluation's recommendation 2</th><th>EIB Services' Comments</th></tr>
<tr><td>Co-operation with other co-financiers in particular other MDBs needs to be strengthened to ensure a more co-ordinated approach towards the identification, formulation, and follow-up of project related and other measures that need to be taken to support the successful implementation and operation of projects (e.g. environmental impact assessments, monitoring systems, market or institutional reforms). (Section 3.1.1.4)</td><td>Co-operation on projects with co-financiers, which leads to more efficient targeting and use of development resources, is clearly to be encouraged. It is particularly important for a more co-ordinated approach towards the identification, formulation and appraisal of projects. The division of responsibility in relation to follow-up and monitoring between MDBs should be clearly defined at appraisal stage. In general, this is already the approach adopted. In a number of sectors (e.g. water) it is one of the main reasons for the good performance of some of the projects evaluated.
Successful implementation and operation of projects depends not only on the Bank's efforts but also on the acceptance of this approach in practice from all co-financiers, as they have their own particular agendas and constraints. To overcome these difficulties the Bank will continue to strengthen the cooperation with other MDBs.</td></tr>
</table>
Source: Evaluation of EIB financing through individual loans under the Lomé IV Convention, EIB, 2006 (p4).

During country visits no clear examples were given of synergies between Commission and EIB activitities. Commission interviewees highlighted that there would be room for synergies though, notably in certain sectors such as infrastructure and private sector. At present, the Commission is not making specific or systematic efforts to examine where the EIB could fit in (MN 332).</td>
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<tr>
<td>Pacific Samoa</td>
<td>The preparation of the support to the water sector in Samoa offers a good example of cooperation between the Delegation and the EIB. A proposal was made by the EIB to provide a TA grant, under the IF, for the development of a technical assistance facility called the "Water project preparation facility". This would provide welcome support to the sector budget support of the Commission and will be used for the support of the independent water schemes that would not be covered by the government support.
However, the decision about who, the Commission or the EIB, will manage this TA is not made. Surprisingly, the EIB would like the Commission to manage it, but the Commission does not know if its procedure allows it to manage an EIB funded TA.
Source: MN 384</td>
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<tr>
<td>2003_BOAD PG</td>
<td>See I-10.2.1</td>
</tr>
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IV	
2003_Dakar-Ziguinchor	See I-10.2.1
2005_Pacific Islands	Information available for this operation does not provide much evidence of coordination. Nevertheless, it mentions cooperation with the Asian Development Bank for defining the structure of guarantees as a new instrument: *« The proposed guarantee product might be a new instrument for the Bank and in defining its structure, co-operation will be sought with the Asian Development Bank and CRD to ensure consistency with the Bank's mandate and coherence with its credit risk policy guidelines. »* Source: "Fact Sheet A – Proposal to appraise new operations" (of the operation), EIB, 29/09/2005 (p3)
2006_EAU SENEGAL	Monitoring and follow-up of the projects implemented could be performed jointly with the EU Member states and possibly with other donors. *« Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007 Part II p3* According to an EIB staff member, this project shows the coordination mechanism which exists between the EIB and the Commission. The EIB and the Commission have worked together in the context of the subsidy granted in the Water Facility framework. *Source: MN016*
I-10.1.3	**The EIB takes into account the EC's RSPs, CSPs and RIPs/NIPs in identifying its operations, and the EC's RSPs, CSPs and RIPs/NIPs build upon EIB findings**
Operation /General	The EC acts on the basis of 5 year programming, which EIB cannot do for obvious reasons. *(see also MN 201)* At the most, the abovementioned EC Programme documents may refer to Private sector development (PSD) in the following manner: - need to improve the business environment; - government efforts at privatization, or PPPs for infrastructure; - public-private dialogue and such themes; - interventions of CDE, EBAS, DIAGNOS, etc.; and - institutions in the periphery of the private sector. References to EIB are very broad, the EC programming documents such as NIPs specifically state that EIB and IF activities are not part of them, and often an Annex is appended indicating EIB's areas of focus at that point of time (i.e. not necessarily applicable 2 -5 years later). This "disconnect" between the EC and EIB lead to the following lost opportunities: - TA, blending, ... - Stronger coordination in infrastructure finance, the main field largely shared between the EC interventions and EIB operations.
2005_ACPGLOBADEMI	The RSP for the Caribbean (Cariforum) and the RIP 2003-2007 refer to EIB focus areas, but these are not built into the RSP/RIP. The RIP 2003-2007 states: *The Bank could co-operate with suitable local and regional intermediaries in financial sector operations wherever they can be found and limit[s] itself to directly financing the occasional big operation in power, infrastructure, etc.* This seems to reveal that in 2005 the RIP was out of date, as the ADEMI operation demonstrates. This is an illustration of how EIB moves alongside the market, whereas the EC remains locked into programming initiated in 2002(3) without updating. The CSP and NIP 2001-2007 for the Dominican Republic, on the other hand, does refer to EIB's efforts to reach SMEs through specialized intermediaries, and refer to the ADEMI

	operation.
2005_ACPGLOB CA2004	The CSP/NIP for Madagascar indicates simply that EIB "peut contribuer à metre en oeuvre le SC " but without indicating how, and specifically stating that the IF is not part of the NIP.
2005_ACPGLOB CA2006	The CSP/NIP 2003-2007 for Kenya, in a section devoted to PSD, refers to: ➢ Kenya's privatization strategy ("EIB will follow the privatisation process to identify opportunities", with emphasis on infrastructure ➢ The Micro-enterprises support programme (MESP) and the establishment of a Micro-credit Trust Fund. However, there is no clear connection between such effort and EIB's effort to reach micro-enterprises under this Project. It is not clear if EIB could utilize this Trust Fund in relation to its operations in this field. The CSP/NIP 2008 for Kenya on the other hand contains an expanded PSD review, namely: ➢ The Private-Sector Development Strategy is anchored in five strategic goals, all related to the business environment ➢ PSD medium-term policy objectives of a general nature (competitiveness of SMEs, infrastructure development, capacity building, Kenyan ownership, reposition the PS to contribute substantially to employment and GDP, developing entrepreneurship) ➢ The EC financed Micro-Enterprises Support Programme Trust Fund (MESPT), but the link with EIB operations in this field is not made. ➢ A Technical Cooperation Facility (TCF) of € 4.6 m to implement EC assistance, "notably covering technical studies, project formulation, implementation, monitoring and evaluation", but seemingly without a connection with EIB operations. A two page Annex on EIB FINANCING OPERATIONS IN KENYA lists EIB targeted activities in Kenya at that point of time- i.e. not necessarily valid in further years. However, this indicates that EIB has a relatively detailed country approach in this case.
2005_ACPGLOB CA2006	The CSP/NIP 2003-2007 for Kenya, in a section devoted to PSD, refers to: ➢ Kenya's privatization strategy ("EIB will follow the privatisation process to identify opportunities", with emphasis on infrastructure ➢ The Micro-enterprises support programme (MESP) and the establishment of a Micro-credit Trust Fund. However, there is no clear connection between such effort and EIB's effort to reach micro-enterprises under this Project. It is not clear if EIB could utilize this Trust Fund in relation to its operations in this field. The CSP/NIP 2008 for Kenya on the other hand contains an expanded PSD review, namely: ➢ The Private-Sector Development Strategy is anchored in five strategic goals, all related to the business environment ➢ PSD medium-term policy objectives of a general nature (competitiveness of SMEs, infrastructure development, capacity building, Kenyan ownership, reposition the PS to contribute substantially to employment and GDP, developing entrepreneurship) ➢ The EC financed Micro-Enterprises Support Programme Trust Fund (MESPT), but the link with EIB operations in this field is not made. ➢ A Technical Cooperation Facility (TCF) of € 4.6 m to implement EC assistance, "notably covering technical studies, project formulation, implementation, monitoring and evaluation", but seemingly without a connection with EIB operations. A two page Annex on EIB FINANCING OPERATIONS IN KENYA lists EIB targeted activities in Kenya at that point of time- i.e. not necessarily valid in further years. However, this indicates that EIB has a relatively detailed country approach in this case.

