



European Union Africa
Infrastructure Trust Fund



EU-Africa Infrastructure Trust Fund

Tackling Africa's infrastructure deficit by blending grants and loans.

What is the EU-AITF?

Created in 2007, the EU-AITF is a trust fund set up by the European Commission and a number of European Union Member States. The EU-AITF's main objective is to promote investment in infrastructure in Sub-Saharan Africa¹ through various forms of grants, which are blended with long-term investments by selected development finance institutions. In this way, the EU-AITF helps to mobilise additional finance for projects, thereby increasing access to energy, transport, water and communications services. Ultimately, such projects contribute to poverty reduction and help foster sustainable economic growth.

EU-AITF funding comprises two different grant envelopes:

- The **regional envelope** promotes infrastructure projects with a demonstrable regional impact.
- The **Sustainable Energy for All (SE4ALL)** envelope supports regional, national and local energy projects targeting SE4ALL objectives.

What kind of grant support does the EU-AITF provide?

- **Technical assistance:** for preparatory work, project supervision, targeted capacity building.
- **Interest rate subsidies:** to lower interest rates and hence reduce the total amount of debt.
- **Investment grants:** to finance project components or part of the investment, to increase the concessionality of the financing package.
- **Financial instruments:** guarantee cost financing, equity or quasi-equity investments or participations, risk-sharing instruments.



The EU-AITF contributes to the SE4ALL initiative

The "Sustainable Energy for All" (SE4ALL) initiative was launched by the United Nations to achieve three main objectives by 2030:

- ensure universal access to modern, affordable and sustainable energy services;
- double the global rate of improvement in energy efficiency; and
- double the share of renewable energy in the global energy mix.

Since July 2013, the EU-AITF has been supporting the SE4ALL initiative with grants from an envelope of EUR 330m earmarked for energy projects that meet SE4ALL eligibility criteria published by the European Commission.

¹ The list of eligible African countries and more detailed information on the projects can be found on the EU-AITF website <http://www.eu-africa-infrastructure-tf.net/>.



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The total project cost of all projects in their investment phase is currently estimated at EUR 8.9bn



What types of project are eligible?

- **Energy:** geothermal, hydropower, solar power and wind power plants, transmission lines, sustainable cooking fuels, access, etc.
- **Transport:** road and railway networks, ports, maritime and river routes, air transport, etc.
- **Water:** water supply, treatment and sanitation plants, etc.
- **Information and communication technologies:** submarine internet cables, satellite-based infrastructure, etc.

Projects eligible for EU-AITF support must be able to demonstrate both financial sustainability and a development impact, including:

- a significant contribution to poverty reduction and economic development and trade;
- economic viability;

- provisions for sustainable operation and maintenance;
- African ownership (projects identified as priority projects by the African Union or one of the African regional or national bodies).

How is the EU-AITF governed?

Three main bodies govern the EU-AITF:

1. **The EU-Africa Reference Group on Infrastructure**, previously the Partnership Steering Committee, ensures coordination, knowledge-sharing and the coherence of the Joint EU-Africa Strategy. It is responsible for developing and implementing strategic responses in the four sectors of the EU-AITF, i.e. transport, energy, ICT and water.
2. **The Executive Committee** of EU-AITF Donors is the decision-making body of the EU-AITF and takes all operational decisions.

