

2023/2024

EIB GLOBAL IMPACT REPORT



EUROPEAN INVESTMENT BANK GROUP

2023/2024

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European Investment Bank Group Global Impact Report 2023/2024

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In nature, no organism exists without some relation to another one. Oxpeckers nourish themselves on the parasites they clean from the fur of a giraffe. A clownfish shelters among the tentacles of an anemone, while fertilising it with its waste. Plovers clean the teeth of the Nile crocodile and, in doing so, feed themselves. The covers of our reports highlight these symbiotic, natural relationships this year, because they mirror the different levels on which each European Investment Bank project operates. When we finance infrastructure or innovation, we seek also to ensure that the project bolsters climate action or environmental sustainability. By investing in startups or green energy, our public finance encourages private investment that might otherwise have been withheld. In a world where humanity seems so often to be at odds with itself, we hope these images of natural collaboration will inspire readers to cross boundaries and build new partnerships.

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FOREWORD

BY THE PRESIDENT

The European Union is the most successful example of economic, social and political integration in history. It is the main contributor of humanitarian assistance and development finance in the world, acting as a beacon of peace, freedom, democracy, prosperity, human rights and social progress through its different public policies inside and outside the Union.

In the current geopolitical context, as the world is confronted with a tectonic shift in the global order that guided economic and political relations since World War II, it is more important than ever that Europe plays an active role around the world, promoting our shared values and contributing to stability, rising living standards and a more sustainable and inclusive growth model throughout the world.

As the financing arm of the European Union, the European Investment Bank Group has a key role to play to support policy priorities, financing projects on the ground and building strategic partnerships that can foster cooperative responses to our shared challenges and build a better future: mitigating climate change, fostering security, ensuring resilient supply chains and access to critical raw materials, and contributing to geopolitical and economic stability, gender equality, food security and health.

The challenges are immense, but so are the opportunities.

Working as part of Team Europe and cooperating with other international organisations, the EIB Group brings together flexible finance and technical assistance to prepare and unblock projects. Building on the mandates and guarantees from the EU budget, the EIB Group can maximise the impact of its own capital, take risks and mobilise private investment to fill the financing gaps for development and the global climate transition.

Nowhere is that clearer than in Ukraine, where the Group is providing immediate, emergency support, and will scale up its actions through the Ukraine Facility. By supporting the resilience of the country now and the reconstruction effort, the Group will help it ensure a prosperous future as part of the European Union.

Supporting the enlargement process through investments that foster deeper integration of our Eastern neighbourhood and the attainment of EU standards in candidate countries is a top priority for the EIB Group. Fast and efficient project execution, building on the EIB's existing financial relations and advisory services, is key.



This economic partnership is also vital for countries in the Southern Neighbourhood, where we invest to help build prosperous, inclusive and sustainable economies, contributing to security and stability throughout the region.

In other emerging markets and developing economies, in sub-Saharan Africa, America and Asia, we finance key flagship projects of Europe's Global Gateway initiative, supporting the North-South dialogue as well as green growth, climate resilience and the achievement of the Sustainable Development Goals.

Beyond flagship projects in the different geographical regions, the EIB Group finances impactful initiatives through strategic global partnerships, including those with the UN development programme, UNICEF, the World Health Organization, the Vaccine Alliance and private foundations with ambitious and life-changing goals, such as ending polio for good or deploying vaccine production facilities in Africa.

This report details our activities outside the European Union in 2023 and their expected results and impact, showing our strong commitment to furthering EU objectives for a more prosperous, safer, more sustainable and fairer world.

Nadia Calviño
President of the European Investment Bank



OVERVIEW OF THE YEAR

Now entering the third year since its launch in 2022, EIB Global builds upon the EIB's many decades of experience as a leading representative of the European Union outside Europe, upholding EU standards and values while bringing our expertise to projects worldwide. Our unique structure, including a dedicated Board Advisory Group, brings together various parts of the EU family, guiding our operations and strategies to develop instruments and initiatives with lasting global impact. EIB Global's activities focus on the areas of climate action, digital, energy, infrastructure, inclusive finance for small businesses and job creation, education and health.

Our default working mode, Team Europe, involves close coordination with European partners and local stakeholders to provide financial and technical backing to projects reflecting regional opportunities and joint priorities. We finance projects that matter to our partners in both the public and private sectors, aligning with Europe's interests while delivering tangible contributions to global challenges. Recent years have brought an array of uncertainties that have underscored the interconnectedness of our lives and the importance of investing in long-term partnerships and common goals.

EIB Global largely relies on EU mandates that allow the Bank to combine the advantages of an AAA-rated institution with lending to emerging markets and developing economies, including in less developed states where a high degree of concessionality is essential. It implements mandates under the Neighbourhood, Development and International Cooperation Instrument (NDICI). Blending EIB resources with European Commission and donor resources and guarantees also plays a critical role in achieving concessionality, and in enabling the advice and technical assistance that is often essential to project preparation and success.

As a natural convener, EIB Global works very closely in the context of the NDICI Global Europe framework, not only with the European Commission and the European External Action Service, as part of the EU family, but also with other European development finance institutions in the context of Team Europe. EIB Global is part of 110 out of 168 Team Europe initiatives. It is at the forefront of innovative EU programmes and is in close collaboration with other Team Europe players, as in the case of the Global Green Bond Initiative (see page 38).

Our commitment to Ukraine and other Enlargement countries remains steadfast. With crucial contributions from EU Member States, we established the EU for Ukraine (EU4U) Fund, which is already helping the reconstruction of Ukraine's technology sector through initiatives such as Horizon Capital Growth Fund IV. We prioritise investments in stability and prosperity in our neighbouring regions to the east and the south, as well as the African continent as a whole.

Our focus on maximising and mobilising resources for the Global Gateway, supporting projects critical to sustainable development and climate goals, also increases the visibility of EU development impact worldwide.

In the past year, we provided €8.44 billion in financing globally. We contributed significantly to the Global Gateway initiative, with about €60 billion of total investments supported by EIB financing in 2022 and 2023.

For the first time, more than half of our projects contributed to climate action and environmental sustainability, with 18% of this devoted to adaptation. As the EU climate bank, our commitment to addressing climate change extends beyond Europe's borders, acknowledging that developing and emerging countries are often most vulnerable to its effects and have fewer resources to adapt to climate impacts. Our approach on just transition and just resilience complements our long-standing support for climate action and social development.

In 2023 alone, EIB Global supported the water sector with €1.2 billion of financing, contributing significantly to adaptation efforts. We recognise the urgent need to address the effects of climate change, particularly its effects on vulnerable populations who are suffering the most, despite having done the least to cause it. That is why we have put particular emphasis on adaptation, focusing on areas such as agriculture and food security, nature-based solutions, water vulnerability, livelihoods and health.

EIB Global further contributed to improving peoples' lives by supporting equitable access to health services and building resilience in partner countries with some €1 billion of financing in 2023 alone. Innovative and coordinated financing approaches are needed to help bridge the gap between health system investment needs and the challenge of limited domestic funding in low-income countries. Through partnerships with a core group of multilateral development banks and other organisations, we are committed to developing high-impact, equitable, people-centred primary health services in low- and low-middle income countries. More support will be rolled out under the Health Development Accelerator (HDX), an innovative health programme backed by the European Commission in partnership with the Bill and Melinda Gates Foundation, the World Health Organisation and UNICEF.

An unprecedented 40% of our projects signed last year are set to make a significant contribution to gender equality and women's economic empowerment. These investments supported public and private sector projects that advance gender equality and close gender gaps, and facilitate women's access to finance. By empowering women and allowing female entrepreneurs to thrive and reach their full potential, we can build a more inclusive and prosperous world for all.

Additionally, we supported smaller businesses, which are the backbone of economies and drivers of employment. The challenges posed by multiple crises have affected many smaller businesses' ability to access financing, especially longer-term lending. Our partnerships with businesses and local banks are key to providing targeted support that fosters lasting transformation contributing to greener, digital and inclusive private sector development.

With support from donors and mandates, we have directed 42% of our lending to least developed countries and fragile states, maintaining strong engagement in these countries during times of need. Our increased focus on reinforcing our advisory and concessional financing offerings is crucial to enhancing our impact, ensuring that we adapt to partners' needs effectively.

The development of new products and initiatives based on EU policies is a testament to our commitment to innovative approaches. Climate-resilient debt clauses are set to mitigate the risk of debt distress as a direct consequence of natural disasters in least developed countries and small island developing states. The Global Green Bond Initiative, which we will launch in 2024, will address critical gaps in climate funding in lower and middle-income countries. It is backed by the European Commission and supported by other European development financiers, the African Development Bank and the Green Climate Fund.

Unique among development finance institutions, EIB Global is accountable solely to the EU Member States, its shareholders, through the EIB Board. Moreover, it benefits from the guidance of the EIB Global Board Advisory Group, an independent group of experts in development and finance with representatives from each Member State, the European Commission and the European External Action Service. The Global Board Advisory Group advises the EIB Board on EIB Global financing proposals, dedicated strategies and business plans, reporting and evaluation. It has proven to be essential in reinforcing EIB Global's decision-making process, thereby strengthening its contribution to EU cooperation and development impact.

Looking ahead, we remain committed to strengthening our partnerships to support key regional priorities and strategic objectives, including critical raw materials and green hydrogen, as well as the Global Gateway. We look forward to continuing our work with partners to contribute to the Sustainable Development Goals and create lasting positive change around the world.

ENHANCING THE IMPACT OF EIB OPERATIONS OUTSIDE THE EUROPEAN UNION

The breadth and depth of current international challenges require a more effective, coherent and visible response from the European Union with multiple shocks threatening to undermine progress towards the common goals, including the climate crisis, the impact of the pandemic, the repercussions of the Russian war of aggression against Ukraine and other conflicts, such as that between Israel and Hamas.

As part of the European Union's strengthened focus on external action, the Council of the European Union invited the EIB to present improvements to enhance the development impact of its operations in partner countries. The Council's conclusions pointed to opportunities for the EIB to strengthen its operating model, including a greater role for EU development policymakers in its governance, deeper partnerships as part of Team Europe and an enhanced presence in partner countries, in close cooperation with EU Delegations.

In direct response to these recommendations, the European Investment Bank launched EIB Global as a dedicated branch in January 2022, with the EIB Global Board Advisory Group providing for enhanced guidance and oversight. Through an ongoing process of restructuring, EIB Global is improving its mode of delivery, and thus ultimately the impacts it achieves.

THE EIB GLOBAL STRATEGIC ROADMAP

An important milestone in this process was the approval of the EIB Global Strategic Roadmap 2023-2027 by the EIB Board of Directors in November 2023.¹ The Roadmap sets out how EIB Global will continue to improve its impact throughout the duration of the current Multiannual Financing Framework. Specifically, it sets out the priorities of EIB Global in terms of:

- **Supporting EU policies and priorities** such as the Global Gateway, the Green Deal, the enlargement process and specific regional policies, and the achievement of the Sustainable Development Goals (SDGs).
- **Promoting high EU standards** on issues such as climate change, gender equality, fragility and conflict, human rights, fraud and corruption, and many other areas, adopting targets under the EIB Group Climate Bank Roadmap.
- **Strengthening Team Europe participation and partnerships**, increasing co-financing and intensifying upstream consultations with the Commission and EU Delegations as well as cooperation and dialogue with other institutions in the global development community.
- **Improving the delivery mode** by strengthening its presence at the country level, focusing more on resource mobilisation for blending, reinforcing its advisory services, and expanding its toolkit of products.
- **Building on a solid financial foundation**, complementing its lending under mandates with the use of own-risk facilities and enhancing its risk-taking capacity.

A COMMITMENT TO REPORT ON RESULTS AND IMPACT

Assessing the results and impact of EIB operations is vital. It helps us focus on high-impact projects through which the EIB can make a big difference, and that are aligned with EU policies and the investment needs and priorities in the relevant country. It helps us become even more effective by fine-tuning the support we offer. It is also a way of ensuring accountability towards our stakeholders. The EIB is committed to tracking results and impact and to reporting on our findings. Reporting in this way is a key objective of this document.

To get as full a picture as possible, we use different complementary methods to examine our impact, using a three-layer approach:²

- We track results and the EIB's contribution to each project throughout the project cycle.
- We also support in-depth studies for a detailed understanding of certain projects' impact.
- And we use macroeconomic modelling to gain insight into the broader economic impact of our lending.

The assessment and tracking of results are integrated in the EIB's full project appraisal and follow-up process through our Additionality and Impact Measurement (AIM) framework. In the *Tracking results* section of this report, we detail the results expected and the assessed EIB contribution for new projects signed in 2023. Importantly, we also report on the achieved results of projects that reached completion in 2023. In the same section we also report on the results of our assessment of the macroeconomic impact of our outside-EU activities on employment, using the Joint Impact Model.

Lastly, we summarise recent in-depth impact studies which are included among the project and lending examples described in the report. These include an econometric study of how support for small businesses in the Western Balkans has enhanced investment and firm-level job creation. Another example provides an update on ongoing studies of support for startups in Africa.

1. https://www.eib.org/attachments/lucalli/20230336_eib_global_strategic_roadmap_en.pdf

2. See: Measuring the EIB Group's impact: Methods and studies. <https://www.eib.org/en/publications/measuring-the-eib-groups-impact-methods-and-studies>

THE FOCUS OF THIS REPORT

This publication has a number of objectives:

- **To report on EIB Global activities in 2023**, and how they are aligned with EU priorities and initiatives in different regions.
- **To provide transparency on results and impact** achieved by EIB Global activities.
- **To update on how the Bank is improving its mode of delivery**, in order to enhance impact.

To this end, this report is divided into four main sections:

A tailored, regional approach

This section reports on the activities of EIB Global, region by region. It begins with a **special focus on support for reconstruction in Ukraine**, then covers **Enlargement countries**, the **Neighbourhood** regions, **sub-Saharan Africa** and finally **Asia and Latin America** (including Central Asia, the Pacific and the Caribbean). It examines the challenges in each region and how EIB Global is working with partners to address them in line with EU enlargement, regional and development policy.

Delivering on EU priorities

This section describes how EIB Global is implementing three main policy objectives, investing in social and economic infrastructure under the Global Gateway Initiative, helping partner countries step up **climate action** through both mitigation and acceleration, and expanding access to finance for entrepreneurs and small businesses to unlock job creation and growth. Two additional parts focus on promoting **gender equality** through EIB Global operations, and how we work in **fragile and conflict-affected states**.

Enhancing impact

This section examines the progress that EIB Global is making in achieving an **improved mode of delivery** under its Strategic Roadmap, in order to enhance and increase the impact it delivers. The section covers key deliverables under the strategy: **increasing local presence** through regional hubs and country representations, the roll-out of **advisory services and new products and initiatives adapted to local needs**, achievements in terms of **blended finance** and co-financing, and how the Bank is **learning from evaluations**, specifically through the case study of an evaluation of the Bank's support for the water sector.

Tracking results

Maximising EU impact is the ultimate goal of EIB Global, and transparency on project results and impact is key for accountability. This section therefore describes how the Bank is **managing for results**, and reports on project results in detail, including **results expected at appraisal** and those achieved at project completion. It also reports on the Bank's additionality, carbon footprint and modelled impact on jobs.



Total EIB Global financing signed in 2023 **€8.4 billion**

Table 1: Financing arrangements signed in 2023 by region and public policy goal (in EUR million)

	Enlargement countries	Neighbourhood regions	Sub-Saharan Africa	Asia and the Pacific	Latin America and the Caribbean	Total
Small and medium enterprises and mid-cap finance	440	662	816	95	33	2 046
Innovation, digital and human capital	115	284	723	200	150	1 472
Sustainable cities and regions	796	296	252	572	72	1 987
Sustainable energy and natural resources	568	470	686	494	714	2 931
Economic and social cohesion	624	0	360	0	150	1 134
Climate action and environmental sustainability	1 216	886	739	990	662	4 493
Total	1 919	1 712	2 477	1 360	969	8 437

Cross-cutting

Table 2: Selected expected results for 2023 projects

Agricultural land with improved management (hectares)	70 800	
Agricultural product storage capacity (tonnes)	21 000	
Population with access to improved health services	1 320 000	
Population vaccinated against diseases	185 000 000	
People with access to safe drinking water	3 129 000	
People with access to improved sanitation services	1 057 000	
Households that could be supplied with electricity generated from renewable energy sources	2 358 000	
New connections to electricity networks	155 000	
Jobs sustained in microenterprises, small and medium enterprises and mid-caps	847 000	
Employment during project construction (person-years)	253 000	
Additional trips on public transport, per year	48 200 000	
Number of 3G, 4G or 5G sites installed	659	
Population benefiting from new waste collection system	1 100 000	
Households in new or refurbished affordable housing	2 300	
Savings from energy efficiency measures (GWh/year)	102	
Absolute greenhouse gas emissions (t CO ₂ -eq/year)	152 100	
Greenhouse gas emissions avoided (t CO ₂ -eq/year)	652 600	

UKRAINE'S REBUILDING BEGINS

When asked to list the hardships of working in a Ukrainian hospital during the war, Maria Bobkova didn't know where to start.

"We have had problems everywhere, from the entrance of the hospital on the ground floor all the way to the roof," says Bobkova, 71, who is head doctor in Hospital No. 8 in Odesa. "We are a large hospital with many buildings, and all of them needed repairs."

On Ukraine's southern coast, Odesa was one of the first areas bombed when Russia invaded in February 2022. Hospitals in Odesa have had a hard time keeping electricity running and maintaining supplies and medical staff. Even before the war, hospitals such as No. 8, which was built in 1964 and never overhauled, needed a lot of repairs.

To help Bobkova and her staff plug the gaps, EIB Global disbursed a €600 000 loan to renovate the polyclinic part of Hospital No. 8, which is well known for its highly qualified specialists.³ As a result, the hospital finished its main repairs in July 2023, buying new furniture, repairing foundations, adding specialised rooms, new power supplies, insulation in the walls and a new roof to stop the leaks. Powerful generators were installed to provide electricity during blackouts caused by the war.

"We have a completely different hospital now," Bobkova says. "Many people did not believe that such changes were possible during the war."

EMERGENCY FINANCING FOR URGENT NEEDS

As soon as Russia's invasion began, the EIB began approving emergency financing, particularly by repurposing financing that was already in the pipeline so that it could be rapidly disbursed, to assist Ukrainians in rebuilding infrastructure such as power lines, heating systems, water supplies, hospitals, schools, roads, railways, trams, bridges and community centres.⁴

The European Investment Bank's latest assistance in 2023 centres on a specialised investment vehicle called the EU for Ukraine Fund. It provides help in all sectors, including venture capital investment for the private sector. EU Member States have pledged more than €400 million to this EIB Global fund for sectors such as health, transport, education, cybersecurity, critical social infrastructure and the private sector (see page 12). It is helping to bridge the gap until a more comprehensive package of EU support can be set up, one in which the EIB will continue to play a central role.

An assessment by Ukraine, the European Commission and the World Bank in the middle of 2023 estimated the cost of reconstruction in the country at nearly €400 billion. The job of rebuilding is expected to extend over ten years after the war.⁵

3. <https://www.eib.org/press/all/2023-258-renovation-of-hospital-supported-by-eu-is-completed-in-odesa>

4. <https://www.eib.org/projects/regions/eastern-neighbours/ukraine/eib-solidarity.htm>

5. <https://www.worldbank.org/en/news/press-release/2023/03/23/updated-ukraine-recovery-and-reconstruction-needs-assessment>



Maria Bobkova, centre, celebrating the renovation of her hospital's polyclinic in Odesa, Ukraine in July 2023.

REPAIRING SCHOOLS IN BUCHA

Inna Hamchuk, a history teacher at Secondary School No. 1 in Bucha, says the work of repairing education buildings makes the difference between children advancing in their young lives or just staying in shelters and falling far behind in their studies. Bucha suffered immensely during the first phase of the invasion when it was occupied by Russian forces attempting to take Kyiv and became the scene of well-known atrocities.

Hamchuk's school, which was already in disrepair before the war, suffered further significant damage. But now, with the help of EIB funding and technical assistance from the United Nations Development Programme, the school is being repaired, some of the classrooms are reopening, and rain no longer pours in through leaks.

Nonetheless, a lot of work remains to be done at this school and others in Bucha. Many school buildings are still closed because of damage, and shelters at the remaining schools are often too small to protect all the children. Since many educational buildings in Bucha can't reopen, Hamchuk's school teaches students in two shifts from 8 a.m. to 8 p.m. When the power goes out or it's too dangerous to teach, the school reaches out to kids online, if their homes have internet connections.

"We have to be patient," Hamchuk says. "All children in Ukraine have the right to a high-quality education, but it's hard right now. Given the challenges, we are still committed to improving our school's facilities and creating a good learning environment."



GLOBAL CHALLENGES, DEEPER PARTNERSHIPS

The global outlook for development is challenging. Global financial conditions are gradually improving as inflation ebbs, but the lasting effects of the pandemic exacerbated by the war in Ukraine, the war in Gaza and growing geopolitical fragmentation, contribute to an unusually sluggish outlook for global growth. With progress on ending poverty and greening the global economy still too slow, partnership and a focus on key regional priorities are key.

SLOWING GROWTH IN A GEOPOLITICALLY CHANGING CONTEXT

The decades-long slowdown in global growth that was previously concentrated in advanced economies has now reached emerging markets and developing economies (EMDEs). Global growth is forecast at only 3.1% per year for 2024-2028, something that has profound implications for social and economic development progress.

At the same time, subdued global growth is also partly linked to geopolitical issues. While the war of aggression against Ukraine has raged for over two years, the conflict that erupted in Gaza in October 2023 has added further to uncertainty. Economic spillovers and market reaction from the latter conflict have so far been limited, as regional escalation has been avoided so far.

A longer-term global trend of increasing geopolitical fragmentation can be seen in the stagnation of global capital flows, which have not grown consistently since the global financial crisis of 2008. This could weigh on efforts to combat climate change and achieve SDGs, both of which require the mobilisation of significant global capital. Encouragingly, trade flows involving EMDEs were growing at nearly 5% by the end of 2023, but the United Nations Conference on Trade and Development (UNCTAD) reports trade was only growing among countries which are politically aligned, a trend referred to as 'friend-shoring'.⁶

During the pandemic, low government spending capacity and limited access to vaccines meant that the economic effects were worst for middle and low-income economies. Many are still not back to their pre-pandemic growth trend. In fact, the pandemic and the war in Ukraine have derailed several decades of progress in terms of reducing poverty, with the poor most affected by recent energy and food price inflation. According to the World Bank⁷, about 700 million people globally live in extreme poverty, surviving on less than \$2.15 per day, with children twice as likely as adults to live in extreme poverty.

6. UNCTAD, December 2023, [Global Trade Update](#).

7. World Bank, October 2023, [Poverty Overview](#).

DEBT SUSTAINABILITY ISSUES PERSIST

In this context, high debt levels are limiting spending on critical social safety nets and much needed infrastructure in EMDEs. Global debt accumulation (public and private sectors) accelerated at the onset of the pandemic. Following the pandemic, strong growth and higher inflation in advanced economies boosted nominal GDP, reducing the debt-to-GDP ratio whereas debt ratios continued to climb among many EMDEs. Even in EMDEs where public debt ratios have started to fall, that progress could soon be reversed due to a combination of sticky fiscal deficits and fading inflation.

Growing EMDE debt levels were unfortunately accompanied by a tightening in global financial conditions. This was driven by a combination of higher domestic policy interest rates, a reduction in global risk appetite and a strong dollar. Fortunately, financial conditions are beginning to loosen somewhat again, and some African countries are starting to access international bond markets for the first time since the shocks caused by the pandemic and the Ukraine war. However, EMDEs are now carrying higher debt burdens than before, so while financial conditions are easing, the interest rates on sovereign debt are not back to pre-pandemic levels. The share of emerging market economies with bond yields trading more than ten percentage points higher than US treasuries stood at 19% in December 2023, down from a peak of 32% in July 2022 but still well above the 5% of 2019.⁸

The combined impact of higher domestic and external debt levels and high interest rates has put enormous pressure on debt servicing costs in many countries. Pressure will continue to build as cheap debt is rolled over at higher, current interest rates. In sub-Saharan Africa, in particular, debt service is both higher and rising more quickly than in other regions. Exchange rate weakness was another factor exacerbating debt problems for some countries with large foreign currency-denominated debt stocks. When the US dollar appreciated in 2022 on the back of an aggressive Federal Reserve tightening cycle, it led to a sharp increase in indebtedness and debt servicing costs for some countries. Owing to these various factors, there are now 26 low-income countries at high risk of debt distress and ten in debt distress.⁹

A prudent and stable policy environment is key to dealing with these debt challenges. However, elections loom large in many countries in 2024, with one of the busiest election calendars in history. According to Moody's, at least 42 sovereigns, representing about 2 billion people, 44% of global GDP and 50% of global government debt, will hold elections this year.¹⁰ While the US election is gaining most media exposure, elections in India, Indonesia, Mexico and South Africa, among many others, are heightening policy uncertainty.

