



EU-Africa
Infrastructure
Trust Fund
Annual Report



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The EU-Africa Infrastructure Trust Fund

The EU-Africa Infrastructure Trust Fund (EU-AITF) is an instrument of the wider EU-Africa Infrastructure Partnership. The Fund aims to increase investment in infrastructure in sub-Saharan Africa by blending long-term loans and risk capital with grant resources from the European Commission and a number of EU Member States on the basis of African ownership. Technical and lending capacities are provided by EU development finance institutions, as well as the African Development Bank, with the aim of promoting cooperation.

The Fund was established in 2007 by the European Commission and several EU Member States.

It offers grant support from two different envelopes:

- **A Regional Envelope** (EUR 482 million), which promotes regional infrastructure projects in the energy, transport, water and information and communication technologies (ICT) sectors. This can cover cross-border projects or national projects with a demonstrable regional impact on several countries. Eight out of the 17 grants approved in 2015 were for regional projects; nearly all of them (seven) in the transport sector.
- **The Sustainable Energy For All (SE4ALL) Envelope** (EUR 330 million), which supports regional, national and local energy projects targeting SE4ALL objectives. These are to: ensure universal access to modern energy services, double the global rate of improvement in energy efficiency and double the share of renewable energy in the

global energy mix. The nine grants that received funding from the SE4ALL Envelope in 2015 all support at least one of these objectives.

The EU-AITF can provide four types of grant support: first, in the form of technical assistance (TA) for preparatory work such as feasibility studies, Environmental and Social Impact Assessments (ESIAs), Resettlement Action Plans (RAPs), etc., for project supervision and for targeted capacity building; secondly, interest rate subsidies (IRSs) can be applied to enable EU-AITF financiers to make long-term loan finance available at more favourable terms; a third type is investment grants (IGs), which are non-reimbursable contributions to finance tangible or intangible project components, for example in order to decrease total investment costs. IGs can also finance specific project components which have substantial demonstrable social or environmental benefits; lastly, there is a range of financial instruments (FIs) such as loan guarantee cost financing, insurance premiums, and equity or quasi-equity investments or other risk-sharing instruments.



European Union Africa Infrastructure Trust Fund

The Trust Fund's governance is structured as follows:

- **The EU-Africa Reference Group on Infrastructure (RGI):** The Group, formerly known as the 'Partnership Steering Committee' (established in 2007), provides strategic guidance, notably to ensure efficient coordination of and synergies between the different policies and actions in the four sectors of the EU-AITF (transport, energy, ICT and water). It is made up of representatives from the African Union Commission and EU Member States. It liaises with other international bodies and initiatives that support infrastructure, such as the 'Infrastructure Consortium for Africa' and 'Sustainable Energy for All'.

- **The Executive Committee:** The EU-AITF Executive Committee is the governing body of the Trust Fund. Its role is to examine and approve grant operations, ensure adherence to all terms and conditions and financing requirements, and review the effectiveness and visibility of operations. It takes all the main operational decisions. It is made up of:

- representatives of all EU-AITF donors (i.e. the European Commission and 12 participating Member States): they may have voting or non-

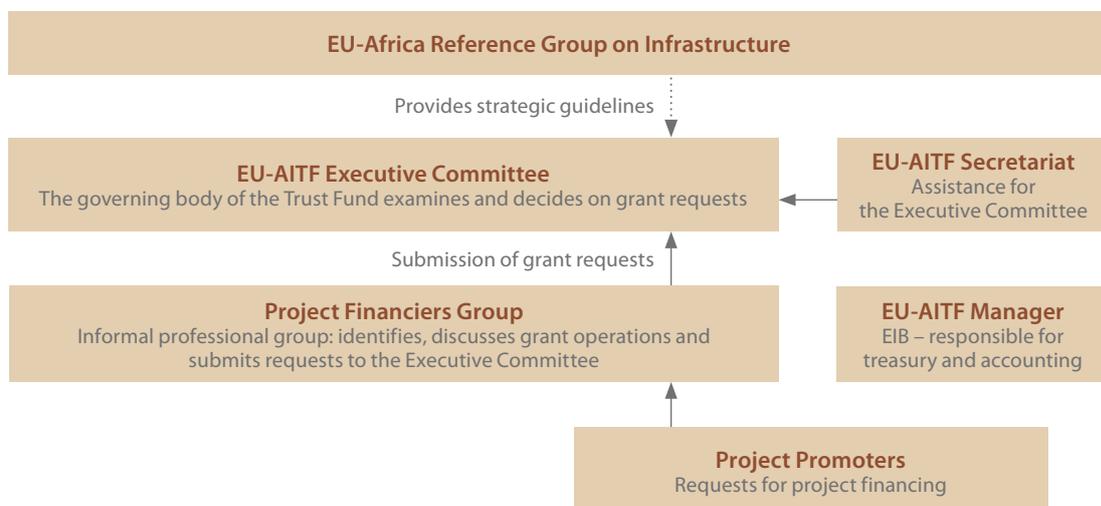
voting status depending on the date of their last contribution

- the EU-AITF Manager and Secretariat: both have non-voting status.

- **The Project Financiers Group (PFG):** The PFG comprises the project financiers (development finance institutions, banks, Member State agencies and other public bodies with international development expertise) nominated by donors and the European Commission. Project financiers vet all grant requests before they are submitted to the Executive Committee for approval.

- **The Trust Fund Manager:** The Manager (the EIB) is responsible for the financial management, accounting and treasury operations of the Trust Fund.

- **The Secretariat:** The Secretariat assists the Executive Committee in fulfilling its functions. Its responsibilities are to ensure the efficient and effective operation of the Fund, to liaise with the PFG and to coordinate the EU-AITF's overall governance process. It also provides a permanent contact point for stakeholders interested in the Trust Fund's activities.



Joint Foreword

by the EIB President and the European Commissioner for International Cooperation and Development

Unlocking investment to meet the most urgent global challenges

The European Union is the world's largest donor of development aid. Member States have pledged to increase Official Development Assistance (ODA), and both the European Commission and the European Investment Bank (EIB) will increase their cooperation with the private sector to unlock further development finance to support investment in vital sectors such as infrastructure and energy.

The EU-Africa Infrastructure Trust Fund (EU-AITF) has long made a significant contribution to mobilising additional finance for key infrastructure projects in sub-Saharan Africa, focusing on access to energy, transport, water and sanitation, as well as communication services.

Investment in infrastructure is crucial to foster sustainable and inclusive growth and to achieve the Sustainable Development Goals (SDGs) agreed at the United Nations in September 2015. In a period of

limited economic growth, public finances are constrained. As such, the most effective use of public funding is to catalyse private finance through multi-lateral development banks (MDBs). This blending of grants and MDB financing has helped to leverage infrastructure investment around the world, including in sub-Saharan Africa. That's exactly what the EU-AITF does.

To date, the EU-AITF has generated investments of EUR 8.9 billion with grants of EUR 456 million. This investment was targeted towards public good projects that made a real difference to people's lives, such as providing access to electricity, clean water, information and communication technology, and modern transport infrastructure. In 2015 alone, the EU-AITF approved support for six transport projects in some of sub-Saharan Africa's least connected and most vulnerable areas, like northern Nigeria or South Sudan. The Sustainable Energy for All (SE4ALL) Envelope has been a particular success since its inception in 2013, with two-thirds of its resources already committed. Several EU-AITF grants provided finance through this instrument, and boosting private investments in renewable energy and energy efficiency is showing results.



The importance of tackling regional economic development, which is crucial to address both social and environmental issues, is reflected in the 2030 Agenda for Sustainable Development. Partnership with, and among, regional economic groups will be key to the successful pursuit of Sustainable Development Goals. However, the cross-cutting and interlinked nature of the SDGs requires global engagement and a contribution from stakeholders beyond governments, international organisations and the established development community.

Energy, climate and the fight against poverty were the main focus of COP21 in Paris last December, where 195 countries adopted the first legally binding global climate agreement. The EU is strongly committed to supporting climate change mitigation and adaptation in developing countries. The EIB is

working closely with financiers in the EU-AITF, with multilateral and bilateral development banks, and with private investors to increase climate-related investment. Tackling climate risks is a key priority for the EIB. Indeed, the EIB pledged to increase the climate action target as a proportion of its funding in vulnerable and developing countries to at least 35%, well above the 25% minimum climate action target for its investments overall. Together with around 20 multilateral, bilateral, national and commercial finance institutions, the EIB also supports the Principles for Mainstreaming Climate Action within Financial Institutions.

We both look forward to another year of successful EU-AITF support for projects that deliver results with a lasting impact, improving lives and opportunities across sub-Saharan Africa.

Neven Mimica,
Commissioner for International Cooperation
and Development,
European Commission,
Founding Donor

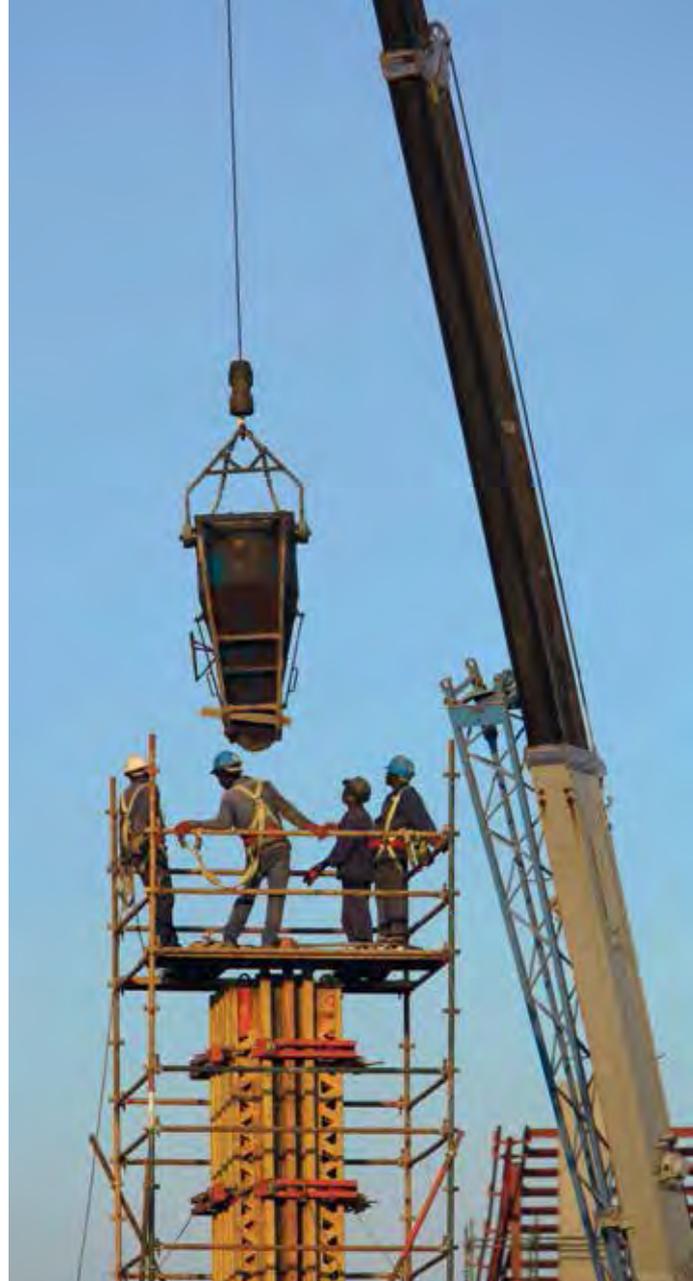
Werner Hoyer,
President,
European Investment Bank,
Manager of the Trust Fund

EU-AITF at a glance

Since inception, the EU-AITF has approved 104 grants for 77 projects in Africa, for an amount of EUR 654.9 million¹.

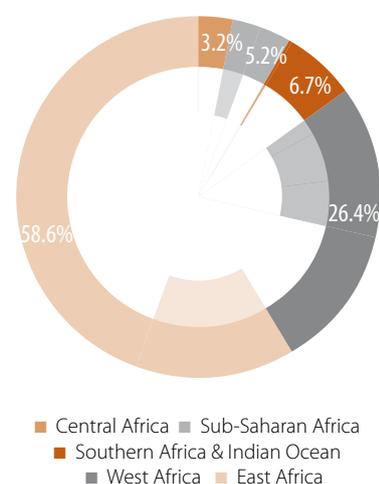
The bulk of the grant funding is for projects in East and West Africa – with these two regions involved in nearly 80% of the operations, while accounting for 85% of the total grant value.

Over half, namely 69 grant operations, worth a total of EUR 456 million, have contributed to projects that have since become operational or reached the investment phase. The overall cost of these projects is estimated at EUR 8.9 billion, which is 19.5 times the volume of the EU-AITF grant support. The Project Financiers Group (PFG) has financed about half of this amount, i.e. 10 times the grant volume.



Main Region ²	Grant amount (in EUR)	% of amount	No. of grants
Central Africa	20 702 100	3.2	5
Sub-Saharan Africa	33 800 000	5.2	7
Southern Africa & Indian Ocean	43 603 233	6.7	10
West Africa	173 193 989	26.4	32
East Africa	383 566 953	58.6	50
Total	654 866 275	100.0	104

EU-AITF approvals by main REGION (cumulative, as % of amount)
(inner ring represents the share of SE4All)



¹ Net of cancellations.

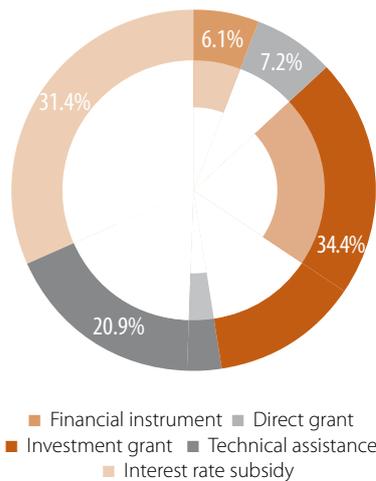
² For a list of countries per region, please refer to the Annex.



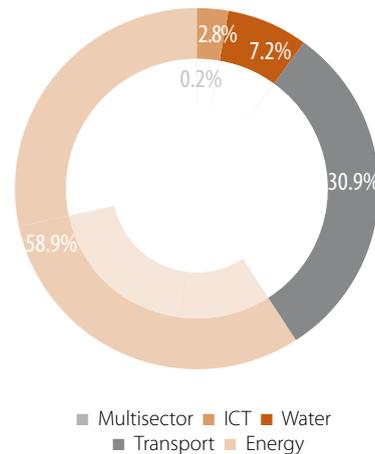
The largest share of EU-AITF grant funding (34.4%) goes to investment grants. Up from 20.2% in 2014, this type of grant has replaced interest rate subsidies in the top position. This is due to the large volume of investment grants approved in 2015, amounting to EUR 116.9 million or 83.6% of the grant amount approved during that year.

In 2015, EU-AITF support went to projects in the energy and transport sectors, which are those most served by the Fund since inception, accounting together for nearly 90% of the total grant amount.