JC 10.2	***EIB did participate in mechanisms that ensure coordination throughout the preparation and implementation process***
General	Whereas the recent "Report and recommendations of the Steering Committee of "Wise Persons"" does not cover ACP countries but pre-accession countries and countries of the Southern Neighbourhood, Easter Neighbourhood, Russia, Asia, Latin America and South Africa, it nevertheless provides findings at a general level that are worth mentioning here. ***"Cooperation with IFIs*** *The EIB President regularly attends the biannual meetings of the Heads of MDBs (and IMF) and the annual meeting of the Heads of MFIs (including the EC and multilateral financing institutions). The EIB actively participates in several networks of IFIs both on horizontal subjects (environment, evaluation, risk management, budget and planning, internal audit, etc.) and on operational cooperation by region.* *The EIB has signed several Memoranda of Understanding (MoUs) with all the main IFIs in all external regions, in most cases involving the EC as well. These MoUs have proven to be useful agreements to establish a form of dialogue and cooperation, but their actual impact especially in operational terms is often limited.* - *Cooperation with the World Bank Group is more limited than with EBRD or EBFIs although increasing in particular in ACP and Mediterranean as part of the response to the crisis and related response initiatives promoted by IFC. Several projects have been co-financed in the private sector between the EIB and IFC particularly in ACP region. The World Bank (IBRD) considers that there are more opportunities for cooperation with the EIB in the co-financing of large public sector infrastructure projects. Institutional dialogue is taking place in the framework of the Heads of MDBs meetings, in the framework of the Luxembourg process with EC and IMF for cooperation in the Mediterranean, and the recent crisis response initiatives.* - *Cooperation with CEB is very good at institutional level, and both banks closely cooperate in the framework of Western Balkans Investment Framework. At operational level, the opportunities for co-financing are limited due to the specific nature of CEB mandate focusing on social sectors, which has limited overlap with the current EIB external mandate.* - *Cooperation with ADB is intensifying on the basis of a bilateral MoU, and recently this materialized in an agreement for the delegation of procurement and disbursement tasks from the EIB to the ADB for a specific investment programme.* - *Cooperation with IADB is relatively limited institutionally but quite regular at project level, and mainly based on a bilateral MoU covering Latin America and Pacific regions.* - *Cooperation with AfDB is increasingly taking place in the framework of the EU-Africa Infrastructure Trust Fund, where the AfDB participates as observer at project financiers' level.* ***Cooperation with EBFIs*** *The EIB has a very close relationship and collaboration with European bilateral financing institutions (EBFIs), in particular AFD/KfW in the Mediterranean region (as well as in ACP). In these regions, the three Institutions have significant levels of interaction at institutional and operational level, and this leads to several opportunities for co-financing increasingly promoting the mutual reliance concept."* *Source: Camdessus, "Mid-Term review of EIB external mandate – Report of the Steering Committee" February 2010, (page 34)*
I-10.2.1	**Existence of donor coordination mechanisms at the design and implementation stages**
General	The EIB participate to many coordination mechanisms of projects in which it is involved with other agencies and as well as in regional important initiatives, such as the Pacific Regional Infrastructure Facility. MN313, MN362, EIB Regional Office in the Pacific, Quarterly Reports 2009 QIV, 2010 QI.

	Acc ording to Counter Balance, the EIB has some agreements in place with various development finance institutions to foster **co-financing**: - It is supposed to co-finance with the EBRD, as a general rule, in the countries where they both operate. The report stresses that it does do so but in some countries only. - It has Memoranda of Understanding with the WB, ADB, AfDB, KFW and AfD but these have not yielded significant results *Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010 (page 28)* An EIB staff member noted that "**mutual reliance**" is work in progress but encompasses a number of issues: "*La recommandation du rapport Camdessus d'encourager les cofinancements avec les autres (mutual reliance etc.) a un coût. Avec la mutual reliance, on est en phase pilote avec KFW et AFD, mais cela coince sur plusieurs points. Risk assessment est un réel problème. AFD est par ailleurs très stricte sur money laundering par exemple. EFP : cela marche très bien par contre. »* *Source : MN 027* The 2009 Cotonou TA Annual Report notes (p7) that several **TA** operations were developed/implemented in close co-operation and partnership with EIB's development partners: *"TA is a horizontal tool that allows the EIB to cooperate closer with the European Commission, IFIs and bilateral organisations. Several TA operations were developed and/or implemented in close co-operation and partnership with EIB's development partners, e.g. the WAPP initiative (in co-operation with World Bank, AFD, AfDB, USAID), TA in Liberia (in co-operation with IFC and AfDB), due diligence studies in co-operation with the AfDB, the World Bank and the Italian Government, etc."* An EIB staff member described as follows the EIB-EC cooperation and distribution of labour: *"Within the Commission: you might have people who say need for more collaboration, but also those that think that each has its field of competencies. AIDCO: tendency to say that EIB should focus on the investment and not on policy, strategy. In terms of coordination and cooperation MEDA and Cotonou are very different. In Cotonou the EIB and the Commission are doing different things. The Commission does not finance private sector, not productive infrastructure, they are more focused on health sectors, education and budgetary support. Maybe water and sanitation is an exception and there indeed they cooperate (Ethiopia, Mozambique). What about private sector? The Commission with PROINVEST, supporting CDE, BIZCLIM: this is a bit the Commission's private sector programmes. When the EIB speaks about the private sector, it is more concrete, they talk directly at the level of the promoters.* *Source: MN 102* An EIB staff member mentioned that there is room for EIB-EC coordination particularly in microfinance and in case of blending grants and loans: *"Room for coordination with Commission on TA: in microfinance. Commission co-funded some of their investees (EC 1 M€; EIB 2 M€). They will then sit jointly in donor committee. In first phase of TA they used a new method: tracked closely the performance of the final beneficiary on basis of performance based agreements: performance indicators per contract (a template the recipient should fill in). They are tapping their experience in the field of benchmarking. They worked CGAP (consultative group to assist the poor – gcap.org): any publication on microfinance. In sectors where the Commission is also active there is cooperation and coordination. When it comes to blending: good to coordinate with the Commission."* *"Commission has experience of managing TA. But the types of TA we are both doing is quite different – e.g. the Commission do not finance power plants. Joint area: capacity building of microfinance. Example: Commission funded TA for one of our programmes. They are putting €1M in addition of our €2m. In the*

