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## EU-Africa Infrastructure Trust Fund

Access to transport and communication services, water and energy is at the heart of reducing poverty and achieving sustainable economic growth. Europe and Africa are working together to bridge Africa's infrastructure deficit. The EU-Africa Infrastructure Trust Fund, an instrument of the EU-Africa Partnership on Infrastructure, supports this objective. The Fund promotes infrastructure schemes to foster wider African development.



### Eligible infrastructure sectors

- ⇒ Energy
- ⇒ Transport  
(rail, road,  
air and sea)
- ⇒ Water
- ⇒ Information  
technology/(tele)communi-  
cations

### Initiatives to enhance African infrastructure networks

The EU Strategy for Africa sets out priorities and actions to support Africa's efforts to achieve the United Nation's Millennium Development Goals (MDGs).

The EU-Africa Partnership on Infrastructure is a cornerstone of the EU Strategy for Africa. The partnership aims to increase European and African investment in infrastructure and related services. It identifies and addresses the missing links in the infrastructure chain, harmonises policies and develops cross-border and regional infrastructure.

The Fund provides grants alongside long-term loan finance made available by financial institutions. Projects which benefit from this innovative fund combine the following characteristics:

- ⇒ identified by the African Union and its New Economic Partnership for Africa's Development (NEPAD) as priority trans-African infrastructure projects;
- ⇒ cross-border or national projects with a demonstrable regional impact on at least two eligible countries in sub-Saharan Africa<sup>1</sup>;
- ⇒ sustainable and development-oriented projects, assessed in the light of their financial and economic viability, their impact on the environment, and on their contribution to sustainable economic growth and poverty reduction;
- ⇒ projects carried out by public, private or mixed-capital entities.

The Fund provides **four types of grant support**:

- ⇒ interest rate subsidies on medium/ long-term project loans;
- ⇒ technical assistance, including feasibility studies and project-related capacity building;
- ⇒ one-off grants for social or environmental components of the projects;
- ⇒ insurance premiums to cover country risks during the inception phase of the project.

**The Fund fosters co-financing and technical collaboration between numerous stakeholders**, in line with the principles of the Paris Declaration on Aid Effectiveness and the European Consensus for Development. The main stakeholders are:

- ⇒ the European Commission and European Member States;

## List of eligible African countries

- |                                |                   |                |
|--------------------------------|-------------------|----------------|
| • Angola                       | • Ghana           | • Seychelles   |
| • Benin                        | • Togo            | • Mozambique   |
| • Botswana                     | • Guinea-Bissau   | • Namibia      |
| • Burkina Faso                 | • Guinea Republic | • Niger        |
| • Burundi                      | • Ivory Coast     | • Nigeria      |
| • Cameroon                     | • Liberia         | • Rwanda       |
| • Central African Republic     | • Kenya           | • Senegal      |
| • Chad                         | • Somalia         | • Cape Verde   |
| • Congo Brazzaville            | • Lesotho         | • Gambia       |
| • Democratic Republic of Congo | • Swaziland       | • Sierra Leone |
| • Eritrea                      | • Madagascar      | • Sudan        |
| • Ethiopia                     | • Malawi          | • Tanzania     |
| • Djibouti                     | • Mali            | • Uganda       |
| • Gabon                        | • Mauritania      | • Zambia       |
| • Equatorial Guinea            | • Mauritius       | • Zimbabwe     |
| • São Tomé and Príncipe        | • Comores         |                |



- ⇒ the African Union and African nations;
- ⇒ the European Investment Bank and participating European development finance institutions;
- ⇒ the African Development Bank;
- ⇒ other potential donors/ private investors involved in the projects.