EU-AITF approvals by TYPE of grant (cumulative, as % of amount)
(inner ring represents the share of SE4All)



EU-AITF approvals by SECTOR (cumulative, as % of amount)
(inner ring represents the share of SE4All)

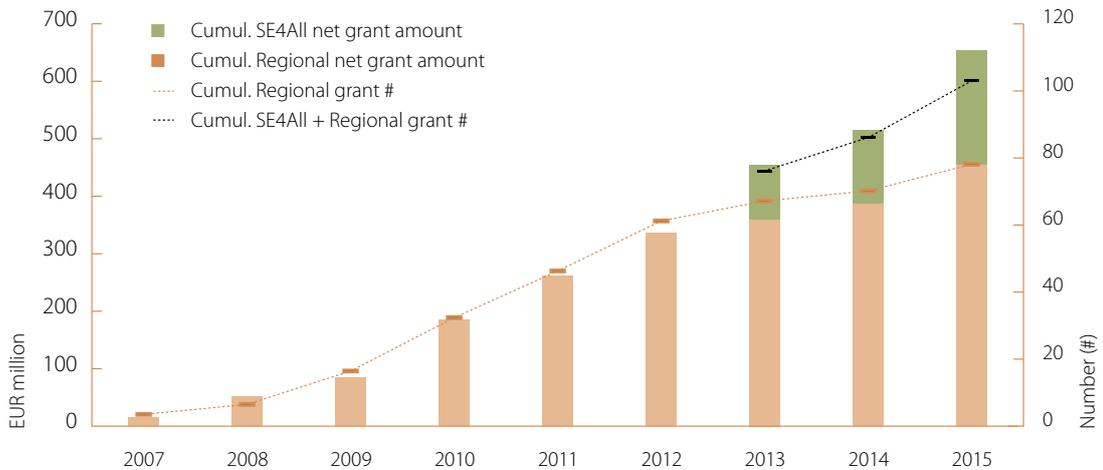


Type of grant	Grant amount (in EUR)	% of amount	No. of grants
Financial instrument	40 000 000	6.1	2
Direct grant	46 915 984	7.2	4
Investment grant	225 290 000	34.4	18
Technical assistance	136 820 120	20.9	62
Interest rate subsidy	205 840 170	31.4	18
Total	654 866 275	100.0	104

Sector	Grant amount (in EUR)	% of amount	No. of grants
Multisector	1 300 000	0.2	2
ICT	18 347 737	2.8	6
Water	47 100 000	7.2	7
Transport	202 455 042	30.9	29
Energy	385 663 496	58.9	60
Total	654 866 275	100.0	104



Both the number and volume of grants approved in 2015 were well above the average of the last five years, bringing the cumulative total of approved grant operations to EUR 654.9 million: EUR 454.1 million under the Regional Envelope (since 2007) and EUR 200.8 million under the SE4ALL Envelope (since July 2013).



EU-AITF supported projects make an important contribution to sub-Saharan Africa's development objectives, by providing people with access to electricity, safe drinking water, cutting-edge information and communication technology, and modern transport infrastructure. The projects approved to date are expected to result in:

- 6.9^{GW}** of additional electricity from renewable energy sources
- 18 799^{km}** of transmission or distribution lines installed or upgraded
- 1 851^{km}** of roads built or upgraded
- 627 500** households benefiting from safe drinking water
- 11 930^{km}** of internet cable installed³
- 3 114** direct permanent jobs created
- 48 462** jobs generated during construction phase

³ Already achieved.



EU-AITF and the Programme for Infrastructure Development in Africa



The Programme for Infrastructure Development in Africa is an African-led programme to help close the infrastructure gap that is vital for Africa's transformation by developing priority regional and continental infrastructure in transport, energy, trans-boundary water and ICT.

The EU-AITF Regional Envelope is closely aligned to the objectives of PIDA and promotes infrastructure projects with a cross-border dimension or demonstrable regional impact, especially those in the PIDA Priority Action Plan. Since the creation of the Trust Fund in 2007, 49 out of the 104 approved EU-AITF grant operations have supported PIDA objectives, with 35 projects being backed. Nearly all of these grants (48 out of the 49) are under the Regional Envelope, although projects in line with PIDA's objectives in the energy sector may also be

eligible for the SE4All Envelope introduced in 2013. Indeed, more than half (57%) of all grants approved under the Regional Envelope are directly supporting PIDA projects, representing just over 64% in terms of amount (EUR 291.9 million). The majority of these are in the transport and energy sectors.

This support has enabled progress on transformational infrastructure, as in the case of regional power pools, with a view to facilitating interconnection

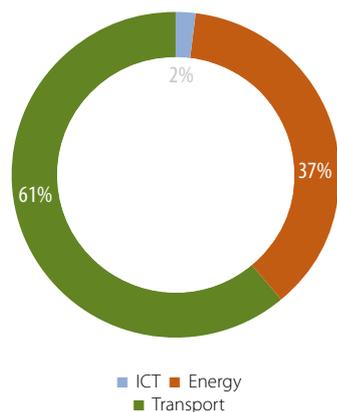
and promoting regional integration. For example, the North-South Power Transmission Corridor and the West Africa Power Transmission Corridor are two PIDA priorities in the energy sector that the EU-AITF has supported. In the latter case, Heads of State of ECOWAS met a decade ago and agreed to develop a West African regional electricity market under the West African Power Pool (WAPP). The EU-AITF has assisted WAPP not only in the Update of the WAPP Masterplan (which we report on as part of our success stories in the section EU-AITF impact) but also in other initial upstream stages supporting an ECOWAS Electricity Regulation and CLSG feasibility studies for the Côte d'Ivoire, Liberia, Sierra Leone and Guinea (CLSG) transmission line. EU-AITF support for this line on the West

Africa Power Transmission Corridor continues with TA for preparation studies and ESIA, right through to procurement and implementation with financing of Owner's Engineer and an interest rate subsidy. WAPP has also been a good example of the EU-AITF's role in facilitating collaboration between a large number of project financiers.

The EU-AITF support for PIDA projects continued in 2015, with nearly EUR 72 million approved during the year for a total of seven PIDA-related grant operations. The majority (six) of these grant operations are under the Regional Envelope, for PIDA projects in the transport sector; one is in the energy sector, under the SE4ALL Envelope.

Approved grants supporting PIDA projects by Sector

(cumulative, as % of amount)



Sector	Net grant amount	% of total amount	# of grants
ICT	6 204 962	2%	2
Energy	111 354 609	37%	22
Transport	185 325 042	61%	25
TOTAL	302 884 613	100%	49



EU-AITF impact: completed grants and projects that changed lives

Rome wasn't built in a day. Neither is a new hydropower plant or a port. Complex and large infrastructure projects frequently take several years to complete.

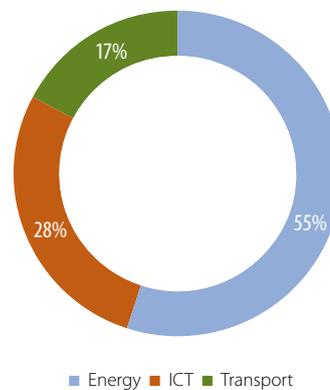
That's why the majority of completed EU-AITF grant operations are TA grants that have supported projects at an early stage by, for example, financing feasibility studies to define, prepare and set up the project.

Since the EU-AITF's inception, 18 grant operations and eight projects have been completed. 37.5% of the number of completed projects and 55% of the number of completed grants are in the energy sector, while the transport sector accounts for 25% of projects and 17% of grants.

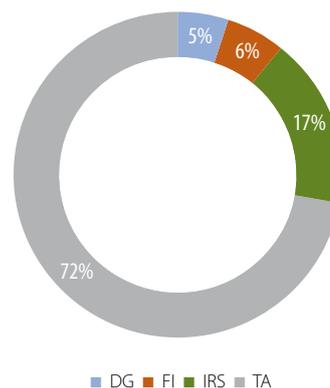
Information and communication technology projects are usually quicker to implement. Indeed, 37.5% of all completed projects are in the ICT sector, although it makes up only 8% of all approved operations in terms of number.

In the water sector, all seven grant operations, in support of four different projects, are still ongoing.

Completed grant operations by sector
(as % of number)



Completed grant operations by type
(as % of number)



Through its support, the EU-AITF has promoted projects that have fostered economic development in sub-Saharan Africa and made a significant difference to people's lives. Here are some success stories.



The EU-AITF connects Africa

Project	Seychelles Submarine Cable	Project	Mauritania Submarine Cable Connection
Country	Seychelles	Country	Mauritania
Lead financier	EIB	Lead financier	EIB
Grant	DG of EUR 4 million	Grant	IRS of EUR 1.62 million

The Seychelles East Africa Submarine (SEAS) cable project brought the first submarine fibre-optic cable from the African continent to the Seychelles archipelago. Thanks to the project the number of internet subscribers in the Seychelles nearly quadrupled between 2010 and 2014. Internet use has increased to 54% of the population (from 41% in 2010). The promoter, the Seychelles Cable Systems Company Limited (SCSL), is a public-private partnership between Airtel, Cable and Wireless Seychelles (CWS) and the Seychelles Government. The cable, with a total length of 1,930 km, arrived at Beau Vallon on 27 May 2012, where it was inaugurated in the presence of the President of the Republic of Seychelles.

The cost of the EUR 27.2 million project was financed through 40% equity and 60% long-term debt provided by the EIB and AfDB. The EU-AITF direct grant was used by the Government of Seychelles to acquire an equity stake in SCSC. The income received by the Government through dividends from this equity stake will be used to provide free internet access to schools, hospitals and other social services.

The “Africa Coast to Europe” (ACE) is a 17,000 km long fibre-optic submarine cable linking 20 or so countries along the western coast of Africa with Europe. The EU-AITF project enabled Mauritania to be connected to the cable and to gain access to the global broadband network for the first time, thereby enhancing the country’s international connectivity and providing users with alternative and cheaper possibilities to access the internet. In the past, internet connection was only possible through satellite links. The connection started to be implemented at the beginning of 2010 and became operational only three years later, at the end of 2012.

The interest rate subsidy provided by the EU-AITF was used to reduce the Mauritanian State’s debt burden in respect of the EIB loan, in line with official debt sustainability requirements, that financed Mauritania’s 35% participation in International Mauritania Telecom (IMT), the operator of the cable connection.

Whatever happened to ... EASSy?

Approved in 2007, the technical assistance for the East African Submarine Cable System (EASSy) was one of the first EU-AITF grants to be approved and the project was one of the first to be completed.

Inaugurated in 2010, the 10,000 km-long optical fibre cable connects several countries along the East African coast from Sudan to South Africa to broadband Internet. The project won the Africa Investor Infrastructure Investment Award 2010.

Reacting to demand for increased capacity and the continued explosion of data traffic in Africa, the cable has since been upgraded by Alcatel-Lucent to higher speeds several times and the number of internet users has increased by 64%, from 35 million people in 2007 to 57.5 million people in 2012⁴.

In January 2014, Alcatel announced plans to further upgrade the cable to the latest 100 gigabit per second (Gbit/s) technology, so as to extend the system's capacity even more.

⁴ Including the Seychelles East Africa Submarine cable.





The EU-AITF helped upgrade one of Central Africa's biggest transport hubs

Project	Port de Pointe Noire
Country	Congo-Brazzaville
Lead financier	AFD
Grants	IRS of EUR 6.6 million + TA of EUR 2 million

Port de Pointe Noire's "Priority Investment Programme" is a EUR 128 million package of works aimed at increasing port traffic by accommodating larger and deeper vessels and by expanding handling and storage capacities. The programme, financed by long-term loans from AFD, the EIB, Banque de Développement des États de l'Afrique Centrale (BDEAC) and an own contribution from the promoter Port Autonome de Pointe Noire (PAPN), includes reconstruction of the quays, extension of the dyke, dredging, water and electricity works, and acquisition of tug boats and patrol boats. As part of AFD's loan for the financing of the rehabilitation works (construction of a protective berm, extension of the external breakwater, rehabilitation and extension of quays and dredging works), the EU-AITF provided an IRS to enable the

borrower to benefit from a reduced interest rate, in line with official debt sustainability requirements. At the time of completion of all works in 2014, port traffic had increased considerably: compared to 2008, cargo had gone up by 45% (8.6 million tons in 2014 vs 5.9 million in 2008) and container traffic had more than doubled (620,000 twenty-foot equivalent units in 2014 vs 266,000 in 2008). Measures are ongoing to clean up some pollution accidentally caused during dredging and are due to be completed by the end of 2016.

The project also benefits from a technical assistance grant for ongoing activities to build PAPN's capacity to improve the environmental management of the port.

The project is a good example of cooperation between the public and private sectors, with both partners sharing the risk. Indeed, the EUR 128 million public works programme for Port de Pointe Noire is complemented by an investment programme of more than EUR 200 million from the private concessionaire, which is responsible for the rehabilitation of the container terminal (transshipment platform and handling equipment). The involvement of the private partner is expected to increase the port's capacity even further.



The EU-AITF contributed to developing West Africa’s power network

Project	Update of the WAPP Masterplan
Countries	West Africa
Lead financier	EIB
Grant	TA of EUR 1.45 million

West Africa’s power sector has to a great extent been shaped by the West African Power Pool (WAPP), a specialised institution of the Economic Community of West African States (ECOWAS). WAPP operates in the general interest of the West African regional power system, with a view to ensuring a reliable power supply throughout the region.

The EU-AITF financed technical assistance to update the previous WAPP Masterplan from 2003, including an economic study, network performance stability studies, as well as an environmental and financial analysis. The TA finished in 2012 and the

result of this work, the updated Masterplan, is a key reference document that gives stakeholders a global, clear and coherent view of the future development of the region’s electricity sector. The Masterplan informs decision-making and the overall strategy and framework for preparing and implementing all WAPP priority projects in the West African energy market. The priority projects identified and included in the current WAPP Infrastructure Programme involve the development of, among others, 16,000 km of interconnection transmission lines, 7,092 MW of hydropower and 800 MW of renewable energy projects over the period 2012 to 2025.

Supported by the EU-AITF financed TA, several of these projects – many of which also benefit from an EU-AITF grant – have already seen the light of day and are representative of the whole value chain: from power generation (such as the “Mount Coffee” project, financed by the EIB, which is covered in more detail in the following sub-chapter) to transmission (for example, “CLSG Interconnector” or “Bolgatanga Ouagadougou Interconnection”, financed by both AFD and the EIB) and distribution (for example, the “Liberia Energy Access Project” financed by AfDB).

Project	ECOWAS Electricity Regulation
Countries	West Africa
Lead financier	AFD
Grant	TA of EUR 1.7 million

This project, financed by AFD, ECOWAS and the power operators of their member states, helped create a regulatory authority for the ECOWAS region's electricity sector, recognising that the WAPP Infrastructure Programme could only be successfully implemented with the support of such a body. The ECOWAS Regional Electricity Regulatory Authority (ERERA)'s remit is to improve cross-border exchanges and support the national regulators for

setting international exchange tariffs. This should facilitate the settlement of disputes related to cross-border power exchange, enhance regional power policy and planning as well as technical regulation and integration of the regional energy sector and should also foster the implementation of regional power generation and transmission projects.

ERERA started its activities in its office in Accra in November 2010 and the EU-AITF TA grant was used by it to implement its first regulatory activities. This included regional benchmarking of the electricity sector, assistance to OMVS (Senegal river basin commission) and OMVG (Gambia river basin commission) to improve cross-border exchanges, assistance to national regulators for setting international exchange tariffs, and settlement of disputes. The grant also funded part of the staffing costs and workshops organised in the ECOWAS member states.

Whatever happened to ... Lake Turkana Wind Power (Kenya)?



Ground was broken at the EU-AITF's flagship project in July 2015 in the presence of President Kenyatta.

Africa's biggest wind farm will have a planned capacity of 310 MW (see details in the 2014 Annual Report). The project is on course to deliver the first power to the national grid by end-2016 (76 MW installed), with full capacity due to be reached in mid-2017.



Project	Mount Coffee Hydropower Plant
Country	Liberia
Lead financier	EIB
Grant	TA of EUR 1.5 million

The rehabilitation of the inoperative Mount Coffee hydropower plant on the St. Paul River, approximately 27 km northeast of Monrovia, has been a priority under the WAPP Infrastructure Programme, to provide 80 MW of renewable hydroelectricity as part of a major, largely donor-funded post-conflict re-electricification programme for Monrovia. The project involves re-establishing the reservoir and reconstructing the associated two transmission lines to Monrovia, using the existing infrastructure (dams, spillways and concrete structures) of an old power plant, and is therefore considered a least-cost hydro development for Liberia.

The EU-AITF TA grant was used by WAPP to fund consultancy services to undertake detailed technical studies, the preparation of bidding documents as well as an ESIA and a RAP for the project. All reports were received and activities under the grant completed in March 2014. In relation to the ESIA and RAP, the process of validation of the deliverables brought together various stakeholders from the energy, environmental protection and land management sectors in Liberia, as well as from civil society. This close collaboration enabled the environmental permit for the project to be issued, as well as the securing of concessional and grant financing, thanks to which project implementation could advance.

Despite a delay caused by the Ebola outbreak, as of year-end 2015 the project was progressing well. Only one out of eight contracts still needed to be procured, while the others were at the design and manufacturing stage.



Bumbuna hydroelectric project.

How to support private sector energy projects – understanding and improving the risk-return trade-off

Development cooperation has changed dramatically from 50 years ago.