INVESTMENT GAPS ARE GROWING

Against a challenging macro-financial backdrop, the financing needs to achieve the SDGs and support the green transition are growing. UNCTAD's World Investment Report¹¹ reveals that developing countries face an annual funding gap of \$4 trillion in order to achieve the SDGs by 2030, compared to a gap of \$1.5 trillion in 2015, when the SDGs were adopted. Moreover, green energy investments of \$1.7 trillion are needed annually, but most green foreign direct investment still flows to advanced economies.

Multinational development banks have demonstrated the vital role they play in terms of keeping finance flowing when credit from other sources becomes scarcer during periods of economic turbulence. With many countries and economies still facing difficult financing conditions, it is important to keep the tap flowing on concessional finance. Given the challenges facing our development partners, investment is not sustainable if it puts the finances of our partners in jeopardy, a key principle motivating the European Union's Global Gateway Initiative. This will allow global partnerships to flourish and lead to a more prosperous future for all.

8. IMF, January 2024, [World Economic Outlook Update](#).

9. IMF, November 2023, [List of Lower-Income Country Debt Sustainability Analyses for Poverty Reduction and Growth Trust-Eligible Countries \(LIC DSAs for PRGT-Eligible Countries\)](#).

10. Moody's, 2024, Client note, "Election supercycle heightens risks to debt stabilization and economic growth".

11. UNCTAD, 2023, [World Investment Report](#).

WORKING IN PARTNERSHIP, REGION BY REGION

The EIB has been working outside the European Union for more than 60 years. To do so, it is supported by EU mandates, as well as deploying financing purely at its own risk. Now, EIB Global tailors its activities to the development needs, local contexts and EU external action priorities in each region. The mandates guiding and enabling the activities of EIB Global are now consolidated under the EU Neighbourhood, Development and International Cooperation Instrument (NDICI).

To ensure alignment with EU priorities, the strategic focus of EIB Global is thus tailored according to region. Regional priorities are set out in EIB Global's Strategic Roadmap:¹²

- **Enlargement countries:** Supporting the EU enlargement strategy and countries' preparations for EU accession through greater economic convergence and integration with the European Union. Supporting the recovery and reconstruction of Ukraine.
- **The EU Neighbourhood:** Implementing European Neighbourhood Policy, such as the EU Agenda for the Mediterranean and the Eastern Partnership Policy; finance for stability, prosperity and resilience under the Economic and Investment Plans and the Green Deal.
- **Sub-Saharan Africa:** Contributing to the Global Gateway and the achievement of the Sustainable Development Goals, with a focus on smart, inclusive growth, gender-responsive investments and climate adaptation in less developed economies.
- **Latin America, the Caribbean, Asia, Central Asia and the Pacific:** Focusing on the large climate finance needs and adaptation challenges, as well as strategic connectivity and partnerships, under the Global Gateway.

This section examines EIB Global's priorities and achievements in each of these regions. A special focus is given first to our efforts to respond to the extraordinary needs of Ukraine amid the ongoing war.

12. <https://www.eib.org/en/publications/20230336-eib-global-strategic-roadmap>

UKRAINE

In 2023, amid Russia's ongoing war of aggression against Ukraine, and with the country beginning accession negotiations with the European Union, EIB Global remained firmly committed to accelerating funding flows to Ukraine to bolster its resilience, future reconstruction and prosperity. EIB support is currently aimed at helping Ukrainian cities restore essential functions and services for citizens, and at strengthening the country's small businesses.

The war is causing the tragic loss of tens of thousands of lives and livelihoods, the displacement of millions as refugees or internally displaced persons, and extensive damage to infrastructure. Rebuilding costs have been estimated at €452.8 billion¹³. Despite these challenges, the Ukrainian government has demonstrated its determination and its capacity to proceed with both reconstruction efforts and further integration with the European Union. This commitment was recognised by EU leaders through their decision to officially commence accession talks. Since the start of the war, the EIB has provided €2 billion to support recovery efforts in Ukraine and has launched several significant initiatives to further bolster support for the country.

THE EU FOR UKRAINE (EU4U) INITIATIVE

To serve as an interim financial aid solution until new guarantees under the EU budget become available, the EIB established the EU for Ukraine initiative in March 2023:

- **The EU for Ukraine Fund**, with **€415 million pledged by 18 EU Member States**, will support new, critically important projects that address Ukraine's recovery and reconstruction needs.
- **The EU for Ukraine Advisory Programme**, with **€100 million from the EIB's own resources**, provides technical assistance and advisory services to address immediate needs, support reconstruction efforts and facilitate EU accession processes in Ukraine and Moldova.

THE EIB REGIONAL HUB FOR EASTERN EUROPE BASED IN KYIV

In November 2023, a high-level EIB delegation met with President Volodymyr Zelenskyy and other key officials. They announced the **expansion of the EIB's local presence** through the conversion of the Bank's Ukraine office into the EIB Regional Hub for Eastern Europe, established to offer enhanced support to Ukraine and neighbouring countries. With increased resources and expertise available locally, this hub will be instrumental in supporting recovery and reconstruction efforts.

EIB AND PARTNERS HARMONISE PROCUREMENT IN UKRAINE

Ukraine's recovery requires coordination between the Ukrainian government and donors, with efficient and transparent financial management and adherence to top procurement standards. To this end, in October 2023, the leaders of the EIB, the World Bank, the European Bank for Reconstruction and Development (EBRD), and the Council of Europe Development Bank signed a Memorandum of Intent, publicly committing to harmonise procurement practices and underscoring their commitment to mutual reliance, the use of Ukraine's ProZorro e-procurement platform, and to ensuring transparency, fairness and value for money for the Ukrainian people.

13. [Updated Ukraine Recovery and Reconstruction Needs Assessment \(europa.eu\)](#).

“ I am thankful for the decision to open a regional EIB office in Kyiv. It is not only significant for Ukrainian business, but it also conveys an essential message of faith in Ukraine and its development to our people.

Volodymyr Zelenskyy, President of Ukraine. ”

Figure 1: 2023 highlights from ongoing projects in Ukraine



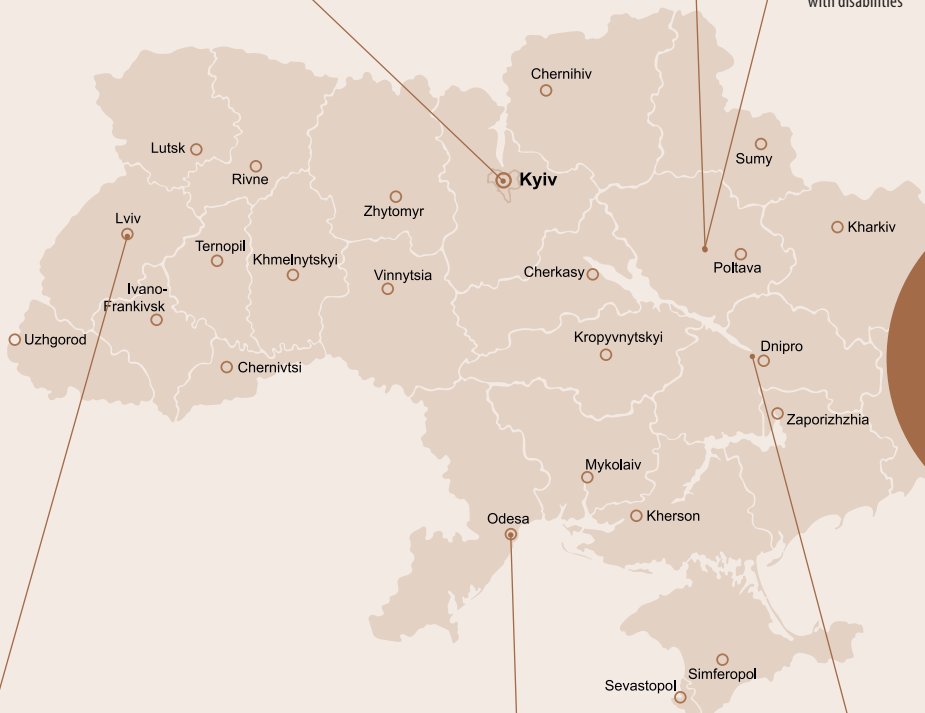
Six out of 20 trams manufactured in Ukraine were purchased with EIB funds for the residents of Kyiv



September 2023, Shyshaky village, Poltava Oblast
Opening of the V.I. Vernadskyi School



May 2023, Reshetylivka, Poltava Oblast
Inauguration of Kolos sports and rehabilitation complex for people with disabilities



Finance provided since the start of the war¹⁴
€2 billion



Two out of ten trams manufactured in Ukraine were purchased with EIB funds for the residents of Lviv



July 2023, Odesa
Opening of the City Clinical Hospital No. 8 in Odesa



October 2023, Kamyanske, Dnipropetrovsk Oblast
Inauguration of the school collegium No. 16

14. Includes €1.72 billion repurposed for rapid disbursement to Ukraine in 2022.

ENLARGEMENT COUNTRIES

2023 was a year of renewed commitment to the EU enlargement process, a geopolitical imperative for the European Union. The Council decided in December 2023 to open accession negotiations with Bosnia and Herzegovina, Moldova and Ukraine, while Georgia was granted candidate status. The European Union also intensified its commitment to the integration of Western Balkan countries through the New Growth Plan for the region.¹⁵ EIB Global signatures reached a record €1.2 billion in the Western Balkans, with another €723 million signed for the other Enlargement countries.

In the Western Balkans, in close partnership with the European Commission, EIB Global continues to support the accession process and has delivered on key EU initiatives, such as the Economic and Investment Plan (EIP) for the region and the Global Gateway. In 2023, we signed financing contracts worth €693 million to support the modernisation of the railway and road networks, including EIP flagship projects that contribute to the Global Gateway Initiative. Other projects will improve medical services in Bosnia and Herzegovina and education facilities in Serbia. A total of €275 million will help small businesses to invest, create jobs and advance their green transformation, with additional technical support provided to small businesses in Serbia and North Macedonia on how to green their activities.

In Moldova, EIB Global supports convergence with the European Union, and addressing the challenges posed by Russia's war in Ukraine. In Georgia, recent support has focused on support for small businesses — including under the EU4Business initiative — and the health sector. Advisory services and technical assistance for both infrastructure and small businesses play a key role. In 2023, EIB Global extended its first corporate loan in Moldova, which aims to improve the quality and reliability of the electricity network. For more information on EIB Global support for Ukraine, see page 12.

Indeed, thanks to its comprehensive mix of lending, blending and advisory services, EIB Global has become a key EU partner in supporting the green transition in Enlargement countries. 62% of the amounts signed in 2023 contribute to climate action and environmental sustainability. In this context, the Bank also contributed to the Just Energy Transition Investment Platform for North Macedonia and the European Commission's Initiative for Coal Regions in Transition in the Western Balkans.

As part of Team Europe, EIB Global works in close cooperation with the European Commission, EU Delegations, international financial institutions and local partners to generate innovative blended finance opportunities, with the Bank acting as lead financier for over €600 million of investment grants under the Western Balkans Investment Framework. In November 2023, the European Commission and the EIB agreed to triple advisory support for the Western Balkans under the JASPERS programme to further support the enlargement process.

In Türkiye, following the tragic earthquakes that took place in February 2023, EIB Global provided rapid support with a €400 million loan for the restoration of water and wastewater infrastructure in the devastated areas. It thereby delivered on its commitment made at the March 2023 Donors' Conference, as part of the €3.6 billion Team Europe pledge to support those affected in Türkiye and Syria.¹⁶

15. [New Growth Plan for the Western Balkans – European Commission \(europa.eu\)](#).

16. [Donors' Conference for Türkiye and Syria – European Commission \(europa.eu\)](#).

Signed in 2023

€1.9 billion
Climate action
and environmental
sustainability: **63%**

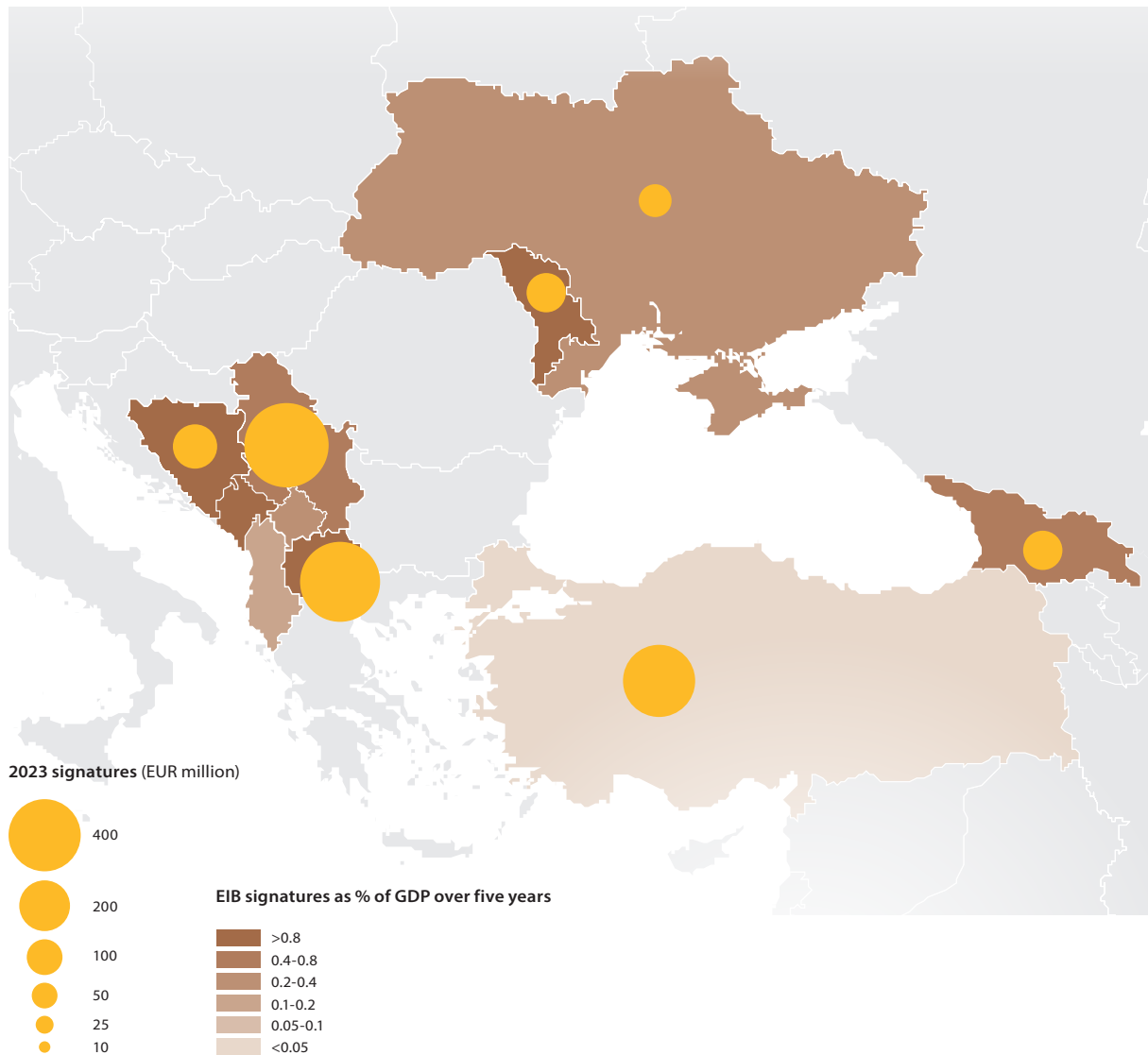
Key expected results of new projects

1.3 million people with access to improved health services

152 km of upgraded railway lines

105 300 jobs sustained in microenterprises and smaller enterprises

Figure 2: EIB lending in Enlargement countries
(Contracts signed in 2023 and as % of GDP over 2019-2023)



Kosovo: This designation is without prejudice to the positions expressed by the EU Member States on Kosovo's status and is in line with United Nations Security Council Resolution No. 1244/1999 and the International Court of Justice Opinion of 22 July 2010 on Kosovo's declaration of independence. The European Investment Bank does not endorse, accept or judge the legal status of any territory, boundaries, colours, denominations or information depicted on any map in this section.



RAIL RENAISSANCE IN NORTH MACEDONIA

Since the 19th century, rail planners have dreamed of a route from northern Germany across central Europe to the Bulgarian Black Sea coast. But the dream has long had a missing link. Now, North Macedonia is plugging the gap. The country aims to complete an 89 km connection from Kumanovo to the Bulgarian border by the end of this decade. The new line is backed by a range of EU financing.

“Integrating railway connections into North Macedonia’s transport network is one of the European Union’s priorities, because it will ensure efficient climate-friendly movement for people and freight across the European continent,” said David Geer, head of the EU Delegation to North Macedonia.

Construction of the first 31 km section between the cities of Kumanovo and Beljakovce started in 2022, followed by the new rail link from Beljakovce to Kriva Palanka. In December 2023, the European Union announced the financial package for the final phase of the eastern section of rail Corridor VIII from Kriva Palanka to Deve Bair on the Bulgarian border. This will include the electrification of the 88 km section from Kumanovo to the border.

“Funds the government of North Macedonia has received from the European Investment Bank and the European Bank for Reconstruction and Development — as well as a grant from the European Union — are unquestionably crucial for completing this project,” said Fatmir Besimi, North Macedonia’s Minister of Finance.

“Its implementation will create better working conditions for companies, enable easier transport of goods and passengers, and encourage development,” he added.

TEAM EUROPE FINANCING

For this pivotal rail route, €560 million has been secured under the auspices of Team Europe.¹⁷ The funds entail a €175 million loan from EIB Global paired with a similar loan from the European Bank for Reconstruction and Development. These loans will be blended with a €150 million EU grant through the Western Balkans Investment Framework and a grant of as much as €60 million from the Instrument for Pre-Accession Assistance. The project forms part of the Global Gateway, the European Union's strategy that aims at narrowing the global investment gap for vital infrastructure. The EIB is acting as lead financial institution for the project.

The project will continue to benefit from European Union and European Investment Bank technical support, which includes assistance through the JASPERS programme to ensure that preparation, tendering and execution are in line with EU standards.¹⁸ The technical assistance also increases the local project implementation team's capacity.

HIGHER EFFICIENCY AND QUALITY OF SERVICE IN THE RAIL SECTOR

The improvement in implementation capacity — as well as the new lines — will set the foundation of a modern railway system in North Macedonia that fosters cooperation and open competition within the regional and EU transport networks. The recent adoption of amendments to the Railway System Law in the country will contribute to these efforts with higher efficiency, quality of service and competition in the rail sector. In turn, that leads to more investment.

The new connection will transport about 500 000 tonnes of freight and half a million passengers a year, improving the connectivity of the regions along the line and significantly reducing freight transport costs. It will reduce the distance by rail to the Black Sea and Türkiye by about 200 kilometres.

NEW DIRECTION FOR COUNTRY WITH 150-YEAR RAIL TRADITION

The increased use of railways is an important step towards climate sustainability, because they account for less than 1% of transport-related gas emissions. Transport typically ranks as the second or third-largest contributor to air pollution in Western Balkan cities, which are among the most polluted in Europe. New, modern railways will promote a shift from road to rail and contribute to a more environmentally sustainable transport system. This is in line with the European Union's Green Agenda and the Sustainable and Smart Mobility Strategy, which aim to reduce transport emissions by 90% by 2050.¹⁹

North Macedonia sees the railway sector as a priority in achieving its climate and connectivity goals. Upgrading its transport network is also a significant step on its path to EU accession.

17. <https://www.acc.team-europe-partners.eu/>

18. <https://jaspers.eib.org/>

19. https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-10/factsheet_green_agenda_oct2023_final_0.pdf; https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12438-Sustainable-and-Smart-Mobility-Strategy_en

NEIGHBOURHOOD REGIONS

EIB Global is continuing to strengthen its engagement and cooperation in the Neighbourhood regions, both around the Mediterranean and in the Southern Caucasus. Indeed, in 2023 EIB Global opened its new regional hub in Cairo, Egypt, allowing for closer ties with private and public partners across the Middle East and North Africa. Between these regions and the European Union there is a strong mutual interest in economic and security collaboration. At the same time, they are regions severely affected by Russia's unprovoked war against Ukraine. The war launched by Israel in response to the October 2023 Hamas attacks also imposes a heavy burden.

EIB Global operates in the Southern Neighbourhood in line with the EU Agenda for the Mediterranean and its accompanying Economic and Investment Plan, contributing to the Global Gateway objectives through enhanced coordination at EU level — and following a Team Europe approach — and to support the long-term sectoral strategies of partner countries. Climate action is a key cross-cutting objective. For example, at COP28 the EIB announced an additional €100 million of finance for the Aqaba-Amman Desalination and Water Conveyance project, which will make a huge difference to drought resilience in Jordan.

Similarly, at the Egypt – Europe Energy Interconnectivity dialogue, EIB Global unveiled new support for the broader Egypt Green Economy Financing Facility that provides financing for business investment through local financial partners. The initiative will enable companies across Egypt to increase investment to reduce energy and water consumption, improve product quality and increase competitiveness. In Morocco, EIB Global is supporting the Moroccan forestry strategy that aims to restore more than 600 000 hectares of forest ecosystems, combat soil erosion, regulate the flow of water, and increase returns from forestry and tourism. The EIB-financed component will afforest some 55 000 ha, creating some 30 200 years of temporary employment and more than 6 800 permanent jobs.

The EIB's cooperation with Armenia and Azerbaijan is likewise based on the European Neighbourhood Policy, notably the Economic and Investment Plan for the Eastern Partnership (which implements the Global Gateway in the region) and other bilateral EU agreements. To enhance its impact, the EIB has a regional representation for the Southern Caucasus in Tbilisi, Georgia.

In Armenia, the EIB has financed a wide range of projects, from transport and water infrastructure to small businesses, with technical assistance provided through the Eastern Partnership Technical Assistance Trust Fund (EPTATF). In Azerbaijan, the EIB focuses on promoting balanced and sustainable economic development, reducing inequalities and diversifying national energy sources.

EIB Global lending to the Neighbourhood regions amounted to €1.7 billion in 2023. Following closely the evolution of the situation in the region, the EIB also continues to work in full coordination with the European Commission and the European External Action Service on financing investments in Palestine*, while also financing significant sustainable transport and climate adaptation projects in Israel.

* This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of EU Member States on this issue.

