



EIB activity and instruments outside the EU – Part I

Rome, 24 June 2013

1. The European Investment Bank outside the EU
2. Eligibility criteria, financial instruments and products
3. Opportunities and priorities

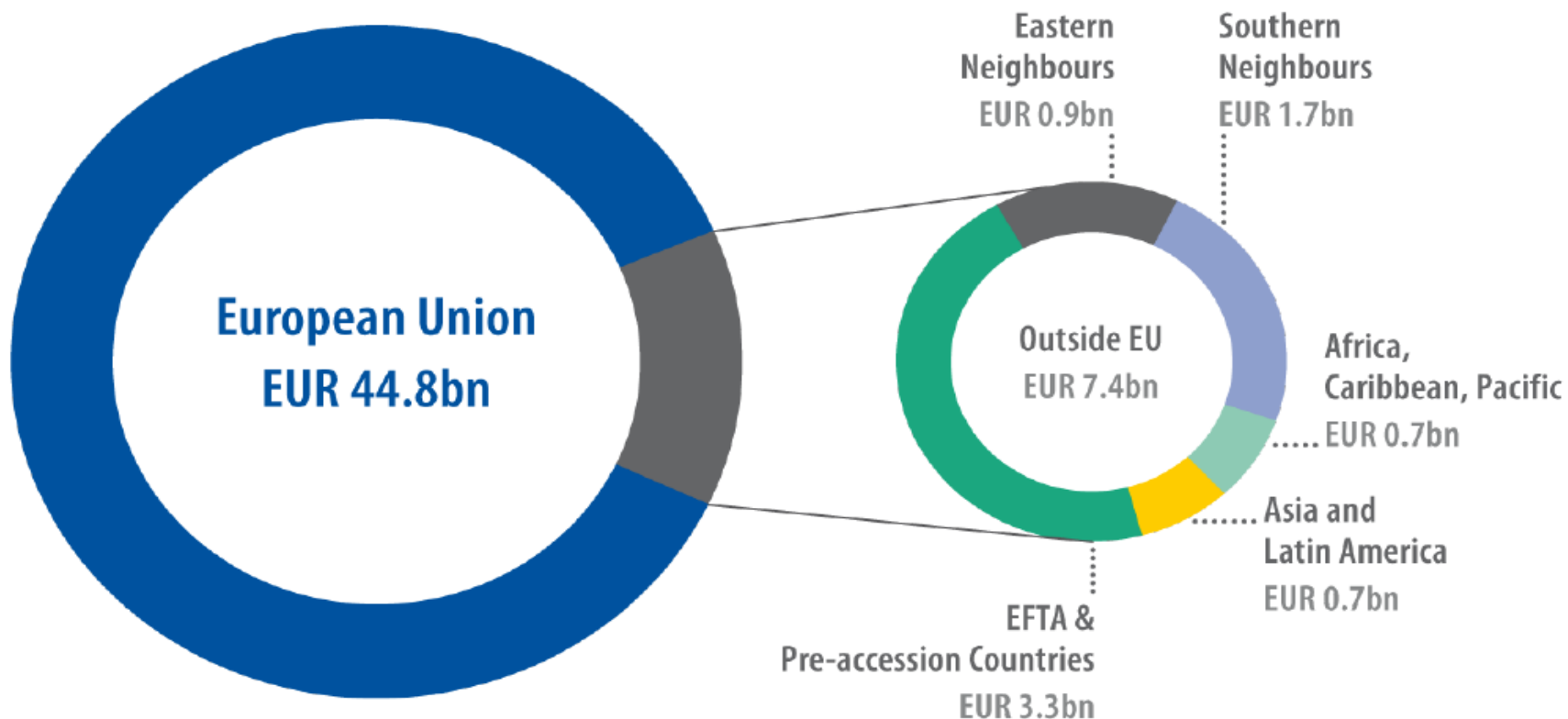
EIB: the EU Bank

European Union's long-term lending bank set up in 1958 by the Treaty of Rome. The EIB contributes to the realization of investment projects that further the economic, social and political cooperation priorities of the EU.