Apart from governments, it also encompasses many other actors nowadays, especially as beneficiary countries have moved towards creating a climate conducive to private sector investment over the last decade or so.

The question is how the public and private sector can cooperate most productively to advance development and in particular how a public sector

contribution to a specific project can enhance its development impact and make the incentives of the two sectors converge. From a donor and recipient perspective, engaging with the private sector is challenging as it raises questions about transparency and accountability, even as it offers the potential to scale up the impact of official development assistance. Measurable outcomes therefore take centre stage.

The EU-AITF sector in which the private sector can most easily get involved is energy (apart from the ICT sector, which the EU-AITF supported early on), particularly with the addition of the SE4ALL Envelope in 2013.



Examples of EU-AITF energy projects involving the private sector

A **Public-Private Partnership (PPP)** is normally defined as a long-term contract between the private and public sector under which the private operator is responsible for delivering a public good or service, while taking on significant risks, in return for a payment based on performance. PPPs can be undertaken for a variety of reasons. The key to success is the right allocation of well-understood risks between the two parties, making extensive high-quality studies and advice necessary on both sides.

Upgrade and extension of the Bumbuna hydropower plant in Sierra Leone advice to the government partner in a PPP

The Bumbuna hydropower plant is an existing government-owned facility in Sierra Leone completed in 2009, with a capacity of 50 MW. Although construction started in the 1970s, it was interrupted and set back by the civil war in the country. Phase II will increase power generation capacity from 50 MW to up to 252 MW, provide an additional Bumbuna-Freetown transmission power line as well as interconnection to the proposed West African Power Pool and national transmission lines. This final increase in power output of 200 MW represents a 100% increase over the current national generation capacity.

The project will be carried out by Joule Africa, a private project developer, as an Independent Power Producer (IPP), with the return on investment accruing from the sale of power to the public utility under a 25-year power purchase agreement.

Over the last five years Joule Africa and its former partner Endeavor Energy have been carrying out feasibility and design studies, geotechnical studies

and environmental and social impact assessments. To support the Government of Sierra Leone in the evaluation of the studies and proposed plans, an EU-AITF TA grant is funding technical, financial, legal and environmental advice to the government as well as insurance advisory services. This ensures that the government has access to the necessary expert skills to partner with Joule Africa. Construction is expected to start in 2017, with the full additional 202 MW coming on stream in 2021.

The Ruzizi III (DRC, Burundi, Rwanda) and Rusumo Falls (Burundi, Rwanda, Tanzania) run-of-the-river hydropower projects are also being developed as PPPs, with EU-AITF supporting the extensive studies required as well as legal, financial and procurement advice to the governments while closing funding gaps for the HPP project itself or the related transmission lines.

Geothermal risk mitigation facility changing the risk-return trade-off directly

The East African Rift is a valley formed where the African Plate is separating into two new plates. Such a geologically active area is a promising source of geothermal energy, since the highest underground temperatures can be found relatively close to the surface. The geothermal potential in the Rift Valley is estimated at 15,000 MW, which is the equivalent of more than double the current capacity of East Africa's power plants. However, much of the potential is still untapped since the drilling activities to find the best geothermal sources require deep boreholes, which are very costly and pose a high exploration risk. The Geothermal Risk Mitigation Facility for East Africa (GRMF), covering 11 East African countries, can co-finance part of the upfront costs. By providing resources for public and private developers, the preparatory work for geothermal power plants – which offer clean and sustainable energy and are ideal for baseload power – can be stimulated.

The GRMF, which receives a EUR 30 million contribution from the EU-AITF and is co-funded by the German Ministry for Economic Cooperation and Development and the UK's Department for International Development, provides grants for the following activities:

- financial support for the drilling of exploration wells to assist developers in securing finance for subsequent exploration or appraisal wells;
- surface studies to determine the optimal location of exploration wells at the most promising geothermal prospects;
- the development of a regional geothermal database of prospects in the region.

So far, funds have been allocated in three application rounds to 17 projects, of which eight will be implemented by private developers. A fourth application round will be launched in the middle of 2016. Support from the GRMF helps private developers to take the high investment risk and bear the costs associated with exploratory drillings. The GRMF therefore plays a vital role in stimulating private investor appetite.

By helping to overcome the initial obstacles regarding the lengthy development of geothermal energy, it is expected that projects co-financed by the GRMF could ultimately generate 500 MW of renewable energy.

GEFIOR capacity building for local banks and private companies



Green Energy Finance for Indian Ocean Region (GEFIOR) is a facility operating in Mauritius and neighbouring countries, which are facing a mounting energy crisis as the cost of imported fossil fuels is rising while energy demand is growing. In response, the countries have developed ambitious sustainable development policies to tackle these challenges by reducing the barriers to invest-

ment in renewable energy and energy efficiency. Such barriers include access to finance, especially for small and medium-sized companies, lack of technical expertise among local banks and project developers as well as in the legal/regulatory environment.

Access to finance is often a question of project size, as many of these projects are too small to be direct



Biofuel from the jatropha plant (Fuelstock, Madagascar, www.sunref.org).

customers of one of the EU-AITF financiers. Agence Française de Développement (AFD) has therefore chosen to offer a common concessional rate credit facility to the main local banks, which then on-lend to beneficiaries, mainly in the private sector, i.e. companies of all sizes as well as entrepreneurs. The recipients that have been selected so far under the facility include a dairy company that will invest in a new, more energy-efficient refrigeration system, a food crop producer that will buy equipment to generate biofuel from the jatropha plant, and a manufacturer of printers that will replace its outdated air conditioning and waste water treatment system, to name but a few. These investments in renewable energy and energy efficiency will not only be beneficial to the environment but are also expected to improve companies' return on investment in the long run.

As of December 2015, a total of 61 projects had been selected under the facility: 35 involving renewable energy (which have so far produced 6.3 MW of power), 21 involving energy efficiency (which have saved 8,000 MWh of energy), and five involving clean production in, for example, the textile sector. Over half of the projects are very small, with less than EUR 50,000 in investment volume. This shows that ways can be found to reach this market segment, which can make very significant contributions to sustainability in its own right.

The loan facility is complemented by an EU-AITF funded TA grant, which provides support in such

areas as: capacity building and transfer of knowledge; awareness-raising and dissemination of best practices at regional level; monitoring and evaluation of the programme; and financial assistance for energy audit studies with the aim of creating bankable projects.

The EU-AITF's support for credit lines such as GEFIOR plays an important role in private sector development and, overall, nearly EUR 86 million of new finance has already been provided to financial intermediaries under such credit facilities.

As these examples show, the private sector is extremely innovative and both the public sector and the private sector may need help in the form of capacity building, in some cases also combined with financial incentives, to harness this innovative streak. And sometimes, though not always, it may be necessary to improve the risk-return trade-off of investors directly in order to achieve an acceptable balance between the return on investment and appropriate pricing for users. The EU-AITF can provide support in all these cases and has been doing so since its creation in 2007: about 31% of all active or closed projects that received grant funding (24 out of 77) have been co-financed by partners that are fully or partly privately owned. For example, as mentioned above, Phase II of the Bumbuna hydro-power plant is being co-financed by private power developer Joule Africa. Four such projects with (semi-)private co-financiers were approved in 2015.



Operational results

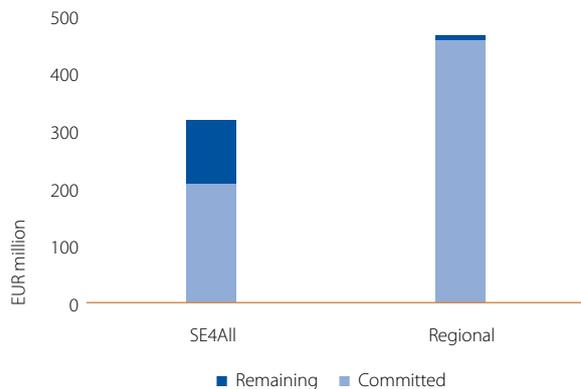
Including the remuneration that financiers receive for managing the grants, this means that resources worth nearly EUR 663m have been committed to date. This represents 85% of the total available resources of the Fund⁵ as at 31 December 2015, 65% of the available resources of the SE4ALL Envelope and as much as 99% of the Regional Envelope.

EU-AITF approved grant operations reach nearly

655 m EUR
in 2015

With a record volume of grants approved in 2015, the total net amount of EU-AITF grant operations approved since the creation of the Fund in 2007 now stands at nearly EUR 655 million. Grants for regional and cross-border infrastructure projects amounted to EUR 454 million, while EUR 201 million was awarded to grants for SE4ALL projects.

Net resources by envelope:
committed vs. remaining
(as at 31 December 2015)



EU-AITF resources were boosted by an additional contribution of EUR 1.5 million to the Regional Envelope in 2015 from the French Government. In addition, the European Commission paid a pledged contribution of EUR 10 million earmarked for a rail project in Benin into that same envelope.

⁵ i.e. contributions net of management fees, expenses and Benin earmarking, including interest earned.

Approved grant operations in 2015

2015 was a record year in terms of both the number and amount of approved grant operations. 17 grants were approved in 2015, compared to ten in 2014. They support 13 projects, of which seven related to energy and six to transport.

Of the 17 grants, eight came from the Regional Envelope (EUR 68.1 million) and nine from the SE4ALL Envelope (EUR 71.8 million), amounting to a total grant amount of EUR 139.9 million.

Three grant operations will support the preparation stage of projects, while 14 grant operations will benefit projects during their investment phase or both phases. These latter grants amounted to EUR 128.80 million. With an expected leverage effect of 13.9, they are estimated to generate a total investment of EUR 1.79 billion.

Grants approved from the EU-AITF Regional Envelope, 2015

Supporting the investment phase of projects

Grant name	Main region	Sector	Type	Lead financier	Grant amount (in EUR)	Approval date
TA for the project to interconnect the Electric Grids of the Nile Equatorial Lakes Countries	East Africa	Energy	TA	AfDB	2 000 000	18/03/2015
IG for the civil works of the Kagitumba-Kayonza road section	East Africa	Transport	IG	AfDB	20 000 000	30/06/2015
Financing of construction and consulting costs for the Regional Road Corridor "South Sudan Link"	East Africa	Transport	IG	KfW	22 200 000	09/12/2015
TA for the Regional Road Corridor "South Sudan Link"	East Africa	Transport	TA	KfW	2 800 000	09/12/2015
IG for the Sirari Corridor Accessibility & Road Safety Improvement: Isebania-Kisii-Ahero Road Rehabilitation	East Africa	Transport	IG	AfDB	10 000 000	09/12/2015
Investment phase total					57 000 000	

Supporting the preparation phase of projects

TA for phase II of the Lake Victoria Regional Transport project	East Africa	Transport	TA	PIDG	1 400 000	09/12/2015
TA for the Ports development project in Comoros	East Africa	Transport	TA	EIB	5 130 000	30/06/2015
TA supporting the Rural Roads Infrastructure Development project	West Africa	Transport	TA	SIMEST	4 579 050	30/06/2015
Preparation phase total					11 109 050	
REGIONAL TOTAL					68 109 050	

Grants approved from the EU-AITF SE4ALL Envelope, 2015

Supporting the investment phase of projects

Grant name	Main region	Sector	Type	Lead financier	Grant amount (in EUR)	Approval date
IG for the Electrification of North-Western Tanzania	East Africa	Energy	IG	KfW	7 600 000	30/06/2015
IG for last-mile connections for the Uganda Rural Electricity Access project	East Africa	Energy	IG	AfDB	10 740 000	30/06/2015
TA for the strengthening of in-house capacity of the Electricity Regulatory Authority (ERA) for the Uganda Rural Electricity Access project	East Africa	Energy	TA	AfDB	465 000	30/06/2015
IG for the improvement and extension of Conakry's Distribution Network	West Africa	Energy	IG	AFD	17 000 000	09/12/2015
TA to Electricité de Guinée (EDG) for the improvement and extension of Conakry's Distribution Network	West Africa	Energy	TA	AFD	3 000 000	09/12/2015
IG for the Pan Africa (Katsina) solar power project	West Africa	Energy	IG	PIDG	4 000 000	09/12/2015
IG for the Solar Hybridisation to increase national electrification - SHINE	West Africa	Energy	IG	AFD	14 400 000	09/12/2015
TA for the Solar Hybridisation to increase national electrification - SHINE	West Africa	Energy	TA	AFD	3 600 000	09/12/2015
Investment phase total					60 805 000	

Supporting the preparation & investment phase of projects

IG for the Ruzizi III Hydropower Plant project	East Africa	Energy	IG	EIB	11 000 000	09/12/2015
Preparation & investment phase total					11 000 000	
SE4ALL TOTAL					71 805 000	
GRAND TOTAL (Regional + SE4ALL)					139 914 050	



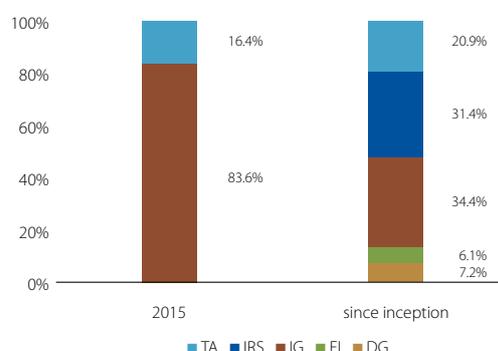
1. **Interconnection of the Electric Grids of Nile Equatorial Lakes Countries**
TA EUR 2 million
2. **Kagitumba-Kayonza-Rusumo road rehabilitation project**
IG EUR 20 million
3. **Regional road corridor "South Sudan Link"**
IG EUR 22.2 million, TA EUR 2.8 million
4. **Sirari corridor accessibility & road safety improvement: Isebania-Kisii-Ahero road rehabilitation project**
IG EUR 10 million
5. **Lake Victoria regional transport phase II**
TA EUR 1.4 million
6. **Ports development project in Comoros**
TA EUR 5.1 million
7. **Rural roads infrastructure development (2RID)**
TA EUR 4.6 million
8. **Sustainable electrification of North-Western Tanzania**
IG EUR 7.6 million
9. **Uganda rural electricity access project**
IG EUR 10.7 million, TA EUR 0.5 million
10. **Improvement and extension of Conakry's distribution network**
IG EUR 17 million, TA EUR 3 million
11. **Pan Africa (Katsina) solar power**
IG EUR 4 million
12. **Solar hybridisation to increase national electrification (SHINE)**
IG EUR 14.4 million, TA EUR 3.6 million
13. **Ruzizi III hydropower plant**
IG EUR 11 million

2015 EU-AITF support by type of grant

The EU-AITF allocated two types of grants: the largest share (83.6% of the total amount) went to nine investment grants, representing a total of EUR 116.9 million. The remaining eight were technical assistance grants for a total of EUR 23 million, accounting for 16.4% of the total.

	Approved in 2015		Approved since inception	
	in EUR m	in %	in EUR m	in %
DG	0.0	0.0	46.9	7.2
FI	0.0	0.0	40.0	6.1
IG	116.9	83.6	225.3	34.4
IRS	0.0	0.0	205.8	31.4
TA	23.0	16.4	136.8	20.9
TOTAL	139.9	100.0	654.9	100.0

EU-AITF approvals by type of grant
(as % of amount)
2015 vs. since inception

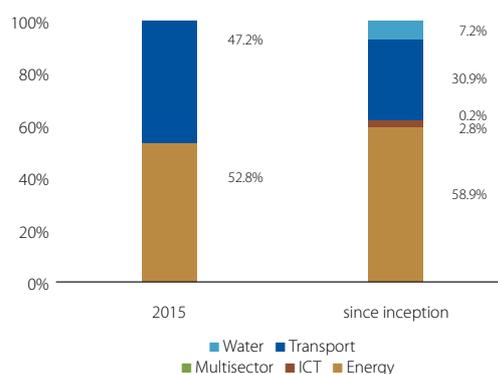


2015 EU-AITF support by sector

The grants approved in 2015 are split between energy (EUR 73.8 million, representing 52.8% of the total amount) and transport (EUR 66.1 million; 47.2% of the total). Compared to 2014, the amount allocated to energy projects has more than doubled; the amount allocated to transport projects has tripled.