	first set of TAs, what they did was new thing… performance-based agreements. We can find reports etc. on their web site, with indicators per contract. We decided to follow closely this way of operating. We are tapping Commission experience. We are now doing our mid-term review – EC will be involved to a certain extent (e.g. in selection of experts).” An EIB staff member mentioned that TA increases the coordination but also sometimes the competition among peer banking institutions: *“In ACP regions you do not have a lot of very strong promoters. E.g greenfielding in microfinance. Public sector would need TA. No single infrastructure where there is no TA. Intensive cooperation ongoing: e.g. in Ethiopia on the investment and the TA intensive cooperation with the WB and African Development Bank. Sometimes there is also competition. TA leads them to more coordination. Whatever you do in infrastructure, it is related to a larger initiative: so need for coordination.”* *Source: MN 102* Donor coordination mechanisms exist in Senegal and Dominican Republic for public sector projects. However, EIB is not present. *Source: MN 004, MN 257, MN 253*
Pacific general	ADB Subregional Office South Pacific (based in Suva, Fiji) has no experience of cooperation with the EIB. One experience in Cook Islands with a possible identification of wind power project. But the project appeared to be unviable. Cooperation with the EC Delegation :mainly exchange of information. Some de facto division of labour between ADB and EC: ADB is active in urban areas, EC more in rural areas. Not clear whether this happens to be like that for historical reasons or is the result of concerted coordination. Coordination and co-financing could be improved. ADB considers that it is particularly difficult with EC, largely due to their procedures. (NB ADB interlocutors tended to consider EC and EIB as a single entity). Source: MN337
2003_BOAD PG IV	The 2003 fact sheet of this operation combining (a) an OR global loan, (b) IF guarantee, and (c) IF equity investment), mentioned the following regarding complementarity with notably the World Bank Group and the European Commission: *“L’intervention de la Banque, dans le cadre de la FI serait complémentaire à celles envisagées par la Banque Mondiale dans le cadre du projet de « développement du marché financier de l’UEMOA » qui devrait être présenté au Conseil de la BM du mois de décembre prochain. Ce projet comporte 4 composantes :* - *Renforcement institutionnel à travers une assistance technique aux acteurs du marché (Conseil Régional, Bourse Régionale des valeurs mobilières, Commission de l’UEMOA etc.)* - *Ligne de crédit pour le financement d’infrastructures favorisant l’intégration régionale, principalement des routes (approx. USD 90 millions)* - *Facilité de garantie et d’assurance pour promouvoir les investissements privés dans des projets d’infrastructures de petite et moyenne taille. Cette facilité s’élèverait à USD 140 millions dont USD 70 millions pour la garantie partielle IDA et 70 millions pour la garantie de MIGA.* - *La coordination globale du projet.* *Un programme d’appui institutionnel financé par la CE vient de démarrer. Le CDE a également signé un accord de partenariat plus spécialement orienté vers le secteur du coton avec la BOAD.* *L’intervention de la Banque permettrait de renforcer parallèlement les interventions de la BOAD en faveur des entreprises du secteur privé dans la zone UEMOA et de favoriser l’intégration régionale.* *La Banque dispose d’un siège d’administrateur au sein du Conseil de la BOAD et exerce à ce titre une influence nettement supérieure à sa participation au capital. Cette participation revêt un caractère stratégique pour la Banque dans cette région »* Source : « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 September 2003 (p2)

	The March 2004 fact sheet mentioned the following, adding the AFD as co-financier: *« Pour a, b et c :* *. Expérience satisfaisante de la Banque avec la BOAD au cours de ces dernières années* *.Complémentarité avec les interventions des autres bailleurs de fonds notamment celle du groupe de la Banque Mondiale et de l'Agence française de développement dans le cadre du projet de développement du marché financier de l'UEMOA (approuvé au CA de la BM de février dernier) et celle de l'U.E.* (sic) *pour le renforcement institutionnel de la BOAD (approuvée en 2001, subvention de EUR 1.9 millions). Le plan d'action d'assistance technique préparé dans le cadre de ce projet sera établi en coopération avec la Banque afin d'aider la BOAD à satisfaire les conditions de mise en place (cf. ci-dessous)»* Source : " Fact Sheet B : proposition de financement » (of operation 2003_BOAD PG IV), EIB, 11 mars 2004 (p3)
2003_Dakar-Ziguinchor	This operation involves several actors and co-financiers. The financial plan should indeed be the following (*as at 26 March 2004*): - €6m grants of the KfW for the acquisition of the boat - €3.5m grants of the AFD for works on the harbor of Ziguinchor and the island of Carabane - €3.5m-€5.5m of the Government and the Autonomous Harbor of Dakar - €6m-€8m senior loan of the Investment Facility A 2003 EIB fiche also mentioned possible European Commission support through TA: *"La Banque vient de recevoir une requête officielle du Gouvernement Sénégalais dont les principaux éléments sont repris ci-dessus. Cette requête fait suite au naufrage du Joola, au cours duquel plus de 1800 passagers ont disparu. Cette opération pourrait être mise en œuvre en étroite coopération avec la KfW (qui a offert une subvention de EURO 6 millions) et avec le soutien de la Commission Européenne (financement de l'assistance technique)."* Sources : « Relevé quotidien (RQ) » (for this operation), EIB, 9 April 2003 (p1); « Fact Sheet A : Proposition portant sur l'instruction d'une nouvelle opération » (of the operation), EIB, 26 March 2004 (p2 and 3) Upon the Senegalese government, the EIB evaluated the project **in cooperation** with the KfW. Source : Operation's « Conseil d'administration. Prêt sur les ressources de la FI. Projet Liaison maritime Dakar-Ziguinchor (Sénégal) », EIB, 2004, p2 This project is a good example of strong coordination between donors: EIB, KfW and AFD. It was a real co-financing project. Source: MN017
2004_OLKARIA	The view of the authorities is that the input of EIB has been important in the donor coordination forum (WB, JICA, EIB, AFD) that is now instrumental in assisting the Government of Kenya to implement its reform of the energy sector (initially the reform has been designed with World Bank assistance under the Energy Sector Reform and Recovery Programme). EIB's approach has been very consistent and helpful. EIB and AfD are extremely flexible and easy to work with. Technical capacity of EIB (purely technical as well as financial) highly appreciated. Source MN371
2006_EAU SENEGAL	The CSP for the programming period 2008-2013 makes reference to coordination groups between all donors in order to improve the aid's coordination. *Source : « Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007 p26* The EIB cooperates closely with the EU and other donors in the water and sanitation field.

	Source : « Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007 p35 Existence of a specific document related to the action plan on harmonization, alignment and efficiency of the aid to Senegal. This document is aimed at obtaining a general action plan on Aid effectiveness in order to facilitate the achievement of Paris Declaration's objective by 2010. The donors involved in Senegalese programmes are invited to participate. *Source : « Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007 p63* The EIB and other lenders adopted a cooperation agreement between the lenders and the promoter in order to coordinate and harmonize their action. "The project lenders have adopted a programme-based approach with a view **to coordinating and harmonising their action**, **in application of the Paris Declaration principles on harmonising procedures among lenders.** The harmonisation and cooperation arrangements between the lenders and the promoter will be defined in **a cooperation agreement.** Signature of this agreement will be a condition precedent for the first disbursement, as will the finalisation of an operational procedures manual. This manual will be prepared by the promoter, assisted by a consultant; it will specify the programme operating procedures, arrangements for commitments and disbursement, the eligibility criteria for proposed investments, the procurement rules and procedures for programme monitoring and external audits. The manual and **cooperation agreement** are standard documents which could be applied generally and **used by other lenders in connection with subsequent investments.**" *Source : "Conseil d'administration. Prêt à l'investissement bonifié sur ressources propres. Projet PROGRAMME EAU », EIB, 2007, p4*
I-10.2.2	**At design stage, the EIB is active in existing donor coordination mechanisms**
2003_Dakar-Ziguinchor	See I-10.2.1
2003_Dakar-Ziguinchor	See I-10.2.1
2006_EAU SENEGAL	No evidence has been found in the specific project documents regarding the design stage. Monitoring and follow-up of the projects implemented could be performed jointly with the EU Member states and possibly with other donors. *« Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007 Part II p3* According to an EIB staff member, this project shows the coordination mechanism which exists between the EIB and the Commission. The EIB and the Commission have worked together in the context of the subsidy granted in the Water Facility framework. *Source: MN016*
I-10.2.3	**At implementation stage, the EIB is active in existing donor coordination mechanisms**
General	An EIB sources noted that there is a veritable plethora of coordination initiatives, the utility of which are very variable. The EIB aligns less representatives than peer institutions: *"The Bank is expected to play its part both by participating in various fora and by extending its co-financing efforts (e.g. EU-Africa Infrastructure Trust Fund). Implementing the 3 ' Cs ' of coordination, complementarities and coherence has spawned a veritable plethora of MoUs/LOIs, donor consortia and other meetings or initiatives, the utility of which are very variable. Some are unavoidable and, by and large,*

