

TRUST FUNDS IN ACTION



The European Investment Bank (EIB) is the international development bank of the European Union. For more than 50 years, we have been supporting investments in developing countries to improve the well-being of people and promote the European Union's values and priorities. Today, the Bank is helping countries around the world recover from the COVID-19 pandemic, build economic and climate resilience, and meet the United Nation's Sustainable Development Goals. Our approach focuses on selecting projects that make a big difference in daily lives and working with great partners.



OVERVIEW

GLOBAL GOALS

AREAS OF INVESTMENT

- Climate action
- Vital infrastructure
- Regional integration
- Companies of all sizes

Financing for development is limited. To increase the amounts available, we use trust funds. Our trust funds are agreements in which a donor transfers money to the EIB to help a third party. The Bank collects money for trust funds and then uses this money to provide grants, loan guarantees and technical assistance to projects in dozens of countries around the world.

The EIB manages nine trust funds financed by EU countries, the European Commission and the United Kingdom. Many countries around Europe see the EIB's trust funds as a great way to form lasting partnerships with the developing world. We hope to expand our partnerships to other countries, philanthropists and foundations. By working with more partners, we can do even more to help create a better world.

KEY FIGURES

Our donors: **24 EU countries**,
the **European Commission** and
the **United Kingdom**

€1.2 billion pledged

€991 million in financing approved

285 operations

Over **€24.7 billion** in investment mobilised



MAKING PROJECTS MORE SUCCESSFUL

EIB projects are designed to attract more investment from other financial institutions or organisations. Our trust funds enable us to make projects more sustainable and mobilise even more money from other investors. We make projects better by increasing the knowledge and expertise of our clients. We give technical assistance to clients throughout the lifecycle of their projects. We blend grants with loans to catalyse even more support. Our trust funds also attract more financing because the EIB's involvement reduces the risks involved in projects. This is important, because it is often hard to find financing for big or innovative — but seemingly risky — projects in the developing world.

When the EIB and trust fund partners work together, we:

- Improve the quality and impact of projects
- Share expertise and experiences, making future projects more successful
- Help the European Union meet its goal of boosting emerging countries

ACROSS THE WORLD

The EIB's trust funds have supported projects in 75 countries. Fund sizes range from €3.3 million for the Water Sector Fund to €813 million for the EU-Africa Infrastructure Trust Fund.





**WE ARE
ALWAYS READY
TO DISCUSS
NEW FUNDS WITH
EXISTING
OR NEW PARTNERS.**

HOW WE MANAGE TRUST FUNDS

The Partnership Platform for Funds is the Bank's new framework for managing donor funds. The platform streamlines and standardises procedures for issues such as governance arrangements, fee calculations and reporting standards. The platform is an umbrella for a number of separate, individual trust funds. The funds managed under the platform are the Economic Resilience Initiative Fund, the Financial Inclusion Fund, the Gap Fund, the International Climate Initiative Fund, the Luxembourg-EIB Climate Finance Platform and the Water Sector Fund. The Bank also manages several Trust Funds that were created prior to the establishment of the Partnership Platform for Funds, such as the FEMIP Trust Fund, EPTATF and EU-AITF.

These funds are set up by the EIB in close collaboration with donors. The aim is to identify important projects around the world and meet global challenges. The projects could include public economic and social infrastructure, a private sector development project, or climate change mitigation and adaptation. The funds are designed to be focused but flexible. We can tackle challenges in one sector with a fund like the Water Sector Fund, for example, or cover several sectors with several financing options, with a fund such as the Economic Resilience Initiative Fund.

Most of our trust funds are still open for contributions and we are always ready to discuss new funds with new or existing partners.

DONORS

BULGARIA

CROATIA

ITALY

LITHUANIA

LUXEMBOURG

POLAND

SLOVAKIA

SLOVENIA

THE UNITED KINGDOM

DONOR PLEDGES

€111 million

PROJECTS APPROVED

9

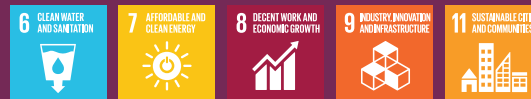
FUNDS COMMITTED

€107.2 million

INVESTMENT SUPPORTED

€1.14 billion

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



ELIGIBLE COUNTRIES



* The EIB's negotiations for an agreement with Libya are on hold. Following EU sanctions in November 2011, the EIB suspended all activity in Syria.