	Approved in 2015		Approved since inception	
	in EUR m	in %	in EUR m	in %
Energy	73.8	52.8	385.7	58.9
ICT	0.0	0.0	18.3	2.8
Multisector	0.0	0.0	1.3	0.2
Transport	66.1	47.2	202.5	30.9
Water	0.0	0.0	47.1	7.2
TOTAL	139.9	100.0	654.9	100.0

EU-AITF approvals by sector
(as % of amount)
2015 vs. since inception





2015 EU-AITF support by main region

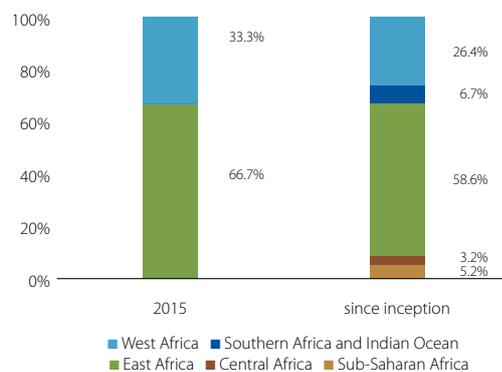
This year's grants were allocated to East Africa, with about two-thirds of the total amount (EUR 93.3 million), and West Africa, which received just over one third of the total (EUR 46.6 million).

	Approved in 2015		Approved since inception	
	in EUR m	in %	in EUR m	in %
Sub-Saharan Africa	0.0	0.0	33.8	5.2
Central Africa	0.0	0.0	20.7	3.2
East Africa	93.3	66.7	383.6	58.6
Southern Africa and Indian Ocean	0.0	0.0	43.6	6.7
West Africa	46.6	33.3	173.2	26.4
TOTAL	139.9	100.0	654.9	100.0

EU-AITF approvals by main region

(as % of amount)

2015 vs. since inception





Ambassador Michael Ryan, Head of Delegation of the European Union to the Republic of Rwanda, inspection visit to Shango substation.
(Project: Interconnection of the Electric Grids of Nile Equatorial Lakes Countries)

Description of EU-AITF grants approved in 2015

EU-AITF Regional Envelope



Interconnection of the Electric Grids of Nile Equatorial Lakes Countries

The Nile Basin Initiative (NBI) brings together the ten countries of the Nile Basin to promote sustainable socioeconomic development through the joint management and development of its waters. The NBI has two geographically focused investment programmes, one of which is the Nile Equatorial Lakes Subsidiary Action Programme (NELSAP), which provides regional coordination of several development projects, including power infrastructure development and power trade, with the overall goal of promoting poverty alleviation, stimulating economic growth and reversing environmental degradation in the sub-basin. The interconnection of the grids of five of the Nile Equatorial Lakes (NEL) countries – Burundi, Democratic Republic of Congo (DRC), Kenya, Rwanda and Uganda – is one of the main NELSAP projects.

The project

The project aims to connect the electricity grid systems of the NEL countries by constructing a total of 946 km of 220 kV and 400 kV transmission lines and 17 associated substations in the five project countries. Overall regional coordination of the project is provided by NELSAP, which is also charged with undertaking regional integration studies and developing the necessary guidelines for cross-border power exchanges.

The resulting economies of scale, diversification of resources, sharing of energy reserves and competition between countries should lead to lower electricity costs and greater access to electricity. The project will thus improve living conditions for the Basin's people. The main beneficiaries of the project will be local communities, enterprises and trading entities, and private and governmental institutions. The project will also enable countries to move away from power generated by fossil fuels to renewable energy such as hydropower, geother-

Region	East Africa: Burundi, DRC, Kenya, Rwanda, Uganda
Sector	Energy
Scope	TA for investment phase
Grant amount	EUR 2 million
Total project cost	EUR 318 million
PFG lead financier	AfDB

mal and wind, thereby reducing CO₂ emissions. The integrated grid system will also open huge opportunities for Independent Power Producers in the region.

The TA

Integrating the different electrical grids of several countries is challenging and requires additional analysis to help ensure that the project's aim of establishing a credible platform for effective cross-border power trade can be achieved. The main components of the EU-AITF technical assistance take up this challenge, in the form of two studies:

- a power network analysis to develop the guidelines and criteria to ensure the technical operability of the integrated grid system, analysed as one grid system, and to recommend necessary additional investments;
- a regional guidelines study of the interconnection procedures in each country, including advice on power purchase and other agreements needed for the commercial operation of the integrated grid.

Both studies will also cover Tanzania, the sixth NEL country, in view of significant ongoing interconnection projects involving Tanzania, especially Ru-sumo Falls, which is also supported by two EU-AITF grants.



Ports Development Project in Comoros

Comoros is a small, densely populated archipelago state, one of the world's poorest countries, with half of the population having incomes below the international poverty line of USD 1.25/day. It is heavily dependent on donor aid and is very exposed to external price and currency exchange movements, due to the need to import food and fuel. The high costs associated with importing these vital necessities arise to a large degree from poor port facilities and infrastructure. Comoros wants to halve the number of people living in poverty and hunger.

To compound these problems, the islands' inter-island and inland transport networks are inefficient and expensive, compromising the country's economic development potential, national integration and political stability. Port handling costs are among the region's highest.

The project

The port development project goes straight to the heart of these problems. It involves an upgrade of the two principal ports – Moroni and Mutsamudu – located on the two largest islands. These improvements fall into two main categories:

- operational capacity: this includes the extension of breakwaters; new freight quays; additional container storage and passenger-handling facilities; and two new tugboats;
- safety and security: perimeter security; adoption of the International Ship and Port Security (ISPS) code on security standards; and installation of port navigation equipment.

Region	East Africa: Comoros
Sector	Transport
Scope	TA for preparatory phase
Grant amount	EUR 5.1 million
Total project cost	EUR 70.1 million
PFG lead financier	EIB

There will also be additional container storage through land reclamation using dredged material. The main aims of the port expansion project are to reduce the handling costs for goods landed at the ports and to greatly enhance operational security. There should be significant benefits for local fishermen and fisheries, the main industry on the islands, and more generally in terms of economic development. Adoption of the ISPS will help international efforts to combat terrorism. As Comoros is situated in the main shipping lanes of the Indian Ocean, this is doubly important. There should also be spin-off benefits in terms of job creation in key sectors (e.g. tourism, agriculture) and development of the private sector.

The TA

The technical assistance will support the project preparation phase and involves geotechnical (soil and earth) and bathymetric (underwater) studies; design; site investigations; environmental impact assessments; and capacity building. It builds on an EU-funded pre-feasibility study by maritime and transport consulting firm MTBS.



Construction of agricultural wholesale markets in the Maradi region (south Niger).

Rural Roads Infrastructure Development (2RID)

Trade between the border regions of Nigeria and Niger has always been vibrant, reflecting close ties between the Hausa people living either side of the border. The ties go deeper than trade, which is based on a network of historic markets and travel routes, with extensive coordination of activities between communities in both countries (e.g. town twinning, sharing of medical resources, stock breeders' seasonal migration routes). These existing, often informal arrangements are a good basis for the development of joint infrastructure projects to further regional integration.

The densely populated cross-border region is economically fragile, with a large proportion of poor households. Niger is a large, landlocked country, whose 16 million population lives mainly in the more fertile south in small, scattered, rural communities. The whole region is prone to drought and food shortages. Better communication links would alleviate this.

The creation of a regional markets infrastructure and improvements to the road network will facilitate access to markets and trade between the different regions and strengthen communications between them, thus improving food security. Food insecurity has led to population movements in a number of areas and to a deterioration in the means of subsistence.

Region	West Africa: Niger, Nigeria
Sector	Transport
Scope	TA for preparatory phase
Grant amount	EUR 4.6 million
Total project cost	EUR 72.2 million
PFG lead financier	SIMEST

The project

The project aims to improve regional trade integration in specific regions of Niger and Nigeria by:

- constructing and rehabilitating rural roads, including 53 sections of cross-border secondary/rural roads identified by the Niger-Nigeria Joint Commission for Cooperation, a network of rural roads in Nigeria still to be identified and two sub-regional corridors;
- improving access to trade hubs and rural markets and logistics within the project area through the construction of 18 satellite collection centres for agricultural products distributed around nine markets next to economic development centres.



Improving the road network will facilitate access to the different regions, thus supporting their economic recovery, and will strengthen communications between the north and south of Niger. It is hoped that increasing cross-border trade flows for agricultural products will also improve wider trade channels, for example between the north and south of Nigeria, between areas of Ghana and Côte d'Ivoire and Benin, and between Chad and Nigeria. The project falls under the PIDA programme 'Dakar-Niamey Multimodal Corridor', which is developing road and rail transport links in order to increase the ease of access for people and goods across the borders of Senegal, Mali, Burkina Faso and Niger.

The project takes a bottom-up approach, with local communities and institutions involved in devising the main road improvements to be made. But its aims are big: to improve food supply and trade, directly contributing to poverty reduction; and to support local development while also helping to address some major challenges in sub-Saharan Africa related to connectivity and transport. In the process, the project should help secure areas under threat, and promote political dialogue and regional economic integration.

The TA

The technical assistance will play a key role in supporting private sector development, in particular for SMEs, by enabling the creation of a more decentralised infrastructure that is more accessible to small farmers. There are four main strands to the TA-funded activities:

1. preparing feasibility studies and stakeholders' sales and logistics strategies;
2. facilitating political dialogue, for example through advocacy activities;
3. technical assistance, e.g. with economic analysis;
4. managing elements such as communications.

A comprehensive study on cross-border trade will be produced, describing different types of traders, transporters, and other economic operators and their relationships. The study will also cover the impact of corruption on businesses and operator strategies to deal with it.

Mobile axle load control system counting number of overloaded trucks during road study.



Region	East Africa: Rwanda, Tanzania, Uganda
Sector	Transport
Scope	IG for investment phase
Grant amount	EUR 20 million
Total project cost	EUR 165.1 million
PFG lead financier	AfDB

Kagitumba-Kayonza-Rusumo Road Rehabilitation Project

The Kagitumba-Kayonza-Rusumo Road lies on two of the most important Programme for Infrastructure Development in Africa transport corridors, the Northern and Central Corridors. The road is located in the eastern part of Rwanda and is a regional priority road connecting Rwanda with Uganda and Tanzania. The project roads are vital missing links, which support the regional integration objectives of partner states of the East African Community (EAC) and the Great Lakes Region. Two other EU-AITF projects along the Northern Multimodal Corridor also received grant funding in 2015 (the Isebania-Kisii-Ahero Road Rehabilitation Project in Kenya, and the Regional Road Corridor South Sudan Link Project).

The Kagitumba-Kayonza-Rusumo Road was upgraded to paved standard in 1990 and has only been continuously maintained since 2011. Two one-stop border posts (OSBPs) have already been constructed at Rusumo and the Kagitumba/Mirama Hills.

The project is of great importance for Rwanda, a landlocked country with a currently small export base, and for the regional countries that use the Northern and Central Corridors. It is consistent with the Government of Rwanda's Vision 2020 and the second phase of Rwanda's Economic Development and Poverty Reduction Strategy for 2013-2018 (EDPRS II), which focuses on the improvement of external and internal connectivity in order to increase exports, improve access to basic social services and promote regional integration.

The project

The project will rehabilitate 208 km of road along these corridors and construct ten milk collection centres and two cross-border markets at the Ugandan and Tanzanian borders. While civil works represent the bulk of the project activities, several complementary initiatives are also included to increase road safety and project sustainability and stimulate and support local economic and social activities along the road. For example, in order to make the road safer, it will be widened from 6 metres to 7 metres to comply with international and regional standards; road safety campaigns, especially for children, will also be conducted. To ensure that the road is sustainable, the project design also comprises a weighbridge component, including measures to control the axle load of trucks, and capacity building related to road maintenance.

Ancillary services benefiting people along the road, such as HIV awareness campaigns or the installation of clean water supplies, will complement the project.

The IG

The investment grant of EUR 20 million is to fund two elements of the project:

- technical assistance for the whole project, capacity building, road studies and contributions to road safety audits (EUR 3.5 million);
- the financing of civil works on the Kagitumba-Bugaragara section (25 km) (EUR 16.5 million).



Mwanza South port.

Lake Victoria Regional Transport Phase II

Lake Victoria is of vital importance to the whole East African region as a resource and asset for the surrounding communities and countries. While the Northern and Central transport corridors converge at the lake, thus providing many commercial opportunities, the lake itself is underused. There is limited investment in marine transport on the lake, other than a few small-scale initiatives focused on passenger services.

Due to low investment in vessels and crumbling port infrastructure, lake shipping is notorious for poor safety, insufficient navigational aids, irregular and unreliable services and long port stays.

The project

The project involves the development of the infrastructure for commercial maritime transportation. It consists of the development of a pilot scheduled freight service on Lake Victoria, including the construction and operation of a fleet of modern purpose-built freight vessels, to be owned and operated by private sector investors and operators, as well as improvements to the efficiency and capacity of existing port infrastructure in and around Mwanza/Bukoba (Tanzania), Kisumu (Kenya), a port serving the Kampala area (Uganda) and potentially other ports on Lake Victoria.

The project has two phases:

- Phase 1: demonstrating that an efficient and profitable fixed-day scheduled liner service can be provided, thus encouraging additional pri-

Region	East Africa: Kenya, Tanzania, Uganda, Rwanda, Burundi
Sector	Transport
Scope	TA for preparatory phase
Grant amount	EUR 1.4 million
Total project cost	EUR 122.5 million (EUR 18-23 million for phase 1 + EUR 100-105 million for phase 2)
PFG lead financier	PIDG

vate sector investments in vessels. A low-cost pilot freight service and the launch of suitable vessels capable of handling mixed freight consisting of bulk cargo (possibly including liquid cargo), intermodal containers and vehicles will be established;

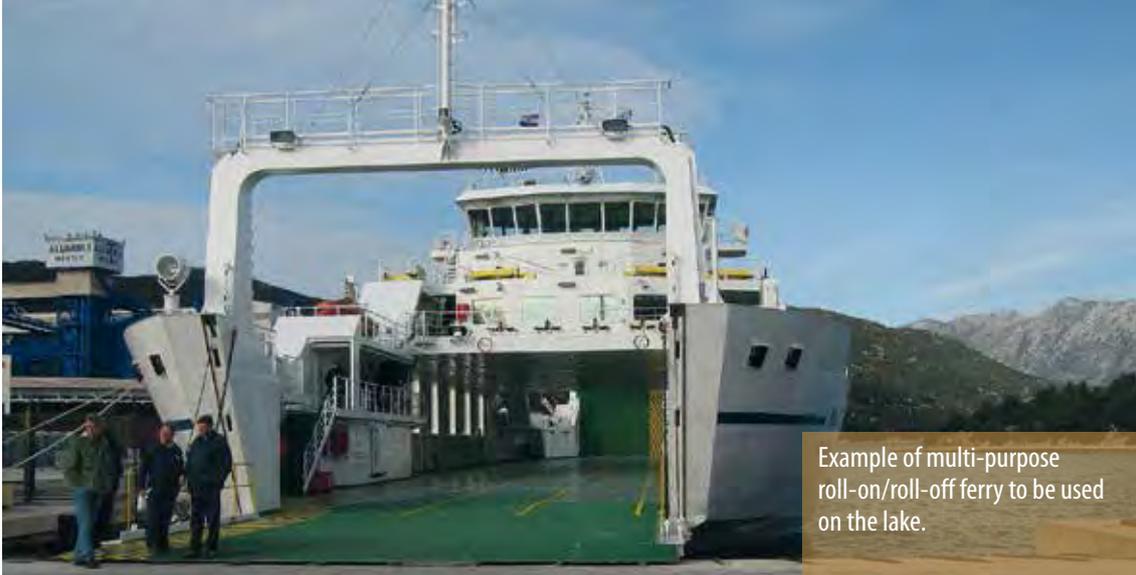
- Phase 2: focused on improving the efficiency and capacity of port infrastructure on the lake, to accommodate larger and more complex freight operations, additional shipping routes and including the provision of dredging services and on-shore infrastructure services.

Phase 1 of the project will complement the existing trucking industry, so that trucks will be able to avoid circumnavigating Lake Victoria and can transport goods more efficiently between lake ports and their customers.