- Shareholders: 27 EU Member States
- Subscribed capital:
(year-end 2012) €232.4 bn
- Total lending 2012: €52.2 bn of which:
 - €44.8 bn European Union
 - € 7.4 bn outside the EU
- Borrowings: €71 bn
- Rating: AAA

EIB Signatures 2012 (in EUR)

Lending (signatures) in 2012: EUR 52.2bn



Supports investment projects the 27 EU Member States and in some 150 non-member countries throughout the world

Maximum lending authorised per non-EU region 2007-2013*

EUR million

EXTERNAL LENDING MANDATE with EU GUARANTEE - CEILINGS **29,484**

- Pre-Accession countries 9,048
- Neighbourhood and Partnership countries 13,548
 - (i) Mediterranean 9,700
 - (ii) Eastern Europe, Southern Caucasus and Russia 3,848
- Asia and Latin America (ALA) 3,952
 - (i) Latin America 2,912
 - (ii) Asia 1,040
- Republic of South Africa 936
- Climate change mandate 2,000

COTONOU MANDATE (2008-2013 Second Financial Protocol)

- ACP countries 5,137

* Similar amounts are expected for 2014-2020

Current EIB External Mandate 2007-2013

- ❖ Horizontal high-level objectives across all regions:
 1. local private sector development,
 2. social and economic infrastructure
 3. climate change mitigation and adaptation.
- ❖ Support to EU presence through FDI
- ❖ Climate Change Mandate with flexibility across regions
- ❖ EU Guarantee up to 65% of signed amounts
 - ❖ Comprehensive guarantee (public sector, sub-sovereign)
 - ❖ Political risk guarantee (private sector)

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Products: lending, blending and advisory

Lending is by far our principal activity, accounting for around 90% of our total financial commitment. We lend to clients of all sizes to support sustainable growth and jobs. Our support is often central to attracting other investors.

- ❖ Project loans for large developments in excess of EUR 25m
- ❖ Credit line or Intermediated loans are made via local banks
- ❖ Guarantees: helping projects attract new investors
- ❖ Equity & fund investment to catalyse further activity
- ❖ Venture capital: helping fund managers invest in high-tech and growth SMEs
- ❖ Microfinance
- ❖ Technical assistance
- ❖ Upstream studies



EIB supported projects

Sustainable and bankable projects i.e. technically sound, financially viable, with an acceptable economic return, compliant with environment protection, procurement regulations and prevailing social legislation and norms.

Terms and conditions

- ❖ EIB generally operates on close to market related terms
- ❖ Fixed or variable rates
- ❖ Long maturities and grace periods (usually not available locally except from other IFIs or DFIs)
- ❖ Direct or indirect intervention
- ❖ Lending/equity investment often combined with TA or similar support (grant funded)
- ❖ Maximum 50% of total project cost



Subsidies are available in certain cases for TA, capacity building or to ensure concessionality for public sector operations

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EIB priority sectors in the Mediterranean and Africa