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

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

EXPECTED IMPACT

197 000 jobs supported

Loans for **9 600 small businesses**

Clean water and sanitation for 10.8 million people

Better urban and rail transport for 420 000 people

FOCUS

Private-sector development
Small businesses and jobs
Solid waste management
Sustainable transport and urban development
Energy efficiency

The Economic Resilience Initiative is a key part of the European Union's work to help strengthen economies and solve problems related to migration and forced displacement in Europe's Southern Neighbourhood and the Western Balkans. It also supports projects that help societies recover from economic downturns and helps countries that are prone to shocks such as flooding or droughts, migration surges, and economic or political instability.

The Economic Resilience Initiative Fund is linked to the overall initiative and helps make countries more inclusive. It offers grants and technical assistance for many infrastructure projects that benefit the economy and society, and it helps women and young people find jobs. The fund also helps countries and regions prepare for sudden economic or environmental shocks. It is financed by eight EU countries and the United Kingdom.

PROJECT EXAMPLES

Through the Economic Resilience Initiative Fund, the EIB is providing a partial portfolio guarantee to the Capital Bank of Jordan. This guarantee enables Capital Bank to provide financing to small businesses in Jordan on more favourable terms, and includes those who are financially underserved, such as women, young people and refugees. It also enables Capital Bank to better serve small businesses affected by the coronavirus pandemic, and therefore contribute to the country's economic recovery. This operation is expected to help sustain 17 500 jobs in Jordan.

A grant from the Economic Resilience Initiative Fund is being combined with an EIB loan to help Serbia upgrade or build new water, wastewater, sewerage and drainage systems. This vital economic and social infrastructure will improve the country's resilience to floods and contribute to the health and well-being of the population: 340 000 people will have better drinking water and 263 000 will benefit from improved sanitation services. The new infrastructure will also have a positive environmental impact by reducing contamination of natural water sources.

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

PROJECTS APPROVED
70 (85 including CAMENA)

DONOR PLEDGES
€49.2 million

FINANCING APPROVED
€49.2 million

INVESTMENT MOBILISED
€1.35 billion

* Libya is also eligible if a framework agreement with the country is signed. Syria was eligible until the European Union implemented sanctions in November 2011, suspending all EIB loan disbursements and technical advisory contracts.



EXPECTED IMPACT

123 000 jobs sustained at small businesses, microenterprises and mid-cap companies

Improved sanitation for **1.2 million people**

Clean electricity for **260 000 homes**

The Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Trust Fund supports economic development in Europe’s Southern Neighbourhood. The fund offers loans, grants and technical assistance and can support riskier operations by innovative entrepreneurs. It includes a programme called CAMENA, or Climate Action in the Middle East and North Africa, which offers grants for climate action.

FOCUS

- Small businesses
- Infrastructure
- Environment
- Research and development, skills, innovation

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED

PROJECT EXAMPLES

A FEMIP Trust Fund technical assistance grant is helping STEG, the Tunisian electricity provider, to carry out a study of the environmental and social impacts of a 400 MW pumped water transfer station in the Beja province in the north of Tunisia. This will help STEG to expand its use of renewable energy and reduce its use of gas. The project will also increase the energy storage capacity of Tunisia’s electricity system, which is important for periods when renewable energy sources such as wind and solar power generate less.