Improving the efficiency of the overall supply chain in the region will increase export values, reduce import costs and promote regional trade. All the countries of the region should derive benefits in terms of economic growth, wealth creation and poverty alleviation.

The TA

The technical assistance is aimed at preparing the project. It comes in two stages. The first stage was approved by the EU-AITF in December 2013 and is about to be completed (see box).



Example of multi-purpose roll-on/roll-off ferry to be used on the lake.

TA stage 1 results and recommendations

Stage 1 of the EU-AITF financed technical assistance comprised the initiation of a 'Market Study and Technical Definition', an economic impact assessment and an environmental and social impact scoping study. Recommendations and results from these studies, as illustrated below, will inform the future project design.

- Forecasts for future trade flows are based on three different scenarios, ranging from the most pessimistic to the most optimistic. Even in the worst-case scenario trade around the lake is estimated to be significant.
- A service operating between Mwanza and Port Bell (Kampala) with one vessel, and minimal improvements to existing ports, is the best option for a pilot freight service.
- Recommendation to consider the construction of new berthing facilities near Kampala, preferably under the control of the company operating the new shipping service.
- Port facilities at Mwanza are judged to be adequate, and are already being improved by the Tanzania Ports Authority.
- The optimum ship size for the pilot service is likely to be between 500 and 1,000 tonnes cargo capacity.
- The vessel would be designed to carry unaccompanied trailers and small amounts of general cargo, as well as trucks.
- The unaccompanied trailer market does not exist on Lake Victoria at present, but could be an important selling point to road haulage firms and logistics services providers.
- Several risks were identified, such as the vessel's capital costs (high due to a lack of shipbuilding facilities on the Lake); uncertainty about demand from road hauliers; and the difficulty of providing a reliable service given limited port capacity at Port Bell. The project would help mitigate these risks.

The second stage of the TA will take the first stage forward by adding a full Environmental and Social Impact Assessment; technical designs, specifications and costings; additional maritime lane surveys and aids to navigation; vessel capacity and chartering information; and advice on the raising of equity and debt.

Without the technical assistance of the EU-AITF, it is likely that, if any project on Lake Victoria were to go forward, it would concentrate just on serving existing transit traffic and ignore potential regional traffic.



Example of road conditions in northwest Kenya.

Regional Road Corridor “South Sudan Link”

South Sudan, the world’s newest country, is afflicted by many crises, which have caused great human suffering and given rise to major humanitarian needs. Tens of thousands have died and over two million people have been displaced. Most people struggle to obtain the basic necessities. While famine was avoided in 2014 – largely thanks to international aid – food insecurity affects half of the population and high levels of acute malnutrition persist in many areas.

South Sudan is in a geographically isolated position, being landlocked and far from the sea, with distance and physical conditions making road transport challenging and expensive for the movement of people and goods. Improving links with neighbouring countries, including Kenya, is therefore of great importance.

The neighbouring region of northwest Kenya is a remote area too, in need of closer integration with other parts of the country and the wider region. The Kenyan Government is prioritising road infrastructure investment in the northwest of the country, where living conditions, access to education and basic services are poor.

The Kenya-South Sudan Link Road is a major road connecting South Sudan with Kenya and with the Northern Multimodal Corridor, identified under the Programme for Infrastructure Development in Africa as playing a key role in the regional transport network. Due to erosion, caused in particular by relief operations during the civil war in Sudan, and lack of maintenance, the road is in dire need of rehabilitation. This rehabilitation is in fact one of several projects along the Northern Multimodal Corridor that are benefiting from AITF-funded road improvements; two others – Isebania-Kisii-Ahero in Kenya and Kagitumba-Kayonza-Rusumo in Rwanda – also received grant funding in 2015.

Region	East Africa: Kenya
Sector	Transport
Scope	IG (EUR 22.2 million) and TA (EUR 2.8 million) for investment phase
Grant amount	EUR 25 million
Total project cost	EUR 136 million
PFG lead financier	KfW

The project

The project will rehabilitate 68 km of road between Kitale and Morpus in northwest Kenya, along the South Sudan Link Road. Since large parts of this section of the road lead through mountainous terrain, extensive earthworks, layer works and the construction of drainage structures and bridges are important components of the civil works of the project. The project will also introduce several safety features as well as weighing and overload control facilities to ensure that the road is sustainable in the long run. Measures to mitigate possible negative social and environmental impacts will accompany the project.

Thanks to the project, South Sudan and Kenya’s underdeveloped northwest will be connected to the regional transport network and areas of economic growth along the Northern Multimodal Corridor. It will improve South Sudan’s access to seaports and connections with other East African countries generally, thus helping to promote trade and enhancing economic integration between Kenya and South Sudan. Better access to basic services such as healthcare will improve living conditions for the population living along the corridor. In addition,

road safety enhancements will reduce the number of accidents in some sections of the corridor, and better road conditions are expected to bring down the travel time for cars and trucks in this section by approximately 20%.

Since the existing road has been used in the recent past for absolutely vital UN relief operations in this fragile region, the infrastructure improvements will also contribute to food security and the alleviation of social tensions.

The TA

This element of the project will focus on enhancing Kenya National Highways Authority's (KeNHA's) capacity to manage resettlement activities. For example, an IT management information system and a new manual are to be developed for improved management and monitoring of resettlement activities. The new tools will be combined with training for KeNHA's staff in order to facilitate implementation of international standards.

The IG

Funds will be used to finance part of the construction cost of the project, including mass earthworks, layer works, surfacing, construction of drainage structures and bridges and various safety-enhancing measures. To help ensure that the project is sustainable, the EU-AITF grant will also cover the full cost of the axle load control and weighbridge station. Consulting costs for road safety audits and the supervision of environmental and social mitigation measures are also included in the grant element.

Region	East Africa: Kenya
Sector	Transport
Scope	IG for investment phase
Grant amount	EUR 10 million
Total project cost	EUR 250.2 million
PFG lead financier	AfDB

Sirari Corridor Accessibility & Road Safety Improvement: Isebania-Kisii-Ahero Road Rehabilitation Project

The Northern Multimodal Corridor is the main trading route serving the Lake Victoria basin. The Isebania-Kisii-Ahero Road (also known as the "Sirari Corridor") forms part of this Corridor and is a major trade and transit route linking Tanzania, Kenya and South Sudan. Business around Lake Victoria relies heavily on road networks to transport commodities from the hinterland to the ports. The quality of the basin's road infrastructure is therefore extremely important for the region.

The Lake Victoria Master Plan study and other related transport studies (including the EAC Transport Strategy of 2011) identified sections of the Northern Multimodal Corridor as urgently needing upgrading in order to improve travel conditions. The poor state of the roadway is hindering cross-border trade and undermining the development of the fishing industry and agro-businesses in the wider Lake Victoria basin by limiting access to markets and imposing high transportation and logistics costs.



This project is one of several EU-AITF projects aimed at improving transport links along the Northern Multimodal Corridor, a specific programme under the Programme for Infrastructure Development in Africa. Two other projects along the corridor, the Kagitumba-Kayonza-Rusumo Road Rehabilitation Project and the Regional Road Corridor South Sudan Link Project, have also received EU-AITF grants this year.

The project

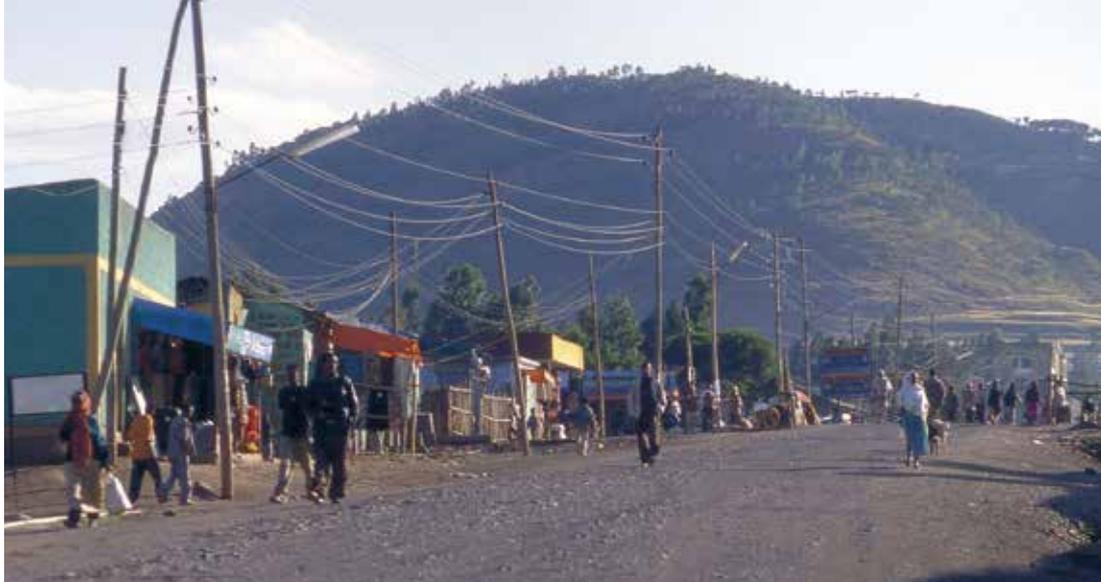
The project comprises the rehabilitation of the Isebania-Kisii-Ahero road (172 km) and the upgrading of feeder roads (77 km) connected to the main roadway. Moreover, facilities to control the axle load and weight of trucks will be constructed along the road, so as to ensure that the infrastructure is sustainable. The project also includes various elements of capacity building and assessment to improve the road maintenance capability. Different safety measures, including the construction of roadside medical facilities to better treat injured people, and the establishment of a road crash database are also part of the project. Ancillary works include community water supply and the setting up of roadside markets to improve the local business environment and road safety.

The project is expected to reduce the travelling time to markets in the Lake Victoria basin by approximately one hour on average. The road safety initiatives are aimed at halving annual road fatalities on the project road.

Project beneficiaries include two million people directly served by the main road and associated feeder roads network. They will benefit from reduced transportation and logistics costs, expanded market size and improved access to social services. Regional beneficiaries include farmers, manufacturers and traders benefiting from reduced transport costs.

The IG

The investment grant will finance the axle load monitoring and weighbridge station at Rongo, as well as technical assistance and institutional support for the Kenyan transport and construction sectors so that they have the capacity to conduct road maintenance. It will also fund all the project activities with wider societal benefits such as the equipment for the roadside medical facilities and provision of related services (including training of medical personnel), the design and supply of a road crash database system and the training of women and young people in road maintenance skills (lack of skills among the young having been identified as a weakness in the Kenyan economy). The EU-AITF grant will therefore play a vital role in increasing the scope and number of beneficiaries of the project.



EU-AITF SE4ALL Envelope



Uganda Rural Electricity Access Project

Electricity provision is of vital importance for Uganda to achieve its desired growth trajectory and socioeconomic development goals. However, access to electricity is still limited, with only 14% of the population at national level (approximately 7% in rural areas) having access to electricity.

This lack of access to a power supply affects the provision of social services and holds back the development of small-scale industrial and commercial enterprises. Equally it reduces larger-scale industrial and commercial investment.

Region	East Africa: Uganda
Sector	Energy
Scope	IG (EUR 10.7 million) and TA (EUR 0.5 million) for investment phase
Grant amount	EUR 11.2 million
Total project cost	EUR 112.8 million
PFG lead financier	AfDB

The project

The project's main development objective is to provide reliable and affordable electricity to rural Ugandan households, to public infrastructure services and to small and medium-sized enterprises.

The project will:

- build about 1,150 kilometres of medium-voltage and 800 kilometres of low-voltage distribution networks;
- provide 'last-mile' connections to the grid for over 58,000 rural households, 5,320 business centres and 1,474 public institutions (schools, health centres and administration offices);
- supply about 100,000 sets of connection materials, ready-boards and pre-paid energy meters to increase the last-mile connections near the existing grid in already electrified rural areas that do not require grid extension.

The project is expected to contribute to improved livelihoods, economic opportunities in rural communities, better access to social services (health facilities, including maternity facilities) and schools, freeing women and children from pollution caused, for instance, by the use of fuelwood and charcoal.

It should also help to reduce inequalities between urban and rural areas and contribute directly to the twin goals of tackling poverty and promoting shared prosperity. The project is one of several contributing to the increase in rural access to electricity to 26% by 2022 and at the national level to 30% by 2020.

The TA and IG

The technical assistance grant will be used to finance capacity building in the Rural Electrification Agency, with advice being provided on how to strengthen institutional planning, production of designs, monitoring and evaluation, promoting gender in the provision of electricity, procurement and contract management. This will help improve implementation of the various rural electrification projects. The TA will also include a study to help determine the cost of services and the affordability of electricity in order to continuously review and adjust tariffs to achieve cost-reflective, sustainable and affordable tariff levels in Uganda.

The investment component is aimed mainly at the provision of last-mile connection materials, ready-boards and energy meters, allowing more households to be connected than without the grant.

Region	East Africa: Tanzania, Burundi, Rwanda
Sector	Energy
Scope	IG for investment phase
Grant amount	EUR 7.6 million
Total project cost	EUR 42.6 million
PFG lead financier	KfW



Sustainable Electrification of North-Western Tanzania

Tanzania's vast size (around 950,000 km²) makes the provision of electricity for its fast-growing population of currently over 50 million a challenge.

The country, which at present has only around 1,500 MW of installed capacity, is investing heavily in power generation and transmission infrastructure, with the aim of connecting 250,000 households per annum and adding 8,500 MW of additional capacity in order to increase the national access rate to 75% by 2025. The lack of sufficient and reliable power is a major hindrance for the productivity of the private sector, as it leads to regular power cuts and load shedding, where electricity delivery is simply suspended for periods of time over different parts of the distribution region.

At present only about 24% of Tanzania's population has access to modern energy services and electrification is much lower in rural areas, with only around 7% connected. In large parts of the Kagera, Geita and Kigoma regions in northwestern Tanzania the rate is estimated to be even lower, at only 5%. The two diesel-based power stations operated by the national utility TANESCO and serving isolated grids in the region are very costly to operate and produce high CO₂ emissions. Many villages do not have access to electricity at all. Traditional biomass (wood fuel and charcoal) still provides around 90% of primary energy supply, resulting in severe deforestation and creating health hazards for households. The lack of a reliable and affordable power supply poses a significant barrier to the socioeconomic development of Tanzania's northwestern region, which has significant economic potential in, for instance, agriculture or mining.



The project

Against this background, the project aims to extend the power infrastructure into large parts of northwestern Tanzania and thereby address the major electricity supply deficiencies. It comprises the construction of a new 220 kV transmission line of approximately 140 km from Geita to Nyakanazi and the extension and construction of the respective substations. In addition, the project entails the electrification of about 30 villages located in the vicinity of the transmission line and substations. Consulting services for the detailed project design, environmental and social impact assessments, construction tenders and project supervision form part of the overall project package, which will be co-financed by the German Ministry for Economic Cooperation and Development via KfW and by AFD.

TANESCO, as the project-executing agency, is responsible for the implementation and operation of the project and contributes co-financing for social and environmental compensation measures.

The project will be pivotal to connect the north-west of Tanzania to the national grid and enable the decommissioning of the expensive TANESCO diesel-powered mini-grids. As the region borders on Burundi, Rwanda and Uganda, the project will facilitate the interconnection of the Tanzanian power grid to those countries, thereby helping to create a regional power market and increasing the scope for cross-border power trade. In addition, the transmission line will connect the 80 MW Rusumo hydropower plant (another recipient of an EU-AITF grant) and eventually other potential renewable hydro resources in the region (e.g. Kakono).

The IG

The IG from the EU-AITF is funding the rural electrification component of the project, notably the construction of around 250 kilometres of medium and low-voltage distribution lines, distribution systems, transformers and meter readers, thereby connecting approximately 10,000 households, 360 small businesses and 50 public service institutions to the national grid. The connection costs will be subsidised in line with other national electrification projects in order to ensure affordability for rural households. Parts of the IG will also be used to finance the associated consulting services and to implement regular visibility activities.

Not only will the EU-AITF grant contribute to enhancing access for households, small and medium-sized businesses and social institutions to sustainable, reliable and affordable energy services but it will also reduce the reliance on wood fuel (to provide lighting) and diesel-fuelled power. In turn, positive co-benefits such as a reduction in deforestation pressures and CO₂ emissions, decreased power production costs and possibilities for income-generating activities will be achieved.