Signed in 2023

€1.7 billion
Climate action
and environmental
sustainability: **52%**

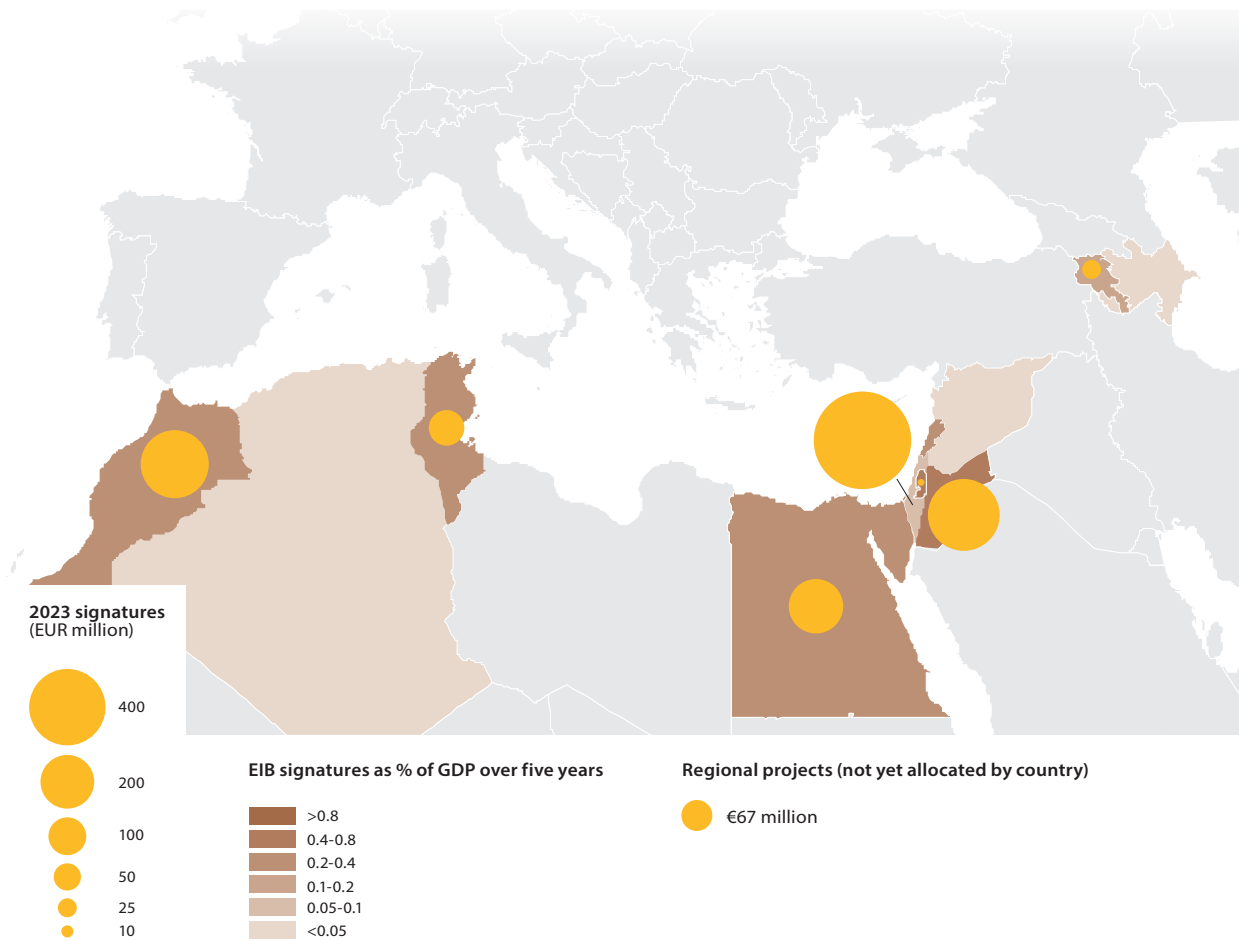
Key expected results of new projects

1.5 million people with reduced exposure
to drought risk

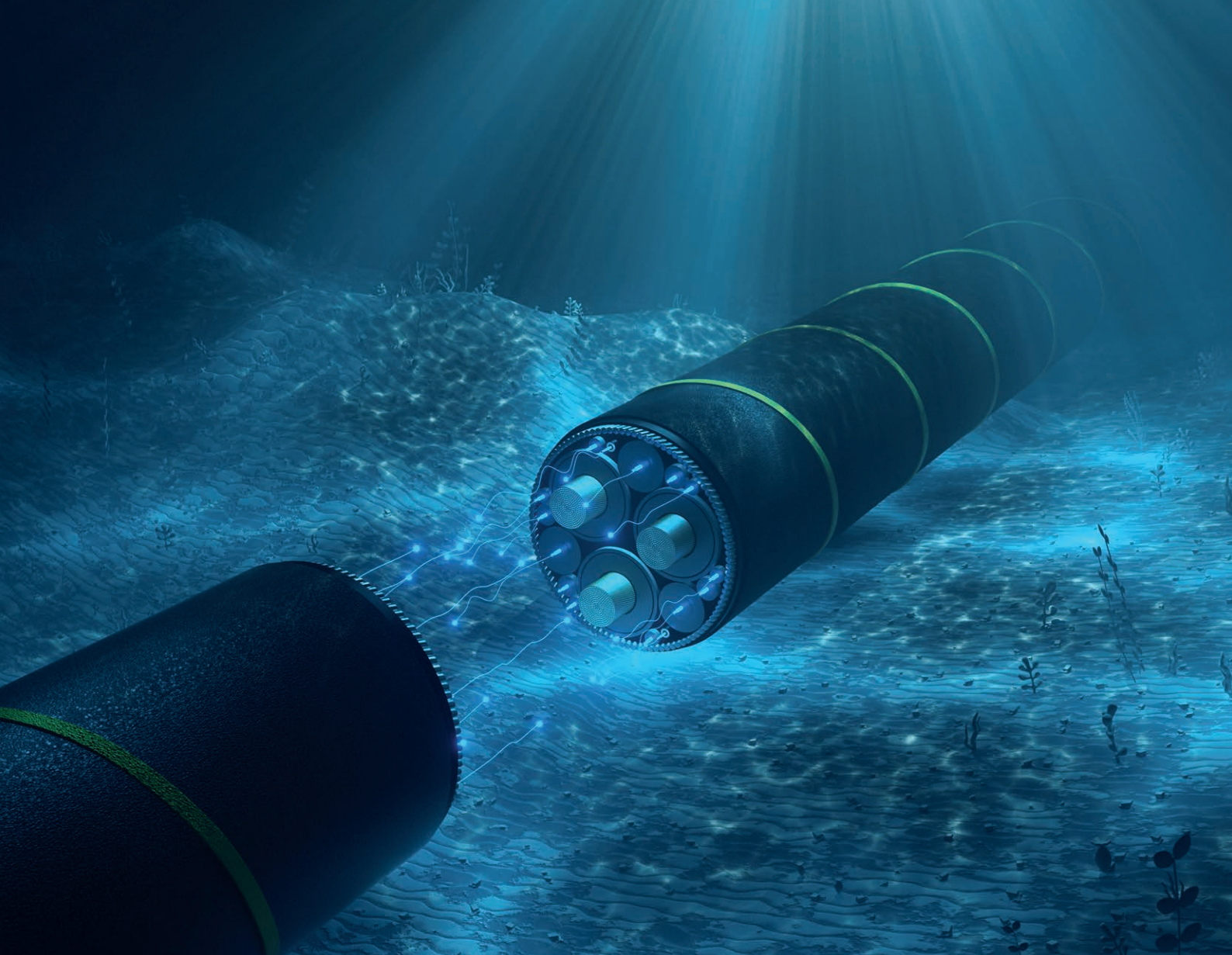
47.6 million journeys per year on new or upgraded
urban transport

76 250 jobs sustained in microenterprises and
smaller enterprises

Figure 3: EIB lending in Neighbourhood regions
(Contracts signed in 2023 and as % of GDP over 2019-2023)



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LETTING ENERGY FLOW ACROSS THE MEDITERRANEAN

EIB Global is supporting the first electricity interconnection between Tunisia and Italy, a 200-kilometre submarine cable between the Cap Bon peninsula in Tunisia and the Italian island of Sicily. This strategic link will support the development of renewables in both regions and optimise the use of resources by making it possible to import and export surplus supply, improving security of supply and increasing the operational flexibility of both electricity systems. The ELMED interconnector project contributes to the Global Gateway priorities and climate goals. In the long run, the cable will give Tunisia the possibility to export renewable energy to Europe.

The project is cross-regional by nature but is also a great example of Team Europe in action, being co-financed by the EIB (with a €45 million loan), the European Bank for Reconstruction and Development, Germany's Kreditanstalt für Wiederaufbau and the World Bank, and backed by EU grants. It is a partnership under the Team Europe Initiative Tunisia Investment that has made this complex megaproject possible, with each partner taking on complementary roles. Given the high strategic priority of this operation, it will benefit from a €308 million EU grant under the Connecting Europe Facility, and is expected to receive additional support through the EU Neighbourhood Investment Facility.

The ELMED interconnector is set to deliver strong benefits for economic development and the green transition. In concrete terms, the interconnection will enable cross-border trade of electricity between Tunisia and Italy. It will reduce electricity costs and enable generation capacity from renewables to be more fully used in Italy. And while Tunisia still generates a low share of its electricity from renewables, the country has enormous green energy potential. In the longer term, the interconnector is expected to enable Tunisia to export renewable energy to Europe, thereby reaping the full potential of the country's renewable resources and helping to secure uninterrupted energy supply — a precondition for economic growth.

This energy bridge between Italy and Tunisia is made possible thanks to the cooperation between Terna and STEG, the companies managing the electricity grids of the two countries. The project has seen an unprecedented effort in terms of planning and coordination between the electricity operators, authorities, banks and local communities.

"This interconnection not only links the Tunisian electrical grid to the Italian grid through a 600 MW submarine cable but also symbolises the exceptional level of cooperation between the two continents and the two shores of the Mediterranean, especially between Tunisia and Italy. It will open the door to several other projects in the region with the support of European Union institutions," said Faycel Tarifa, Chairman and General Manager of STEG.

The landmark ELMED interconnector is to deliver a safer, more sustainable and more resilient supply of power while increasing the exchange of electricity generated from renewable sources which are driving the investment in clean generation systems.

The electricity cables will be built according to the latest technical standards, in full consideration of the environment and the area, with architectural design and colour schemes designed to blend in with the landscape. Accurate marine and environmental studies have been carried out to define the best route for the cables to protect the seabed and ecosystems, reaching a maximum depth of around 800 metres below sea level. Sustainability and consideration for the land are also key aspects of this project. ELMED will strengthen trade between Italy and Tunisia, which will positively impact the economy and will also benefit the energy transition by increasing the economic return of investment in renewables in both countries. In this way, the project is expected to facilitate a CO₂ emissions reduction (relative to the alternative scenario) of some 200 tonnes per annum. Moreover, ELMED will play an important part in fostering job creation and skills development in the renewable energy sector and associated fields. Construction works are expected to start this year, with planned completion by 2028.

SUB-SAHARAN AFRICA

The Africa-Europe Partnership is becoming more important than ever. Sub-Saharan Africa still faces huge challenges and investment needs, including those linked to resilience in the face of climate change. Under the EU Global Gateway Initiative, the EIB works in partnership with African partner countries to unlock their enormous growth potential, in line with common climate and sustainable development goals.

Although many African economies show considerable dynamism, poverty levels remain extremely high, with some 400 million people estimated to live in extreme poverty. And with only 65% of the population in sub-Saharan Africa able to access basic drinking water services, and 33% able to access basic sanitation and public transport, there is a great need for investment in vital infrastructure. To support economic recovery and sustained growth and job creation, a thriving financial system is needed, but banking sectors remain underdeveloped and only some 20% of small and medium-sized businesses have access to credit. Banks surveyed for the EIB's report *Finance in Africa 2023* expressed concern about tighter global financial conditions and the financial health of their clients since the pandemic.

The tasks of fighting climate change and increasing renewable energy generation add to these needs. According to a recent analysis performed by the EIB, almost all African countries face elevated, high or very high risk from climate change. However, the region has high solar capacity potential and plentiful wind, hydro and geothermal generation resources.

EIB Global supports EU policy in sub-Saharan Africa in the context of Global Europe and the Global Gateway Initiative. In 2023, we supported vital water sector investments in Benin and Djibouti, as well as health resilience in Rwanda and equitable access to vaccines through local manufacturing in Ghana. With WHO, UNICEF, the Bill & Melinda Gates Foundation and the European Commission, we backed the ambitious goal of global eradication of polio. Lending also supported the green and digital twin transitions in Congo, Cape Verde and the Republic of South Africa, aligned with ambitions under the Just Energy Transition Partnership (JETP).

EIB Global's support for private sector development also includes a strong focus on disadvantaged groups and gender-responsive investments, with 2023 operations supporting the economic empowerment of women entrepreneurs, youth and farmers in Tanzania, Mauritania, Mozambique, Uganda and Nigeria. Of €2.57 billion signed for operations in sub-Saharan Africa in 2023, some 76% targeted less developed countries and fragile or conflict-affected states.

20. World Bank, 2022, "Poverty and Shared Prosperity 2022: Correcting Course".

21. EIB, 2023, "Finance in Africa 2023: Uncertain times, resilient banks: African finance at a crossroads".

22. See Ferrazzi, M., F. Kalantzis and S. Zwart, 2021, "Assessing climate risks at the country level: The EIB Climate Risk Country Scores", *EIB Working Paper*, 2021/03.

Signed in 2023

€2.5 billion
Climate action
and environmental
sustainability: **30%**

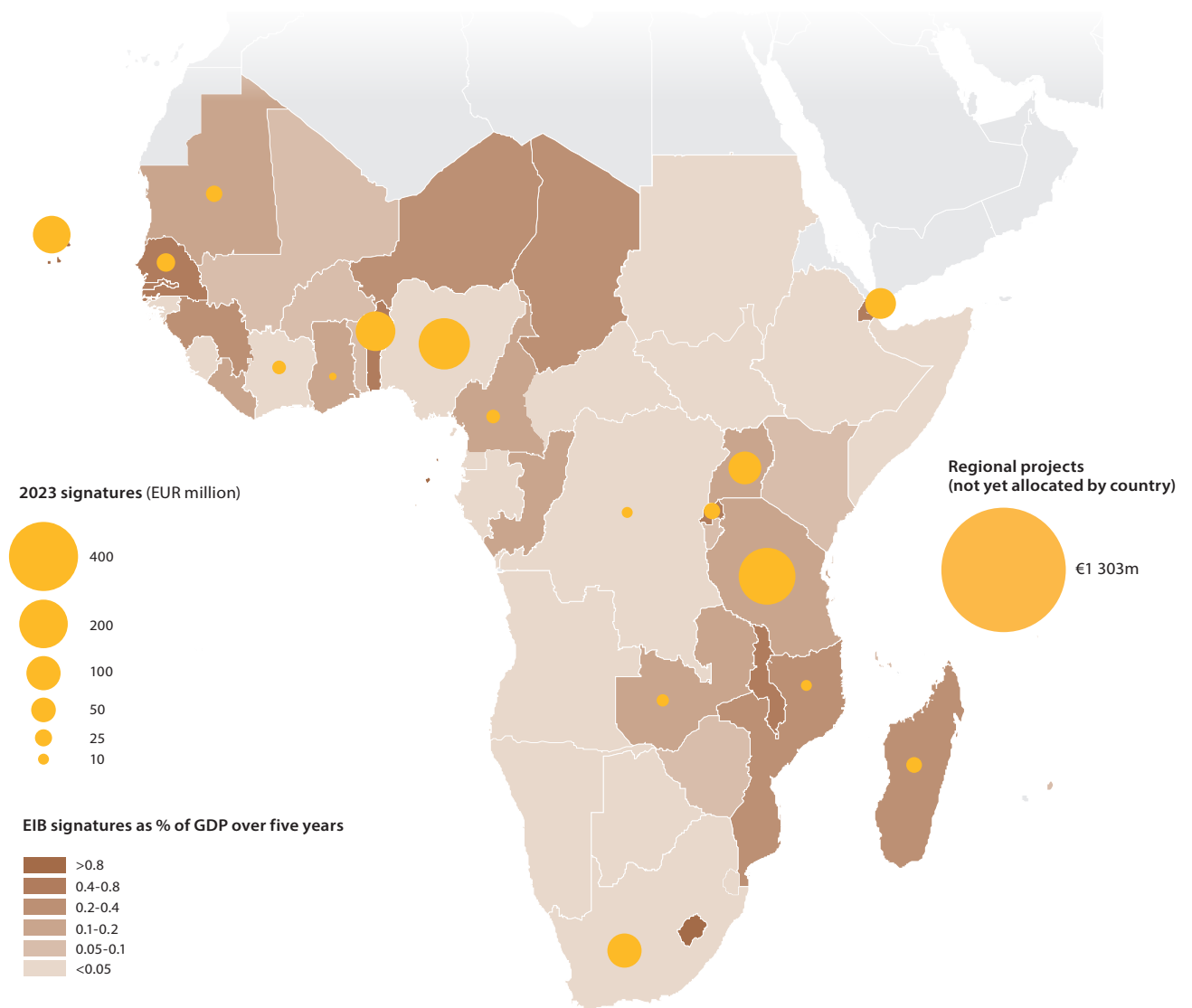
Key expected results of new projects

1.66 million people benefiting from safe drinking water

116 000 new connections to electricity networks

302 000 persons facing reduced risk of flooding

Figure 4: EIB lending in sub-Saharan Africa
(Contracts signed in 2023 and as % of GDP over 2019-2023)



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INVESTING IN HEALTH: FROM POLIO ERADICATION TO LOCAL VACCINE MANUFACTURING IN AFRICA

In 2023, the EIB, the European Commission and the Bill & Melinda Gates Foundation announced a new financing partnership to address critical global health opportunities: eradicating polio and ensuring that innovations in health are more accessible to the people in Africa and Asia who need them most. The World Health Organization and UNICEF, as implementing partners for the polio funding, will deploy the resources to eradicate polio, support the distribution of other childhood immunisations and strengthen health systems so they are better able to respond to emerging health threats.

The €1.1 billion financing package, with €500 million from the EIB, aims to provide new funding to eradicate a human disease for only the second time in history and help solve the health and development challenges faced by the world's most vulnerable people, who otherwise do not get fair access to healthcare services and innovations. It will deliver:

- **€500 million to the Global Polio Eradication Initiative.** The funds will cover polio vaccinations for nearly 370 million children annually; deliver vital health services to children alongside polio campaigns, including measles vaccines and other routine immunisations; and strengthen health systems to better prepare and respond to emerging health threats.
- **€500 million to expand the innovation capacity of health systems in low- and middle-income countries.** This includes new funding for initiatives supported by the European Commission such as efforts to make health innovations like mRNA-based vaccines and therapeutics more accessible to people in low- and middle-income countries, under the European Union's investment plan for the world, Global Gateway.

“We are about to wipe polio off the face of the Earth,” said President of the European Commission Ursula von der Leyen. “The European Commission, the EIB and the Bill & Melinda Gates Foundation are partnering to get through the final stretch. With €1 billion supported by our European investment strategy Global Gateway, we will invest in stronger health systems globally, and local vaccine and medicines production, manufacturing and administration where it is most needed. Global cooperation has helped us put an end to the COVID-19 pandemic. Now it will help us get rid of polio once and for all.”

ADVANCING EQUITABLE ACCESS TO HEALTH PRODUCTS AND LOCAL MANUFACTURING IN AFRICA

Rapid expansion of affordable public healthcare is crucial to improving public health in Africa and to addressing the vulnerability that was cruelly exposed by the COVID-19 pandemic. Yet Africa imports 99% of its vaccines and over 90% of its medicines. According to the World Health Organization, more than 50% of people in sub-Saharan Africa lack access to essential medicines.

That is why, during the Global Gateway Forum, the EIB and the European Commission announced future financing to increase local manufacturing and equitable access to quality, safe, effective and affordable health products in Egypt, Ghana, Nigeria, Rwanda, Senegal and South Africa.

The funds will complement ongoing activities of the Team Europe Initiative on Manufacturing and Access to Vaccines, Medicines and Health Technologies in Africa (MAV+).²³ The overall objective of the initiative is to facilitate access to quality, safe, effective and affordable health products as outlined in the United Nations’ Sustainable Development Goal target 3.8. It was launched by President Ursula von der Leyen in May 2021 in response to the call from African leaders to step up local manufacturing of vaccines in Africa for Africa in line with the Partnerships for African Vaccine Manufacturing launched by the African Union. The implementation of the initiative is a key priority of the EU Global Health Strategy, which is a fundamental part of the Global Gateway strategy, and of the African Union – European Union Innovation Agenda.

In 2023, EIB Global signed a €5 million EU-Africa Infrastructure Trust Fund grant as seed funding for the health sector firm DEK Vaccines Ltd. in Ghana for the establishment of a fill and finish facility for sterile pharmaceutical products, including vaccines. The grant will enable firms to develop and prepare a plan for a larger-scale project that will be appraised and potentially funded by EIB Global. This is therefore an example of a form of blended finance, and specifically of how donor grants can be used as seed funding to unlock viable projects that can then be supported through EIB own-resources lending.

23. [Team Europe Initiative on manufacturing and access to vaccines, medicines and health technologies in Africa.](#)

ASIA, THE PACIFIC, LATIN AMERICA AND THE CARIBBEAN

These different regions are united by large investment needs to support the shift to a low-carbon growth path and address their vulnerability to the effects of climate change. This is reflected in EU priorities and strategies (for the regions, which support a sustainable, low-carbon emissions growth model while promoting connectivity with the European Union and an open and fair environment for trade and investment.)²⁴ EIB Global therefore focuses on projects of mutual interest contributing to climate action and environmental sustainability, as well as other Global Gateway priorities.

Asia, Central Asia and the Pacific are regions of increasingly strategic significance for Europe. The European Union intends to step up its engagement with the different regions to build partnerships that reinforce the rules-based international order, address global challenges and lay the foundation for rapid, just and sustainable development. The trade and economic relationship is a core element of this partnership in a period when the Indo-Pacific is enjoying strong economic growth, but is being held back by infrastructure gaps. The European Union's partnership with Central Asia is focused on climate action and promoting sustainable connectivity. A summit in the region is expected in 2024 after a successful EU-Central Asia investors forum.

Countries in Latin America and the Caribbean have strong economic, trade and investment, and cultural ties with the European Union and a mutual interest in sustainable and equitable growth that exploits the potential of renewable energy, agricultural production and critical raw materials. These present great opportunities for the region to achieve economic growth and prosperity with greater equality and sustainability. This was underlined by EU leaders and leaders from the Community of Latin American and Caribbean States during their summit in July 2023. They notably recognised the potential contribution of the **EU Global Gateway Investment Agenda** for the region, including for digital transformation, education, health infrastructure, energy production, environmental protection, critical raw materials and fostering the global integration of local value chains.

In 2023, 71% of the €2.3 billion signed in these regions contributed to climate action and environmental sustainability. This included financing for public and private sector operations supporting renewable energy in Bangladesh and Uzbekistan, energy efficiency investments by EU companies, such as Enel in Brazil and Chile, urban infrastructure in Mongolia, sustainable transport in India and Colombia and sustainable waste management and agriculture in Argentina. 2023 also saw the launch of the Team Europe Renewable Hydrogen Platform with the EIB, KfW and the Chilean economic development agency (CORFO), as well as agreements on collaboration with the India Hydrogen Alliance and to deliver Vietnam's Just Energy Transition Partnership that was signed at the Global Gateway Forum.

24. Such as the 2019 EU-Central Asia strategy, the EU-Central Asia connectivity strategy, the EU-Indo-Pacific strategy and the new agenda for Latin America and the Caribbean.