An initiative designed to help microfinance institutions give loans to more vulnerable people has provided vital help during the COVID-19 pandemic. A crisis technical assistance package helped an institution in Lebanon to battle economic and social turmoil. Support for an institution in Jordan helped it to improve its digital lending processes. In Tunisia, help was given to a microfinancier to develop microinsurance products for vulnerable people, and technical assistance was provided to help it adjust its lending practices in the face of the pandemic.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



DONOR

UNITED KINGDOM

SECTORS

Renewable energy
and energy efficiency

Sustainable transport
and urban development

Solid waste management

Forestry and land use

Research, development
and innovation

OPERATIONS APPROVED

15

DONOR PLEDGES

£11 million

INVESTMENT MOBILISED

€952 million

SOME EXPECTED IMPACTS

Sewage collection for **111 000 people** and sewage treatment for **155 000 people** in Lebanon

Improved sanitation for **80 000 people** and safe drinking water and reduced drought risk for **105 000 people** in Jordan

Improved sanitation for up to **1.5 million people** in Egypt

A total of **22 000 jobs** created during construction works

CAMENA – Climate Action in the Middle East and North Africa

CAMENA is a programme in the FEMIP Trust Fund dedicated to climate action. It is financed by the United Kingdom’s Foreign, Commonwealth and Development Office.

CAMENA offers grants to the public and private sectors in the Mediterranean region to help tackle climate change. The aim is to help projects get loans from the EIB and other investors. CAMENA supports technical assistance needed to help identify and prepare investment opportunities, and equity investments that crowd in private sector finance.

FOCUS

Tackling instability
Long-term development
Environment and society
Resilience to climate change
Economic growth
Lower greenhouse gas emissions

PROJECT EXAMPLES

CAMENA is providing finance for technical assistance to help the Banque Marocaine du Commerce Extérieur make a number of loans to the water sector. These loans will help project promoters, from small companies to local public sector utilities, to invest in protecting existing water sources from pollution, and improve the efficiency of how water is used in agriculture and industry.

CAMENA provided a technical assistance grant to upgrade and extend sewerage infrastructure in two coastal cities in southern Lebanon, Sidon and Tyre. Once the project is complete, a treatment plant will provide sewage collection services for 110 000 people and treatment services for 155 000 in the two cities, while also reducing coastal pollution and allowing treated water to be reused for irrigation.



DONOR

THE NETHERLANDS

**FINANCING
APPROVED**

€2.4 million

DONOR PLEDGES

€3.3 million

**PROJECTS
APPROVED**

4

This fund was developed by the European Investment Bank and the Dutch government. It supports projects in low and lower middle-income countries. Public authorities in these countries often have limited finances and lack the capacity to build water projects adequately. Some residents in these regions do not have basic sanitation or good water supplies. This trust fund's grants and initial-phase technical assistance help countries plan modern and innovative water projects and improve water management. Since the COVID-19 crisis, new projects have been developed that may involve other instruments, such as risk sharing and first-loss guarantees, in addition to technical assistance.

IMPACT

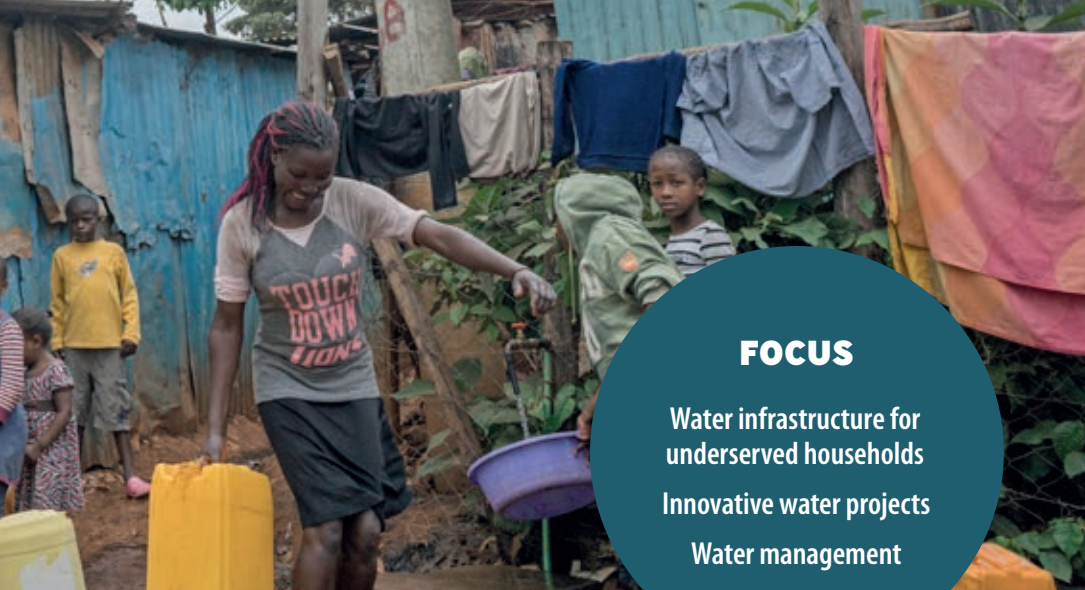
Clean water for hundreds of thousands of people