Region	Central Africa: Burundi, DR Congo, Rwanda
Sector	Energy
Scope	IG for preparation and investment phase
Grant amount	EUR 11 million
Total project cost	EUR 528 million
PFG lead financier	EIB



Ruzizi III Hydropower Plant

The Great Lakes region has been unstable for many years, leading to a lack of socioeconomic development. A primary aim of EU and other international support for the countries of the Great Lakes, including Burundi, Rwanda, Uganda, the northeastern Democratic Republic of Congo (DRC) and northwestern Kenya and Tanzania is to help stabilise the region. The Ruzizi III project is a concrete step in that direction, providing access to modern energy while seeking to ensure regional cooperation, attracting international finance and creating jobs.

The project

The aim of the project is to provide electricity to the consumption centres of the Great Lakes region and, overall, to double the available electricity generation in a network that has continuous load shedding (electrical power shutdowns where electricity delivery is suspended for periods of time over different parts of the distribution region) and in which the electrification of rural and suburban areas cannot currently be achieved because of a lack of power supply. The project contributes not only to increasing capacity but also to replacing existing baseload diesel electricity, which is very expensive to generate because of the long distance that fuel has to be transported from refineries and ports to inland areas.

The project involves the construction of a hydropower plant on the Ruzizi river, bordering the DRC and Rwanda. It will be developed as a Public-Private Partnership, through a concession awarded by the Governments of Burundi, DRC and Rwanda to the preferred investor to develop, finance, build, operate and maintain the plant. Ruzizi III will be the third hydropower plant on the river after Ruzizi I and II, the rehabilitation of which benefits from an EU-AITF grant. The Governments are responsible for the construction of all the necessary public infrastructure to take the power to the three countries.

Attracting private investors to the energy sector should increase the sustainability of the project, compared to a public sector project. The project is thus expected to have an important positive demonstration effect for future projects of this kind.

The main beneficiaries of the project are expected to be several hundred thousand small-scale power consumers.

The IG

The investment grant will be used to provide co-financing for 50% of the project's development costs such as supplementary or updated geological studies, environmental and social impact assessments and related expert panels as well as support for the tendering and contracting preparation. If this phase is successfully completed, the grant will be converted into (quasi-)equity of the three Governments. The EU-AITF or the African Investment Facility may consider a further grant to fund the remainder of the equity/quasi-equity contribution of the three Governments.

Region	West Africa: Guinea
Sector	Energy
Scope	IG (EUR 17 million) and TA (EUR 3 million) for investment phase
Grant amount	EUR 20 million
Total project cost	EUR 50 million
PFG lead financier	AFD



Improvement and Extension of Conakry's Distribution Network

The Republic of Guinea faces tough economic and social challenges arising from the difficult global economic situation, with slow growth and sharply lower commodity prices, exacerbated by the Ebola outbreak. In addition, its power infrastructure has deteriorated, mainly due to a lack of new investment and insufficient maintenance of existing installations. There are frequent power outages and considerable technical and commercial losses, leading to higher costs for Electricité de Guinée (EDG), the public utility company in charge of the production, transmission and distribution of electricity.

The project

The project addresses these challenges by improving and extending Conakry's distribution grid in two specific areas of the capital (Kagbelen and Ansoumaniah), as well as the transmission grid from the production sites to Conakry. The medium-voltage distribution lines will be extended from the current 13 kilometres to 140 kilometres and the low-voltage lines will be lengthened from the existing 15 kilometres to 208 kilometres. In addition, 152 new substations will be constructed and prepayment meters installed.

This will be doubly beneficial. On the one hand, the much-improved infrastructure will make possible future new connections in the specific areas of Conakry. Indeed, it is estimated that the project will provide 50,000 new or renewed connections, 45,000 of which

are for households. On the other hand, the project will improve the overall quality of the electricity supply to customers and reduce technical and commercial losses as well as outages. The target is to bring down technical and commercial losses and achieve energy efficiency gains of 5 GWh/year.

The TA

The technical assistance will reinforce the capacity of EDG to manage the deployment of the prepayment meters and provide the company with best practices for the implementation of environmental and social improvements (including in health and security) in new programmes.

The IG

The investment grant will be dedicated to engineering supervision, other works, the provision of supplies, communications and financial audits.

It is playing a key role in making possible much-needed improvements to the electricity grid, which EDG would not be able to finance without grant aid (or only by considerably increasing household tariffs) due to the company's difficult financial situation. Therefore, the IG is instrumental in maintaining tariffs for low-voltage electricity at a level where they are still affordable for the population.



Solar Hybridisation to Increase National Electrification (SHINE)

Mali is situated in a fragile region, at risk of sudden and rapid deterioration in its political and security situation. In addition to inherent climatic, economic and social challenges, Mali is affected by a humanitarian emergency caused by violence, food insecurity, malnutrition and epidemic risk that is impacting the lives of many people, including displaced persons, returnees and refugees.

Mali's electrification rate remains extremely low by sub-Saharan standards (only 18% in rural areas) despite the ambitious rural electrification programme conducted from 2004 to 2012 with the support of the World Bank, which led to significant improvements. The Government of Mali now wants to promote the use of Mali's plentiful solar resources to power existing sites and to expand access to electricity for additional rural households while continuing to involve local and international private sector operators.

The project

The overall purpose of the project is to accelerate the development of renewable energy and increase energy access in off-grid areas in Mali by converting existing diesel generators to solar/diesel hybrid generators at around 60 remote sites throughout the country. This will improve the quality and reliability of service to about 4,000 households. It also involves expanding the associated mini-networks to reach 22,000 new households (around 132,000 people), by installing 3.6 MWp of solar capacity.

The project is in line with two main objectives of the SE4ALL initiative:

Region	West Africa: Mali
Sector	Energy
Scope	IG (EUR 14.4 million) and TA (EUR 3.6 million) for investment phase
Grant amount	EUR 18 million
Total project cost	EUR 41 million
PFG lead financier	AFD

- increasing energy access, for example in off-grid areas;
- raising the share of renewable energy.

The project also meets the EU's objective of mobilising the private sector to provide access to energy in Africa.

The main effect of the project is expected to be improved access to energy in Mali in remote areas far from the grid, and thus better living conditions for rural families and especially women and children (such as safety, access to information, reduced toxic fumes, ability to study at night). It will also promote local economic activities (commerce, crafts, etc.).

The IG and TA

The technical assistance element is devoted to project supervision and training. A component to strengthen the capacities of AMADER (Malian Agency for the Development of Household Energy and Rural Electrification) will also be included.

The investment component is aimed at funding AMADER's share of the hybrid mini-grid generator investments and grid extension and will serve to increase the scope of the project.



Solar power will arrive at Kankia substation.



Pan Africa (Katsina) Solar Power

Power production in Nigeria, Africa's largest economy, has not kept pace with economic growth. Installed power generation capacity is only just over 10 GW, of which at best half is operational at any one time. As a result over half the population has no access to the grid, while the rest suffers from chronic power shortages. Consumers are forced to operate expensive diesel generators as a back-up. Nigeria's per capita electricity consumption of 126 kWh is among the lowest in the world.

The previous government began reforming the regulation of the power sector and set a target of 40 GW of capacity as part of its 'Vision 2020', which would require investments in power generating capacity alone of at least USD 3.5 billion per annum for a 10-year period. Recently elected President Buhari has stated that his goal is to "generate, transmit and distribute electricity on a 24/7 basis whilst simultaneously ensuring the development of sustainable/renewable energy by 2019".

Region	West Africa: Nigeria
Sector	Energy
Scope	IG for investment phase
Grant amount	EUR 4 million
Total project cost	EUR 142 million
PFG lead financier	PIDG

As all power plants are located in southern Nigeria and transmission of power is patchy, the north of the country is particularly affected by power shortages.

The project

Generating electricity from renewable energy resources is a key component of Nigeria's climate change strategy, but the development of renewable energy technologies in Nigeria has been slow.

The project is located in a stable state in the north of the country, where – due to a lack of available hydro resources and gas supply – renewables are the only long-term sustainable option. It is intended that a utility-scale 87 MWp solar photovoltaic power plant will be constructed in Katsina State in the north of the country. Katsina has some of the highest irradiation levels in Nigeria, with an average horizontal solar irradiation of 6 kWh/m² per day.

The project requires a 3.66 kilometre transmission line to be built to the local Kankia substation, which will then enable the power generated by the project to be delivered to the grid.

The IG

The grant will go towards the capital costs of the transmission line, to connect the privately financed solar generation plant to the main substation and to other substation upgrades. It will enable the construction of the transmission line to proceed at the same time as the building of the solar farm, even though the state-owned Transmission Company of Nigeria lacks the necessary budgetary resources, thus allowing a timely start of operations. It will also create local construction and maintenance jobs.



Grant operations cleared in principle (as at December 2015)

The Africa Energy Guarantee Facility (AEGF) project

- Private sector investment in the African energy sector is relatively low due to the complexity of projects, regulatory uncertainty and the resulting high costs of financing. This contrasts with high unmet current demand and anticipated rapid growth as Africa's population grows and more people can afford and want access to electricity. In many markets, risks outside the control of investors can be partly absorbed through insurance, but such products are not widely available for renewable energy projects in sub-Saharan Africa.
- AEGF is an innovative platform that aims to increase access to affordable insurance cover for renewable energy projects by working with reinsurance companies, which in effect provide insurance to insurance companies. The concept was developed with EU-AITF funded TA of EUR 1 million, approved in June 2012. The studies financed by this grant pinpointed the gaps between supply and demand in the insurance market, and identified potential partners and how the cooperation between the EIB and the (re)insurance partners could best be organised.
- Based on the insights of these initial studies, the Executive Committee cleared in principle two additional EU-AITF grants in December 2015. Final approval could take place once details on the envisaged setup have advanced further.
- The EUR 20 million financial instrument grant cleared in principle forms part of AEGF's capital, enabling it to provide a partial guarantee to selected reinsurers and thereby to a group of renewable energy projects by their clients. The smaller investment grant, which may be converted into a financial instrument, will cover the early costs of operation if revenue does not increase as quickly as anticipated.

Grant operation	Region	Sector	Type	Lead financier	Amount (EUR)	Short description	Date of clearance in principle
Clean cooking programme for Africa	Sub-Saharan Africa	Energy	IG	KfW	20 000 000 ⁶	Provision of seed capital for demand-enhancing fund to co-finance clean cooking appliances along with local finance institutions. The project involves global and local LPG players in a PPP alongside governments and the global health community	12.12.2013
Renewable energy performance platform	Sub-Saharan Africa	Energy	IG	EIB	5 000 000	Results-based financing for projects selected by REPP	28.03.2014
Renewable energy performance platform	Sub-Saharan Africa	Energy	TA	EIB	4 000 000	Financing of cost of advisory function, management of the REPP implementation vehicle and project-level TA	28.03.2014
Ghana wind power project	West Africa	Energy	IG	PIDG	11 000 000	IG to reduce the capital cost of the project to a level where income from selling electricity at the feed-in-tariff provides it with sustainable revenues to enable private sector investors to participate	19.11.2014
Africa Energy Guarantee Facility (AEGF)	Sub-Saharan Africa	Energy	FI	EIB	20 000 000	Mezzanine portfolio guarantee facility to be used together with EIB resources to leverage private insurance capacity for the benefit of Sustainable Energy for All Projects in sub-Saharan Africa	09.12.2015
Africa Energy Guarantee Facility (AEGF)	Sub-Saharan Africa	Energy	IG/FI	EIB	4 000 000	IG to cover costs during ramp-up phase, to ensure that the Facility can operate and deploy the AEGF capacity even in the event of insufficient fee revenue	09.12.2015
Grand total					64 000 000		

⁶ Grant amount originally cleared in principle (EUR 15,000,000) subsequently increased.

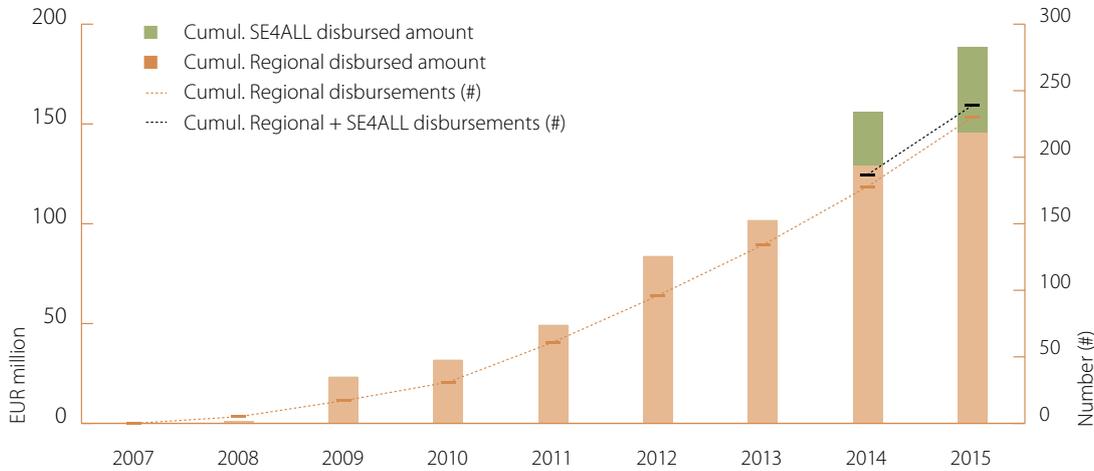


Total disbursements 2007-2015

2015 saw 61 disbursements to financiers, out of which 15 were for grants that disbursed for the first time. This is the highest number of disbursements since the creation of the EU-AITF and an indicator that more and more projects are mature and progressing at a steady pace. With EUR 32.3m disbursed in 2015, the cumulative figure has now reached EUR 188.5 million⁷. Disbursements in respect of SE4ALL projects amount to 22.8% of the total.

⁷Including financiers' remuneration.

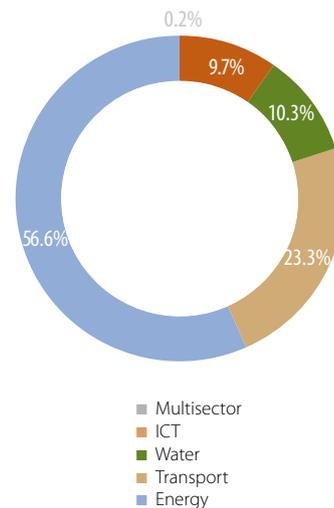
Cumulative disbursements 2007-2015 in amount and number



Year	Disbursements per year (TOTAL all envelopes, in EUR)	Of which SE4ALL (in EUR)	Disbursements per year (numbers)
2007	0		0
2008	1 082 294		5
2009	22 396 008		12
2010	8 391 867		14
2011	17 535 692		30
2012	34 538 817		35
2013	17 824 899		38
2014	54 454 376	27 259 000	53
2015	32 347 404	15 748 000	61
TOTAL	188 571 357	43 007 000	248

56.6% of the cumulative disbursements had gone to the energy sector by the end of 2015. Transport (23.3% of total disbursements) is the second most significant sector, followed by water (10.3%) and ICT (9.7%).

EU-AITF disbursements by sector (cumulative, as % of amount)



Cumulative disbursements by sector

Sector	Disbursement by sector: cumulative in EUR	Percentage per sector
Energy	106 666 285	56.6%
of which SE4All	43 007 000	22.8%
Transport	43 981 983	23.3%
Water	19 355 389	10.3%
ICT	18 263 737	9.7%
Multisector	303 963	0.2%
TOTAL	188 571 357	100



While the EU-AITF pipeline continues to be robust, remaining resources are limited and prioritised for specific regions under the SE4ALL Envelope. Therefore, a targeted effort will be needed to match projects in the pipeline with available resources.

The share of SE4ALL projects in the total is 67%.