	useful such as CGAP (micro-finance), EMPEA (private equity), ICA (infrastructure) and MFW4A (financial sector). But many of the more informal, and even some of the formal, meetings and fora, to which the Bank is invited de rigueur because of its size and role as the EU's long-term lending institution, are of dubious utility. Yet not attending is often not an option and by comparison the World Bank, AFD and KfW usually turn up with 2-3 times as many representatives as the EIB." *Source: MN 027* An EIB source noted that co-financing and collaboration is labour intensive and hence costly. A cost-effective alternative might be "delegated coordination": *"Co-financing and hence collaboration with such peer institutions as the World Bank, AfDB, IFC, AFD, KfW etc., has been the Bank's practice for many years and generally works well. However, co-financing is more labour intensive than operations where the Bank is the sole financier, and, on the basis of the 80/20 yardstick, trying to improve coordination further with the Bank's well-known co-financing partners is going to require disproportionate time and effort. The issues raised by the goal of "delegated coordination" whereby certain parts of the project cycle are delegated to one or other co-financing institution have recently been discussed in the Management Committee. A working group is currently finalising proposals in this respect and some form of delegated coordination will undoubtedly form part of any future strategic approach."* *Source: MN 027* An EIB staff member notes that relations with EC, peer institutions and other stakeholders have improved since the creation of regional offices: "*Very much improved relationship with EC since representations. The same can be said with peer institutions (frequent meetings with AFD, a bit less but still with KfW or WB). Active participation with regional economic communities. Very different level and quality of cooperation compared to beforehand. Being able to be informed, involved at earlier stage. E.g. Pretoria: 80% of approvals and 74% of signatures were project originated, developed, and nurtured locally. This is quite "parlant" as to the efficiency of this system (although this is not sustainable)."* *Source: MN 024* Structured coordination mechanisms to which the EIB participates exist in certain sectors. Examples are for instance the coordination meeting in the energy and private sector in Kenya. A work in progress concerns the mutual reliance, set-up on demand of AfD and KfW who want to formalise more their cooperation. It also aims at making life easier for clients in terms of transaction costs: they only have to deal with one appraisal mission, one monitoring team, etc (MN 331).
2005_ACPGLOB CA2006	EIB participates to the advisory committee. Its representatives attend always and are perceived as good partners that provide very useful advice to the Funds on how to conduct their activities, improve their marketing etc… The documents of the Investment Committee are circulated to all investors in advance of each meeting, so that those who wish may attend the investment committee as observers. The Fund say they very much value the presence of the EIB, not only because it is with the IFC the largest contributor, but also because of its expertise. Source: MN352
2006_EAU SENEGAL	No evidence has been found in the specific project documents regarding the implementation stage. Monitoring and follow-up of the projects implemented could be performed jointly with the EU Member states and possibly with other donors. *« Document de stratégie pays et programme indicatif national pour la période 2008-2013 », European Community, 2007 Part II p3* According to an EIB staff member, this project shows the coordination mechanism which exists between the EIB and the Commission. The EIB and the Commission have worked together in the context of the subsidy granted in the Water Facility framework.

	Source: MN016
2008_EDFI	One of the two main objectives of the three successive EDFI EUROPEAN FINANCING PARTNERS (EFP) operations is the strengthening co-operation between eligible EDFIs and EIB. *Source : Project documentation* This strengthening effectively occurred. The EFP initiative is in line with joint statements on aid harmonisation such as the Paris Declaration [and the Accra High Level Forum]. *Source :* *EIB Group Operations Evaluation* *Synthesis Report : Evaluation of activities under the European Financing Partners (EFP) Agreement, January 2009*
JC 10.3	***EIB operations are complementary to those of other institutions and agencies with similar objectives***
Prelim. Findings	Whereas the recent "Report and recommendations of the Steering Committee of "Wise Persons"" does not cover ACP countries but pre-accession countries and countries of the Southern Neighbourhood, Easter Neighbourhood, Russia, Asia, Latin America and South Africa, it nevertheless provides findings at a general level that are worth mentioning here. *"Co-financing of projects between EIB and other IFIs or EBFIs is found to be very significant in the regions covered by the mandate. More than half of the EIB lending under mandate has been co-financed with other IFIs or EBFIs in 2008 and in 2009. Co-financing has always been a key feature of EIB operations, considering that the EIB finances only up to 50% of the investment cost, and that particularly public sector projects in external regions require pooling of funds from multiple sources.* *IFIs' operational cooperation can take various forms:* - *IFIs' coordination on respective complementary financing activities towards a common area of operation.* - *Parallel co-financing (which currently is the predominant form of co-financing), where each IFI finances separate project components of the same investment, and negotiations with the borrower are held separately with each IFI following its own procedures on procurement, environment and social aspects, credit risk, disbursements, monitoring, etc.* - *Joint co-financing of the same project, for instance for projects with relatively larger external financing needs with application of "mutual reliance" wherever possible and identification of the "lead IFI". Joint co-financing should be pursued when it makes sense in the interest of the project beneficiaries."* *"The "European Financing Partnership" between the EIB and EDFIs for financing private sector projects in ACP is found to be an excellent example of pooling of resources, delegated cooperation and full mutual reliance on the "lead IFI".* *Source: Camdessus, "Mid-Term review of EIB external mandate – Report of the Steering Committee" February 2010 (pages 32, 34-35)*
I-10.3.1	**EIB operations and those of other institutions and agencies (including IFIs) support the same objectives**
2003_BOAD PG IV	*See I-10.2.1*
2003_Dakar-Ziguinchor	*See I-10.2.1*
2004-WAGP	Obviously the World Bank who contributes to the guarantee of the project supports it. Cf Fact Sheet B, CRD Opinion and Appraisal Report.
2005_EMP	Commitments have been made by five IFIs/DFIs (AfDB, IFU, Proparco, SwedFund and

AFRICA FUND II	CDC), and 12 local investors IFC for instance was a "mobilizer" for the first fund, but seemed to have considered it was not needed here. *Source: Project Docs* *MN 254: AFIG v0-01 20 100413*
2005_ACPGLOB CA2006	This is clearly the case. The Fund (BPI Kenya) is co-sponsored by IFC and Business Partners International. Other investors are IFI (IFC, East African Development Bank) and private groups. *Source :* MN352
2006_EAU SENEGAL	The EIB and other lenders adopted a cooperation agreement between the lenders and the promoter in order to coordinate and harmonize their action. "The project lenders have adopted a programme-based approach with a view **to coordinating and harmonising their action**, **in application of the Paris Declaration principles on harmonising procedures among lenders.** The harmonisation and cooperation arrangements between the lenders and the promoter will be defined in **a cooperation agreement.** Signature of this agreement will be a condition precedent for the first disbursement, as will the finalisation of an operational procedures manual. This manual will be prepared by the promoter, assisted by a consultant; it will specify the programme operating procedures, arrangements for commitments and disbursement, the eligibility criteria for proposed investments, the procurement rules and procedures for programme monitoring and external audits. The manual and **cooperation agreement** are standard documents which could be applied generally and **used by other lenders in connection with subsequent investments.**" *Source : "Conseil d'administration. Prêt à l'investissement bonifié sur ressources propres. Projet PROGRAMME EAU », EIB, 2007, p4*
I-10.3.2	**Evidence of synergies between EIB operations and those of other institutions and agencies (including IFIs) supporting the same objectives**
General	In 2009, the EIB co-financed several operations with other IFIs/DFIs. For example: - The large scale investment programme in Cameroun launched by CAMWATER, the state utility in charge of maintaining and developing the drinking water infrastructure,in the context of the reform of the urban water sector. The funding comes from the EIB OR and the IF (both TA and Interest rate subsidy), as well as from the AfD. - The support to the "Communauté Electrique du Bénin", the bi-national public utility in charge of electricity generation and transmission, provided by EIB OR, the EU-Africa Infrastructure Trust Fund Subsidy, and IDA and KfW *Source: MN 901* According to an AfD representative, they are often in a co-financing logique, also because in fact they do not have the choice. It is not possible to do things alone. (see MN253) According Counterbalance the EIB is doing too little co-financing. Qutoing at the 2009 external evaluation carried out for ACP and OCT, the report points that out of 26 projects in 2008, 13 were co-financed by international development finance institutions, bilateral or multilateral donors. *Source: Counter Balance, Challenging the EIB, "Corporate welfare and development deceptions : why the EIB is failing to deliver outside the EU?", February 2010 (page 27)*
2003_BOAD PG	*See I-10.2.1*