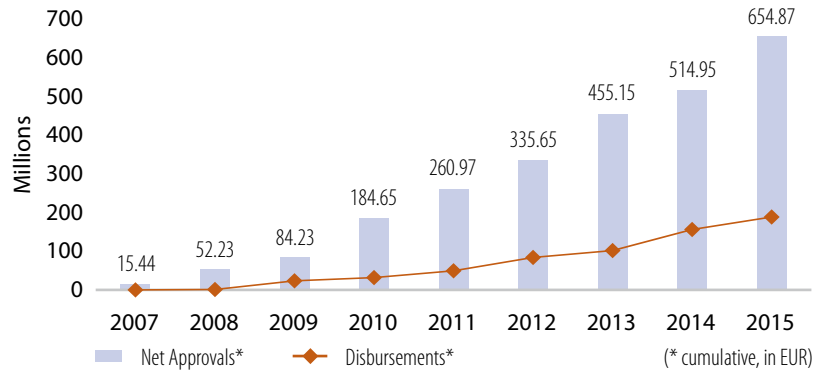
3. **The Project Financiers Group** brings together development finance institutions (the EU-AITF Project Financiers) that have been nominated by the EU-AITF Donors, as well as experts from the European Commission. An EU-AITF Financier that has identified a suitable project together with the project promoter, submits a grant request to the Project Financiers Group for review and discussion; if the group endorses the proposal it is passed on to the Executive Committee.

The **European Investment Bank** is the Manager of the EU-AITF, responsible for treasury and accounting.

The **EU-AITF Secretariat** provides support to the EU-AITF Executive Committee and, for some administrative tasks, to the Project Financiers Group.

EU-AITF facts, figures and results since launch

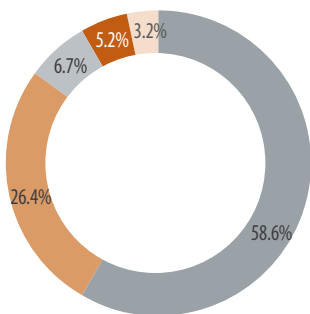
Since the fund's inception in 2007, EU-AITF approvals have increased steadily and disbursements have been accelerating in recent years. As at 31 December 2015, the EU-AITF had committed 85% of its total available resources and the cumulative total of grant operations² approved by the EU-AITF stood at EUR 654.9m – EUR 454.1m under the regional envelope (since 2007) and EUR 200.8m under the SE4ALL envelope (since July 2013).



² From 2015 onwards, these figures are presented net of cancellations and using the regional classification of the European Commission.

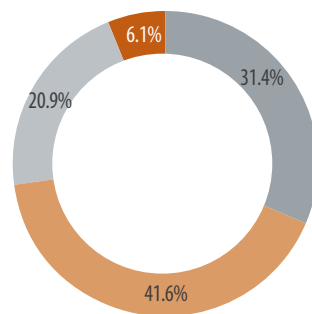
The cost of EU-AITF supported projects currently in their investment phase is estimated at EUR 8.9bn, which is 19.5 times the volume of EU-AITF grant support.

Breakdown by main region:



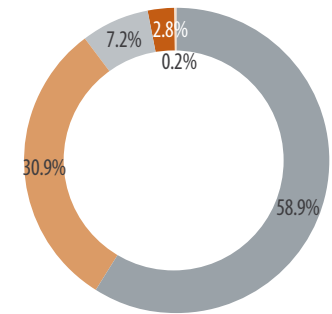
■ East Africa ■ West Africa
 ■ Southern Africa and Indian Ocean
 ■ Sub-Saharan Africa ■ Central Africa

Breakdown by type of grant:



■ Interest rate subsidies (IRS)
 ■ Investment grants (IG)
 ■ Technical assistance (TA)
 ■ Financial instruments (FI)

Breakdown by sector:



■ Energy ■ Transport ■ Water
 ■ Information and communication technologies (ICT)
 ■ Multisector





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Pledged contribution amount (as at 31.12.2015)	EUR 811.9m (EUR 481.9m for the regional envelope and EUR 330m for the SE4ALL envelope)
Donors (as at 31.12.2015)	<ul style="list-style-type: none"> • European Commission: EUR 647.7m • 12 EU Member States: EUR 164.2m
Manager	European Investment Bank
Project Financiers	African Development Bank, Agence Française de Développement, BIO, COFIDES, Development Bank of Austria, European Investment Bank, Finnfund, Hellenic Ministry of Economy and Finance, KfW Bankengruppe, LuxDev, PIDG, Simest, SOFID

List of Project Financiers



For further information, contact:

EU-Africa Infrastructure Trust Fund

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