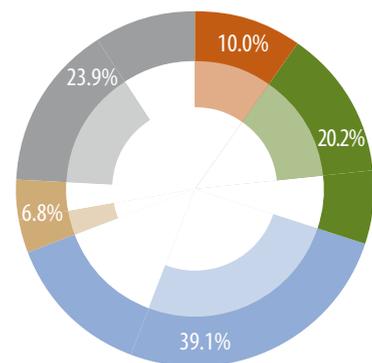
Main region	Total (in EUR)	of which SE4ALL (in EUR)
East Africa	208 310 000	137 500 000
West Africa	127 320 000	79 120 000
Central Africa	107 450 000	72 000 000
Sub-Saharan Africa	53 000 000	53 000 000
Southern Africa and Indian Ocean	36 200 000	16 200 000
TOTAL	532 280 000	357 820 000

Looking forward – the pipeline

At the end of 2015, grants worth EUR 532.3 million were included in the EU-AITF pipeline. East Africa continues to be the biggest source of requests, with 39% of the total (31% in 2014). West and Central Africa are also prominent, with grant proposals of over EUR 100 million each, more than 20% of the total in each case.

Out of the 52 grant operations included in the pipeline, nearly three quarters (i.e. 37 operations) are in the energy sector. More than half are at an advanced stage of planning.

EU-AITF grants in the pipeline by main region
(inner ring represents the share of SE4All)



■ Sub-Saharan Africa ■ Central Africa ■ East Africa
■ Southern Africa and Indian Ocean ■ West Africa



Closing remarks by the Chair of the Executive Committee

I am pleased to say that 2015 was a record year for the EU-Africa Infrastructure Trust Fund (EU-AITF) in terms of the amount of funding approved for projects: EUR 140 million in total. These grants alone will be blended with financing from the Project Financiers' Group and others, expecting to result in total investments of over EUR 2 billion.

The vast majority of this financing, nearly 85%, was in the form of investment grants that are financing parts of projects which, although beneficial from a socio-economic perspective, would not otherwise be implemented or, at least, not to the same scale, quality or speed.

The regional road corridor projects and the electrification projects approved in 2015 are great examples of the potential of investment grants. The EU-AITF grants to the road projects will not only finance general construction and supervision works, but also weighbridges and other ancillary infrastructure to improve sustainability, social and environmental safeguard measures. The grants to the electrification projects will help provide electricity to hundreds of thousands of households, mostly rural, in countries with very low electrification rates such as Guinea, Mali, Tanzania and Uganda.

You will also have noted a trend away from using EU-AITF isolated technical assistance grants to identify or prepare projects. An investment grant is often accompanied by technical assistance benefiting the national or regional agency implementing the project. Not only does this contribute to the success of the approved project; such integrated technical assistance tends to permanently improve the capacity of the agency to act, contributing to creating the appropriate enabling environment for future projects and to an increasing extent to facilitating sector policy dialogue.

If we want to meet the ambitious Sustainable Development Goals and the COP21 climate targets agreed last year, replicability is essential for all actors, but particularly for the private sector, to ensure that it can create jobs, innovate, invest and generally do business.

The Commission and the EU Member States reformed the blending frameworks and therefore from now on the African Investment Facility (AfiF) will build and expand on the EU-AITF's successes. The AfiF also recognises the

role of the private sector and applies the strategic framework outlined in the 2014 Private Sector Communication by explicitly including the private sector as potential beneficiaries alongside the partner countries, either directly or indirectly, across a broader range of sectors than the EU-AITF and across the entire African continent. The AfiF is already operational, showing that the EU is moving quickly from concept to action and we expect it, in due course, to reach a multiple of the funding of the EU-AITF.

On the other hand, we have created sector specific initiatives. The launch of *ElectriFI* last year is being followed by the launch of *AgriFI* in 2016. As we scale up, finance more innovatively and reach a wider circle of beneficiaries, we also strengthen accountability and transparency in delivering results and demonstrate that our funding has an impact. For this reason, the EU is committed, in tandem with its financing partners, to implementing and improving results-based management from early-stage programme design and planning to monitoring and evaluation.

However, the EU-AITF's work is not over: While 2015's approvals brought commitments up to 85% of the total net resources and, even, 99% of the available resources in the Regional Envelope, about EUR 111 million remains in the SE4All Envelope. Our efforts will be concentrated on allocating these funds, in support of the objective to increase the share of renewable energy and ensure people have access to modern and sustainable energy services. Although 2015 was a record year in terms of the number of disbursements, we expect their volume to further accelerate.

Let me conclude by thanking the entire team for another successful year for the EU-AITF. Let's move on with even broader, deeper, smarter blending for sustainable development.

Roberto Ridolfi,
Chair of the Executive Committee



Annexes



List of approved grant operations⁸

(as at December 2015)

Project name	Main region	Envelope	Sector	Grant type	PFG lead financier	Net grant amount	Approval date	Grant status
Access to Douala	Central Africa	Regional	Transport	IRS	AFD	5 700 000	16/09/2010	Ongoing
Access to Electricity in the Atlantique Province in Benin	West Africa	Regional	Energy	IG	AFD	20 000 000	12/12/2013	Ongoing
Africa Energy Guarantee Facility (AEGF)	Africa	Regional	Energy	TA	EIB	1 000 000	29/06/2012	Ongoing
ASECNA	Africa	Regional	Transport	TA	EIB	2 000 000	29/06/2012	Ongoing
ASECNA - Programme EGNOS	Africa	Regional	Transport	TA	EIB	5 000 000	07/02/2013	Ongoing
AXIS - The African Internet Exchange System	Africa	Regional	ICT	TA	Lux-Dev.	5 100 000	19/08/2010	Ongoing
Beira Corridor	Southern Africa and Indian Ocean	Regional	Transport	IRS	EIB	17 828 380	18/12/2008	Ongoing
Benin-Togo Power Rehabilitation	West Africa	Regional	Energy	IRS	EIB	12 250 000	10/11/2009	Ongoing
Bumbuna Phase II Hydroelectric Project - Sierra Leone	West Africa	Regional	Energy	TA	PIDG	2 500 000	07/11/2012	Ongoing
Capacity building for BOAD (focused on climate change, environmental and social issues in project financing)	West Africa	Regional	Multisector	TA	EIB	900 000	23/08/2010	Ongoing
Caprivi Interconnector	Southern Africa and Indian Ocean	Regional	Energy	IRS	EIB	15 000 000	22/01/2008	Completed
Clean Cooking Program for Africa (GLPGP)	Africa	Regional	Energy	TA	KfW	1 700 000	12/12/2013	Ongoing
CLSG Interconnection Project	West Africa	Regional	Energy	TA	EIB	3 168 233	16/10/2007	Ongoing
CLSG Interconnection Project	West Africa	Regional	Energy	TA	EIB	1 581 767	23/03/2011	Ongoing
CLSG Interconnection Project	West Africa	Regional	Energy	DG	AfDB	10 000 000	19/09/2012	Ongoing
CLSG Interconnection Project	West Africa	Regional	Energy	IRS	EIB	12 500 000	19/09/2012	Ongoing
Congo-Gabon: Brazzaville-Libreville road Transport Facilitation Project	Central Africa	Regional	Transport	TA	AfDB	3 402 100	06/12/2013	Ongoing
Development and implementation of a Social and Environmental Management System (SEMS) at BOAD	West Africa	Regional	Multisector	TA	AfDB	400 000	19/08/2011	Ongoing
EASSy	East Africa	Regional	ICT	TA	EIB	2 600 000	05/07/2007	Completed
Eastern Africa Transport Corridor	East Africa	Regional	Transport	IRS	EIB	16 600 000	15/12/2011	Ongoing
ECOWAS Electricity Regulation (ERERA)	West Africa	Regional	Energy	TA	AFD	1 700 000	10/11/2009	Completed
Electrification of North-Western Tanzania	East Africa	Regional	Energy	IG	KfW	7 600 000	30/06/2015	Ongoing
Environmental Credit Lines for Kenya, Uganda and Tanzania - Engaging Banks in Energy Transition Projects.	East Africa	Regional	Energy	TA	AFD	2 000 000	29/06/2010	Ongoing
Environmental Credit Lines for Kenya, Uganda and Tanzania - Engaging Banks in Energy Transition Projects.	East Africa	Regional	Energy	TA	AFD	2 100 000	27/06/2013	Ongoing
Ethiopia-Kenya Interconnector (EAPP)	East Africa	Regional	Energy	TA	KfW	337 415	10/07/2007	Completed
Expansion of Port of Walvis Bay	Southern Africa and Indian Ocean	Regional	Transport	TA	KfW	280 612	14/12/2009	Completed
Extension of NIGELEC Networks	West Africa	Regional	Energy	IG	AFD	11 000 000	24/10/2013	Ongoing
Feasibility study for the Western part of Umojanet	West Africa	Regional	ICT	TA	AFD	1 104 962	14/12/2010	Completed
Felou Hydropower plant	West Africa	Regional	Energy	IRS	EIB	9 335 000	10/07/2007	Ongoing
Financing EE and RE investments of private companies in West Africa	West Africa	Regional	Energy	IG	AFD	4 500 000	24/10/2013	Ongoing
Financing EE and RE investments of private companies in West Africa	West Africa	Regional	Energy	TA	AFD	1 500 000	24/10/2013	Ongoing
Geothermal Risk Mitigation Facility for East Africa (GRMF)	East Africa	Regional	Energy	DG	KfW	30 000 000	20/10/2011	Ongoing
GET FiT East Africa Program - Uganda Roll-Out Phase 1	East Africa	Regional	Energy	IG	KfW	20 000 000	24/10/2013	Ongoing
Green Energy Finance for Indian Ocean Region (GEFIOR)	East Africa	Regional	Energy	TA	AFD	1 700 000	12/12/2013	Ongoing

⁸ Net of cancellations.

Project name	Main region	Envelope	Sector	Grant type	PFG lead financier	Net grant amount	Approval date	Grant status
Improvement and extension of Conakry's Distribution Network	West Africa	Regional	Energy	IG	AFD	17 000 000	09/12/2015	Ongoing
Improvement and extension of Conakry's Distribution Network	West Africa	Regional	Energy	TA	AFD	3 000 000	09/12/2015	Ongoing
Interconnection Bolgatanga-Ouagadougou	West Africa	Regional	Energy	IRS	AFD	2 800 000	20/10/2011	Ongoing
Interconnection Bolgatanga-Ouagadougou	West Africa	Regional	Energy	IRS	EIB	6 700 000	20/10/2011	Ongoing
Interconnection Bolgatanga-Ouagadougou	West Africa	Regional	Energy	TA	AFD	4 800 000	20/10/2011	Ongoing
Interconnection of the Electric Grids of Nile Equatorial Lakes Countries (NELSAP)	East Africa	Regional	Energy	TA	AfDB	2 000 000	18/03/2015	Ongoing
Itezhi Tezhi Hydropower	East Africa	Regional	Energy	IRS	EIB	17 100 000	12/03/2012	Ongoing
Itezhi Tezhi Hydropower	East Africa	Regional	Energy	TA	EIB	736 667	12/03/2012	Ongoing
Jomo Kenyatta International Airport Extension (JKIA)	East Africa	Regional	Transport	TA	EIB	5 000 000	14/12/2009	Ongoing
Kagitumba-Kyonzira-Rusumo Road Rehabilitation Project.	East Africa	Regional	Transport	IG	AfDB	20 000 000	30/06/2015	Ongoing
Kazungula Bridge and Border Project (KBBP)	Southern Africa and Indian Ocean	Regional	Transport	TA	AfDB	1 000 000	05/07/2011	Ongoing
Kazungula Bridge and Border Project (KBBP)	Southern Africa and Indian Ocean	Regional	Transport	TA	AfDB	2 000 000	13/12/2012	Ongoing
Kibuye-Goma-Birembo Interconnector	East Africa	Regional	Energy	TA	KfW	761 258	15/04/2010	Completed
Lake Turkana Wind Power	East Africa	Regional	Energy	FI	EIB	25 000 000	24/10/2013	Completed
Lake Victoria Regional Transport Project	East Africa	Regional	Transport	TA	PIDG	600 000	12/12/2013	Ongoing
Lake Victoria Regional Transport Project	East Africa	Regional	Transport	TA	PIDG	1 400 000	09/12/2015	Ongoing
Liberia Energy Access (LEAP)	West Africa	Regional	Energy	IG	AfDB	10 000 000	12/12/2013	Ongoing
LV WATSAN - Kampala Water	East Africa	Regional	Water	IRS	KfW	14 000 000	29/06/2010	Ongoing
LV WATSAN - Kampala Water	East Africa	Regional	Water	TA	KfW	8 000 000	29/06/2010	Ongoing
LV WATSAN - Kisumu Water	East Africa	Regional	Water	TA	AFD	5 000 000	03/07/2014	Ongoing
LV WATSAN - Mwanza Water	East Africa	Regional	Water	IRS	EIB	10 700 000	07/11/2012	Ongoing
LV WATSAN - Mwanza Water	East Africa	Regional	Water	TA	EIB	5 500 000	07/11/2012	Ongoing
LV WATSAN - Mwanza Water	East Africa	Regional	Water	TA	AFD	1 500 000	07/11/2012	Ongoing
Maputo International Airport	Southern Africa and Indian Ocean	Regional	Transport	TA	AFD	1 600 000	05/07/2011	Ongoing
Masaka-Mbarara 220 kV Transmission Line	East Africa	Regional	Energy	TA	AFD	800 000	19/04/2012	Ongoing
Mauritania Submarine Cable	West Africa	Regional	ICT	IRS	EIB	1 626 791	04/02/2011	Completed
Mauritius Container Terminal Extension	East Africa	Regional	Transport	DG	AFD	3 000 000	19/04/2012	Ongoing
Mbale-Bulambuli Transmission Line	East Africa	Regional	Energy	TA	KfW	500 000	12/05/2014	Ongoing
Mount Coffee Hydropower Plant	West Africa	Regional	Energy	TA	EIB	1 140 528	15/04/2010	Completed
Mozambique Backbone Transmission System (STE)	Southern Africa and Indian Ocean	Regional	Energy	TA	EIB	699 341	14/12/2009	Completed
Namibia Biomass and Solar Power	Southern Africa and Indian Ocean	SE4All	Energy	TA	EIB	2 300 000	28/03/2014	Ongoing
Namibian Transport Master Plan	Southern Africa and Indian Ocean	SE4All	Transport	TA	EIB	494 901	09/11/2010	Completed
Pan Africa (Katsina) Solar Power	West Africa	SE4All	Energy	IG	PIDG	4 000 000	09/12/2015	Ongoing
Port de Pointe Noire (PAPN)	Central Africa	Regional	Transport	IRS	AFD	6 600 000	10/11/2009	Completed
Port de Pointe Noire (PAPN)	Central Africa	Regional	Transport	TA	AFD	2 000 000	14/12/2009	Ongoing
Ports development project in Comoros	East Africa	Regional	Transport	TA	EIB	5 130 000	30/06/2015	Ongoing