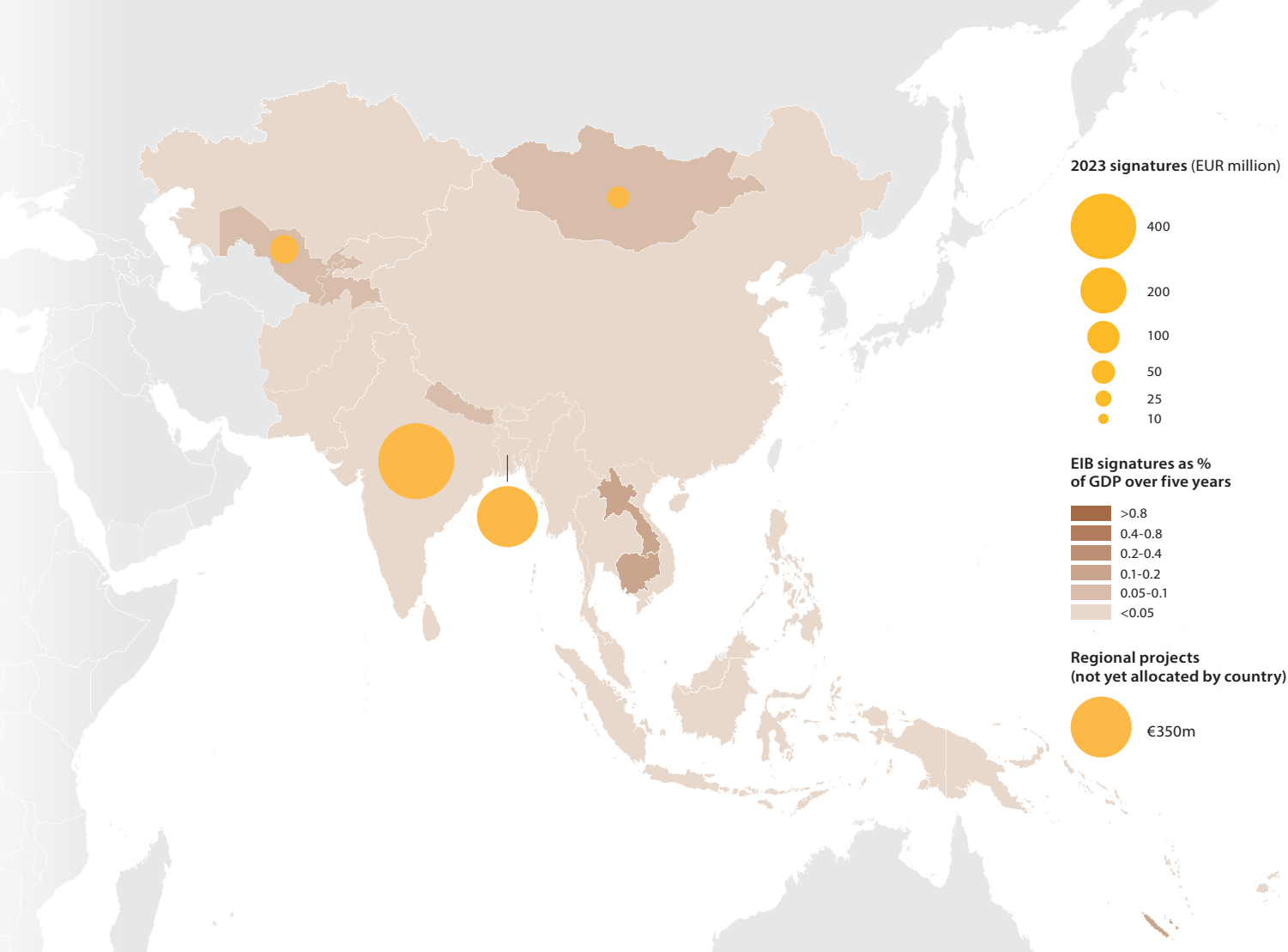
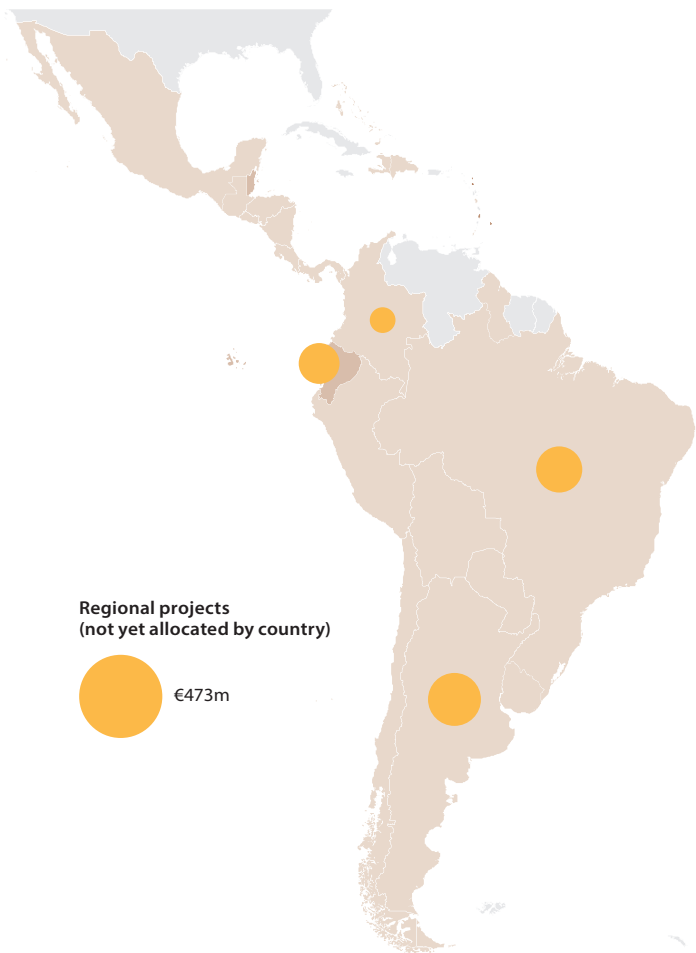


Figure 5: EIB lending in Asia-Pacific, Latin America and the Caribbean
(Contracts signed in 2023 and as % of GDP over 2019-2023)



Signed in 2023

€2.33 billion

Climate action and environmental sustainability: 71%

Key expected results of new projects

Clean electricity generation sufficient to supply 2.26 million households.

369 000 people benefiting from upgraded urban infrastructure

1.1 million benefiting from new waste collection system

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FAIRNESS IN THE FAVELAS

An electricity supply that keeps shutting on and off, blackouts that cause all the food in your fridge to spoil — these are facts of life for many in Brazil's favelas, where illegal connections to an overloaded electricity grid have become the norm. Enel São Paulo decided to change this situation by providing reliable and stable electricity distribution and promoting a local subsidised energy tariff for vulnerable customers in the most impoverished areas on the periphery of São Paulo.

The company represents one of the biggest distribution firms of the Enel Group in Latin America, and the largest energy distributor in the country. It provides energy to 7.6 million clients in 24 municipalities in the greater São Paulo metropolitan region alone.

The European Investment Bank granted €188 million to Enel São Paulo to reduce the energy losses of its network and improve the quality and safety of the energy supply in the São Paulo region. However, the project does much more than just improving the quality of service by replacing network cables and adding extra equipment to improve efficiency.

“The different scopes of this project came as a surprise,” says Moa Westman, a gender specialist at the EIB. “The main objective was to improve the stability and reliability of energy distribution in the favelas, but we ended up discovering that a majority of the households were led by women, which added a gender and social integration perspective to the project.”

CUTTING ELECTRICITY LOSSES AND EMPOWERING HOUSEHOLDS

Enel São Paulo began its work in peripheral areas with a study of the social and economic context. The company identifies community leaders and integrates them into its Leadership Network project, in which it reaches out to the communities and identifies local needs and challenges. It then continues with a social diagnosis by studying the daily habits and energy consumption of residents. It recruits local leaders to encourage action in the communities, educating residents about the risks of clandestine connections, and building awareness of the safe and conscious use of energy. Enel São Paulo also introduces energy efficiency measures to the residents of the favelas, such as the renovation of electrical installations, and replacement of lamps and refrigerators by more energy-efficient models.

“By regularising the connections in the favelas, we cut the energy losses that damage the supply chain and negatively impact paying clients who bear a percentage of this damage in their energy bills,” says Marcia Massotti, the head of sustainability of Enel Brazil. “With regularised supply, we also reduce the number of accidents with the electricity grid, due to the illegal connections, which cause short circuits in the network.”

But why would people accept a regularised electricity connection when they could just keep getting free energy? If residents use less than a certain threshold of energy, they benefit from the “social tariff for electricity” — a kind of social allowance that allows low-income customers to have a lower energy tariff.

The regularisation of energy also contributes to the exercising of citizens’ rights — a key aspect, especially for women. Because people in these communities are able to have official proof of their address, they can register for a range of services not previously available to them.

“Having a number on their door and an individual post box gives people in the favelas a chance at social inclusion,” says Massimo Merighi, a senior technical advisor at the European Investment Bank. “With proof of residence, they can register their plot, get social security and even open a bank account — things make a difference in social integration. It also gives them the opportunity to apply to social schemes.”

BRINGING SOCIAL IMPACT THROUGH COMMUNITIES

To act more closely with customers and with communities living in the peripheries, Enel São Paulo has developed the Enel Shares programme, which promotes the social and economic development of the most vulnerable population through a series of projects.

“Social and environmental projects are carried out primarily with the public living in favelas,” Massotti says. “In the Brazilian peripheries, social initiatives have become the main support base for residents, especially after the pandemic, which aggravated the economic situation of the poorest population.”

This is also an important goal for the Enel Group. “Combating energy poverty on all its fronts is ENEL’s commitment and responsibility,” says Massotti. “Thanks to such projects and support, more people, especially women, will benefit from our services, particularly those in a situation of social vulnerability. We’re working towards a more inclusive and gender-balanced energy sector, continuously expanding the positive impacts of our initiatives in the regions where we are present.”

25. <https://www.eib.org/en/stories/electricity-brazil-favelas-social-inclusion>



DELIVERING ON EU PRIORITIES

EIB Global contributes to EU priorities for development and external action according to the “policy first” principle. Specifically, it contributes to the European Union’s external action and development policies in line with the three overarching European Fund for Sustainable Development Plus (EFSD+) priorities of the Green Deal, Global Gateway, and Jobs and Sustainable and Inclusive Growth.

This section reports on EIB Global’s activities in 2023 in these three priority areas:

- **Global Gateway** – EIB Global is at the forefront of implementing the European Union’s Global Gateway strategy, which aims to promote sustainable and secure connections and linkages between the European Union and its partners for mutual benefit.
- **Climate action** – As a branch of the EU climate bank, EIB Global invests to accelerate the transition to low-carbon, climate-resilient and environmentally sustainable development by prioritising the Green Deal, Paris Alignment and support for a Just Transition and Just Resilience.
- **Jobs and inclusive growth** – Private sector development is highlighted in the EU Agenda for Change as the most effective means to support sustainable economic growth and resilience, and to create jobs. EIB Global has a strong focus in the area, which is an essential complement to investment in infrastructure.

In addition, this section also examines how EIB Global’s activities contribute to two vitally important cross-cutting areas:

- **Gender equality** – EIB Global increasingly works with promoters to design investments that enhance gender equality and women’s economic empowerment, in order to help close gender gaps.
- **Fragility and conflict** – EIB Global has signed operations in 39 of the 60 countries on the OECD fragility list over the last ten years. It is reinforcing its commitment to reduce fragility and mitigate the risks and effects of conflict situations.

GLOBAL GATEWAY

The Global Gateway Initiative aims to connect “countries and regions around the world, by encouraging public and private investment in a global network of transportation and supply chains, green energy, modern telecommunication, education and research”, providing a 360° approach to partner countries. EIB Global is doing just that, delivering financing to concrete projects that link up people, entrepreneurs and countries around the globe in line with a policy-based approach.

Launched in late 2021, the European Union’s flagship connectivity strategy aims to narrow the international gap in infrastructure investment, and to better connect Europe to the rest of the world, all with the goal of achieving the Sustainable Development Goals by 2030. Following a values-based approach, it focuses on infrastructure and improving trade between the European Union and international partners, as well as investing in digital innovation, green energy, transport, healthcare and education. The goal is to improve the way countries work together and do business in these key sectors.

Global Gateway projects are improving roads, water supply and sanitation, mobile connections, energy systems, vaccine manufacturing, higher education facilities and much more. The Global Gateway is creating stronger and more sustainable connections for goods, people and services to make international trade more resilient to any future shocks, as well as more sustainable. The initiative has become the main point of reference for the European Union’s international cooperation efforts, and aims to transform the way the European Union approaches international partners, bringing together the full range of foreign, development and economic tools in a more strategic manner.

EIB Global is strongly committed to this initiative. In 2023, €6.1 billion of the financing signed by EIB Global directly supported the five Global Gateway priority sectors: climate and energy, transport, health, education and research, and digital. Highlights include:

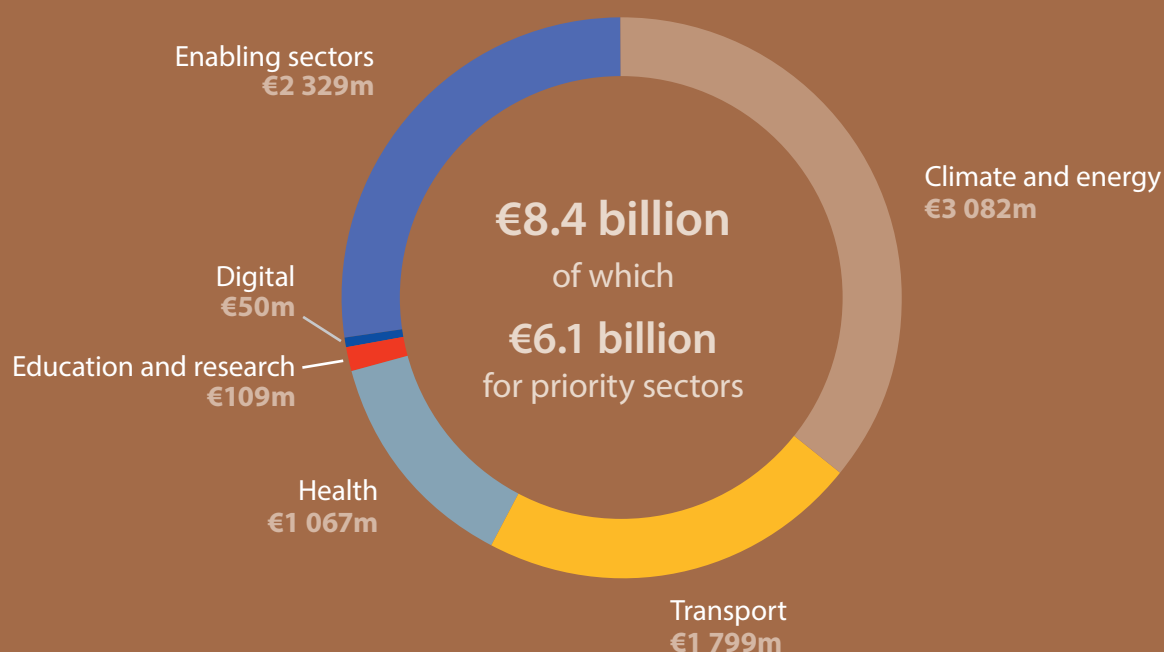
- Renewable energy investments in Bangladesh, Bosnia and Herzegovina, Cape Verde, Rwanda and Uzbekistan and through funds targeting Africa, Asia and Latin America.
- Investments in building up value chains and logistics for agricultural commodities in Argentina, Madagascar and Nigeria, as well as sustainable forestry in Morocco.
- New and refurbished schools in Serbia and Tunisia, upgraded rail connections in North Macedonia and Moldova, and support for partnerships to eradicate communicable diseases.

The remaining €2.3 billion signed by EIB Global in 2023 will support what the European Commission identifies as “enabling sectors”, including support for the private sector to capitalise on improved infrastructure, human capital and the opportunities created by raw materials resources to develop local value chains and spur growth.

Our investments will promote relationships that enable partners to maintain their economic competitiveness. They will strengthen access to commodities, and in return, offer partnerships to countries beyond the European Union through investment in infrastructure. All countries lose out when supply chains break down — this was one of the key lessons from the pandemic. For countries that already suffer disproportionately from climate change, food scarcity and hunger, supply chain problems threaten livelihoods and lives.

2023 IN FIGURES: GLOBAL GATEWAY

Figure 6: EIB Global financing in 2023, by Global Gateway sectors



Global Gateway priority sectors, expected results:

Clean electricity generation sufficient to supply 2.36 million households

3.13 million people benefiting from **safe drinking water**

4 100 kilometres of main **roads upgraded**

47.6 million additional trips on **urban public transport**

152 kilometres of **railway track upgraded**

1.32 million people benefiting from improved local **health facilities**

21 400 students enrolled annually in improved **education facilities**

659 **mobile network** sites installed

SUPPORTING GLOBAL GATEWAY FLAGSHIP PROJECTS

CATALYSING CLIMATE INFRASTRUCTURE IN AFRICA THROUGH EXPORT CREDIT AGENCIES

Export finance delivers long-term, low-cost debt financing for projects, guaranteed by official export credit agencies. But while export credit agencies can typically support some 85% of the financing needed, there is a lack of finance for the remaining commercial debt tranches, a gap that has worsened since the COVID-19 pandemic. To help address this gap, the EIB has committed \$40 million to Acre Impact Capital's innovative Export Finance Fund I, which will offer specialist funding for this tranche, unlocking investments and potentially mobilising \$5.60 of private sector capital for each dollar invested.

The fund will target projects covering renewable power, health, food and water scarcity, sustainable cities and green transport. The fund is also committed to gender-smart investing and seeks to ensure that at least 30% of its portfolio of projects meet the 2X Criteria, increasing the number of women represented across its investment portfolio.²⁶

POWER INTERCONNECTION IN LATIN AMERICA

The implementation of a power interconnection between Ecuador and Peru will support the green transition in both countries, while supporting the spread of access to affordable electricity. Currently, the exchange of electricity between these countries is extremely limited. But as Ecuador starts the operation of large new hydroelectric power plants from around 2031, the power interconnector will enable it to export power to Peru, therefore also raising the share of renewables in that country's electricity supply. At the same time, 280 kilometres of power lines will enable Ecuador to benefit from gas generation capacity in Peru, improving the resilience and security of supply.

As a first-time borrower from the EIB, the promoter sought out the advice of the Bank. Technical support from the EIB in the preparation of the project has resulted in a better assessment of CO₂ emissions reduction that the project can be expected to facilitate, as well as a better assessment of potential impacts on biodiversity, and of how the project could be affected by climate change in the future.

BETTER EDUCATION AND TRAINING FACILITIES IN SERBIA

Serbia is seeking to enhance the quality of education and training available to young people and adults in the country, something that will create new economic opportunities. The EIB is supporting these efforts through a project focused on the construction, renovation and equipping of education facilities, mainly regional training centres, that will offer vocational upper secondary and adult education aligned with labour market needs and in line with Serbia's Association Agreement with the European Union. The new and upgraded infrastructure will accelerate the modernisation of teaching and learning environments, implementing convergence with EU standards and thereby improving the quality of education. With nearly one-third of young people in Serbia without a job, investments such as this are critical to creating fairer opportunities and supporting the convergence of Serbia's economy with the European Union.

26. <https://www.2xglobal.org/2x-challenge-and-2x-criteria>

CLIMATE ACTION IN BANGLADESH

Bangladesh is a fast-growing economy that has made significant progress in tackling poverty but remains extremely vulnerable to the effects of climate change. At the same time, the share of renewables in its electricity generation is still negligible, with gas the main source. The Bangladeshi government is committed to increasing the share of renewables to 17% by 2041, under its Nationally Determined Contribution commitments, and to start reducing national greenhouse gas emissions by 2030. It is implementing incentives to encourage the deployment of renewables.

The EIB's €350 million Renewable Energy Facility for Bangladesh will make a significant contribution to these plans. As part of the Team Europe Initiative on Bangladesh's green energy transition and in line with the EU-Bangladesh Multi-Annual Indicative Programme 2021-2027, the operations will finance multiple solar power and onshore wind energy projects. These will install an estimated 0.75 gigawatts of generation capacity, a notable addition in a country where total generation is around 26 gigawatts. The green electricity produced will be enough to supply some 514 000 households.

DEVELOPMENT OF SUSTAINABLE URBAN CENTRES IN MONGOLIA

This EIB project is supporting the government of Mongolia in establishing green, resilient, inclusive and competitive urban centres in selected Aimags (provinces) of Mongolia. Ultimately benefiting nearly 370 000 people in these provinces, the planned investments include affordable housing for 2 300 households, water supply and sanitation improvements, district heating, equipping buildings with solar panels, and energy efficiency gains of some 32.7 GWh per year from improving the insulation of buildings. Supported in close cooperation with the Asian Development Bank, the project will also include the management of rangelands for climate resilience, high carbon sequestration, and sustainable herding through a reduction in over-grazing, as well as capacity building and policy development for green territorial development. By developing critical urban infrastructure across the country, including in the most vulnerable parts of the targeted urban areas, the programme also seeks to address the challenge of rapid and unplanned urbanisation in the country, and to contribute in the long term to sustainable growth.

CLIMATE ACTION

This decade will be critical to address our planet's climate and environment emergency. A tremendous acceleration of investment is required to limit global warming to 1.5°C above pre-industrial levels, to adapt to the unavoidable impacts of climate change, and to combat environmental degradation, while enabling economies around the world to develop in a way that is fair for all. As the development arm of the EU climate bank, EIB Global is at the centre of EU efforts under the Global Gateway Initiative to support the global climate transition.

Nowhere does investment in clean technologies need to rise so steeply as in most emerging markets and developing economies. Investment is needed to ensure access to clean energy for all and to underpin rising standards of living, at the same time as switching from existing fossil fuel use and onto lower-carbon pathways of growth. Indeed, the International Energy Agency estimates that clean energy investment outside advanced economies and China needs to increase by more than six times over the next ten years to get on track for net-zero. In the face of significant obstacles such as tightening financial and fiscal conditions and the high cost of capital for clean energy projects, much more international support is needed to improve risk-adjusted returns and mobilise private capital at scale.

STEPPING UP EIB GLOBAL'S CLIMATE ACTION AND ENVIRONMENTAL SUSTAINABILITY FINANCING

With the launch of EIB Global, the EIB has increased its provision of development finance that is dedicated to climate action and environmental sustainability. The launch has been an opportunity to intensify the development of an expanding pipeline of projects that address this vital issue.

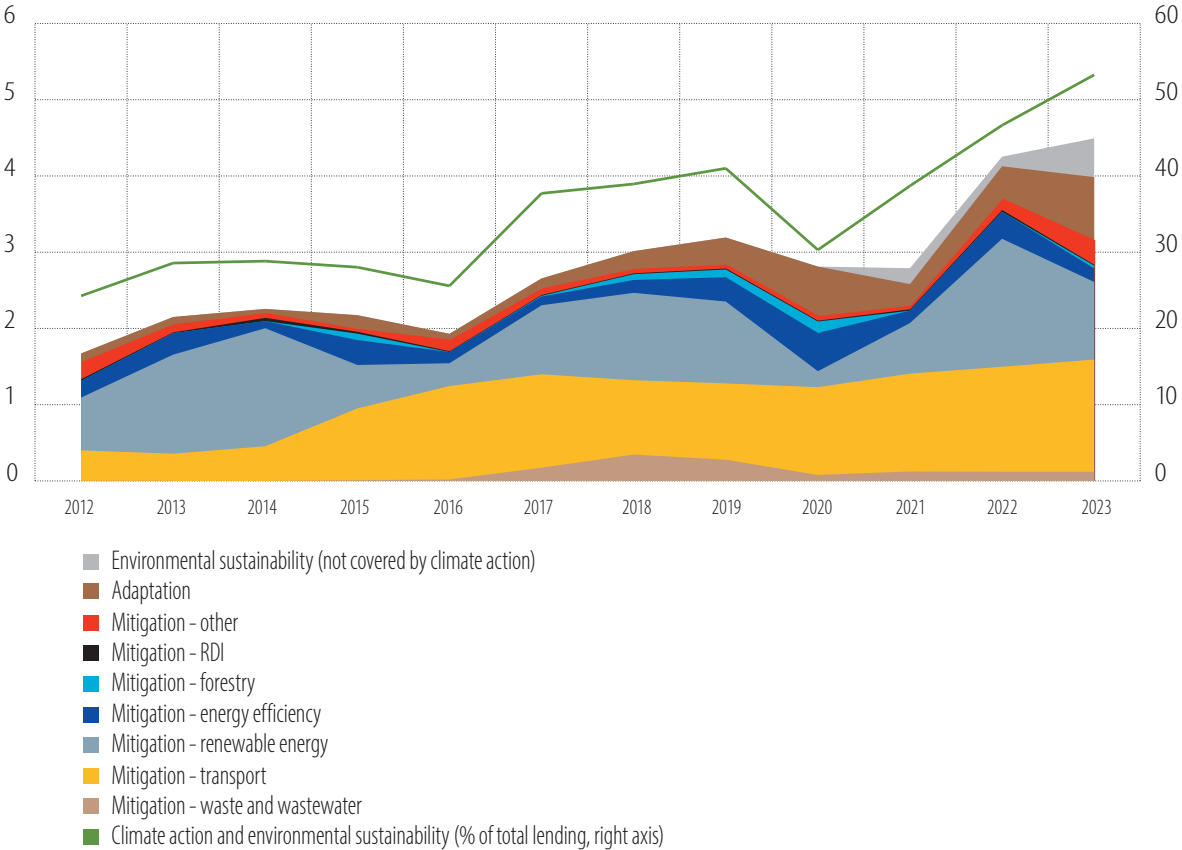
EIB Global's main strategic goal is to increase the impact of our activities aligned with EU priorities. We support progress towards the SDGs and the Paris Agreement. In the outside-EU context, however, one of the most striking requirements is providing sufficient adaptation to climate change finance, as there is a growing investment gap to address the increasing impacts of climate change. Adaptation still receives only 14% of total public climate finance. This leaves the Paris Agreement commitment to balance funding between mitigation and adaptation unmet.