IV	
2003_Dakar-Ziguinchor	*See I-10.2.1*
2006_EAU SENEGAL	According to the DIAF document prepared by the EIB, the project was consistent with EC country and regional policies, with national priorities and contributed to specific EU development initiatives. The project is thus considered to enter into the national programme aimed at decreasing the poverty in Senegal. Furthermore it contributed to the investment program necessary to achieve the Millennium Development Goals and it was in line with the EU development cooperation. *Source : "Appendix Development Impact Assessment Framework", EIB, p1*
I-10.3.3	**Evidence of conflicts, duplication or overlapping between EIB operations and those of other institutions and agencies (including IFIs) supporting the same objectives**
General	No evidence has been found in the specific project documents.
I-10.3.4	**Evidence of an EIB's leadership in the promotion of cooperation and complementarities with interventions supported by other institutions and agencies (including IFIs)**
2003_BOAD PG IV	*See I-10.2.1 (the WB had apparently the lead)*
2003_Dakar-Ziguinchor	*See I-2.4.1*
2005_EMP AFRICA FUND II	Evidence of lack of leadership
2005_ACPGLOBCA2006	In this case the EIB joined an initiative sponsored by others and did not take a leading role. *Source :* MN352
2006_EAU SENEGAL	No evidence has been found in the specific project documents.
JC 10.4	***The mandates of the EIB IF and OR envelope are distinct and complementary, and well coordinated***
I-10.4.1	**The mandates of the EIB IF and OR envelope pursue different objectives**
General	There is an issue of OR and IF eligibility in the water and sanitation sector in Senegal. EIB was involved in this soft sector already under Lomé. Cotonou says: Commercially run public sector entities- and same for IF or OR. In addition: can OR take non-commercial risk, which IF cannot? ➢ Programme Eau- this is a OR loan to SONES, a commercially run public entity. But issue of State guarantee, i.e. degree of security of EIB loans EIB has accepted to make a loan to SONES without State guarantee, whereas other IFIs (such as WB) always have State guarantee. MinFin says: simply because EIB doesn't ask for it (and a "letter of comfort is not equivalent to a State Guarantee in financial terms. Why should EIB be junior to the WB or ADB when applying OR resources? EIB is a twilight zone between WB and IFC. *Source: MN 263* *MN 265* ➢ Assainissement Dakar- this is a OR loan to the State, passed on to ONAS as subsidy. ONAS is perhaps expected to be commercially run, but is not financially

	viable. ➢ Dépollution de la Baie de Hann- same as above. ➢ Laison Dakar-Ziguinchor- this is under IF- the project is not viable a such. In the sanitation sector, EIB is in effect providing budgetary support to the State. Is this the role of EIB-OR? The whole financing package is soft- onlending by the State will never be reimbursed. What about sustainability of the IF? The debtor is the State of Senegal. In this case, IF should master the scene of sustainability of State debt, which IF does not do. A different approach is called for in the case of non-viable sectors, and questions arise if this is EIB's area at all
I-10.4.2	**The mandates of the EIF IF and OR envelope promote a search for synergies between instruments**
General	Funds from the IF and the EIB's own resources are complementary. The main difference lies in the higher level of risk that can be borne by the IF financial instruments. IF operations focus on the riskier end (market segment) of private and public sector projects, i.e those projects that do not meet the EIB's own resources prudential limits and require the use of risk-bearing financial instruments. Funding from EIB's own resources is more focused on public sector and large-scale private sector industrial undertakings, following the approval by member states of new modalities for OR lending in the ACP, whereby the EIB is allowed to take more risks compared to other regions in the world. *Source: MN 901*
I-10.4.3	**The mandates of the EIF IF and OR envelope avoid duplication between instruments**
JC 10.5	***EIB has a satisfactory interface with other EU initiatives to foster investment as well as the business climate in the ACP countries and OCTs***
I-10.5.1	**The EU deployed specific instruments/initiatives to support private sector development in the ACP and OCTs.**
General	The Europe is aware of the importance of the private sector within the development policies. Therefore the CSPs emphasis the role that has to be played by the Europe as well as by the International Community in that sector. For example, through the Economic Partnership Agreement, the Europe tends to allow the SMEs to benefit from investments opportunities such as the IF. More specifically, the "private sector development strategy" has been approved in 1999. This document has been set up in partnership with the local administration, representative of the private sector and the donors. *Source : "Document de strategie de cooperation et programme indicative pour la période 2002-2007" European Community, p 31, 67, 95*
I-10.5.2	**Evidence that EIB and EU initiatives to foster private sector development promote a search for synergies**

General	A Commission interviewee provided the following information with regard to EIB coordination with EC instruments:
	▪ *« Il y a une stratégie de la CE pour le secteur privé (même si ce n'est pas un 'secteur' en tant que tel, et comprend également le commercially-run public service).*
	▪ *BIZCLIM :*
	    o *€10m (= pas beaucoup de grants CE). Nouveau BIZCLIM disponible en décembre 2009*
	    o *la BEI fait partie du Conseil d'Administration → certains projets pourraient avoir une certaine complémentarité. BIZCLIM destiné à améliorer l'environnement des affaires*

	(ex. codes miniers, microfinance). Niveau d'action différent de la BEI qui est par projet. o *BIZCLIM et BEI participaient ensemble en microfinance : recherche de synergie et de complémentarités, le staff se rencontrait. Mais pas toujours évident de trouver synergies. Et budget CE pas gros, poids différent.* ▪ *Promotion de la coopération entre les intermédiaires dans le secteur privé (ex Chambres de commerce). Ex. PROINVEST (mais c'est la fin)* ▪ *Soutien et promotion des investissements. → La FI* ▪ *Microfinance : €15m* ▪ *CDE (Centres pour le Développement des Entreprises): offre €18m par an 60% de frais de fonctionnement – OLAF est sur le coup) → Processus de restructuration de ces centres - La réforme est en cours.* ▪ *Energy Facility and Water Facility (both AIDCO managed): Moyens beaucoup plus importants qu'en microfinance par exemple.* ▪ *EU-Africa Infrastructure TF (pas du secteur privé en tant que tel) : Il s'agit d'un TF où il y a des grants de la CE et des EU MS (€370m de grants actuellement). Créé dans une optique de blending ; ils peuvent accompagner des projets de la BEI, de l'IF ou d'autres institutions financières internationales. Quatre types d'instruments :* o *AT* o *Bonifications d'intérêt* o *Subsides directes* o *Primes d'assurances risques pour les investissements risqués des start-up (ce dernier instrument n'ayant pas encore été utilisé).* *Ex. AT : étude ESIAF dans le cadre de Gilbel Gibe (Ethiopie) payée avec le TF. Pas clair pourquoi ils n'ont pas utilisé l'enveloppe AT de la FI. Peut-être parce que le projet était très risqué / critiqué par ONG ? Je ne sais pas en fait."* *Source: MN 023*
2005_ACPGLOB CA2006	Unfortunately there is some evidence of the absence of conscious synergies. Via its participation in the BPI-K fund the EIB is obviously pursuing objectives complementary to those of the €7 million ASMEP Commission programme. Assistance to Small and Medium Enteprrises (ASMEP) is implemented jointly by the Commission and the Government of Kenya (through the Ministry of Trade). The programme launched in October 2007 focuses on capacity building for SMEs, facilitating information dissemination and business development support. BPI provides $US 2.5 mln technical assistance through one of the components of the umbrella MSME project. However, there was no awareness in the BPI staff of the ASMEP project of the Commission. Similarly the Delegation of the Commission has no information on the activities of BPI supported by EIB. The Kenyan authorities have placed a high priority on private development support and consider that targeting SMEs is particularly important due to the numerous specific difficulties they face; the coordination of the different supports addressed to the SMEs are therefore of paramount importance but seem to be very weak. Sources; MN352, MN347, MN332
I-10.5.3	**Evidence that EIB and EU initiatives to foster private sector development avoid duplication.**
2006_EAU SENEGAL	No evidence has been found so far.
2005_ACPGLOB CA2006	Cf.. I-10.5.2