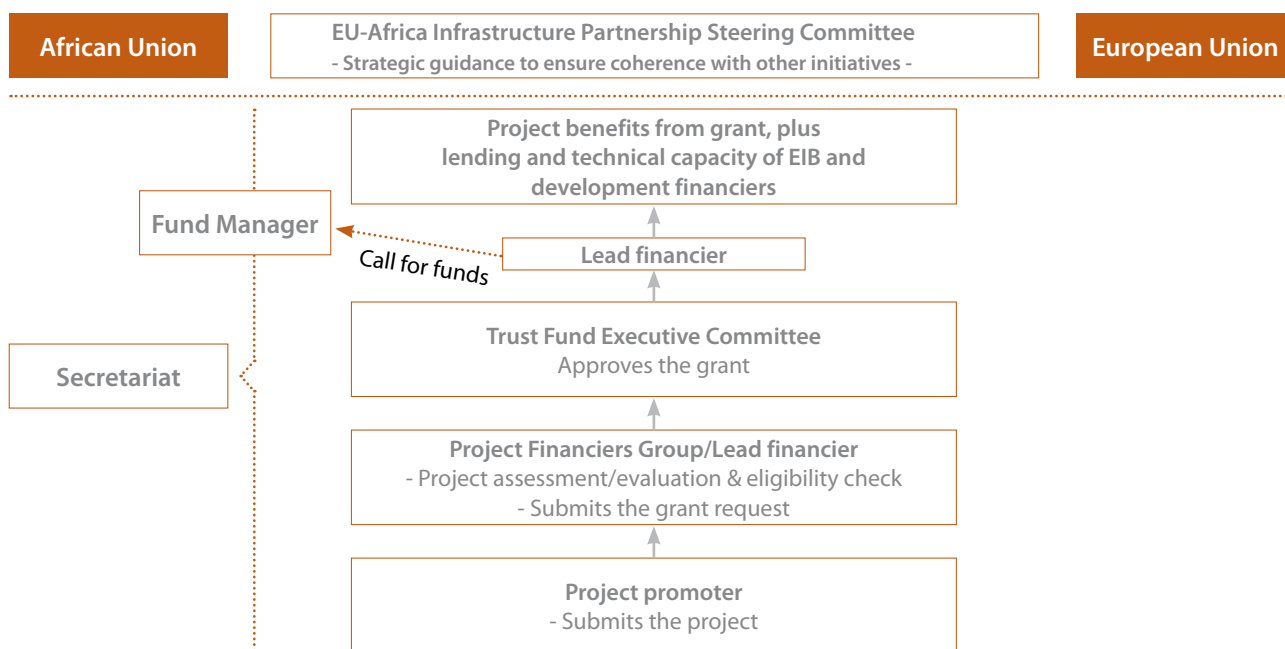
The Fund shares the same objectives as the Infrastructure Consortium for Africa (ICA), a network of bilateral donors, multilateral agencies and African institutions which supports infrastructure initiatives in Africa, encouraging information-sharing, good practice and project development.

<sup>1</sup> Currently, South Africa is not an eligible country. However, it can indirectly benefit from the Fund if a cross-border project includes a South African component.

## Twelve European donors to date:

- |                                                                                       |                     |
|---------------------------------------------------------------------------------------|---------------------|
|  | European Commission |
|  | Austria             |
|  | Belgium             |
|  | France              |
|  | Germany             |
|  | Greece              |
|  | Italy               |
|  | Luxembourg          |
|  | Netherlands         |
|  | Portugal            |
|  | Spain               |
|  | United Kingdom      |

## Schematic presentation of the project approval process



### Governance structure

**EU-Africa Infrastructure Partnership Steering Committee:** ensures strategic guidance and consistency with other African and multi-stakeholder initiatives.

**The Trust Fund Executive Committee:**

- Governing body
- Approves all grant operations
- Voting members: donors to the Fund
- Overall responsibility/monitoring of performance

The **Secretariat**, housed at the EIB, assists the Executive Committee.

The **Manager** (the EIB) is in charge of the financial management of the Fund (disbursements and internal control, treasury, accounting, etc.).

**Project Financiers Group<sup>2</sup>:**

- Composition: each donor nominates a development finance institution (a Member State bank, agency or public body with international development project expertise)
- Checks the eligibility of the project and subsequently includes it in the project pipeline
- Elects the lead financier, which acts as coordinator/spokesman for a given project and is responsible for submitting the project
- Requests the grant operation
- Transfers the advantageous conditions to the project promoter(s)

<sup>2</sup> As of June 2008: African Development Bank, Austrian Development Bank, European Investment Bank, Kreditanstalt für Wiederaufbau (KfW), Agence Française de Développement (AFD), Lux-Développement S.A., Hellenic Ministry of Economy and Finance, Italian Ministry of Foreign Affairs, Compañía Española de Financiación del Desarrollo (COFIDES), Sociedade para o Financiamento do Desenvolvimento Instituição Financeira de Crédito (SOFID).



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### Summary of main facts and figures on the Fund

<b>Objective</b>	Attract and leverage resources and technical expertise to support cross-border infrastructure investments in sub-Saharan Africa
<b>Operational since</b>	June 2007
<b>Signed Financial contributions</b> (as of 30 April 2009)	EUR 98 million
<b>Donors</b> (as of 30 April 2009)	- European Commission: EUR 108.7 million - 11 Member States: EUR 39 million
<b>Manager</b>	European Investment Bank
<b>Geographical coverage</b>	Projects with a demonstrable regional impact involving at least one sub-Saharan country. 47 Sub-Saharan African countries
<b>Intermediaries</b>	European financing institutions with development expertise
<b>Final beneficiaries</b>	Project promoters (public, private or mixed-capital entities)

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