In our outside-EU lending, own-resource climate action and environmental sustainability (CA&ES) financing reached €4.5 billion in 2023, on trend with the significant increase achieved since the creation of EIB Global (see Figure 7). The share of CA&ES financing accounted for 53% of total financing in these regions. This included:

- Investments in generation from renewables in countries such as Bangladesh, Bosnia and Herzegovina, Cape Verde and Uzbekistan, as well as through several funds that will finance such green energy projects across Africa, Asia and Latin America. Support for the undersea power interconnector between Italy and Tunisia is a reminder of how infrastructure investment can unlock the enormous renewable energy potential of emerging markets.
- Support for sustainable transport, such as a strategic rail upgrade in North Macedonia, ongoing financing for urban metros in India.
- Investment in national parks, sustainable forestry and watershed management in Morocco.

Since the creation of EIB Global, our outside-EU adaptation-related financing has increased on average 80% year-on-year, to total €830 million in 2023, or 18% of the outside-EU CA&ES total. While the total volumes are still below what is required to contribute towards closing the investment gap, EIB Global is significantly stepping up efforts in this regard (see page 40).

Figure 7: EIB Global lending to climate action and environmental sustainability, over time
(Left axis, EUR billion; right axis, % of total lending)



Note: Environmental sustainability lending overlaps with climate action. Only lending that contributes to environmental sustainability and not climate action is shown.

PRODUCT INNOVATION FOR CLIMATE ACTION

EIB Global is working to advance innovative and impactful development finance solutions in areas such as health and climate action. Indeed, new or more tailored financing products have a critical role to play in supporting the green transition, while also mitigating debt vulnerabilities. For example, EIB Global is developing climate-resilient debt clauses and is working with partners to launch the Global Green Bond Initiative.

CLIMATE-RESILIENT DEBT CLAUSES

Least developed countries and small island developing states are generally extremely vulnerable to natural disasters resulting from climate change. As these events can hinder such countries' capacity to service sovereign debt, they face the added hurdle of losing access to the finance they need to adapt.

In response, EIB Global is working on ways to integrate climate-resilient debt clauses into finance contracts for these countries. This will provide sovereign borrowers in vulnerable countries the option to defer debt service for a limited period in cases of certain defined emergencies caused by climate change and natural catastrophes. In this way, the risk of debt distress as a direct consequence of natural disaster can be mitigated. As a more general measure to mitigate debt vulnerabilities, EIB Global will offer longer-tenor sovereign loans guaranteed by the European Commission, where justified by concessionality needs. These loans could extend the duration of the loan up to 30 years and the grace period up to 10 years, which could have a meaningful impact on the risk of debt distress for many countries.

GLOBAL GREEN BOND INITIATIVE

The Global Green Bond Initiative is one of the EIB's flagship partnership initiatives in the context of the European Financing for Sustainable Development Plus (EFSD+) open architecture. Its goal is to promote the development of green bond markets in low- and middle-income countries. It envisages putting equity investments from all the participating development finance institutions into a global investment fund to support first-time issuers and first-time issuances of green bonds in emerging market and developing economies and the Western Balkans. In this way, it will help to close the climate finance gap by supporting the development of global green bond markets and the capacity of low- and middle-income countries to tap into these markets as a source of finance for climate action investments. Ultimately, therefore, it is a way of promoting a sustainable, climate-resilient, low-carbon economy around the globe.

The initiative is spearheaded by EIB Global together with a number of development finance institutions: Agencia Española de Cooperación Internacional para el Desarrollo (AECID), Cassa Depositi e Prestiti (CDP), the European Bank for Reconstruction and Development (EBRD), Kreditanstalt für Wiederaufbau Group (KfW) and Proparco (representing the Agence Française de Développement Group). Other partners include the African Development Bank (AfDB) and the Green Climate Fund (GCF). The Global Green Bond Initiative is expected to be launched on the market in 2024.

2023 IN FIGURES: CLIMATE AND THE ENVIRONMENT

Lending for climate action and environmental sustainability **€4.5 billion** signed ²⁹

Climate and the environment, expected results:

5 453 GWh/year electricity generated from renewables,
enough to serve **2.36 million households**

55 000 hectares of forest planted

1.5 million people with reduced exposure to drought risk

Estimating the carbon footprint of EIB projects: ³⁰

Supporting global efforts to combat climate change does not just mean more lending for green projects. It also means ensuring that our activities help further the goals laid out in the Paris Agreement.

To do that, we carry out an annual carbon footprint exercise to report on the total carbon impact of all projects with significant emissions (not just climate-focused projects), or reductions in emissions relative to the status quo. We include:

- Absolute greenhouse gas emissions – direct emissions from project implementation, including the energy used
- Greenhouse gas emissions avoided thanks to projects, as compared to the expected alternative without them
- Carbon sequestration by forestry projects

Details of the 2021 carbon footprint exercise, including reporting thresholds and the number of projects covered, are given on page 77.

152 kt CO₂-eq/year
absolute GHG emissions

653 kt CO₂-eq/year
emissions avoided

29. CA&ES figures are subject to audit until published in the EIB Sustainability Report.

30. Carbon Footprint Exercise figures are subject to audit until published in the EIB Sustainability Report.

RISING TO THE CHALLENGE OF CLIMATE ADAPTATION

Adaptation to better manage the impacts of climate-related migration is crucial to protect economies — and millions of lives. Severe heatwaves, deadly wildfires, violent storms and devastating floods swept across many areas of the world in the summer of 2023, the hottest on record.³¹ These extreme weather events, caused by climate change, threaten food security, communities, infrastructure, natural resources and entire ecosystems. They have led to the displacement of millions of people worldwide.

The UN Environment Programme estimates that climate adaptation will cost developing countries \$140 billion to \$300 billion per year by 2030, and even more by 2050.³² Helping the countries most affected by climate migration overcome this challenge requires global collaboration and comprehensive strategies to support investment in climate-resilient projects. A new study by the European Policy Centre in collaboration with the European Investment Bank recommends several priority actions, including investment to help cities and countries cope with the internal displacement of people.³³

LOW- AND MIDDLE-INCOME COUNTRIES MOST AFFECTED BY INTERNAL DISPLACEMENT

Global surface temperature increased by 1.1° Celsius over the last decade, leading to biodiversity loss, desertification, lower rainfall, rising sea levels, ocean acidification, and forest and land degradation. In 2022, 32.6 million people worldwide were displaced due to climate-related weather events. Among the countries with the most internally displaced people were Nigeria, Pakistan, the Philippines, China, India and Bangladesh.³⁴ In Bangladesh, 13.3 million people, 8% of the population, could be forced to move by 2050, because two-thirds of the country's surface is less than five metres above sea level, making it particularly vulnerable to sea level rise and flooding.³⁵ The Philippines and the South Pacific islands face a similar predicament.

Though the number of migrants seeking asylum in Europe has increased, Europe is far from the largest host of refugees. Three-quarters of all migrants move within their own countries or regions.³⁶ However, the vast majority of people in areas exposed to extreme climate-related weather events do not relocate at all, because they are unable or unwilling to leave their homes.

Food, water and resource shortages caused by climate change also fuel conflicts, which increase displacement. And countries that are severely affected by climate change — notably because of their geographical location and dependence on agriculture — such as Bangladesh, Somalia, Ethiopia or Sudan, are often also prone to political unrest or conflict. These countries also take in the most refugees. Three-quarters of the world's refugees are hosted by low- and middle-income countries, with least developed countries providing asylum to 20% of them.³⁷

31. <https://www.nasa.gov/news-release/nasa-announces-summer-2023-hottest-on-record/>

32. <https://www.unenvironment.org/resources/adaptation-gap-report-2020>

33. <https://www.epc.eu/en/Publications/The-EUs-approach-to-climate-m-553098>

34. <https://www.internal-displacement.org/global-report/grid2023/>

35. <https://openknowledge.worldbank.org/server/api/core/bitstreams/6d66e133-e49d-5ad9-b056-7b1a6c6206ed/content>

36. <https://www.unhcr.org/global-trends-report-2022>

37. <https://www.unhcr.org/refugee-statistics/>

BUILDING RESILIENT AGRICULTURAL SYSTEMS AND VALUE CHAINS

Through its Climate Adaptation Plan, the European Investment Bank supports displacement hotspots in the European Union's Southern Neighbourhood, Central America, Africa, South Asia and Southeast Asia. For least developed countries and small island developing states, the Bank is ready to extend financing of up to 100% of the cost of climate adaptation projects.

For example, the Bank is working with local banks in Côte d'Ivoire, Senegal and Zambia, as well as through a partnership with the International Fund for Agricultural Development, to finance smallholder farmers who adopt climate-resilient practices. Further loans to Argentina and Nigeria will enhance the climate adaptation and resilience of agricultural value chains, such as through upgrades to rural roads and agro-logistics centres. Another operation will finance the BlueOrchard InsuResilience Investment Fund that will invest in companies developing new ways to provide insurance to increase climate change resilience.

HELPING CITIES PREPARE FOR DROUGHT AND CLIMATE REFUGEES

Inevitably, however, many people will be displaced by climate change, and most people who migrate within their countries are likely to relocate to cities. Rural-to-urban mobility caused by climate change is likely to continue growing in sub-Saharan Africa and in South and Southeast Asia, presenting a challenge for urban infrastructure. Investment that takes migrants into account is thus essential to making cities inclusive, safe, resilient and sustainable.

Building on experience from the Economic Resilience Initiative and its approach to fragility and conflict sensitivity (see page 52), the European Investment Bank continues to invest in improving the climate resilience of urban infrastructure and services, such as housing, sanitation and water, energy, and transport, often in cities and communities hosting displaced people, migrants or refugees.

For example, the Bank, together with the European Commission, supports the Aqaba-Amman water desalination and conveyance project, which will increase access to water across Jordan, a country facing severe water scarcity and with the world's second-highest number of refugees per capita. Against the backdrop of the COP28 last year, EIB Global announced an additional €100 million for this project. Over the last three decades, the EIB has provided nearly €1 billion for water investment across Jordan, reinforcing its commitment to the country's water security and environmental sustainability.

New projects in Djibouti and Israel, and an investment in the Water Access Acceleration Fund, will enhance climate resilience through improved access to water, something also key in the Bank's support for the post-earthquake reconstruction of urban centres in Türkiye. In Benin, by contrast, a new project will tackle the risk of flooding in several cities through vital investments in storm drainage.

38. <https://www.eib.org/publications/the-eib-climate-adaptation-plan>

39. <https://www.eib.org/products/mandates-partnerships/eri/index.htm>

JOBS AND INCLUSIVE GROWTH

Businesses play a critical role in development and economic convergence with high-income countries. The ability of businesses to invest to raise productivity levels is essential to widespread poverty reduction and rising standards of living. Their ability to create jobs for those entering the workforce, and to create opportunities for women and men, is critical for the development of more inclusive societies.

However, access to finance is a key constraint on businesses in low- and middle-income countries, alongside issues such as corruption and poor infrastructure. Compared to advanced economies, financial sectors are less developed, with banks often reliant on short-term deposits as a source of funding, something that limits their ability to provide the long-term funding that firms need to finance investment. In addition, they are exposed to the volatility of international financial flows that can lead to sudden restrictions on their ability to extend credit to firms, particularly small and micro-sized businesses. Private equity and venture capital markets are also underdeveloped, constraining finance to the most innovative firms.

EIB Global support for businesses takes the form of credit lines that allow local banks to extend credit to small and medium enterprises (SMEs) and some mid-cap companies that they would otherwise be unable to reach. They do this by passing on better terms and conditions, such as longer loan tenor, than they would otherwise be able to do. In addition, credit lines to microfinance institutions help them to expand their outreach to very small and mostly informal enterprises, helping microentrepreneurs to build and improve their businesses. Investment in private equity funds helps to provide much needed expertise and risk capital to carefully selected businesses with high growth potential.

Lending in support of SMEs, mid-caps and microentrepreneurs reached €2.05 billion in 2023.

Highlights from this lending include:

- **26 credit lines and risk-sharing guarantees**, totalling €1.5 billion, will partner with local banks to address the financing constraints faced by smaller businesses.
- 13 of these credit lines and guarantees will make a **significant contribution to gender equality** by targeting women entrepreneurs and women-owned businesses.
- 8 credit lines will make a **significant contribution to climate action** by targeting SMEs that need finance for green investments.
- An additional three credit lines will target **microfinance** institutions, for a total of €132 million, all of which will make a significant contribution to gender equality.
- 12 equity funds will specifically target **innovative businesses with high potential for growth**, alongside another eight that will target green infrastructure investments and the businesses that deliver them.

This section highlights not only the results expected from these new operations, but also work that the Bank has undertaken to assess the past impact of completed projects, specifically of credit lines for smaller businesses in the Western Balkans, and the Boost Africa initiative supporting African startups, which is backed by the European Union and delivered in partnership with the African Development Bank and the Organisation of African, Caribbean and Pacific States (OACPS).



2023 IN FIGURES: EMPLOYMENT AND INCLUSION

Lending for private sector development **€2.05 billion** signed

Private sector development, expected results:

587 000 jobs sustained through 26 200 loans to **SMEs and mid-cap** companies

199 000 jobs sustained through 550 000 loans to **microenterprises** from supported microfinance institutions

13 400 jobs created in 170 private equity fund **investee companies**

EIB-BACKED LENDING TO BUSINESSES IN THE WESTERN BALKANS SHOWS IMPACT ON EMPLOYMENT AND INVESTMENT

The EIB has been instrumental in supporting lending to SMEs in the Western Balkans since 2008. In that time, it has financed loans, with favourable financing conditions, to 28 400 companies, sustaining approximately 500 000 jobs. A new study carried out by the Bank in 2023 shows the positive impact this support has had on employment and investment, underscoring its importance in addressing financing gaps and driving sustainable economic growth and convergence in the region.

Lack of access to finance is a major constraint on growth and job creation by SMEs in the Western Balkans. According to Enterprise surveys carried out by the EIB, the European Bank for Reconstruction and Development (EBRD), the International Monetary Fund (IMF) and the World Bank, 41% of firms in the region say they need credit, but of these, nearly half (43%) are credit-constrained, mostly because they are discouraged by available financing conditions from even applying for loans.⁴⁰ The resulting financing gap has been estimated at around \$2.8 billion per year, or about 2.5% of nominal GDP.⁴¹

As part of the EIB's Additionality and Impact Measurement (AIM) framework, the Bank requires intermediary financial institutions to report data on all the businesses they lend to using EIB funds. Researchers at the EIB combined this data with firm balance sheet data to create a unique dataset that makes it possible to track how firms perform after receiving an EIB-backed loan, and to compare this performance with a carefully selected control group of comparable firms that did not receive such support.

The new study *The impact of the EIB's intermediated lending to businesses in the Western Balkans* uses this dataset to assess the impact of the EIB's intermediated lending to SMEs in Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia between 2009 and 2023.⁴² The counterfactual statistical analysis uses an econometric model that compares EIB beneficiaries with the corresponding control group. Comparability between the two groups is ensured by the inclusion of a set of financial variables measured prior to the receipt of EIB support.

The key findings include:

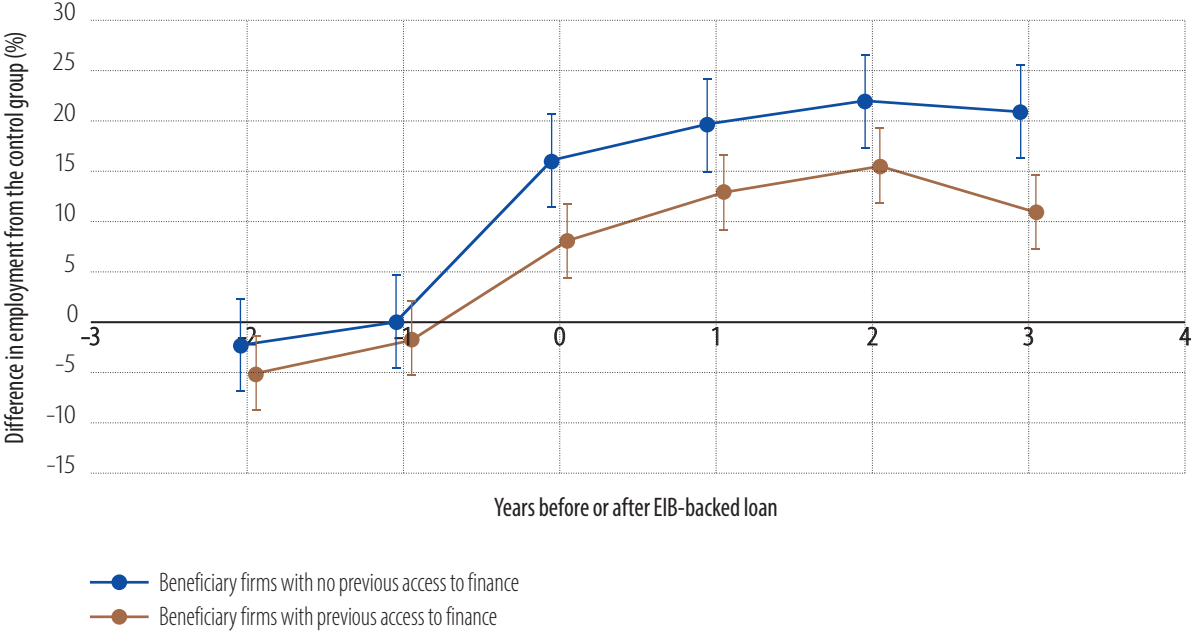
- **A positive impact on employment:** SMEs benefiting from EIB loans reported an immediate 15% increase in employment growth, surpassing similar firms that did not receive EIB intermediated lending. This impact corresponds to approximately 15 additional jobs for every €1 million of EIB loans issued.
- **Stronger impact for firms with limited access to finance:** The study found that the positive effects on employment were more pronounced for firms with no previous access to bank loans. This suggests that the favourable market conditions offered by the EIB are particularly beneficial for these businesses (Figure 8).
- **Increased investment:** Firms receiving EIB loans experienced a 20% rise in total assets and a remarkable 35% increase in fixed assets compared to those without EIB support, demonstrating the ability of EIB financing to enable SMEs to invest in a credit-constrained environment.

40. EIB & European Bank for Reconstruction and Development (EBRD) (2022). Business resilience in the pandemic and beyond: Adaptation, innovation, financing and climate action from Eastern Europe to Central Asia. <https://www.eib.org/en/publications/business-resilience-in-the-pandemic-and-beyond>

41. Akbas, O., Betz, F., & Gattini, L. (2023). Quantifying credit gaps using survey data on discouraged borrowers. EIB Working Papers 2023/06. <https://www.eib.org/en/publications/20230313-economics-working-paper-2023-06>

42. Gatti, M., Sinnott, E., Weiers, G., Fratto, C. and van der Wielen, W. (2023). *The impact of the EIB's intermediated lending to businesses in the Western Balkans*. EIB Impact study. <https://www.eib.org/en/publications/20230344-the-impact-of-the-eibs-intermediated-lending-to-businesses-in-the-western-balkans>

Figure 8: Impact of EIB-backed loans on beneficiary firms' employment in the Western Balkans



Source: EIB Economics Department estimations based on Bureau van Dijk's Orbis database.

Notes: The graph shows how much employment in firms receiving EIB-backed loans differs from employment in matched firms in the control group, in per cent. This difference between the two groups is zero in the year before the EIB-backed loan (year -1). When the EIB-backed loan is provided (year 0), employment in beneficiary firms with previous access to bank credit rises to 8% more than matched firms in the control group. For beneficiary firms with no previous access to bank credit, the immediate impact is 16% more employment. The positive effect on employment reaches its maximum two years after the EIB-backed loans. Vertical bars show the 95% confidence intervals for these estimates.

While SMEs constitute a substantial share of economic activity and employment in the Western Balkans, high financing costs and credit constraints significantly impede growth and job creation. To tackle these constraints, the EIB channels liquidity through financial intermediaries on favourable conditions, such as lower interest rates or longer tenure. This study demonstrates the positive effects of such EIB financing in empowering businesses to invest, expand and contribute to the long-term development of the region. It also highlights the EIB's crucial role in promoting financial inclusion by granting SMEs first-time access to bank lending finance.

A BOOST FOR AFRICAN STARTUPS

Since 2020, the EIB-supported Boost Africa investment programme has been providing venture capital financing and technical assistance to develop and promote the African startup ecosystem. Ongoing impact studies by the Bank show how the programme is supporting North-South knowledge exchange and how it enables beneficiaries to raise more capital to support their growth plans.

Despite being one of the fastest growing venture capital (VC) markets in the world, the African VC market is underdeveloped relative to other continents. It is still extremely young, growing from only \$400 million in 2014 to \$6.5 billion in 2022⁴³. Africa's share of the global VC market also remains marginal at approximately 1-2% of all startup funding, even though the continent represents 18% of the world population and 3% of global GDP.

In partnership with the African Development Bank, and with support from the European Commission and the OACPS, the EIB launched the Boost Africa investment programme in 2020 with the aim of strengthening the nascent African VC market. The initiative combines VC financing via VC funds with technical assistance to new VC fund managers and African startups. It aims at unlocking the entrepreneurial potential of Africa's young population, thus spurring private sector growth on the continent, alleviating poverty through job creation and advancing the achievement of the Sustainable Development Goals.

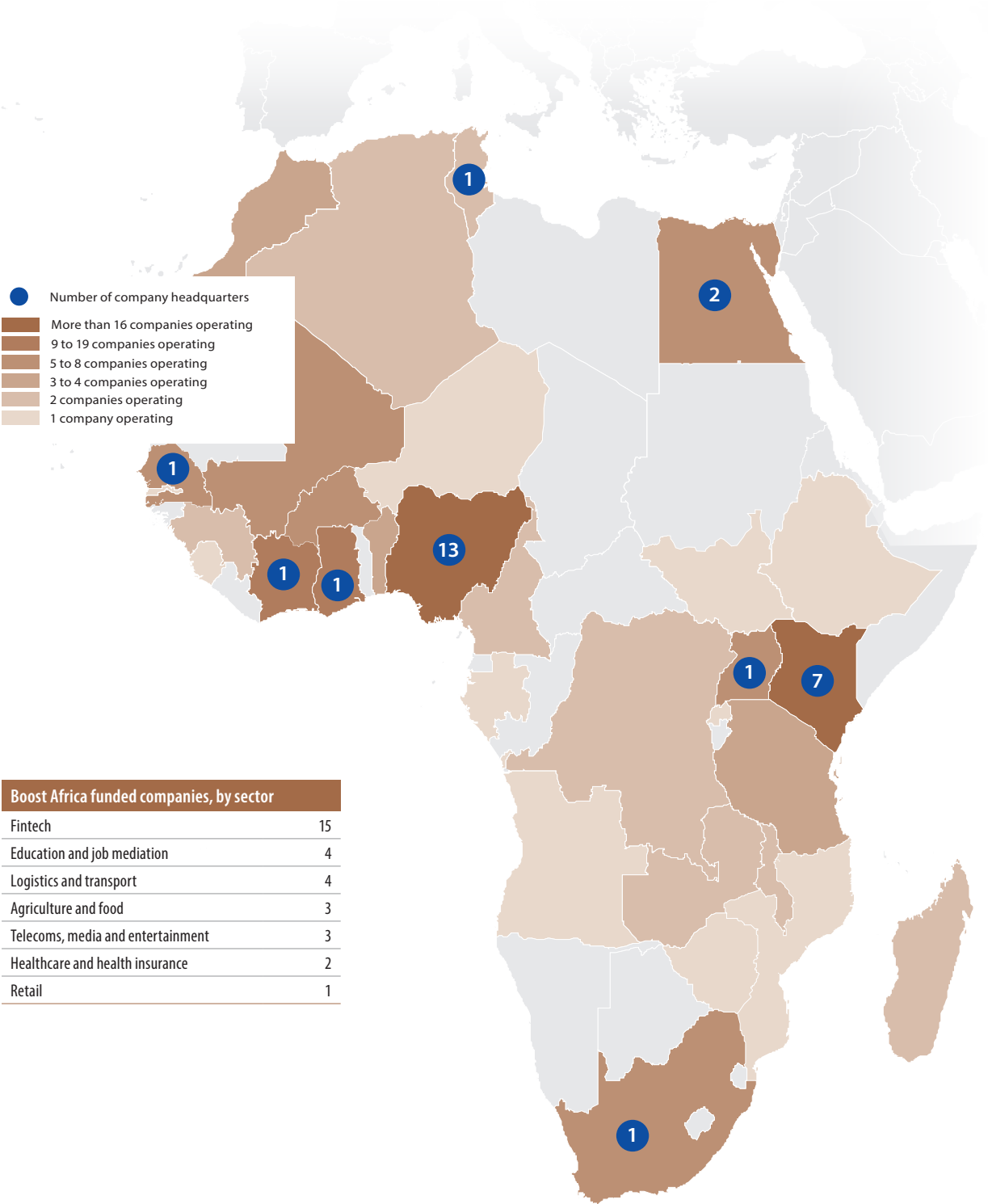
Financing under the Boost Africa programme has already reached 32 startups that are active across the whole continent. While the companies' headquarters are mainly active in Nigeria and Kenya, two of the most prominent African startup hubs, investee companies conduct business in an average of three additional African countries. Fintech is a strong focus, with 13 startups active in this sector. The next most important sector is logistics and transport in which four Boost Africa investee companies are active.