Local private sector development

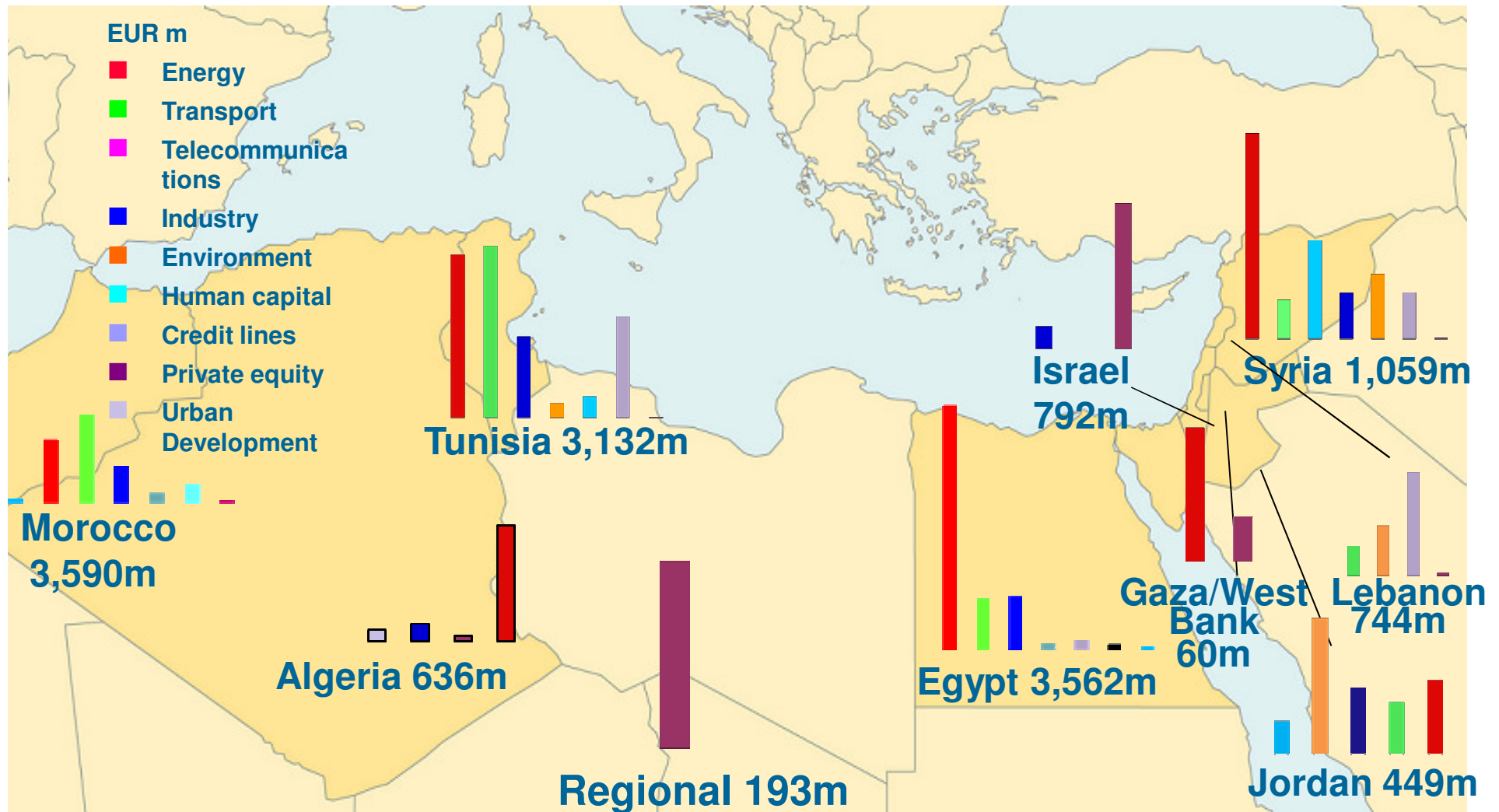
- Banking and financial sector
- Large industrial companies
- Small and medium size enterprises
- Microfinance institutions

Economic and social infrastructure

- Energy
- Transport
- Water and Sanitation
- Telecommunications
- Urban Development
- Health, Education
- Climate change mitigation