Improved sanitation services

This fund focuses on cities with more than 100 000 people, as well as clusters of smaller cities

SUSTAINABLE DEVELOPMENT GOAL SUPPORTED





FOCUS

Water infrastructure for underserved households
Innovative water projects
Water management

PROJECT OVERVIEW

Malawi's secondary cities have fast-growing populations but lack adequate water infrastructure to serve them. A €495 000 technical assistance programme will support Malawi's Southern Region Water Board in its efforts to ensure these regional centres get the safe and sustainable water provision they need.

A €250 000 technical assistance programme is supporting the feasibility study for an innovative renewable energy-powered water conveyance system in Malawi. This is part of a larger programme to enhance the country's water systems by transferring water from Lake Malawi.

The Tillabéri region of Niger is struggling with conflict, leaving local populations vulnerable. Safe water supplies are at a premium, and the €350 000 AEP Gothey-Téra feasibility study is helping to prepare water projects in this fragile region for financing. As in the Malawi example above, the study also looks at using solar power for water conveyance.

São Tomé and Príncipe's government is carrying out significant road infrastructure works. A €1.3 million grant from the Water Sector Fund will help protect urban communities from coastal erosion, provide better drainage and reduce flooding risks from nearby river basins.

This fund, referred to as the LCFP, is a joint initiative of the Luxembourg government and the European Investment Bank. It supports climate change mitigation and adaptation projects around the world using innovative, high-impact financing solutions. The LCFP strengthens its impact by attracting private sector investors.

Investments promote sustainable land use and land restoration, energy efficiency and renewable energy, climate resilience data and engineering solutions, and off-grid electricity for households and small businesses in rural or remote areas.

DONOR

LUXEMBOURG

**OPERATIONS
APPROVED**

6

DONOR PLEDGES

€70 million

FOCUS

Debt and equity funds, including
subordinated investment

Direct debt investments, including
mezzanine and subordinated debt

SOME EXPECTED IMPACTS

1 066 MW in renewable energy
capacity

Greater energy access for
171 million people

Restoration of **500 000**
hectares of land

Technologies for climate
adaptation and resilience



PROJECT

The LCFP has made a contribution to the **Green for Growth Fund**, which invests in renewable energy, energy efficiency, water and sanitation projects in the Southern and Eastern Neighbourhoods, the Middle East and North Africa.

The platform supports the **Land Degradation Neutrality Fund**, which is looking to rehabilitate and restore 500 000 hectares of degraded land in Africa, Asia, the Caribbean and the Pacific, mainly through sustainable agriculture and forestry.

An LCFP contribution to **responsAbility**'s Access to Clean Power Fund is helping smaller companies to provide renewable energy solutions, both on and off-grid, to millions of people across sub-Saharan Africa, Asia and the Pacific.

An investment in the **Climate Resilience Solutions Fund**, known as CRAFT, will support small businesses involved in climate intelligence such as analytics, risk modelling and water monitoring. This will help people in Africa, Asia and Latin America to better adapt to climate change.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



ELIGIBLE COUNTRIES



EXPECTED IMPACT

118 000 people employed in construction each year

Safe drinking water for over **66 700 people**

More than **2.4 million people** with more reliable and cleaner energy

DONORS

AUSTRIA

FRANCE

GERMANY

LATVIA

LITHUANIA

POLAND

SWEDEN

THE UNITED KINGDOM

OPERATIONS APPROVED

39

FINANCING APPROVED

€36.1 million

DONOR PLEDGES

€42.4 million

INVESTMENT SUPPORTED

€10.5 billion

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



The Eastern Partnership Technical Assistance Trust Fund provides expertise and helps public and private sector clients in the EU's Eastern Neighbourhood to develop their capacity to complete projects.