As part of the programme, the EIB is conducting studies to assess the impact of financial assistance on Boost Africa beneficiaries. One emerging finding concerns how VC financing can attract young talents and catalyse North-South knowledge exchange in a way that promotes sub-Saharan African growth. Data on Boost Africa beneficiaries shows that the combination of entrepreneurial opportunities with VC funding draws in highly educated entrepreneurs that studied outside the continent. For example, some 52% of Boost Africa investee company founders hold a master's degree or a higher diploma, while approximately 65% hold a degree from a university outside Africa. The Boost Africa programme also contributes to the creation of an African startup ecosystem by favouring knowledge spillovers from more developed markets.

Boost Africa also enables investee companies to secure more financing than startups that are not beneficiaries of the programme. It also reflects the impact achieved by Boost Africa by signalling the quality of beneficiary startups, triggering additional private investment. When looking at the highest amount raised by Boost Africa-backed founders, almost 94% of founders have been able to raise more than \$1 million, something achieved by only 52% of founders that do not benefit from the programme.

43. Partech (2022) 2022 Africa Tech Venture Capital Report | Partech (partechpartners.com).

Figure 9: Headquarters and countries of operation of Boost Africa-backed startups



The European Investment Bank does not endorse, accept or judge the legal status of any territory, boundaries, colours, denominations or information depicted on any map in this section.

SPECIAL FOCUS: GENDER

Gender equality and women's economic empowerment are firmly established EU core objectives and values. More gender equality in societies also makes business sense and is typically associated with faster economic development, higher income per capita, more efficient and effective businesses, climate action and sustainable management of natural resources, social cohesion, peacebuilding, and more prosperous societies. EIB Global supports the EU Action Plan on Gender Equality and Women's Empowerment in External Action 2021-2025 and is committed to contributing to its target.

In recent years, we have increasingly mainstreamed gender considerations into our operations and put in place a gender tag, which is aligned with the OECD-DAC Gender Equality Policy Marker and the 2X Criteria, to measure and report our contribution. In 2023, 39% of EIB Global's projects were set to have a significant impact on gender equality and women's economic empowerment. There are three ways in which we add a gender lens to our activities:

Protect: We ensure that gender inequalities are not reinforced or overlooked. We identify and mitigate gender-specific risks, such as gender-based violence and harassment, and we develop procedures and tools to uphold the rights of girls and women.

Impact: We back projects with services and products contributing to gender equality and increasing opportunities for women. We ensure that women and men have equal access to the assets, services, benefits and opportunities generated by our investments.

Invest: We finance female entrepreneurs, women-led companies, and businesses that create quality jobs for women or that cater to women through their products and services. We do this through local banks, funds and microfinance institutions.

Our 2023 gender-responsive investment included public and private sector projects that help advance gender equality and close gender gaps in the bioeconomy, digital, energy, health, mobility, urban development and water sectors. Projects included gender-inclusive digital payment infrastructure roll-out across Africa, gender-responsive, climate-resilient transport in India and better working conditions and training for women working in urban waste collection in Argentina.

SUPPORTING WOMEN ENTREPRENEURS

We also backed a large number of operations devoted to women entrepreneurs through local banks, microfinance institutions and private equity funds guided by the 2X Challenge criteria, especially in Africa. The continent has the highest proportion of women entrepreneurs in the world, with 25% of all businesses either started or run by women. The EIB's most recent Finance in Africa report survey findings dispel misconceptions related to women and asset quality and found that, often, the share of non-performing bank loans is lower for lending to female-led firms. This shows that investing in women is arguably one of the best investments in Africa today. Yet, women still struggle to access more and affordable finance in order to grow their businesses, generate more income and increase their agency. Together with the Bill & Melinda Gates Foundation we are looking into impactful ways to scale up the financial inclusion of women by facilitating access to productive and affordable capital. Our lending in 2023 covered, among others, financing with Tanzanian banks to support women-led enterprises and blue economy firms, access to microfinance in Tunisia, as well as inclusive loans in Jordan, Côte d'Ivoire, Burkina Faso, Senegal and Mauritania for women and youth.

In 2023, the Bank also chaired the Multilateral Development Bank Working Group on Gender, which issued joint statements at the COP28 climate conference and the Finance in Common Summit. The Bank contributed to the creation of 2X Global and hosted its first annual meeting in 2023.⁴⁴ The EIB was the first multilateral development bank to join the 2X Challenge in 2018, an alliance using a common set of gender lending criteria. The Bank is also a signatory of the Joint Statement on Continuous Advancement of Standards to Prevent Sexual Harassment, Abuse, and Exploitation with nine other international financial institutions.⁴⁵

A WOMEN-LED UKRAINIAN FUND SUPPORTS TECH FIRMS IN UKRAINE AND MOLDOVA

Horizon Capital Growth Fund IV, a Ukrainian private equity growth fund founded and led by women, invests in fast-growing tech and export-oriented companies in Ukraine and Moldova, building on the region's rich engineering talent base. The fund will benefit from a €25 million investment from the EIB's EU for Ukraine Fund. It has been awarded 2X Challenge flagship fund status for its commitment to gender in its team and portfolio.⁴⁶

PROMOTING SUSTAINABLE AGRICULTURE

Rural populations depend heavily on the agriculture, food and forestry sector for their income and livelihoods. Climate change has hit the bio- and blue economy hard. Women in the sector are often disproportionately affected by extreme weather events such as floods and droughts because of pre-existing gender inequalities relating to asset ownership, access to information, labour availability, and financial and market access. Globally, women working in agriculture have less access to financing than men. Improving women's access to agricultural resources can increase farming yields and raise total agricultural output in developing countries. Production gains could reduce the number of hungry people in the world by 12-17%. **In 2023, the EIB financed seven projects empowering women and helping tackle gender gaps in the bio- and blue economy in Africa and Latin America.** The Bank provided technical assistance to local banks and directly to women agri-entrepreneurs in Malawi and Zambia.

44. <https://www.2xglobal.org/>

45. <https://www.eib.org/attachments/2018-04-21-joint-statement-of-ifis-on-standards-to-prevent-sexual-harassment-abuse-exploitation.pdf>

46. <https://www.2xchallenge.org/press-news/2xchallenge-raises-16billion-in-2-years>

BOOSTING WOMEN AGRI-BUSINESSES IN MALAWI

Joyce Banda set up Wijays in 2017, an agribusiness producing detergents and soaps using raw materials grown by local women farmers in Malawi. Her company, which applies a circular economy approach throughout its production chain and partners with distributors and supermarkets, was the winner of the jury vote at a “pitch night” in the northern city of Muzu organised by Boosting WomeninAg in June 2023.

“It was a wonderful journey for me. The training and the preparation helped me a lot to change several things in my business system, like how to better manage information, finance and marketing. I benefited from networking and made many useful contacts,” she says. Banda also made a significant new contact at the event, her new bank, First Capital Bank Malawi, which helped her to resolve her need for foreign exchange to invest in new machinery and expand her factory. Pitch nights like these are part of the Kulima Access to Finance Project launched by the EIB and the European Commission to improve access to finance for small and medium-sized agriculture businesses in Malawi, especially those run by women.⁴⁷ This larger programme aims to increase agricultural productivity and diversification through climate-smart agricultural technologies, and to develop agriculture value chain and rural income opportunities. The Frankfurt School of Finance and Management supported the EIB with the technical assistance programme.

“The Boosting WomeninAg pitch was very useful to us,” said Steve Harawa, Senior Trade Finance Manager at First Capital Bank Malawi. “It was an opportunity for the bank to come face to face with women who are doing something very tangible on the ground. It has been an eye opener that a lot of women are doing great things, and we looked to reach out to as many as possible.” George Phuza, Head of Commercial Banking at Ecobank Malawi, confirms: “The Boosting WomeninAg pitch has been highly valuable to Ecobank Malawi. It helped us to understand the needs of women entrepreneurs and to adjust our financial solutions.”

Agriculture provides 70% of jobs in Malawi, mainly in the informal economy, and many are occupied by women.⁴⁸ By reinvesting up to 90% of their earnings back into their households — for nutrition, food, healthcare and school — and into their businesses, women help to reduce poverty and contribute to food security.⁴⁹

WOMEN FACING HIGHER HURDLES TO ACCESS FINANCE

However, most women in agri-businesses face unequal access to land, jobs, knowledge, fertiliser and the best seeds. With few assets, it is harder for them to increase productivity and get loans.

Markus Schulte, Investment Officer at the European Investment Bank, met with financial institutions and the Delegation of the European Union in Malawi to explore ways to help smallholders in the agriculture sector get loans and training. “The banks we talked to explained that they were facing a lack of long-term financing, limiting them to offer loans for long-term investments. These banks were also reluctant to finance women agri-businesses because of their lack of collateral and the high financial risk faced by the sector, notably due to the climate and weather uncertainty. That’s how we started developing a risk-sharing facility to encourage local banks to provide loans to clients, and in particular women, in this sector,” Schulte says.

When Moa Westman, Gender Specialist at the European Investment Bank, heard that the Bank was considering setting up the Kulima Access to Finance Project, she did not hesitate.

47. <https://www.eib.org/en/products/mandates-partnerships/kulima-access-to-finance-project/index.htm>

48. <https://www.worldbank.org/en/country/malawi/publication/unlocking-malawi-s-economic-growth-by-bridging-the-widening-gender-gaps-in-the-labour-workforce>

49. <https://www.fao.org/news/story/en/item/460267/icode/>

“When I saw this project for the first time, I was convinced that this would be a good opportunity for the EIB to make a difference, because I know what the gender gap in the agriculture sector is in Malawi,” says Westman. Before joining the EIB, she contributed to a study that quantified the cost of the gender gap in agricultural productivity in Malawi, Tanzania and Uganda. The study reveals that closing the gender gap in Malawi’s agriculture sector would boost crop production by 7.3%, add \$100 million to the economy each year and lift 240 000 people out of poverty.⁵⁰

“We designed the technical assistance to both increase the ability of the banks to lend to women in agriculture and to accompany these women to grow their businesses. It’s a real combination of loans and technical assistance in the form of training, coaching to pitch businesses and networking,” explains Westman. Under Kulima, the EIB provided €25 million in credit lines equally split between First Capital Bank Malawi and Ecobank Malawi, guaranteed by a grant from the European Union. These credit lines were qualified by the 2X Challenge, which provides a global standard for gender finance.⁵¹

“Before our partnership with the EIB, we were not focusing on businesses run by women. Our cooperation opened our eyes. Lending to women is more profitable because chances are high that they will be able to service the loan without issue and boost the diversity of their business. Also, when we lend to women, we are assured that we are also helping the larger community, as women making money take care of their households,” said Steve Harawa from First Capital Bank Malawi.

50. <https://documents1.worldbank.org/curated/en/847131467987832287/pdf/100234-WP-PUBLIC-Box393225B-The-Cost-of-the-Gender-Gap-in-Agricultural-Productivity-in-Malawi-Tanzania-and-Uganda.pdf>

51. <https://www.2xchallenge.org/criteria>

SPECIAL FOCUS: FRAGILITY AND CONFLICT

Increasing numbers of people live in fragile and conflict-affected contexts worldwide. Moreover, the relationships between fragility, conflict and major global trends such as climate change, forced displacement and migration, poverty, urbanisation, rising inequalities and the consequences of the COVID-19 pandemic demand increased attention. Addressing fragility and conflict is vital for the realisation of a just green transition, for addressing the challenges of forced displacement, and for achieving the sustainable development goals.

Over the last few years, EIB Global has signed operations in 39 of the 60 countries on the OECD fragility list. Building on this experience, it is reinforcing its commitment to address the needs of people in fragile and conflict-affected situations. **In 2023, EIB Global provided €1.33 billion to operations in 15 countries on the OECD list**, with much more expected to reach these countries through operations such as equity funds and vaccine programmes where the final beneficiary countries are not defined at the outset.

In September 2022, the EIB Board approved a new Strategic Approach to Fragility and Conflict, which aims to make the Bank's engagement in fragile and conflict-affected contexts more strategic and enhance the development impact of the Bank's interventions. It aims to make the Bank more efficient and effective in contributing to conflict prevention and peacebuilding, reducing fragility and building resilience, fostering recovery and responding to crises. Being aligned with EU policies and practices, the EIB's minimum baseline is to "do no harm", thereby avoiding aggravating drivers of fragility in fragile and conflict-affected environments. Going beyond this standard, whenever possible, EIB Global also seeks to "do good", contribute to conflict prevention, recovery and peacebuilding efforts, and enhance the development impact of its investments. Furthermore, the approach promotes social sustainability and inclusion, including redressing inequalities and ensuring no one is left behind.

An implementation plan has been approved, thereby ensuring that EIB Global's operations are responsive to contexts of fragility and conflict, and further aligned with EU policies. It is based on three pillars:

- Operational responses – better analytics, operational responses, risk management, technical assistance and advisory services.
- Institutional environment – improved staff capacity, work process management, monitoring and evaluation, learning and communication.
- Strategic partnerships – enhanced strategic partnerships with the European Union, multilateral development banks, development finance institutions, the United Nations and other international organisations, and civil society organisations.

Two specialised agencies have been contracted to manage the Bank's internal conflict sensitivity helpdesk to support EIB staff with activities ranging from conflict risk assessments and training to targeted research.

EIB Global lending in fragile contexts in 2023: ⁵²

€1.33 billion directly targeting 15 fragile contexts under 27 operations

€1.31 billion through 22 Africa-focused funds, vaccine programmes and intermediated loans that are expected to significantly target fragile contexts

Improving access to finance for the Israeli Arab community

2023 saw new operations supporting access to finance for SMEs in both Israel and Palestine. In Israel, the EIB is providing a €250 million credit line to Bank Leumi in support of its strategy to scale up access to finance for small businesses owned or led by members of the Israeli Arab community in five underserved areas of the country. Access to long-term financing has been identified as one of the most significant obstacles to the expansion of SMEs in Israel, with Arab-owned or led businesses more likely to be underserved. The employment rate in this community is also lower than the national average, particularly among women. The operation aims to support some 750 SMEs and mid-cap companies, sustaining around 28 500 jobs. Bank Leumi will also seek to target at least 30% of the finance at women-led businesses.

At the same time, a portfolio guarantee to Palestine Investment Bank is intended to improve access to finance for SMEs in Palestine, where some 69% of businesses are estimated to be credit-constrained.⁵³ The guarantee will support nearly 100 SMEs with an average of around 25 employees.

Access to electricity in rural Cameroon

This project aims to extend connections to the electricity grid to 115 000 households in 417 rural communities in the Adamawa, North and Extreme North regions of Cameroon. As such, it will entail the construction of some 4 400 km of medium and low-voltage network and more than 700 sub-stations, improving the quality of life and economic prospects of some 750 000 people.

Cameroon is regarded as a fragile context, affected by terrorist attacks in the north, as well as an insurgency in some regions. It hosts some 478 000 refugees from neighbouring countries, while just over 1 million people are internally displaced.⁵⁴ The Cameroon Rural Electrification project contributes to the Cameroon Team Europe Initiative, Green and Resilient North, which promotes political stability and economic development through a holistic approach to sustainable and climate-resilient territorial development. The EIB has provided advisory support for project preparation and a flexible €43 million EIB loan blended with a €15.75 million EU investment grant, ensuring the concessionality of the finance provided.

52. Fragile and extremely fragile contexts, as defined by the OECD Development Assistance Committee's multidimensional fragility framework: OECD, States of Fragility 2022: <https://doi.org/10.1787/c7fedf5e-en>. Ukraine has been included as a conflict-affected state

53. <https://www.eib.org/en/publications/unlocking-sustainable-private-sector-growth-in-mena>

54. <https://data.unhcr.org/en/country/cmr>



ENHANCING IMPACT

EIB Global contributes to EU priorities for development and external action according to the “policy first” principle. Specifically, it contributes to the European Union’s external action and development policies in line with the three overarching European Fund for Sustainable Development Plus (EFSD+) priorities of the Green Deal, Global Gateway, and Jobs and Sustainable and Inclusive Growth.

The EIB has a long-standing and strong track record of activity outside the European Union, often blending its own resources with those of the European Commission and Member States, and complementing its financing with advisory services to unlock sound and sustainable projects. Over time, it has developed a rigorous and detailed approach to tracking results and impact. In all this activity, it is guided by the European Union’s external objectives across all regions.

Building on this solid foundation, EIB Global is taking specific and concrete steps to further enhance its development impact by strengthening and improving its mode of delivery. These improvements include enhanced partnerships, client engagement and local presence, the development of targeted products and a focus on accelerating project implementation after signature. The Bank-wide Time to Market (T2M) initiative will also reduce the time it takes to approve and sign new operations through greater focus on key issues, streamlined procedures and digital innovation. Building on its active participation in the international development community, EIB Global is also contributing to policy development and jointly learning and applying best practices through its commitment to dialogue with its international partners.

This section covers EIB Global’s achievements in this area in 2023, specifically with regard to:

- increasing local presence
- advisory activities
- blended financing activities
- working with other development finance institutions
- learning from an evaluation of EIB’s lending to the water sector.

ENHANCING LOCAL PRESENCE

EIB Global's 29 country offices and regional hubs play a vital operational, institutional and representational role, maintaining close contact with national authorities, Team Europe partners and other development finance institutions in the country and region where they operate. They help to promote dialogue and to understand and tailor our support to local contexts, providing insights that help drive EIB Global decision-making and strategy. In this way, they play a critical role in enhancing the impact of our operations on the ground. They extend their services to over 150 partner countries to assist EIB Global in fulfilling its mandate.

EIB GLOBAL'S LOCAL PRESENCE STRATEGY

Under its Strategic Roadmap, EIB Global is putting in place an enhanced operating model centred around the concept of "impact through proximity." This involves strengthening local presence and capacities through external offices worldwide, emphasising strong partnerships within Team Europe to support the European Union's "Policy First" principle. The three leitmotifs of this strategy are regionalisation, localisation and enhancing knowledge and processes.

Accordingly, EIB Global is reinforcing and transforming key external offices into regional hubs which act as centres of gravity, pooling more resources and expertise, expanding operational activities through proactive business development and improving post-signature activities. Like all external offices, these also work to strengthen institutional representation, maintaining strong relations with public sector stakeholders and promoting closer collaboration with other development actors for a more impactful and visible development action.

KEY MILESTONES ACHIEVED IN 2023

This year saw significant developments in the implementation of this strategy, including the **inauguration of three additional regional hubs**:

- **Kyiv**, Ukraine, as the regional hub for Eastern Europe;
- **Cairo**, Egypt, as the regional hub for the Southern Neighbourhood region; and
- **Abidjan**, Côte d'Ivoire, as the regional hub for West and Central Africa.

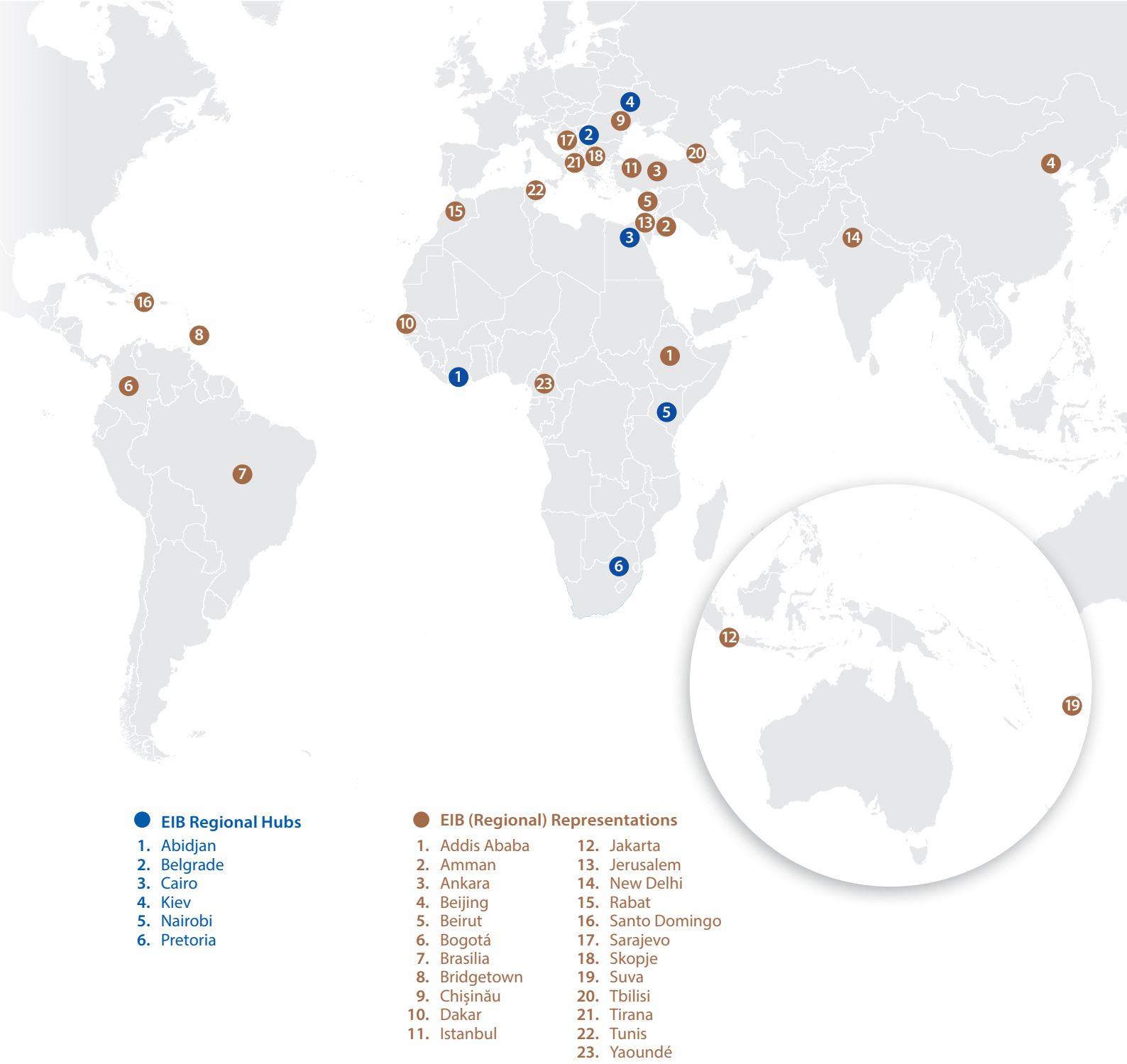
2023 also saw the opening of **a new EIB Representation to Brazil** in Brasilia. The Bank is also planning to open new offices in the Western Balkans and in Central Asia.

TOGETHER WITH EU DELEGATIONS

EIB Global's external offices have been established in close collaboration with the European External Action Service. Co-location has been sought wherever possible, to strengthen our close ties with the EU Delegation. Currently, 26 of the 29 EIB Global external offices are co-located within EU Delegations, further facilitating the close cooperation on projects and technical assistance.

Beyond efficiency gains, this partnership fosters deeper information exchange and effective on-the-ground coordination, working side by side towards "One Voice, One Global Vision" within the EU family.

Figure 10: EIB Global’s network of external offices



Note: Aside from the regional hubs, which offer more in-depth services, EIB Representations may cover either one single country, or serve as regional representations, overseeing multiple countries.

UNLOCKING IMPACT THROUGH BLENDING

Blended finance makes a big difference to what EIB Global can achieve. Grant support enables the EIB to support projects with a high development impact, but which it would otherwise be unable to finance, such as those in the poorest countries and in critical sectors such as water. Donor grants can also increase the viability and sustainability of EIB loans through technical assistance and advisory services to support project preparation and implementation. They also lower the cost of financing overall, making it affordable for low-income countries in line with relevant debt sustainability and concessionality frameworks. Donor resources also unlock financing from other investors by bearing part of the risk through financial instruments such as guarantees and local currency lending. The economic and social benefits are typically very high. Our blended finance projects contribute to climate action and the green transition, support vital and social infrastructure, enhance connectivity and promote access to finance as well as equal opportunities.