Annexe 10 – List of persons met

This annexe provides a list of persons met during the course of the evaluation, with indication of their function where available. It presents first the staff members of respectively the **EIB**, **EC**, **IF Committee**, **ACP Secretariat**, **IFI/EDFIs**, and **NGOs**. It then shows the persons met during the country missions, respectively in **Senegal**, **Kenya**, the **Dominican Republic** and the **Pacific**.

European Investment Bank

Surname	Name	Location	Function
Prud'homme	Guido	EIB Brussels Office	Head of Unit
Carano	Alessandro	EIB Brussels Office	IFI Coordination Officer
Niang	Samba Khary	EIB Dakar Office	Business Analyst Afrique de l'Ouest
Diouf	Abdou	EIB Dakar Office	Directeur des Etudes et de la Planification
Lucet	Christophe	EIB Dakar Office	Head of Dakar Office
Mejia	Cristina	EIB Dakar Office	Loan Officer
Ferreira	Yves	EIB Fort-de-France Office	Head of Fort-de-France office
Nzioka	Nicholas	EIB Nairobi Office	Business Analyst
Simonsen	Kurt	EIB Nairobi Office	Head of Nairobi office
Milianitis	Nikolaos	EIB Nairobi Office	Staff member
Abad	Alfredo	EIB Pretoria Office	Head of Pretoria office (since August 2010)
White	David	EIB Pretoria Office	Head of Pretoria office (until August 2010)
De Jong	Jean-Philippe	EIB Sydney Office	Head of Sydney office
Sève	Alain	EIB Luxembourg	Associate Director, Head of Operations Evaluation
Alcarpe	Felismino	EIB Luxembourg	Chef de Division, Politiques de responsabilité d'entreprise
Maertens	Matthias	EIB Luxembourg	Chief Compliance Officer

Surname	Name	Location	Function
Amadori	Maria Chiara	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Operations & Monitoring Assistant Microfinance
Collin	Catherine	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP–IF Department, Portfolio Management and Policy, Head of Division
Deransart	Anne-Marie	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, manager for Socredo
Gálvez Verdú	Irene	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Caribbean & Pacific Division, Investment Officer
Manolova	Petia	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Loan Officer
Marciano	Michel	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Senior Loan Officer
Palanza	Flavia	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Eastern & Central Africa, Head of Division
Perez	René	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Pacific & Pacific Islands, Deputy Head of Division
Rüttgers	Heike	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Southern Africa and Indian Ocean Division, Deputy Loan Officer
Shirran	Jane	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, Legal Department, Senior Counsel
Van Grunderbeeck	Isabelle	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Loan Officer
Walsh	Bernard	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Director

Surname	Name	Location	Function
Ynaraja	Ramon	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Southern Africa and Indian Ocean Division, Loan Officer
Zambon	Diederick	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Portfolio Management and Policy, Deputy Head of Division
Curwen	Martin	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, Director General,
Gounot	M.	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department
Hendus	Tassilo	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Associate Director
Kerpen	Stefan	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, Head of Technical Assistance Unit
Koning	Monique	EIB Luxembourg	Directorate for Operations outside the EU and Candidate Countries, ACP-IF Department, Loan officer
Gordon	Bernard	EIB Luxembourg	ENPC Department, FEMIP Maghreb Division, Head of Division
Klümper	Serge	EIB Luxembourg	Head of Division for Southern Africa and Indian Ocean
Carter	Peter	EIB Luxembourg	Head of Environment and Social Office (ESO)
van Zonneveld	René	EIB Luxembourg	Independent Consultant
Brescia	Lorenzo	EIB Luxembourg	Innovation & Competitiveness Department Manufacturing, R&D and Innovation
Guihard-Brand	Stéphanie	EIB Luxembourg	Lending operations outside the EU, Senior Coordination Officer
Palmgren	Joakim	EIB Luxembourg	Project and Structured Finance, Credit Risk Department (CRD)
Hiers	J.	EIB Luxembourg	Projects Directorate
Clintworth	Mark	EIB Luxembourg	Projects Directorate – Air & Sea, Project Engineer
Gschwindt	Eberhard	EIB Luxembourg	Projects Directorate, Technical Adviser

Surname	Name	Location	Function
Saich	Nancy	EIB Luxembourg	Projects Directorate, Technical Advisor Mauritius Terminal Container
Selimovic	Tarik	EIB Luxembourg	Risk Management Directorate, Credit Risk Department (CRD), Financial Institutions & related risks, Credit Officer
De Gruyter	S.	EIB Luxembourg	Risk Management Directorate, Credit Risk Department (CRD), Project and Structured Finance
Lombardo	Paolo	EIB Luxembourg	Risk Management Directorate, Credit Risk Department (CRD), Project and Structured Finance, Head of Division
Ziller	Bernard	EIB Luxembourg	Senior economic adviser
Galoppo	Massimo	EIB Luxembourg	Strategy and Corporate Centre; Budget, Analytics and Partnerships

European Commission

Surname	Name	Delegation/DG	Unit/Function
Opperer	Thomas	Delegation in Apia	Attaché Head of the Technical Office
De Raeve	Robert	Delegation in Suva	First Counsellor, Political and Trade
Mateus-Paula	Raul	Delegation to Cameroun	Head of Delegation
Vergos	Zissimos	Delegation to Kenya	Head of Infrastructure section
Laafia	Ibrahim	Delegation to Kenya	Head of Section macroeconomics, governance, private sector
Pourtune	Frédéric	Delegation to Senegal	Chargé de Programme, Section Infrastructure
Hervio	Gilles	Delegation to Senegal	Head of Delegation
Horejs	Irene	Delegation to the Dominican Republic	Head of Delegation
Tamborski	Mariusz	DG DEV	Infrastructure and communication networks, trade and regional integration), Policy Officer - development, monitoring and programming
Csoto	Laszlo	DG ECFIN	Project Manager - EU policies
Cempelova	Daniela	EuropeAid	Evaluation Officer - Evaluation manager

Surname	Name	Delegation/DG	Unit/Function
Bogusz	Grazyna	EuropeAid, Unit C4	Centralised ACP Operations, Gestionnaire des programmes de coopération économique et commerciale
Pedersen	Jesper	EuropeAid, Unit C4	Centralised ACP Operations, Programme Manager - EU policies - Chef de secteur
Zaninello	Stefania	EuropeAid, Unit C4	Centralised ACP Operations, Section Economique
Hyon-Naudin	Céline	EuropeAid, Unit E2	Quality support Business, Trade, Regional Integration

EU initiatives

Surname	Name	Country/Organisation	Function
Keene	Patrick	Centre for the Development of Enterprise (CDE)	Chef du Bureau Régional des Caraïbes
Norton-Murray	Marie Louise	Centre for the Development of Enterprise (CDE)	Regional office for the Caribbean, Regional expert and programme manager