Project name	Main region	Envelope	Sector	Grant type	PFG lead financier	Net grant amount	Approval date	Grant status
Regional Mombasa Port Road Access Project	East Africa	Regional	Transport	IG	KfW	20 000 000	19/11/2014	Ongoing
Regional Road Corridor "South Sudan Link"	East Africa	SE4All	Transport	IG	KfW	22 200 000	09/12/2015	Ongoing
Regional Road Corridor "South Sudan Link"	East Africa	SE4All	Transport	TA	KfW	2 800 000	09/12/2015	Ongoing
Regional Rusumo Falls Hydropower Project	East Africa	Regional	Energy	IG	AfDB	12 750 000	11/11/2013	Ongoing
Regional Rusumo Falls Hydropower Project	East Africa	Regional	Energy	TA	AfDB	250 000	11/11/2013	Ongoing
Rehabilitation of Ruzizi I and II	Central Africa	SE4All	Energy	TA	KfW	3 000 000	02/10/2012	Ongoing
Rehabilitation of the Great East Road	East Africa	SE4All	Transport	IRS	EIB	24 500 000	29/06/2010	Ongoing
Rehabilitation of the Great East Road	East Africa	SE4All	Transport	TA	EIB	1 500 000	29/06/2010	Ongoing
Rehabilitation of the Great East Road	East Africa	SE4All	Transport	IRS	AFD	13 700 000	09/11/2010	Ongoing
Renewable Energy Performance Platform (REPP)	Africa	SE4All	Energy	FI	EIB	15 000 000	03/07/2014	Ongoing
Restructuring of Cargo Handling Corporation Ltd. (CHCL) (Mauritius)	East Africa	SE4All	Transport	TA	AFD	1 200 000	10/09/2014	Ongoing
Rural Roads Infrastructure Development (2RID)	West Africa	Regional	Transport	TA	SIMEST	4 579 050	30/06/2015	Ongoing
Ruzizi III PPP- Regional hydropower	East Africa	SE4All	Energy	TA	EIB	3 739 897	29/05/2008	Completed
Ruzizi III PPP- Regional hydropower	East Africa	Regional	Energy	IG	EIB	11 000 000	09/12/2015	Ongoing
Sambangalou Hydro Power Plant	West Africa	SE4All	Energy	TA	AFD	290 415	14/12/2009	Completed
Satellite enhanced Telemedicine and e-Health for Sub-Saharan Africa (eHSA)	Africa	SE4All	ICT	TA	Lux-Dev.	4 000 000	23/08/2010	Completed
Seychelles Submarine Cable Project	East Africa	Regional	ICT	DG	EIB	3 915 984	14/12/2010	Completed
Sirari Corridor Accessibility & Road Safety Improvement: Isebania-Kisii-Ahero Road Rehabilitation	East Africa	Regional	Transport	IG	AfDB	10 000 000	09/12/2015	Ongoing
Solar Hybridisation to Increase National Electrification - SHINE	West Africa	Regional	Energy	IG	AFD	14 400 000	09/12/2015	Ongoing
Solar Hybridisation to Increase National Electrification - SHINE	West Africa	SE4All	Energy	TA	AFD	3 600 000	09/12/2015	Ongoing
Support for Geothermal Development in Tendaho (Ethiopia)	East Africa	Regional	Energy	IG	AFD	3 000 000	28/03/2014	Ongoing
Support for Geothermal Development in Tendaho (Ethiopia)	East Africa	Regional	Energy	TA	AFD	4 500 000	28/03/2014	Ongoing
Tanzania Backbone Interconnector	East Africa	SE4All	Energy	IRS	EIB	13 700 000	14/12/2010	Ongoing
Togo-Burkina Faso Road Corridor: Lome-Ouaga Road and Transport Facilitation Project	West Africa	SE4All	Transport	TA	AfDB	2 340 000	19/04/2012	Ongoing
Transboundary Water Supply Calueque (Angola) - Oshakati (Namibia)	Southern Africa and Indian Ocean	SE4All	Water	TA	KfW	2 400 000	25/05/2011	Ongoing
Transmission Line Kafue-Livingstone	East Africa	Regional	Energy	IRS	EIB	5 200 000	15/12/2011	Ongoing
Transmission Line Kafue-Livingstone	East Africa	SE4All	Energy	TA	EIB	418 333	15/12/2011	Ongoing
Uganda Rural Electricity Access project	East Africa	SE4All	Energy	IG	AfDB	10 740 000	30/06/2015	Ongoing
Uganda Rural Electricity Access project	East Africa	SE4All	Energy	TA	AfDB	465 000	30/06/2015	Ongoing
Uganda Rural electrification Project	East Africa	SE4All	Energy	IG	AFD	7 100 000	19/11/2014	Ongoing
Uganda Rural electrification Project	East Africa	Regional	Energy	TA	AFD	1 200 000	19/11/2014	Ongoing
Update of the WAPP Masterplan	West Africa	Regional	Energy	TA	EIB	1 306 624	22/10/2009	Completed
WAPP - Coastal Backbone transmission line	West Africa	SE4All	Energy	TA	EIB	1 750 000	27/03/2009	Ongoing
WAPP Power Interconnection in West Africa (Ghana-Burkina Faso-Mali)	West Africa	Regional	Energy	TA	AFD	1 200 000	05/07/2011	Ongoing
TOTAL						654 623 255		

Abridged Financial Statements

Statement of financial position

As at 31 December 2015 (in EUR '000)

	Notes	31.12.2015	31.12.2014
ASSETS			
Cash and cash equivalents	4	632 423	651 344
Available-for-sale financial assets	6	25 000	25 000
Other assets	7	21 421	19 417
Total assets		678 844	695 761
LIABILITIES AND CONTRIBUTORS' RESOURCES			
LIABILITIES			
Amounts owed to third parties	8	571	1 006
Other liabilities	9	8	8
Total liabilities		579	1 014
CONTRIBUTORS' RESOURCES			
Contributions	10	811 958	800 458
Retained earnings		-133 693	-105 711
Total contributors' resources		678 265	694 747
Total liabilities and contributors' resources		678 844	695 761

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2015 (in EUR '000)

	Notes	From 01.01.2015 to 31.12.2015	From 01.01.2014 to 31.12.2014
Interest and similar income	11	-	208
Other income	12	811	-
Total operating income		811	208
Projects financed	13	-26 132	-26 841
General administrative expenses	14	-2 653	-1 961
Audit fees		-8	-8
Total operating expenses		-28 793	-28 810
Net loss for the year		-27 982	-28 602
Total comprehensive loss for the year		-27 982	-28 602

Statement of changes in contributors' resources

For the year ended 31 December 2015 (in EUR '000)

	Notes	Contributions	Retained earnings	Total
Balance at 1 January 2015		800 458	-105 711	694 747
Total comprehensive loss for the year				
Net loss for the financial year		-	-27 982	-27 982
Transactions recorded directly in contributors' resources				
Contributions (Note 10)	10	11 500	-	11 500
Balance at 31 December 2015		811 958	-133 693	678 265

	Notes	Contributions	Retained earnings	Total
Balance at 1 January 2014		595 231	-77 109	518 122
Total comprehensive loss for the year				
Net loss for the financial year		-	-28 602	-28 602
Transactions recorded directly in contributors' resources				
Contributions (Note 10)	10	205 227	-	205 227
Balance at 31 December 2014		800 458	-105 711	694 747

Statement of cash flows

For the year ended 31 December 2015 (in EUR '000)

	Notes	From 01.01.2015 to 31.12.2015	From 01.01.2014 to 31.12.2014
OPERATING ACTIVITIES			
Increase in available-for-sale financial assets	10	-	-25 000
Interest received		-	208
Other income	12	811	-
General administrative expenses	14	-1 772	-8 548
Projects financed		-29 452	-27 179
Audit fees		-8	-8
Net cash used in operating activities		-30 421	-60 527
FINANCING ACTIVITIES			
Contributions received	10	11 500	205 227
Net cash from financing activities		11 500	205 227
Net (decrease)/increase in cash and cash equivalents		-18 921	144 700
Cash and cash equivalents at beginning of the financial year		651 344	506 644
Cash and cash equivalents at end of the financial year		632 423	651 344
Cash and cash equivalents are composed of:			
Current accounts		632 423	651 344

List of donors, representatives, PFG members and aggregate contributions

Donor	Representative	Financier	Contact at financier	Contribution (in EUR)
 European Commission	Mr Roberto Ridolfi, European Commission – DG DEVCO	European Investment Bank	Morag Baird	308 700 000 329 000 000 ⁹ 10 000 000 ¹⁰
 United Kingdom	Mr Harry Hagan, Department for International Development (DFID)	African Development Bank	Alex Rugamba	113 757 932 ¹¹
 France	Mr Cyril Morée, Ministry of Economy, Finance and Industry	Agence Française de Développement	Frédéric Minaret	11 500 000
 Spain	Ms Sonsoles Valle Muñoz, Ministry of Economy and Competitiveness	COFIDES	José Carlos Villena	10 000 000
 Germany	Ms Kerstin Fährmann, Federal Ministry for Economic Cooperation and Development	KfW Bankengruppe	Amelie D'Souza	9 000 000
 Italy	Ms Barbara Chiappini, Ministry of Foreign Affairs	Simest	Alberto Castronovo	5 000 000
 Finland	Mr Jouko Leinonen, Ministry of Foreign Affairs	Finnfund	Jaakko Kangasniemi	5 000 000
 Austria	Mr Alexander Karner, Austrian Development Agency	Development Bank of Austria	Birgit Kapeller	2 000 000 1 000 000 ⁹
 Luxembourg	Ms Peggy Frantzen, Ministry of Foreign Affairs	LuxDev	Richard Schmid	2 000 000
 Netherlands	Ms Nadji Bilik, Ministry of Foreign Affairs	PIDG	John Hodges	2 000 000
 Greece	Mr Loukianos Klint, Permanent Representation of Greece to the EU	Ministry of the Economy and Finance	Trisevgeni Lianou	1 000 000
 Portugal	Mr Enrique Galán, Ministry of Finance and Public Administration	SOFID	Paulo Lopes	1 000 000
 Belgium	Mr Pieter Vermaerke, Federal Public Service for Foreign Affairs and Cooperation	BIO	Denis Pomikala	1 000 000
			Total Regional Envelope	481 957 932
			SE4ALL Envelope	330 000 000
			Grand Total	811 957 932

⁹ Earmarked for SE4ALL.

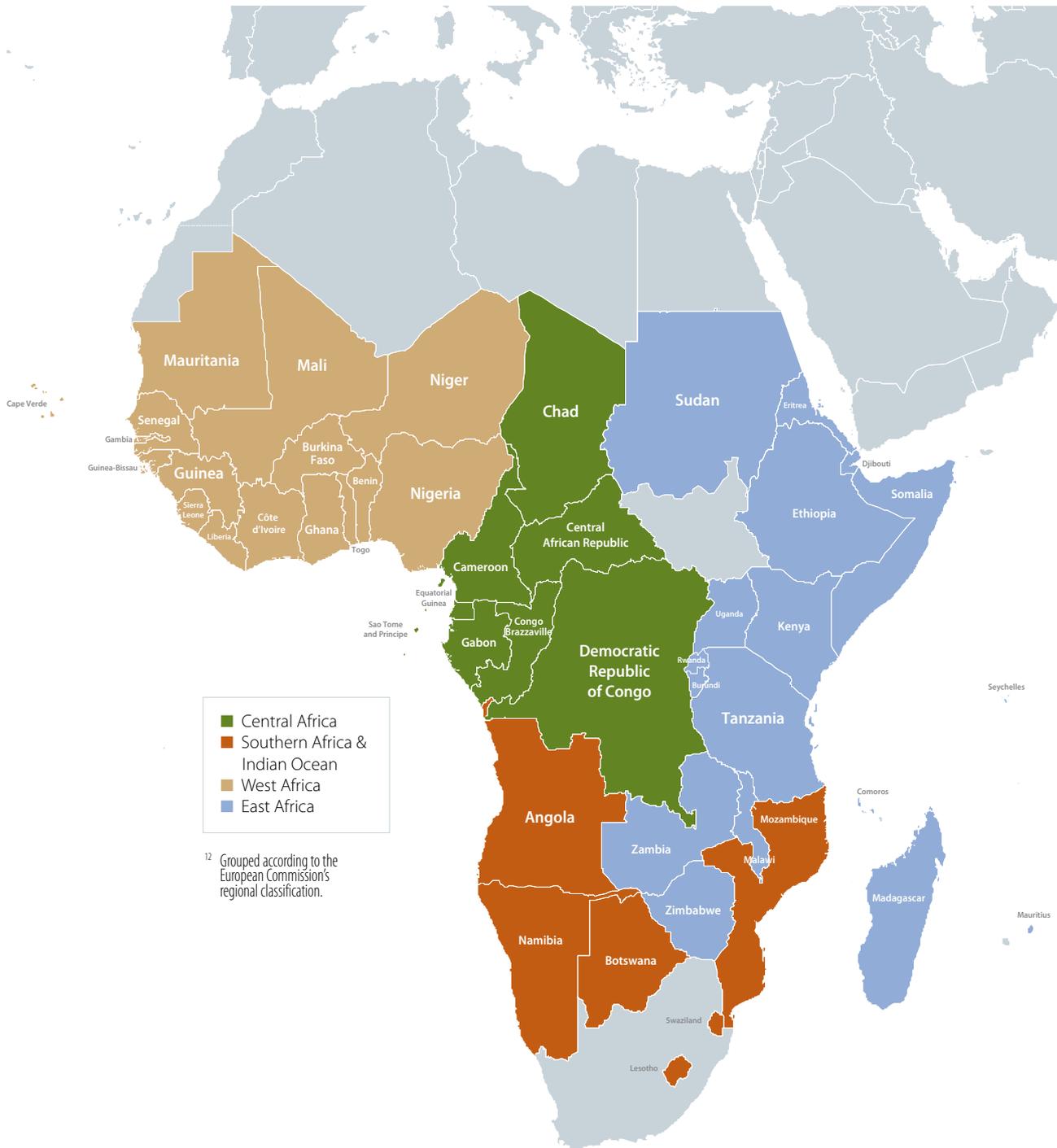
¹⁰ Earmarked for rail project in Benin.

¹¹ EUR equivalent of GBP contribution; figure in 2014 was rounded.

List of abbreviations and acronyms

2RID	Rural Roads Infrastructure Development	ISPS	International Ship and Port Security
A		K	
ACE	Africa Coast to Europe	KeNHA	Kenya National Highways Authority
AEGF	Africa Energy Guarantee Facility	KfW	Kreditanstalt für Wiederaufbau (Germany)
AFD	Agence Française de Développement	km	kilometre
AfDB	African Development Bank	kV	kilovolt
AMADER	Malian Agency for the Development of Household Energy and Rural Electrification	kWh	kilowatt hour
B		L	
BDEAC	Banque de Développement des États de l'Afrique Centrale	LPG	liquefied petroleum gas
C		M	
CLSG	Côte d'Ivoire, Liberia, Sierra Leone and Guinea	MDB	multilateral development bank
CO ₂	carbon dioxide	MW	megawatt
COP21	21st Conference of the Parties	MWh	megawatt hour
CWS	Cable and Wireless Seychelles	MWp	megawatt peak
D		N	
DG	direct grant	NBI	Nile Basin Initiative
DR Congo	Democratic Republic of Congo	NEL	Nile Equatorial Lakes
DRC	Democratic Republic of Congo	NELSAP	Nile Equatorial Lakes Subsidiary Action Programme
E		O	
EAC	East African Community	ODA	Official Development Assistance
EASSy	East African Submarine Cable System	OMVG	Gambia river basin commission
ECOWAS	Economic Community of West African States	OMVS	Senegal river basin commission
EDG	Electricité de Guinée	OSBP	one-stop border post
EDPRS	Economic Development and Poverty Reduction Strategy	P	
EIB	European Investment Bank	PAPN	Port Autonome de Pointe Noire
ERA	Electricity Regulatory Authority	PFG	Project Financiers Group
ERERA	Regional Electricity Regulatory Authority	PIDA	Programme for Infrastructure Development in Africa
ESIA	Environmental and Social Impact Assessment	PIDG	Private Infrastructure Development Group
EU	European Union	PPP	Public-Private Partnership
EU-AITF	European Union-Africa Infrastructure Trust Fund	R	
EUR	euro (€)	RAP	Resettlement Action Plan
F		REPP	Renewable Energy Performance Platform
FI	financial instrument	RGI	Reference Group on Infrastructure
G		S	
Gbit	gigabit	SCSL	Seychelles Cable Systems Company Limited
GDP	gross domestic product	SDGs	Sustainable Development Goals
GEFIOR	Green Energy Finance for Indian Ocean Region	SE4ALL	Sustainable Energy for ALL
GRMF	Geothermal Risk Mitigation Facility for East Africa	SEAS	Seychelles East Africa Submarine
GW	gigawatt	SHINE	Solar Hybridisation to increase national electrification
GWh	gigawatt hour	SIMEST	Società italiana per le Imprese all'Estero
H		SME	small and medium-sized enterprise
HIV	human immunodeficiency virus	T	
HPP	hydropower plant	TA	technical assistance
I		TANESCO	Tanzania Electric Supply Company
ICT	information and communication technologies	U	
IG	investment grant	UK	United Kingdom
IMT	International Mauritania Telecom	UN	United Nations
IPP	Independent Power Producer	USD	United States dollar (\$)
IRS	interest rate subsidy	W	
		WAPP	West African Power Pool

List of eligible African countries¹²



¹² Grouped according to the European Commission's regional classification.



All data in this report is based on reporting from the financiers unless otherwise stated. While material appearing in this report may be freely reproduced, the EU-AITF would appreciate an acknowledgement and press clipping.

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EU-Africa Infrastructure Trust Fund

Annual Report 2015