Resources for blending are provided by the European Commission (through regional blending facilities, for example) or by EU Member States (mostly through trust funds). Engagement with the Commission and Member States through regional blending facilities and trust fund committees provides another source of guidance for EIB Global, complementing the role of the EIB Board and the EIB Global Board Advisory Group.

NEW DONOR PARTNERSHIPS FOR BLENDING SET UP IN 2023

Sizeable new donor commitments will enhance the impact achieved by EIB Global in the coming years:

- **Creation of the EU for Ukraine (EU4U) Fund**, which was instantly operational and serves to bridge the gap until new mandates are in place, enabling the Bank to continue its activity in the country and relieve some of the urgent and massive financing needs in Ukraine. As at end-2023, some 18 EU Member States had pledged a total of €415 million for the fund, with eight officially committing €157 million.
- **Enhanced partnership with Germany for climate action and green hydrogen.** New German contributions to EIB Global trust funds will support the renewable energy sector in Ukraine, and send a strong signal of confidence in the role that EIB Global can play in building up a global market and infrastructure for renewable hydrogen, which will be key to achieving decarbonisation, both in the European Union and globally. In the context of the Global Gateway Initiative, it means helping developing countries to tap into the abundant natural resources they enjoy for sustainable economic development.
- **Creation of the ACP Trust Fund — EU Compartment**, bringing the number of EIB Global managed trust funds to 13. Under this new mandate, EIB Global is supporting, for example, a Team Europe Initiative and Global Gateway project in Madagascar to strengthen the value chain for agricultural products, contributing to smallholder livelihoods, gender equality and environmental protection.

BLENDING FOR IMPACT IN 2023

Resources for blending from our partners, and managed by EIB Global, were committed to 55 technical assistance operations, 23 investment grants and eight financial instruments, for a total amount of €1.21 billion in 2023. Of this amount, €157 million was from trust funds, €363 million from European Commission regional blending facilities, €636 million under the Western Balkans Investment Framework (WBIF) and €51 million under global facilities. The following are some highlights of that activity:

- **The EU4U Fund contributed to the rebuilding of Ukraine’s technology sector** via the Horizon Capital Growth Fund IV, an equity fund. The €25 million support from the EU4U Fund has helped Horizon to crowd in other investors — to reach a fund size of more than €300 million — and to already invest in three innovative technology sector SMEs in Ukraine to help develop the IT sector, which is critical for the resilience of its economy.⁵⁵
- **Improved digital connectivity across northern Africa, and with the European Union, is the aim of the Medusa project, a Global Gateway flagship** that will provide the first direct submarine cable connections between northern African states, as well as Europe. Implemented by the private sector and benefiting from a €40 million Neighbourhood Investment Platform grant in 2023, the project will improve connectivity in terms of both capacity and reliability, and will enable the roll-out of next generation access networks. It is expected to stimulate innovation and research in the region, with about 500 universities, institutes of education and research centres, and about 4.5 million students benefiting from increased connectivity.
- **Rehabilitating Moldova’s north-south railway corridor, a critical link from western Ukraine to key Danube and Prut River ports**, with access to international waters, is the goal of a €12 million EU investment grant, complemented by an EIB loan of €42 million. The improved railway connection between Moldova and Ukraine aims to boost trade and benefit both Ukrainian exports and the Republic of Moldova’s economy.
- **Producing clean energy for 20 000 households and avoiding 140 000 tonnes per year of CO₂ emissions is the goal of the Vlašić wind power plant in Bosnia and Herzegovina**, a flagship project under the Western Balkans Economic and Investment Plan. Supported by a €20.9 million WBIF investment grant, blended with loan finance from EIB Global and Kreditanstalt für Wiederaufbau, the project will make a vital contribution to the country’s green transition by reducing dependence on electricity generation from brown coal.
- **A €50 million grant from the Global Concessional Financing Facility supports climate adaptation in Jordan through increased water security and financial inclusion for refugees.** The operation provides guarantees to local banks and microfinance institutions, allowing them to lend more to micro-, small and medium-sized enterprises with the aim of enabling small-scale investments in the water sector, while enhancing financial inclusion for both refugees and host communities.

55. <https://www.eib.org/en/press/all/2024-060-eib-backed-horizon-capital-s-new-fund-provides-growth-equity-to-three-ukraine-based-companies>

ADVISORY ACTIVITIES

EIB Global provides technical and financial advice for project preparation and implementation. It also provides capacity-building support to clients and other stakeholders. This is a critical part of how the Bank contributes to achieving impact. Besides enhancing the quality and sustainability of projects, the Bank's advisory work also boosts the efficiency of implementation. EIB in-house experts design and manage the advisory programmes, often with support from external service providers or other institutional partners for the implementation of specific activities.

In 2023, as part of its Strategic Roadmap implementation, EIB Global created a new outside-EU Advisory Services Division. This will act as a focal point for the design, development and delivery of EIB Global's advisory services, ensuring the strong integration of EU policy objectives and close alignment with the needs of clients.

2023 also saw the establishment of the **EU for Ukraine (EU4U) Advisory Programme**, with an allocation of €100 million of EIB own resources for technical assistance to facilitate rapid, effective and high-quality EIB support for Ukraine's recovery and for the long-term resilience of Ukraine and Moldova.

Overall, **30 EIB Global operations approved in the year benefited from advisory support**, representing total approved financing of €4.9 billion and €11.8 billion in investment supported. €66.1 million was disbursed for technical assistance, with 43 cooperation agreements signed with partner countries for new technical assistance operations.

The following provides examples of the impactful activities of EIB Global advisory services throughout the year.

Supporting EU enlargement through the Western Balkans Investment Framework (WBIF): The Bank signed a €25 million contract for WBIF Investment Project Facility 12, for project preparation and implementation, bringing the aggregate sum for advisory contracts coordinated by the Bank under this regional framework to €229 million.

Unblocking project delivery in the Maghreb: Based on an internal assessment of the Bank's lending portfolios in Tunisia and Morocco, the Bank has deployed a consultancy team under the Economic Resilience Initiative's envelope for technical assistance. Consultants are working with project promoters and implementation units to address implementation bottlenecks, based on priorities they define together. Topics covered include environmental, social, legal and financial issues, procurement and reporting.





A new partnership to prepare climate resilience and climate risk mitigation projects: For the first time, the Bank is collaborating with the UN Food and Agriculture Organization (FAO) on technical assistance, reflecting the importance of working with partners for EIB Global advisory services. The collaboration seeks to prepare projects, for later EIB lending, that address food security needs and demographic challenges through improved farmer incomes, job creation and the empowerment of women.

Developing strategies and project pipelines for African cities: EIB Global's African Sustainable Cities Initiative is a €7 million technical assistance programme to help secondary cities in up to four African countries to prepare municipal investment plans for sustainable urban infrastructure. The aim is to strengthen municipal capacity to raise finances and develop priority projects through private sector investments. In 2023, Côte d'Ivoire became the first beneficiary.

Blending advice with blended finance: The development of clean, climate-friendly and energy-efficient solutions in Africa is the goal of the Demand-Side Management, Social Infrastructures and Renewable Energy Expansion (DESIREE) programme. Some of the developed projects will benefit from blended financing under a dedicated envelope funded by the European Commission. The first, in 2023, was a €20 million loan for the West Africa Rural Electrification Expansion project.

Spreading know-how on green financing: The Greening Financial Systems technical assistance programme, supported by Germany under the International Climate Initiative, is building the capacity of central banks and financial intermediaries on procedures, processes and products for green financing. A fast start in 2023 saw the approval of assignments in Armenia, Ethiopia, Georgia, Kenya, Nigeria, North Macedonia and Rwanda. Banks in Georgia have already received support to improve their climate risk management. The EIB also coordinated the working group on climate change and climate finance in Central, Eastern and South-Eastern Europe (including Eastern Partnership and Western Balkan countries) in the context of the Vienna Initiative.⁵⁶ A series of 12 webinars covered climate finance topics such as regulation, taxonomies, green products, transition plans and energy lending policies, and brought together experts from international institutions, central banks and commercial banks in Europe. A 2024 report will be based on this course, to serve as a manual on climate finance for the region.

56. The Vienna Initiative is a forum for decision-making and coordination for the banking sector in Central, East and South-East Europe, led by the EIB, EBRD, World Bank, IMF, ECB and the European Commission. <https://vienna-initiative.com/>



Supporting trade and competitiveness: EIB Global is advising financial intermediaries and businesses on how to develop financial products and bankable investments that will, in turn, help develop sustainable value chains in sectors such as food, agroindustry, manufacturing, services and tourism. Compliance with EU standards for export to the EU market is a key topic. The Trade and Competitiveness Expert Support Facilities are offered in Egypt, Jordan, Tunisia and Morocco. For example, 2023 saw the launch of the decarbonisation guide for the Confédération Générale des Entreprises du Maroc in Morocco, which may be replicated in other countries.

Building up the African innovation ecosystem: The second edition of the Africa Venture Finance Programme took place, in partnership with the University of Oxford's Saïd Business School, under the EIB's Boost Africa programme. Of 42 African and Africa-focused venture capital fund managers that participated, 57% were women, reflecting a targeted drive for gender inclusiveness. The goal is to strengthen the capacity and investment readiness of the funds in which EIB Global and its partner, the African Development Bank, could invest under Boost Africa.

Successful completion of a programme to boost financial inclusion in the Caribbean: This €4.2 million programme provided capacity building to 17 inclusive microfinance institutions across six countries in the region. The institutions received technical support in green financing, social performance, risk management (including mitigating the effects of COVID-19) and digitalisation. More than 1 400 staff took part in 1 068 hours of training, coaching or mentoring activities. In addition, the programme provided training to more than 1 800 micro, small and medium-sized enterprises in areas such as financial literacy, sustainable entrepreneurship, business planning and cashflow management.

Capacity building on Financial Development and Financial Inclusion: Targeting both policymakers and financial intermediaries, this online course has been provided by the EIB and the IMF since 2019. It focuses on strategies to support the development of effective financial systems, including on the challenges faced by smaller businesses and how financial intermediaries can better tailor their products to them. Since its launch, more than 4 000 participants have benefited from the course, representing more than 70 countries across five continents, from Belize to Somalia. Online delivery proved crucial to the success of the course during the COVID-19 pandemic.

WORKING IN PARTNERSHIP

EIB Global offers a diverse product range to match the needs of a diverse client base, working across regions with both the public and private sectors. This makes a collaborative approach essential. It also creates many opportunities for a cross-fertilisation of expertise and innovations and for dialogue with partners and clients to promote a stronger impact focus based on EU policies. With this background, EIB Global has been an enthusiastic participant in Team Europe and other partnerships across development finance institutions.

A NATURAL TEAM EUROPE PLAYER

The Team Europe approach, initiated during the COVID-19 crisis amongst EU partners, is developing rapidly. EIB Global is already engaged in around two-thirds of the more than 150 Team Europe initiatives worldwide. It brings financing and technical expertise either as a lead institution or by complementing EU partners' initiatives through joint or parallel investments. The Team Europe approach allows policy and sector dialogue with beneficiary countries, the identification and targeting of financing gaps, and the pooling of expertise and blended finance, in a coordinated manner.

One example of how the Team Europe approach is instrumental in bringing together the right players to get innovative projects off the ground is the green hydrogen platform in Chile. The Aqaba-Amman water desalination and conveyance project is also an excellent example of this new approach, benefiting from cross-financing from the European Commission under EFSD+, the EIB and other EU financial institutions. Another good example is the instrumental role that EIB Global has played in setting up the Global Green Bond Initiative, a global EU scheme aiming at promoting and incentivising recourse to green bonds by partner countries and operators (see page 38).

THE MUTUAL RELIANCE INITIATIVE

The Mutual Reliance Initiative (MRI) is an initiative between the EIB, KfW and AFD to maximise the complementarities and synergies between the institutions. The MRI was set up in 2007 to reduce the duplication of work and requirements for both financiers and the recipients of finance with regard to due diligence, processes and procedures such as those relating to procurement. It thus increases efficiency and reduces much of the transaction costs and barriers that borrowers may encounter when seeking financing, something that also increases the pipeline of viable projects. The MRI fosters best practice and the emergence of a comprehensive and effective EU architecture for development finance, while supporting the European Union's external policies.

Since inception, a total of 91 MRI projects have been financed, for a total amount of €8.5 billion, of which 61 are currently under implementation. In 2023, a total of around €1 billion was mobilised in support of four projects. The main focus of the initiative is infrastructure projects, often those in the water and sanitation sector. The regions with the highest number of projects are the Southern Neighbourhood, followed by sub-Saharan Africa and Asia.

LEARNING FROM AN EVALUATION OF EIB LENDING TO THE WATER SECTOR

The EIB's Evaluations division carried out an independent assessment of the EIB's support for water sector projects outside the European Union over the period 2010-2021. With the findings presented at the end of 2022, EIB Global has been working on how to learn from the evaluation and put the recommendations into action.

During the period covered by the evaluation, the EIB signed 131 water sector projects in more than 50 countries outside the European Union, with total EIB financing of €7.2 billion. The evaluation sought to identify what worked and what did not work with regard to project performance, development outcomes and contribution to environmental sustainability and climate change mitigation.

The evaluation noted that in many of the countries where EIB Global operates, the water sector is weak in terms of institutional capacity, and is institutionally fragmented. Water and sanitation projects are often relatively small and highly specific, resulting in high transaction costs. The water sector is also socially important and can become politicised.

In terms of development impact, the evaluation found that EIB support for the water sector has had a high potential development impact and is delivering the expected results, particularly in terms of environmental and climate impacts. Many of the benefits of these investments in the water sector are not easily monetised, with their positive impacts being felt outside the sector.

In line with its business model, EIB water projects have focused primarily on the construction of infrastructure, rather than on the post-project use of that infrastructure to deliver development outcomes. In cases where the EIB went beyond a project-by-project approach, the evaluation found that promising development outcomes were evident at a broader sector level. For example, where the EU Delegation was engaged through sector activities, EIB water projects benefited from the EU agenda and contributed more to EU policy objectives. When working with other international financial institutions, EIB projects benefited from the stronger local presence and policy mandates and the more explicit focus on development outcomes of other development actors.

Looking back over these past projects, however, the evaluation did find that the EIB lacked the resources and institutional incentives to monitor and respond to shortcomings in the water sector. The limited number of country offices and lack of local presence constrained the EIB at all levels, from project origination, project preparation and operational monitoring to stakeholder engagement and policy leverage. The availability of resources to provide upstream advisory services and technical assistance was also low, further limiting the EIB's ability to maximise its impact.

Since the establishment of EIB Global in January 2022, and with its Strategic Roadmap set out in early 2023, the lessons learned from this evaluation are being taken on board. As recommended by the evaluation, EIB Global is strengthening the Bank's local presence. This enables EIB Global to work more closely with the European Union and other development partners on upstream sector dialogue with national partners, to enhance the impact of the projects — not just in the water sector — that EIB Global finances. In 2023, EIB Global also created a new outside-EU Advisory Services Division to act as a focal point for the design, development and delivery of advisory services, to ensure the strong integration of EU policy objectives and close alignment with the needs of clients. Ways to increase the mobilisation of additional sources of finance for technical assistance are being explored.



MOBILISING PRIVATE SECTOR INVESTMENT IN THE WATER SECTOR

For the first time the EIB is supporting private SMEs active in the water sector via a private equity fund, the Water Access Acceleration Fund. The water sector is characterised by a dependence on public funding and lack of private sector financing, limiting progress in expanding inclusive access to safe water and sanitation.

The €10 million investment from the Water Sector Fund, a trust fund backed by the Dutch government, will enable the Water Access Acceleration Fund to provide equity and quasi-equity investments in companies which work along the water value chain to enable and accelerate access to safe and affordable drinking water in developing countries, primarily in Asia and sub-Saharan Africa. Supported companies are also expected to invest in new technologies in the water sector and improve climate adaptation. In this way, the fund is expected to achieve better access to water treatment, supply and distribution to an estimated 1.4 million people. It will be the first safe water-focused private equity fund aiming to enhance access to safe and affordable water in these regions.

The EIB commitment to the fund, through its Water Sector Fund, is expected to constitute a positive signal to trigger participation from other investors and to have a strong catalytic effect for the fund to reach its target size and deploy its intended investment strategy fully. The operation will contribute directly to the achievement of SDG 6 on clean water and sanitation.



TRACKING RESULTS

EIB Global supports projects around the world that make a real difference to people's lives. Through its financial and technical contribution, it also makes a real difference to project success. This is why we rigorously assess the results of our projects throughout the project cycle. It is why we assess what we are able to bring to each project in terms of financial benefits, catalytic effect and technical support.

To get as full a picture as possible, we use different complementary methods to examine our impact as part of a three-layer approach. We track results and the EIB's contribution to each project throughout the project cycle. We also support in-depth studies for a detailed understanding of certain projects' impact, and we use macroeconomic modelling to gain insight into the broader economic impact of our lending.⁵⁷

In this section, we provide more detail on the EIB contribution and the results and impact of our projects:

- How we measure results and impact
- Expected results of new projects
- EIB contribution to new projects
- Carbon footprint exercise
- Macroeconomic impact modelling
- Results of completed projects

57. See: Measuring the EIB Group's impact: Methods and studies. <https://www.eib.org/en/publications/measuring-the-eib-groups-impact-methods-and-studies>

HOW WE MEASURE RESULTS AND IMPACT

Careful assessment of our impact and contribution is vital. It helps us focus on high-impact projects through which EIB Global can make a big difference, and that are aligned with EU policies as well as the investment needs and priorities in the relevant country. It helps us become even more effective by fine-tuning the support we offer. It is also a way of ensuring accountability towards our stakeholders on the positive impact we create.

The assessment and tracking of results is integrated in the EIB’s full project appraisal and follow-up process, through our Additionality and Impact Measurement (AIM) framework. This is a core function that we perform as a development finance institution. But we also go further, with **in-depth studies** to assess our impact at a level so detailed it could not be done for every project in turn. We also use **macroeconomic modelling** to get a sense of the broad indirect impact of our operations on jobs and growth across the economies in which we are active. These make up our **three-layer approach** to impact.

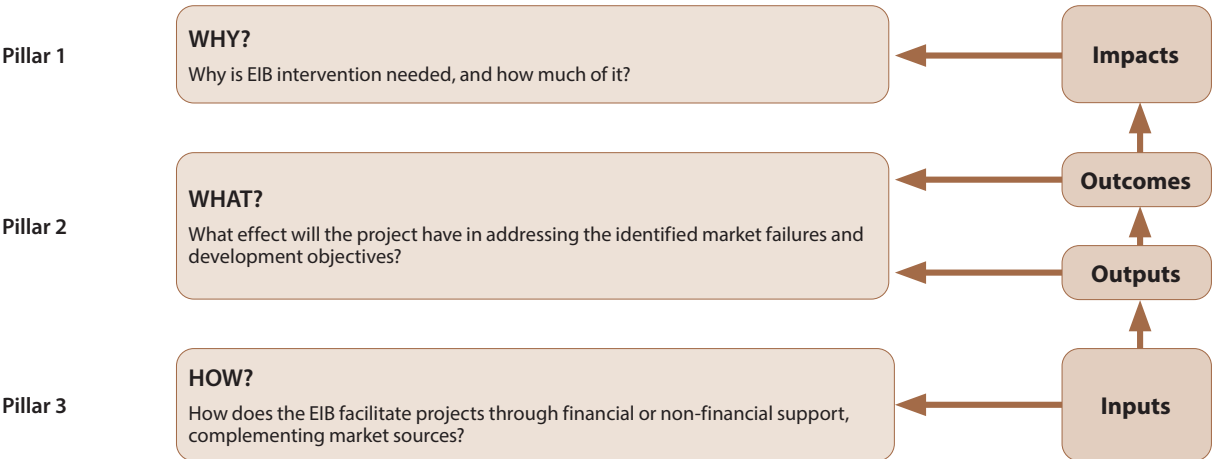
The EIB also engages with development partners to further develop the results agenda. The Bank is currently co-chairing the multilateral development bank working group on Managing for Development Results, as part of the steering group of the Harmonized Indicators for Private Sector Operations (formed to establish harmonised results indicators for private sector operations), and actively participates in the European development finance institutions working groups, the OECD results community, and various impact and results fora. This helps to ensure that the EIB impact approach is up to date in order to share lessons and advance this agenda for the future.

TRACKING RESULTS THROUGHOUT THE PROJECT CYCLE: THE AIM FRAMEWORK

As of 2021, the AIM framework is fully implemented, bringing together the Bank’s previous Results Measurement (ReM) and Three Pillar Assessment (3 PA) frameworks for outside and inside the European Union, while enabling project appraisal and monitoring to be tailored to the particular needs of different development contexts.

AIM provides a comprehensive framework for assessing each EIB project in terms of results and additionality, in line with international best practices. It follows an established three-pillar logic that asks *why* an intervention by the EIB is needed, *what* will be achieved and *how* the EIB will make a difference. These three pillars are conceptually linked to the different elements of the results chain:

Figure 11: The AIM framework and the results chain



This framework is a key tool for ensuring development effectiveness because it enables a managing for results approach (steering, designing, implementing, reporting and learning). As part of the due diligence process, all three pillars are rated to assess the operation's value added. These ratings then form a key part of the decision-making process. The results indicators identified at appraisal are used as the basis for project monitoring throughout the project cycle: When a project is appraised, the EIB estimates the results that will be achieved under it; afterwards, follow-up of the indicators is performed to assess what was actually delivered. Monitoring results in this way captures lessons that can be fed back into project implementation. Such lessons are also drawn from independent evaluations.

The AIM framework is geared towards alignment with EU policy in the countries and regions where the Bank operates, and with the Sustainable Development Goals. The framework is flexible so that new indicators can be added as needs emerge.

GOING FURTHER TO INVESTIGATE IMPACT

While AIM forms the foundation of our overall approach to assessing impact, our evaluators and research teams also perform deeper, longer-term impact investigation of the projects we support.

In-depth impact studies are one way to view project results in much finer detail, beyond what is feasible within the regular results assessment process. In these studies, we use a variety of methods to dig deeper into the impact of particular projects or types of products offered by the EIB Group.

Macroeconomic modelling is a way of investigating the impact of our lending on jobs and GDP across whole economies, and of gauging how big it is likely to be. It helps us to ensure that we correctly understand how individual projects will ultimately affect people's lives.

EXPECTED RESULTS OF NEW PROJECTS

In 2023, the EIB signed contracts for 80 new projects outside the European Union, the United Kingdom and the European Free Trade Association. Total approved lending for these new projects (excluding contracts signed under older projects) was €6.3 billion (see page 83 for further details on lending volumes). This section summarises the aggregate outputs and outcomes we expect from these new projects.