Investment Facility Committee

Surname	Name	Country/Organisation	Function
Mierow	Daniel	BMZ (Germany)	Member of the IF Committee
af Ursin	Anne	Finland	Member of the IF Committee

Secrétariat ACP

Surname	Name	Organisation	Function
Rammoneng	Motooa	Secrétariat ACP	Intra-ACP Projects Portfolio Management and Quality Support Officer
Sahadutkhan	Shazi	Secrétariat ACP	Expert in charge of Private Sector Issues

IFIs / EDFIs[1]

Surname	Name	Institution	Function
Liger	Jean-Marc	AFD - Agencia de Santo Domingo	Director
Vicini	Valery	AFD - Agencia de Santo Domingo	Gerente de Operaciones
Marcelli	Jean-Pierre	AFD – Kenya representation	Regional Director
Castaing	Denis	AFD – Senegal representation	Directeur
Vasseur	Christian	AFD – Senegal representation	Member
Rixen	Jan	EDFI Office in Brussels	General Manager
Rohana	Salem	International Finance Corporation (IFC), World Bank Group	Resident Representative, Dominican Republic and Haïti
Ramirez Rufino	Smeldy	Interamerican Development Bank (IDB), Dominican Republic	Sectoral specialist, Multilateral Investment Fund

Non-Governmental Organisations (NGOs)

Surname	Name	Organisation	Function
Stoyanova	Desislava	CounterBalance	Coordinator
Ellmers	Bodo	Eurodad	Policy and Advocacy Officer
Weitsch	Martina	European Peacebuilding Liaison Office	Quaker Council for European Affairs
Simpere	Anne-Sophie	Les Amis de la Terre	Responsabilité des acteurs financiers

Senegal

Surname	Name	Institution/ Organisation	Unit/Function
Castaing	Denis	AFD – Senegal representation	Directeur
Vasseur	Christian	AFD – Senegal representation	Member
Ndiaye	Papa Madiaw	AFIG, Dakar	Directeur général

[1] International Finance Institutions (IFIs) and European Development Finance Institutions (EDFIs)

Surname	Name	Institution/ Organisation	Unit/Function
Backer	Patrice	AFIG, Dakar	Directeur général Adjoint et Chief Operating Officer
Amoussou	Faustin	Bank of Africa	Directeur Général
Tembely	Oumar	Banque Ouest-Africaine de Développement (BOAD)	Chef de la Mission de la BOAD au Sénégal
Mbaye	Souleymane	Cosama	Directeur technique et armement
Diallo	Seydou	Cosama (Consortium sénégalais d'activités maritimes)	General Manager
Fourtune	Frédéric	EC Delegation to Senegal	Chargé de Programme, Section Infrastructure
Hervio	Gilles	EC Delegation to Senegal	Chef de Délégation
Mbaye	Ndiaye Marème	ECOBANK	Directeur Wholesale
Koffi	Julien	ECOBANK	Head of Treasury & Financial Institutions
Coffi Quam-Dessou	Yves	ECOBANK	Managing Director (Dakar)
Khary Niang	Samba	EIB Dakar Office	Business Analyst Afrique de l'Ouest
Mejia	Christina	EIB Dakar Office	Chargée d'opérations
Diouf	Abdou	EIB Dakar Office	Directeur des Etudes et de la Planification
Lucet	Christophe	EIB Dakar Office	Head of Dakar Office
Guyon	Hervé	MicroCred Sénégal	Directeur Général Adjoint
Lepatre-Lamontagne	Alain	MicroCred Sénégal	Président du CA
Dieudonné	Ruben	MicroCred Sénégal, Siège	Directeur Général
Ousmane BA	Mamour	Ministère de l'Economie et des Finances	Chef de la Division de la Coopération
Ndecky	André	Ministère de l'Economie et des Finances	Conseiller Technique
Thioub	Yérim	Ministère de l'Economie Maritime, de la Pêche et des Transports Maritimes	Agence nationale des affaires maritimes (Anam), Directeur
Magueye	Gueye	Ministère de l'Economie Maritime, de la Pêche et des Transports Maritimes	Agence nationale des affaires maritimes (Anam), Directeur des Transports Maritimes, Fluviaux et du Port
Cissé	El Hadj	Ministère de l'Economie Maritime, de la Pêche et des Transports Maritimes	Directeur de Cabinet

Surname	**Name**	**Institution/ Organisation**	**Unit/Function**
Ba	Boubacar	Ministère de l'Economie Maritime, de la Pêche et des Transports Maritimes	Secrétaire Général
Ndaw	Mouhamed	PEPAM (Programme Eau Potable et Assainissement)	Coordonnateur propogramme PEPAM
Niang	Abdoul	SONES	Directeur des Travaux
Fall	Cheikh	SONES (Société nationale des eaux du Sénégal)	Directeur Général
Boulenger	Pierre	WSP (Water and Sanitation Programme)	Senior Water & Sanitation Specialist

Kenya

Surname	**Name**	**Institution/ Organisation**	**Unit/Function**
Marcelli	J.P.	AFD – Kenya representation	Regional Director
Gitonga	Sally	Africa Re Centre BPI	Chief Investment Officer
Vergos	Zissimos	EC Delegation to Kenya	Head of Infrastructure section
Laafia	Ibrahim	EC Delegation to Kenya	Head of Section macroeconomics, governance, private sector
Simonsen	Kurt	EIB Nairobi Office	Head of Nairobi office
Milianitis	Nikolaos	EIB Nairobi Office	Staff member
Nzioka	Nicholas	EIB Nairobi Office	Staff member
Angelei	Joshua	Friends of Lake Turkana	n.a.
Keya	James	Friends of Lake Turkana	n.a.
Masibo	Moses	Geological Society of Kenya	Mines and geological department
Ochieng	Georges	Kengen geothermal station	n.a.
Nthiga	Moses	Kengen geothermal station	Resident Project Engineer
Judkins	Darryl	Kengen geothermal station	Sinclair Knight Merz Ltd, Project Manager
Kagiri	David N.	Kenya Electricity Generating Company Ltd.	Engineer
Nyoike	Patrick	Ministry of Energy	CBs Permanent Secretary

Surname	Name	Institution/ Organisation	Unit/Function
Yobteric	Agnes C.	Ministry of Environment	Director Programmes projects and strategic initiatives
Lenayapa	Lawrence	Ministry of Environment and Mineral Resources	Permanent Secretary
M. Ngari	Lawrence	Ministry of industrialisation	Assistant director of Industries
Kimuri	E.N.	Ministry of industrialisation	Director of industries
Githinji	Rosalind	Ministry of industrialisation	Principal Industrial development officer
K.Munguti	John	Ministry of industrialisation	Senior Assistant Director
Meja	Vitalice	Reality of Aid Africa Network	Coordinator
Ghoshal	Satyajit	Site of Magadi Soda project	Director of Finance
Osewe	Victor	Site of Magadi Soda project	Financial Controller