EIB lending in the Mediterranean 2002-2012

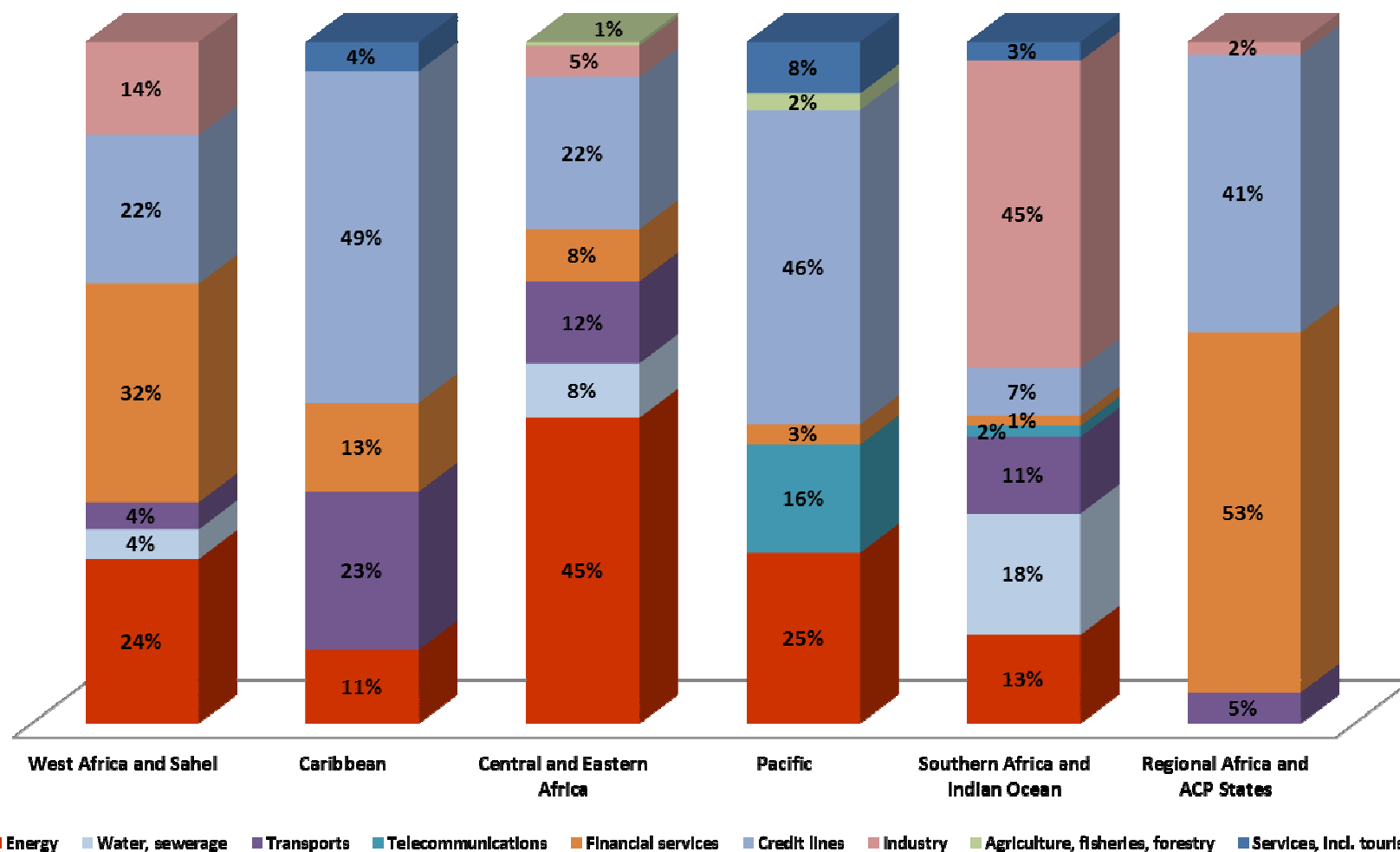


From October 2002 to December 2012: EUR 14.2bn

EIB lending in Africa 2003-2012

Total signatures of +/- EUR 6.1 bn

64% of the portfolio relates to private sector operations



The way forward until 2020: EUR 1 to 1.2 billion for 25 to 30 projects per year

Unlocking investment opportunities

The opportunities equation: Potential large market (total population over 380 million for MENA, 1 bn for Africa) + large infrastructure needs + competitive advantages in sectors :

- **Renewable energy:** Highest world rates of sunlight duration of more than 3,500 hours per year; progressive awareness by governments on potential. Study carried out by the EIB shows that pipeline of RE project in the MENA amounts to 10.3 GW for 90 projects. EIB financed flagship project CSP Plant in Morocco (Ouarzazate).
- **Transport sector:** key transport interconnections still missing (PIDA report on priority regional projects). EIB working on the development of key logistics platform in the region with connection to the hinterland.
- **Health, education and urban development:** large demand for projects in the social sectors. EIB financing social housing and considers opportunities for PPPs to bring in the private sector.
- **Heritage and tourism:** Economic performance of tourism in MENA region has been surprising, given the security risks, natural disasters, oil price rises and economic uncertainties in the region. Potential for growth is evident. EIB is deploying Medinas 2030 initiative for sustainable and integrated rehabilitation of historic city centers.
- **Niche markets:** opportunities in mobile banking sector, agri-business, health and pharmaceutical sectors, media and IT sectors, broadband connections etc...



Useful links

EIB website:

www.eib.org

Annual reports:

<http://www.eib.org/infocentre/publications/all/femip-2011-annual-report.htm>

<http://www.eib.org/infocentre/publications/all/investment-facility-annual-report-2011.htm>

Projects pipeline:

<http://www.eib.org/projects/pipeline/index.htm>

Products:

<http://www.eib.org/products/index.htm>