Table 3: Expected results of new infrastructure projects

Agriculture and forestry	
Area of forest or other habitat protected (hectares)	71 332
Forestry land with improved management (hectares)	6 336
New area planted (afforestation) (hectares)	55 248
Rural access roads/fire breaks created or maintained (km)	559
New or maintained rural roads (km)	4 696
Storage capacity for agricultural products (tonnes)	21 000
Water savings due to modernisation of irrigation systems (million m ³ /year)	91
Potential sales resulting from the project (EUR million/year)	30.8
Digital	
Number of 3G, 4G or 5G sites installed	659
Education	
New or rehabilitated education facilities (m ²)	110 360
Places created in educational facilities	13 700
New educational and ICT equipment supplied (EUR million)	51.9
Students enrolled in education facilities benefiting from finance	21 400
Graduates from educational facilities benefiting from finance	1 513
Energy	
Generation	
Electricity generation capacity from renewable energy sources (MW)	2 772
Electricity produced from renewable energy sources (GWh/year)	5 453
Households that could be supplied with the electricity generated	2 357 744
Transmission	
Capacity of sub-stations constructed or upgraded (MVA)	1 251
Electricity sub-stations constructed or upgraded	90
New connections to electricity networks	154 539
Power lines constructed or upgraded for transmission and distribution of electricity (km)	5 716

Health	
Constructed or refurbished floor area in health facilities	16 520
Equipment and ICT supplied to health facilities (EUR million)	2.6
Population vaccinated against infectious diseases (millions)	185
Transport	
Urban public transport	
Length of bus lanes, tram lanes or metro tracks constructed or upgraded (km)	39
Stations or stops constructed or upgraded	62
Vehicles or rolling stock purchased or rehabilitated	49
Additional trips on public transport (passengers/year)	47 560 000
Time savings (million hours/year)	24
Rail	
Length of track lines built or upgraded (km)	152
Stations or stops constructed or upgraded	2
Additional trips on public transport (passengers/year)	650 000
Time savings (million hours/year)	0.45
Beneficiaries (cargo) (tonnes/year)	740 000
Roads	
Length of road lanes built or upgraded (km)	4 116
Urban development and energy efficiency	
Area of open space created, redeveloped or remediated (m ²)	390 300
Building surface built or upgraded (m ²)	34 320
Number of social or affordable housing units built or renovated	2 300
Pipelines for heat/refrigeration installed or upgraded (km)	22
Number of households in new or refurbished social and affordable housing	2 300
Population benefiting from improved infrastructure through co-financed programmes	150 000
Population benefiting from new/upgraded urban or regional infrastructure	369 200
Water, sanitation and waste	
Water supply	
Capacity of reservoirs or raw water storage constructed or rehabilitated (m ³)	64 100
Capacity of water treatment plant constructed or rehabilitated (m ³ /day)	566 676
Length of water mains or distribution pipes installed or rehabilitated (km)	3 990
Domestic connections to water supply created or rehabilitated	76 419
Persons benefiting from safe drinking water	3 129 037
Persons with reduced exposure to drought risk	1 500 000

Water, sanitation and waste	
Sanitation	
Capacity of sewage treatment plant constructed or rehabilitated (person-equivalent)	387 941
Length of new or rehabilitated stormwater drains (km)	270
Length of sewer and/or stormwater pipes installed or rehabilitated (km)	3 520
Domestic connections to sanitation services created or rehabilitated	40 000
Wastewater treated to acceptable standards (person-equivalent)	687 941
Persons benefiting from improved sanitation services	1 056 545
Flood prevention	
Length of dykes constructed or rehabilitated (km)	24
Persons facing reduced risk of flooding	302 240
Waste management	
Existing landfills or dumpsites closed or rehabilitated (m ³)	440 000
New waste facility capacity (tonnes/year)	50 000
New waste collection vehicles	100
Amount of recyclables/biowaste collected separately (tonnes/year)	55 000
Amount of residual waste collected (tonnes/year)	460 000
Amount of waste disposed of on new sanitary landfill (tonnes/year)	355 000
Persons benefiting from new waste collection system	1 100 000

Table 4: Expected employment results of new infrastructure projects

	Temporary employment in project construction (person-years)	Permanent employment in project operation (full-time equivalent)
Agriculture and forestry	43 266	8 495
Digital	1 213	349
Education	6 220	33
Energy	41 813	4 000
Health	30 400	3 000
Industry	5 007	30 393
Transport	64 886	785
Urban development	25 467	51 575
Water, sanitation and waste	34 629	2 204
Total	252 901	100 834

Table 5: Expected results of new private sector development projects

Credit lines for MSMEs and mid-caps – 23 operations, €1 443 million			
	MSMEs	Mid-caps	All
Total loans (EUR million)	1 342	349	1 691
Total loans (#)	25 859	348	26 207
Average loan size (EUR thousand)	52	998	15 500
Average loan tenor (years)	4.5	5.6	4.7
Jobs sustained in beneficiary firms	476 581	110 676	587 255
Credit lines for microfinance – 3 operations, €132 million			
Total loans (EUR million)			1 017
Total loans (#)			551 288
Average loan size (EUR)			1 845
Women as % of final beneficiaries			49
Jobs sustained in beneficiary firms			199 014
Jobs sustained held by women			97 905
Jobs sustained held by youth			33 799
Equity funds – 15 operations, €545 million			
Total fund size (EUR million)			4 029
Average leverage ratio			7.4
Investee companies (#)			170
Average investment (EUR million)			21.1
Jobs sustained in investee companies			84 966
Net jobs created in investee companies			13 394

THE EIB'S CONTRIBUTION TO NEW PROJECTS

The EIB finances sound projects. It also provides support packages including advantageous financing conditions, technical advice and help in attracting further finance. This is the “EIB contribution”, which goes well beyond the financing that project promoters can otherwise obtain in local markets.

AIM Pillar 3 evaluates how the EIB facilitates or strengthens a project by providing financial or non-financial support that complements what is available from market sources.⁵⁸ The EIB contribution responds to identified market failures; without it, the project in question either could not go ahead, or would be limited in scale and scope. The types of financial contribution assessed are:

- **Financial benefit** — An assessment of financial value added or, where this is not possible, benefits in terms of capital relief.
- **Extension of loan maturity** — The financing repayment period offered by the EIB in excess of what is otherwise available in the market.
- **Customised financing terms** — Additional benefits provided by the EIB's financing structure beyond the price advantage and longer maturity.

The assessment of the **non-financial contribution** covers:

- **Crowding-in effect** — The extent to which the EIB's involvement has a catalytic role in mobilising other financiers, whether by crowding in private sector financiers or via the terms of its involvement with public sector partners.
- **Financial advice and structuring** — The extent to which a product is considered innovative in terms of financial advice and structuring in a specific market and/or for the counterparty.
- **Technical contribution and advice** — The technical contribution made by the EIB including the upstream involvement of advisory services, the involvement of external technical assistance financed and/or supervised by the EIB, and the contribution of EIB experts to improving a project during its preparation or implementation.
- **Raising standards** — The extent to which projects beyond the European Union contribute to the dissemination of EU standards in areas such as procurement, technical standards or environmental, social and governance standards.
- **Innovative financing** — A bonus indicator used when appropriate to capture how the financing is considered innovative in ways other than financial advice and structuring.

58. This is also aligned with the multilateral development banks' harmonised framework for additionality in private sector operations. <https://www.adb.org/sites/default/files/institutional-document/456886/mbd-additionality-private-sector.pdf>

Table 6: AIM Pillar 3: the EIB contribution – summary for different instrument types for 75 new projects assessed under the AIM framework

		Loans for infrastructure	Credit lines for MSMEs and mid-caps	Equity funds
Number of projects		30	26	19
EIB contribution – overall rating		Average rating	3.1	3.1
Financial contribution	Financial contribution – overall	Average rating	3.7	3.1
	Longer maturity	Average rating	3.6	3.0
	Match with economic life	Average (%)	90	86
	Customised terms	Average rating	3.6	3.1
	Extension of tenor	Average (%)	152	56
Non-financial contribution	Non-financial contribution – overall	Average rating	2.9	3.3
	Innovative financing (bonus)	Average rating	1.7	2.5
	Crowding-in	Average rating	2.8	3.3
	Subsidy	Average (%)	11	5
	Financial advice and structuring	Average rating	2.2	2.6
	Technical contribution and advice	Average rating	2.8	0.0
	Raising standards	Average rating	2.9	3.5

Table 7: ReM Pillar 3: the EIB contribution – summary for different instrument types for four new projects assessed under the ReM framework

		Loans for infrastructure
Number of projects		4
EIB contribution – overall rating		3.0
Financial contribution	Overall rating	Average rating
	Subsidy	Average rating
	Subsidy	Average (%)
	Local currency	Average rating
	Extension of tenor	Average rating
	Extension of tenor	Average (%)
	Match with economic life	Average rating
	Match with economic life	Average (%)
Financial facilitation	Overall rating	Average rating
	Innovative financing	Average rating
	Attracting other private sector financiers	Average rating
	Raising standards	Average rating
Advice	Working with public sector partners	Average rating
	Overall rating	Average rating
	Financial advice and structuring	Average rating
	Technical contribution and advice	Average rating

Note: EIB contribution ratings for individual projects: 4 = high; 3 = significant; 2 = moderate; 1 = low. Simple averages across projects.

Financial concessionality is another way of looking at the degree of financial contribution provided by EIB Global. Financial flows such as loans are concessional when they are provided with conditions substantially more favourable than what is available in the market, so that they may be considered to include a grant element. The Development Assistance Committee of the OECD has established concessionality thresholds that must be met in order for financial flows to be considered official development assistance. These thresholds are different for low-income, lower-middle income and upper-middle income countries. Much higher thresholds are set for lower-middle and, particularly, low-income countries, in view of their greater need for grants or highly concessional loans.⁵⁹

The EIB reports on the concessionality of its financing (disbursements) annually, via the European Commission, to the OECD. It reports on disbursements, as the final interest rate (and thus the concessionality of loans) is only known at disbursement. Figures for 2023 will be published by the OECD in the last quarter of 2024. In the meantime, the data for 2022 disbursements can be used to get a sense of the degree of concessionality of EIB Global financing. In 2022, 77.4% of disbursements (to the public and private sector) to OECD Development Assistance Committee (DAC)-listed ODA Recipient countries met the concessionality thresholds required to qualify for official development assistance (ODA).

Table 8: Share of EIB disbursements to OECD Development Assistance Committee listed countries in 2022 that qualify for official development assistance (in EUR million)

	ODA-eligible amounts disbursed	Other official flows, amounts disbursed	ODA grant equivalent amount	Official development assistance as % of total disbursements
To the public sector				
of which loans	4 102	487	1 607	89%
of which equity	52		52	100%
To the private sector				
of which loans	508	936		35%
of which equity	218		100%	100%
Total	4 880	1 424	1 659	77%

Note: As per the OECD-DAC list of ODA recipients for reporting on aid in 2022 and 2023. The official methodology for private sector instruments is different from the methodology used for public sector instruments. Private sector instruments disbursed in 2022 are still reported as official development assistance on a cashflow basis, rather than on a grant equivalent basis, provided they met a threshold of at least 25% concessionality. In 2022, the calculation of grant equivalent amounts was limited to loans within the public sector due to the absence of a methodology for the private sector. However, for the 2023 flows, the DAC has embraced a new methodology that encompasses all private sector instruments, such as loans, equity and guarantees. It's worth noting that the methodology for equity will remain consistent for both private and public sector loans.

59. See: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/officialdevelopmentassistancedefinitionandcoverage.htm>

CARBON FOOTPRINT EXERCISE

The EIB carbon footprint exercise estimates and reports greenhouse gas emissions from projects (not just climate action projects) when either or both of the following thresholds are exceeded:

- **absolute emissions** (actual emissions from the project) exceed 20 000 t CO₂-eq/year;
- **relative emissions** (estimated emissions increases or abatement compared to the expected alternative) exceed 20 000 t CO₂-eq/year.

Absolute emissions refer to the direct emissions of the project itself (Scope 1 emissions) plus emissions from generation of the power supply used by the project (Scope 2 emissions). Scope 3 emissions (other indirect emissions) are not normally included in project data, except for physical infrastructure links such as roads, railways and metros. Relative emissions are estimated by comparing the absolute emissions with those produced by the status quo.

While relative emissions are important for comparing technologies and projects, the absolute emissions from each project lie at the heart of the EIB's footprint approach, as these are what will ultimately affect our climate impact. Individual project-level greenhouse gas data are assessed at project appraisal and reported on the Bank's environmental and social data sheets. For the purposes of aggregated annual reporting, project emissions are calculated in proportion to the volume of EIB financing for each project that year, thus avoiding possible double counting with the reporting of other international financial institutions.

The 2023 exercise included 16 projects outside the European Union (including contracts signed and large allocations approved during the year), representing €2.6 billion of EIB lending. The exercise estimates the greenhouse gas emissions from financing these investment projects at 152 100 t CO₂-eq/year. Estimated savings from financing these investment projects are 652 600 t CO₂-eq/year.

The latest version of the EIB Project Carbon Footprint Methodologies was published in 2023.⁶⁰

60. EIB, 2023, "EIB_project_carbon_footprint_methodologies".

MACROECONOMIC IMPACT MODELLING

Economic modelling is a key tool to complement the outputs and outcomes we measure for each project. It can give a sense of the scale of the wider, indirect macroeconomic effects of supported investments.

For example, a project to build a metro line will have clear direct effects in terms of things like transport services provided or people employed for its construction. However, it will also have indirect effects that are harder to trace and measure at the project level. These include:

- Indirect effects on employment along the supply chain (“indirect backward effects”), such as increased demand for products like concrete and steel for construction, as well as supplies needed for operation. Supplying this demand supports additional employment.
- The inducement of further demand and employment through increased incomes (“indirect spillover effects”). Both direct employment in project construction and operation, and employment supported indirectly along the construction and operation supply chain, give workers more income to spend, which has a further knock-on effect on demand and employment.
- Indirect forward effects on productivity and competitiveness. Reduced congestion and travel times may improve economic efficiency in a range of economic sectors, with further economic impacts.

There are various ways of modelling indirect economic impacts. For operations outside the European Union, the EIB currently uses the Joint Impact Model developed collaboratively by a number of development finance institutions.⁶¹

We have used the Joint Impact Model to investigate the possible indirect impact on employment of the €37.5 billion of investment supported by EIB financing outside the European Union in 2023. This model estimates that such investments will support some 330 000 indirect backward jobs along supply chains during operation (for example, supplying the materials and equipment used in the project) and some 510 000 during construction (such as producing construction materials, tools and machinery, etc.). The model estimates that a further 290 000 jobs are likely to be induced by the extra income generated throughout the spillover from the operation and its supply chain, and some 530 000 jobs from the spillover of the construction and its supply chain activity. Indirect forward effects, such as through the production of electricity and other productivity-enhancing features, cannot yet be estimated using the Joint Impact Model, but will hopefully become available in the future. Partial figures suggest that some 97 000 jobs will be supported through energy supply improvements. It is important to note that these figures are indicative and depend on the model set-up and current methodology.

Table 9: Indirect employment impact of €37.5 billion of investment supported by EIB lending outside the European Union in 2023: Joint Impact Model results

	Project construction supply chain	Project operation supply chain
Indirect backward effects on employment along the supply chain	510 000	330 000
Inducement of further spillover effects on demand and employment through increased incomes	530 000	290 000
Indirect forward effects on productivity and competitiveness	Only partial estimates available: 97 000 jobs from energy supply	

61. The Joint Impact Model was developed by the Dutch consultancy firm Steward Redqueen, Proparco of France, CDC Group in the United Kingdom, the African Development Bank, the Belgian Investment Company for Developing Countries, FinDev of Canada, and Financierings-Maatschappij voor Ontwikkelingslanden (FMO) of the Netherlands.

RESULTS OF COMPLETED PROJECTS

We reassess project results fully upon completion in order to check the accuracy of our assessment at appraisal and draw lessons for future project appraisal and design. This full reassessment is performed for projects originally appraised from 2012 onwards.⁶² This section summarises the key output and outcome indicators for such projects that reached completion in 2023.

CREDIT LINES FOR MSMES AND MID-CAPS

Ten credit lines for MSMEs and mid-caps, originally appraised under the Results Measurement (ReM) or Additionality and Impact Measurement (AIM) frameworks in previous years, reached completion in 2023. This is a higher number of completions than last year, reflecting the increase in operations in the pre-accession countries (five credit lines versus one last year). There were two operations in Serbia and in Bosnia and Herzegovina and one in Montenegro. Two of the credit lines were for banks in North Macedonia and Belarus, with the other two in sub-Saharan Africa (Benin, Rwanda) and the Maldives.

Table 10: Results achieved for ten completed credit lines

Results achieved	All SMEs	Micro	Small	Medium	Mid-caps*	All
Total loans (EUR million)	355	35	149	172	86	441
Total loans #	1 976	546	962	468	160	2 136
Average loan size (EUR thousand)	180	64	154	367	535	207
Average investment size (EUR thousand)	265	99	216	558	773	303
Average loan tenor (years)	5.3	6.0	5.3	5.2	5.1	5.4
Jobs sustained	76 029	2 897	23 868	49 264	52 275	128 304

*Mid-caps includes 22 loans to public sector entities.

Supported by these credit lines, partner banks extended more than €441 million through 2 136 loans. Of these, 1 976 loans benefited SMEs and 160 benefited mid-caps. This lending helped to sustain 128 304 jobs in the final beneficiary companies. The average tenor of the loans provided to final beneficiaries (weighted by loan size) was 5.4 years.

The results of credit lines for SMEs and mid-caps can be difficult to estimate in advance because they are tied to the lending intermediaries' success in finding clients in unpredictable or changing environments. When intermediaries are unable to fully allocate the EIB credit line amount, the outstanding amount is eventually cancelled. Among the credit lines completed in 2023, six were affected in this way, reducing the total disbursed amount from the expected €472 million to €441 million.

For the operations completed in 2023, the total number of loans was 3% higher than expected while the split between SMEs and mid-caps was as expected (93% in SMEs). However, looking at the individual credit lines, there was a great variation: In four lines the amount of loans was overestimated, while in another six the amounts were underestimated.

62. The EIB's ReM framework, the predecessor to the AIM framework, was launched in 2012.

With 38 employees, the average size of supported SMEs was bigger than originally predicted (31 employees). As a result, the overall total for jobs sustained was 22% higher than expected.

The weighted average loan tenor provided to final beneficiaries through this set of credit lines was broadly in line with what was expected.

All in all, at completion in 2023 we saw a lower volume of loans but a higher number of loans than expected — a lower average loan size which sustained more jobs than expected.

Table 11: Results expected for ten completed credit lines

Results achieved	All SMEs	Mid-caps	Other*	All
Total loans (EUR million)	388	74	10	472
Total loans #	1 936	95	46	2 077
Average loan size (EUR thousand)	201	774	223	227
Average investment size (EUR thousand)	366	1 495	585	423
Average loan tenor (years)	5.4	5.9	6.9	5.5
Jobs sustained	59 802	41 700	3 700	105 202

*“Other” indicates loans to municipal authorities. No employment data are reported for these.

SOCIAL AND ECONOMIC INFRASTRUCTURE DEVELOPMENT – RESULTS ACHIEVED

Of the social and economic infrastructure projects tracked using the Results Measurement framework (since 2012), 17 reached completion in 2023. These include three concerned with electricity generation and energy efficiency, four forestry projects, two gas pipeline projects, two industry projects, three transport projects and three water sector projects.

Table 12: Results for infrastructure projects completed in 2023

	Expected	Achieved (for projects with expected results data)	Achieved (all)
Electricity generation and energy efficiency (three projects*)			
Electricity generation capacity from renewable energy sources (MW)	223	119	569
Electricity produced from renewable energy sources (GWh/year)	425	280	1 530
Average cost of electricity generated with environmental externalities (euros/MWh)	82.30	70.40	63.65
Households which could be supplied with the electricity generated by the project	105 000	125 000	687 600
Energy – annual efficiencies realised (GWh/year)	138	117	171
Energy-efficient and innovative mobile towers deployed	715	145	145

* Includes one telecommunications sector project with a focus on the installation of energy-efficient mobile network towers.

Table 12: Results for infrastructure projects completed in 2023 (continued)

	Expected	Achieved
Forestry (four projects)		
Area of forest or other habitat protected (hectares)		14 584
Area with improved management (hectares)	157 120	58 905
Forest growth (m ³ /hectare/year)	8.3	11.6
Forest/biomass growth (m ³ /year)		638 620
New area of forest planted (hectares)	40 130	52 197
New or maintained rural roads (km)		850
Production (timber, tonnes/year)	20 000	18 600
Gas transmission (two projects)		
Compression capacity (MW)	164	254
Quantity of gas storage utilisation (GWh/year)	100 000	180 000
Industry (two projects)		
Production (chemicals and chemical products, tonnes/year)	1 600 000	1 460 000
Exports of goods produced (chemicals and chemical products, tonnes/year)	1 200 000	1 200 000
Total sales of the promoter (million euros/year)	250	385
Rail (one project)		
Length of track line built or upgraded (km)	167	167
Stations constructed or upgraded	1	1
Beneficiaries (passenger trips/year)	900 000	600 000
Additional cargo carried (tonnes/year)	300 000	200 000
Roads (two projects)		
Length of road built or upgraded (lane km)	100	92
Beneficiaries (annual average daily traffic)		43 700
Time savings (million hours/year)	0.80	0.80
Vehicle operating cost savings (million euros/year)	1.13	1.13
Water and sanitation (three projects)		
Wastewater treated to acceptable standards (person-equivalent)	400 000	400 000
Population served by the new/upgraded infrastructure	364 390	364 390

Table 13: Results for infrastructure projects completed in 2023 — Employment

	Expected	Achieved
Employment during construction (person-years)	103 283	116 501
Employment during operation (full-time equivalent)	16 803	13 274

Among the energy sector projects, two were framework loans for small-scale projects, both in Türkiye, and focused on **electricity generation**. As is commonly the case for framework loans, the actual sub-projects (and thus the expected results) were not defined for one of the projects. Together, these operations installed 569 MW capacity for clean electricity generation, generating 1.53 TWh/year and serving the needs of an estimate 687 000 households. Along with a telecoms project and a water project, these operations also achieved energy efficiency gains of 171 GWh/year.

Four **forestry** projects included three large sub-projects under framework loans for forestry in China and one forestry-focused equity fund. Together they achieved the afforestation of 52 000 hectares and improved management for a similar area.

Two **gas pipeline** projects traversing Türkiye and the Adriatic Sea between Albania and Italy have proved to be of strategic importance to EU energy security in the wake of Russia’s invasion of Ukraine. The gas storage utilisation recorded (180 TWh/year, with figures available for one project only) corresponds to gas flow of 16 billion cubic metres per year.

Industry projects included a plant in Nigeria now annually producing 1.46 million tonnes of agricultural fertiliser, while a **rail project** in Montenegro is supporting around 600 000 passenger trips annually, and 200 000 additional tonnes of cargo. **Road projects** targeted urban congestion in Albania and post-disaster reconstruction in Madagascar.

Lastly, three **water and wastewater** sector projects reached completion, although results data were only available from the project promoter for one of these, a wastewater project in Panama serving around 400 000 people.

Overall, expected results, estimated at appraisal, have proven quite accurate in most cases. There were some inaccuracies and changes of scope, however. In one energy framework loan, the sub-projects eventually supported installed a lower generation capacity than had originally been planned for. In two forestry projects the total area of forests with improved management was lower, but this was offset in both cases by a larger area of new forests planted. Estimates of passenger numbers and cargo carried for the railway project were also lower at completion than at appraisal. Although results at completion were available for most projects, in some cases information was not available from the project promoter or could not be fully obtained.

ANNEX 1: LENDING VOLUMES

Unless otherwise stated, lending volumes in this report are for all contracts signed in 2023 for projects outside the European Union. These include contracts signed for new projects, where the first financing contract was signed in 2023. They also include a smaller number of follow-up contracts signed under older projects that had been mentioned in previous reports (because earlier financing contracts for these projects were signed in previous years). This is in line with standard EIB reporting of lending volumes. A breakdown of 2023 lending volumes for both new projects and older projects is presented in the table below.

A slightly different scope is used for reporting project results in this “Impact in detail” section. To avoid double counting, we only report the results of new projects (with the first financing contract signed in 2023) — and not of follow-up contracts, the expected results of which have been reported previously. In the section on the expected results of new lending, we also only present lending volumes by sector and instrument type for new projects. In this case, we report the full EIB commitment (approved lending). This covers both the amounts under contracts signed in 2023 and any prospective approved balance to be signed under future contracts.

Table 14: 2023 aggregate lending volumes (in EUR million)

	New projects (first signed in 2023)			Older projects (first signed before 2023)	Total contracts signed
	Total project cost	Funding approved	Contracts signed in 2023		
Enlargement countries	4 302	1 622	1 400	519	1 919
Neighbourhood regions	8 369	1 474	1 336	376	1 712
Sub-Saharan Africa	8 755	1 897	1 816	661	2 477
Asia and the Pacific	3 762	849	727	633	1 360
Latin America and the Caribbean	1 360	463	459	509	969
SME and mid-cap finance	6 253	1 923	1 705	341	2 046
Innovation, digital and human capital	5 738	1 029	919	554	1 472
Sustainable cities and regions	6 033	1 038	924	1 063	1 987
Sustainable energy and natural resources	8 524	2 315	2 191	741	2 931
Economic and social cohesion*	697	449	409	724	1 134
Climate action and environmental sustainability*	13 891	3 237	3 020	1 473	4 493
Total	26 548	6 305	5 738	2 699	8 437

* Cross-cutting objectives — these overlap with other objectives and are not included in the total.
Note: Central Asia is included under Asia and the Pacific.



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