PROJECT EXAMPLES

Two different grants from the Eastern Partnership Technical Assistance Trust Fund are boosting climate action investment in Georgia. We are helping the Bank of Georgia to put together a climate finance strategy that will enable it to take into account the risks posed by climate change to itself and its clients. This will help them to identify new business opportunities. Another grant will enable Georgia's TBC Bank to improve its offer to small businesses in the country when it comes to lending for climate action projects. Amongst other things, the grant will increase TBC Bank's know-how in sustainable financing and allow the bank to promote the advantages of climate action lending to current and potential clients.

An Eastern Partnership Technical Assistance Trust Fund grant is helping to prepare public administrations in Armenia, Georgia and Moldova for investments in digital transformation. This technical assistance aims to identify administrations that are suitable for EIB investment through a future framework loan, and to create guidelines in preparation for this financing. Ultimately, digitalisation will benefit the populations of the three countries by reducing administrative delays, making services available to everyone, and enhancing data protection.

FOCUS

- Private sector and small businesses
- Urban development and transport
- Renewable energy and energy efficiency
- Water and environmental infrastructure
- Climate change mitigation and adaptation

DONORS

AUSTRIA

BELGIUM

EUROPEAN COMMISSION

FINLAND

FRANCE

GERMANY

GREECE

HUNGARY

ITALY

LUXEMBOURG

THE NETHERLANDS

PORTUGAL

SPAIN

THE UNITED KINGDOM

DONOR PLEDGES

€813 million

GRANTS APPROVED

123

EXPECTED IMPACT

Electricity for **5.6 million homes**

12 000 kilometres of internet cables

Safe drinking water for **745 000 homes**



The EU-Africa Infrastructure Trust Fund provides grants for infrastructure projects in sub-Saharan Africa that reduce poverty and improve economic growth. The grants can support projects financed by the EIB as well as other financiers.

The trust fund has two main areas of activity. €483 million from the fund is dedicated to helping fund cross-border and national infrastructure projects in the energy, transport, water, and information and communications technology sectors. A separate amount of €330 million has been set aside to support renewable energy and energy efficiency projects that are in line with the United Nations' Sustainable Energy for All initiative.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



PROJECT EXAMPLES

The government of Niger is carrying out a programme to extend access to electricity in the country. Part of this involves upgrading transmission lines. An €18.2 million investment grant from the EU-Africa Infrastructure Trust Fund and a loan from the EIB are helping to extend the power grid to 48 rural areas in the west of the country, connecting about 213 000 people to the grid in those locations and in three cities, including the capital, Niamey.

The World Bank Group's **GETFiT programme** is helping to install smaller-scale renewable energy facilities in East Africa. The EU-Africa Infrastructure Trust Fund provided a €20 million investment grant to support the programme's first phase, which involves the construction of hydropower and solar plants in Uganda. The programme has already helped install 14 plants with a combined capacity of 122 MW and created 9 206 jobs during construction and 1 154 permanent positions.

FOCUS

Energy
Transport
Water
Information and
communication
technologies

FOCUS

Technical assistance and capacity building for financial institutions

Rural populations

Young entrepreneurs

Women business owners

This fund was devised by the government of Luxembourg and launched in 2019 to help financial institutions in developing countries. It aims to give more loans to microenterprises and other small businesses, particularly those run by women or young people in rural communities. These parts of society often have trouble taking out loans. The Financial Inclusion Fund will bring these services to more people. In the future, this fund could be expanded to include financial instruments for microfinance institutions.