Dominican Republic

Surname	Name	Institution/ Organisation	Unit/Function
Liger	Jean-Marc	AFD - Agencia de Santo Domingo	Director
Vicini	Valery	AFD – Agencia de Santo Domingo	Gerente de Operaciones
de la Rosa	Francisco	Banco ADEMI, Santo Domingo	Director of loans
Hernaández A.	Gregorio	Banco ADEMI, Santo Domingo	Executive Vice President
Arsenio Ureña	Manuel	Banco ADEMI, Santo Domingo	President
Rivas de D'Oleo	Ramona	Banco ADEMI, Santo Domingo	Vice President Finance
Rondón	Guillermo	Banco ADEMI, Santo Domingo	Vice President of Business Development
Canalda de Beras-Goico	Mercedes	Banco ADOPEM, Santo Domingo	Executive Vice President
Canalda	Ricardo	Banco ADOPEM, Santo Domingo	Legal Adviser
de Canalda	Mercedes	Banco ADOPEM, Santo Domingo	President
Alt. Reyes Frías	Sonia	Banco ADOPEM, Santo Domingo	Vice President Finance and Accounts
Ramirez Rufino	Smeldy	Banco Intermaricano de Desarollo (BID)	Sectoral specialist, Multilateral Investment Fund
Keene	Patrick	Centre for the Development of Enterprise (CDE)	Chef du Bureau Régional des Caraïbes
Norton-Murray	Marie Louise	Centre for the Development of Enterprise (CDE)	Regional expert and programme manager
Horejs	Irene	EC Delegation to the Dominican Republic	Head of Delegation
Ferreira	Yves	EIB Luxembourg	Head of Fort de France office
Kilvio	Jorge	FONDESA	Director Ejecutivo
Lantigua Estrella	Juan	FONDESA	Director of Development
Rohana	Salem	International Finance Corporation (IFC), World Bank Group	Resident Representative Dominican Republic and Haïti
Vega	Annelie	Moroconcoco – comida empresial	Final Beneficiary
Richardson	Hector D.	Nicromwha Beauty Equipment	Final Beneficiary
Urena	Alberto	Taller de Ebanesteria "Ideas y Decoraciones"	Final Beneficiary

Pacific

Surname	Name	Institution/ Organisation	Unit/Function
Goffeau	Alain	ADB South Pacific Subregional Office (Cook Islands, Fiji Islands, Kiribati, Samoa, Tonga, Tuvalu)	Head, Project Administration Unit
Phelps	Richard	ADB South Pacific Subregional Office (Cook Islands, Fiji Islands, Kiribati, Samoa, Tonga, Tuvalu)	Senior Infrastructure Specialist
Foon	Dallas	Air Pacific	General Manager Strategic Planning
Bourne	Iosefo	Central Bank - Financial Research and Market Development.	Deputy Governor
Wongsin	Saumani	DBS Main Office in Apia	Acting General Manager
Price	Anthony	Digicel Office, Suva, Fiji.	Chief Financial Officer
Vuibureta	Naomi	Digicel Office, Suva, Fiji.	Financial controller
Opperer	Thomas	European Commission, Delegation in Apia	Attaché Head of the Technical Office
De Raeve	Robert	European Commission, Delegation in Suva	First Counsellor, Political and Trade
Patel	Hasmukh	Fiji Electricity Authority - FEA	Chief Executive Officer
Vai	Kolone	KVA Consult	General Manager
Tagicakibau	Taina	Ministry of Communication and Tourism	Permanent Secretary
Roleobaro	Tevita	Ministry of Communication and Tourism, Suva	Department of Communication
Tuanoma	Janam	Ministry of Communication and Tourism, Suva	Department of Communication
Jogier	Shridesh	Ministry of Communication and Tourism, Suva	Senior Economic Planning Office Department of Public Enterprises
Navuku	Josefa	Ministry of Communication and Tourism, Suva	Senior Financial Analyst
Tuinalele	Tevita	Ministry of Communication and Tourism, Suva	Tourism Department

Annexe 11 – Bibliography

Source	Title	Year
ACP-CE Council of Ministers	DECISION No 1/2009 OF THE ACP-EC COUNCIL OF MINISTERS of 29 May 2009 to adopt amendments to Annex II to the Partnership Agreement (2009/497/EC)	2009
ADE	Evaluation of Commission's Aid Delivery through Development Banks and EIB	2008
Camdessus	European Investment Bank's external mandate 2007-2013, Mid-Term Review. Report and recommendations of the Steering Committee of "wise persons"	2010
CEE Bankwatch network	Raising the bar on big dams	2007
Council of the European Union	COUNCIL DECISION of 27 November 2001 on the association of the overseas countries and territories with the European Community ('Overseas Association Decision')	2001
Council of the European Union	Council Regulation (EC) of 27 March 2003 on the financial regulation applicable to the 9th European Development fund and, in particular Part Two thereof	2003
Council of the European Union	Council Regulation (EC) N° 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund under the ACP-EC Partnership Agreement	2007
Council of the European Union	Council Regulation (EC) No 215/2008 of 18 February 2008 on the financial regulation applicable to the 10th European Development fund and, in particular Part Two thereof	2008
Council of the European Union	DÉCISION DU CONSEIL du 19 mars 2007 portant modification de la décision 2001/822/CE relative à l'association des pays et des territoires d'outre-mer à la Communauté européenne (2007/249/CE)	2007
Counter Balance	Conrad's nightmare. The world's biggest dam and development's heart of Darkness	2009
Counter Balance	Corporate welfare and development deceptions. Why the European Investment Bank is failing to deliver outside the EU.	2010
Counter Balance	Critical points for the mid-review of the IF	2010
Counter Balance	Flying in the face of developpement. How the EIB loans enable tax havens?	2009
Counter Balance	Terrain miné: l'implication de la BEI dans le projet minier de Tenke-Fungurume en RDC	2008
COWI	Mid-term evaluation of EIB's external mandate	2010
European Commission	Proposal for a COUNCIL DECISION modifying the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community	2007

Source	Title	Year
	aid under the multi-annual financial framework for the period 2008-2013 in accordance with the revised ACP-EC Partnership Agreement and the allocation of the financial assistance for the Overseas Countries and Territories to which part Four of the EC Treaty applies	
European Community	Agreement amending the Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States of the other part signed in Cotonou on 20 June 2000	2005
European Community	INTERNAL AGREEMENT between the Representatives of the Governments of the Member States, meeting within the Council, amending the Internal Agreement of 18 September 2000 on measures to be taken and procedures to be followed for the implementation of the ACP-EC Partnership Agreement	2006
European Community	Intra-ACP Cooperation - 10th EDF, Strategy Paper and Multi-Annual Indicative Programme, 2008-2013	2009
European Community	Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States of the other part signed in Cotonou on 20 June 2000 (core text and annexes)	2000
European Community	The Internal Agreement of 18 September 2000	2000
European Investment Bank	A Corporate Governance Approach Statement by Development Finance Institutions	2007
European Investment Bank	ACP-IF local currency lending	2000
European Investment Bank	Annual Press Conference 2008, Briefing Note n°8, Luxembourg, 9 February 2006	2006
European Investment Bank	Annual Report 2003	2004
European Investment Bank	Annual Report 2004	2005
European Investment Bank	Annual Report 2005	2006
European Investment Bank	Annual Report 2006	2007
European Investment Bank	Annual Report 2007	2008
European Investment Bank	Annual Report 2008	2009
European Investment Bank	Annual Report 2009	2010
European Investment Bank	Conditions for own resource lending to sovereign borrowers - ACP States	2007
European Investment Bank	Corporate Governance Approach Statement - Press Release	2007
European Investment Bank	Corporate Responsibility Developments in 2008	2008
European Investment Bank	Cotonou Partnership Agreement - Summary of activities in Micro-Finance and operational outlook (CA Doc 07/183)	2007
European Investment Bank	Cotonou Technical Assistance (TA), Annual Report 2009	2010
European Investment Bank	Country Risk Assessment in OPSB, Presentation to the EIB Credit Risk Training Programme	2009

Source	Title	Year
European Investment Bank	Credit Risk Policy Guidelines and procedures for Investment Facility Operations (March 2004 and first revision thereof (June 06 - CA Doc 06/248)	2006
European Investment Bank	Development Impact Assessment Framework (DIAF) of Investment Facility Projects (CA Doc 05/123)	2005
European Investment Bank	EIB activity in the Microfinance sector - Annual Report of the EIB Microfinance Centre of Expertise	2009
European Investment Bank	EIB Guidelines on Fighting Corruption, Fraud, Money Laundering and the Financing of Terrorism	2008
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European Investment Bank	Policy on preventing and deterring Corruption, Fraud, Collusion, Coercion, Money Laundering and the Financing of Terrorism in European Investment Bank activities ("Anti Fraud Policy")	2008
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