Eligible locations: this fund supports operations in least developed, low-income, lower and upper middle-income countries included in the OECD Development Assistance Committee's list of recipients of official development assistance.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



DONOR

LUXEMBOURG

DONOR PLEDGES

€4.5 million

OPERATIONS APPROVED

15



PROJECT EXAMPLES

A €228 000 grant to the Fondation Grameen Crédit Agricole is helping six different microfinance institutions in West and Central Africa to improve their resilience in the face of the COVID-19 pandemic. This funding will help the institutions, located in Burkina Faso, Cameroon, the Democratic Republic of Congo, Mali and Niger, to improve their capacity to serve their clients in several different ways. This includes stronger cash and risk management, digital strategies, and customer service.

The Financial Inclusion Fund is supporting AB Bank Rwanda in its efforts to build resilience for itself and its customers amid the COVID-19 pandemic. This €76 000 grant involves investing in digital tools and a call centre to help reduce the spread of COVID-19, putting strategies in place for restarting business activities, and helping clients put together clear post-crisis growth plans.



Following a very intense rainy season, the city of Bangkok has been partially flooded. Children play above a motorway junction.
BANGKOK, THAILAND
Photo: Philippe Bourseiller

ELIGIBLE LOCATIONS:

This fund will support operations in **developing countries** included on the OECD Development Assistance Committee's list of recipients of official development assistance.



This fund gets its name and financing from the German International Climate Initiative (IKI). The fund was launched in 2008 by BMU, the German Ministry for the Environment, Nature Conservation and Nuclear Safety. IKI, which stands for Internationale Klimaschutzinitiative, provides grants in developing countries for climate mitigation and adaptation.

The fund offers both technical and financial assistance, notably by funding partial portfolio guarantees. It helps clients improve projects so that they qualify for loans from the EIB and other lenders. The fund aims to reduce emissions and make countries less vulnerable to the damage caused by climate change.

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



DONOR

GERMANY

DONOR PLEDGES

€17.1 million

FOCUS

Climate change mitigation and adaptation

FUND HIGHLIGHTS

The fund, which helps the public and private sectors, works to reduce greenhouse gas emissions by encouraging new types of transport, renewable energy, energy efficiency and low-carbon technology.

The fund also aims to lower the risks posed by climate change in agriculture, water and wastewater systems, energy, transport, coastal areas and rivers.

FOCUS

Climate change mitigation and adaptation in cities: energy efficiency, small-scale renewable energy, sustainable transport, greening of urban areas, waste management and water and wastewater management.

The City Climate Finance Gap Fund, or Gap Fund, is an initiative implemented jointly by the World Bank and the European Investment Bank, the latter in partnership with GIZ, the German development agency (Gesellschaft für internationale Zusammenarbeit). The fund offers technical assistance to cities in developing countries to prioritise and prepare early-stage urban climate investments.

Cities are home to more than half the global population and account for more than 70% of global CO₂ emissions. Creating low-carbon and resilient cities is key to achieving the Paris Agreement's goal of limiting the rise in global temperature to below 1.5 degrees above pre-industrial levels. An estimated \$93 trillion of sustainable infrastructure will need to be built by 2030 and about \$4.5 trillion will be required for project preparation. But many cities struggle to develop and finance urban climate projects because they lack the capacity or technical knowledge. The Gap Fund helps them overcome these hurdles at an early stage.

ELIGIBLE LOCATIONS:

Cities in low and middle-income countries on the OECD Development Assistance Committee's list of recipients of official development assistance in East Asia and the Pacific, Europe and Central Asia, Latin America and the Caribbean, the Middle East and North Africa, South Asia and sub-Saharan Africa.

DONORS

GERMANY

LUXEMBOURG

TARGET VALUE OF PROJECTS TO BE SUPPORTED:

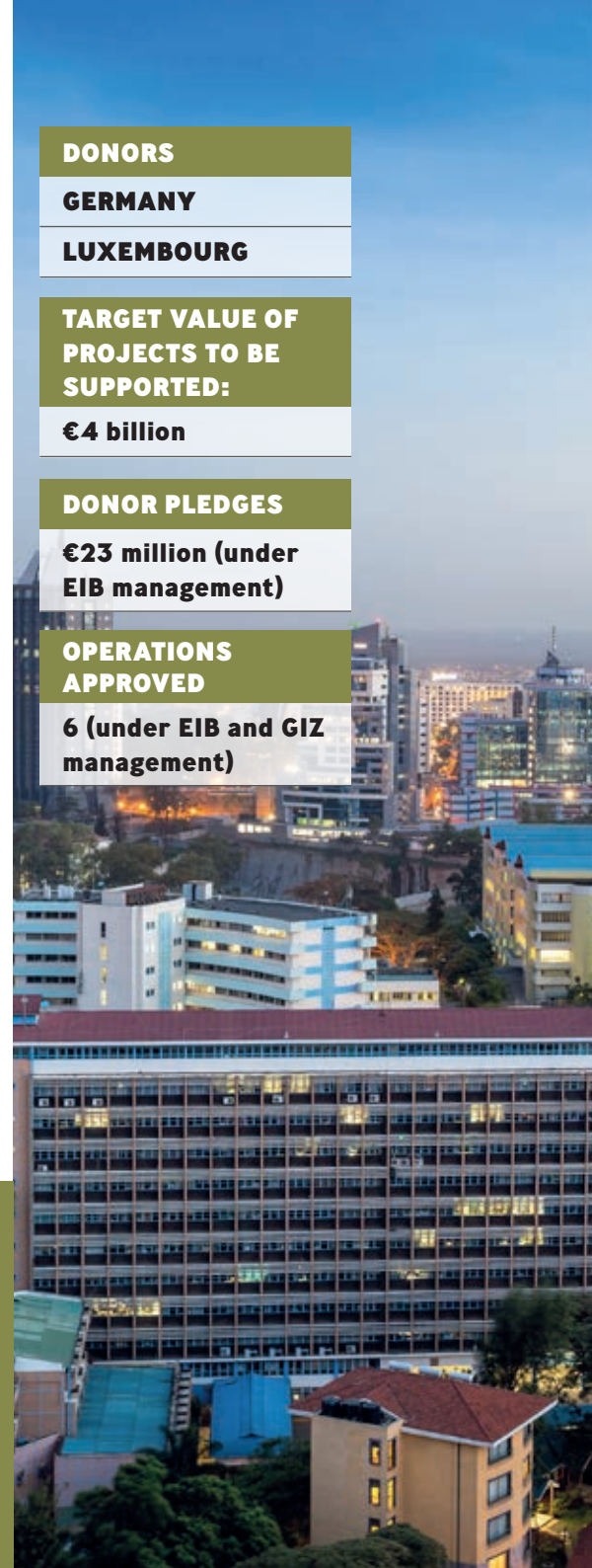
€4 billion

DONOR PLEDGES

€23 million (under EIB management)

OPERATIONS APPROVED

6 (under EIB and GIZ management)





SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



The fund will help improve liveability, air quality, health, resilience of local communities, inclusion of vulnerable parts of society, and the circular economy and will help create jobs. It will boost cooperation between cities and potential investors by promoting ambitious mitigation and resilience projects. This will significantly improve the lives of millions of people.

PROJECT EXAMPLES

The Gap Fund is providing financing for a study to help deploy green roofs and façades in Podgorica, the capital of Montenegro. The study will focus on mapping public buildings that could be suitable for green roofs and façades, to help reduce the heat island effect and improve energy efficiency. It will also assess the potential for opening up sealed surfaces to improve drainage. These projects will help Podgorica adapt to more volatile weather in the coming years, while also reducing emissions.

The city of Cuenca, in Ecuador, is looking to improve its management of drinking water resources, in the face of a more uncertain climate. Technical assistance from the Gap Fund is helping Cuenca with monitoring, modelling, prediction capabilities, weather forecasting, hydrometeorological data collection, early flood warning and response systems. These will provide the necessary data to improve the efficiency of future investments in drinking water supply and stormwater and flood protection facilities adapted to climate change.



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Our investments support sustainability everywhere, including in the oceans, where the rich diversity of coral reefs is threatened by human activity and climate change. Coral reefs are an essential ecosystem. About 25% of all ocean fish depend on them. They protect the coasts and provide a source of income for millions of people. For a long time, their degradation was ignored. Now they symbolise the shift in thinking needed to stop climate change. That's why they deserve a place on the covers of our major reports this year.

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