2022/2023

EIB GLOBAL REPORT

THE IMPACT

European Investment Bank | Global

EUROPEAN INVESTMENT BANK

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2022/2023 EIB Global Report — The impact

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This report has been written with the active assistance of many individuals across the EIB Group. Our cordial thanks go to all of them for their support.

The power of nature is awesome. Throughout history, people have feared its storms, its floods, droughts and eruptions. At this critical time, we realise that we must instead be in tune with nature and harness its power, if we are to beat the climate change that our own actions have caused. More than half the European Investment Bank's investments are now in climate action and environmental sustainability. Our priority is to finance the green transition to renewables powered by nature, from geothermal energy to hydroelectricity and wind power. That is why we are putting these natural forces right on the covers of our major reports this year.

For further information on the EIB's activities, please consult our website, www.eib.org
You can also contact info@eib.org. Get our e-newsletter at www.eib.org/sign-up

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FOREWORD BY THE PRESIDENT

In 2022, the European Investment Bank (EIB) founded EIB Global, a new arm of the Bank dedicated to development assistance and external action, implementing a global Green Deal and the European Union's Global Gateway initiative, and the EU enlargement process.

Building on decades of experience working in Europe's neighbourhood, in Africa and around the world, under EU mandates and in support of EU policy priorities, EIB Global brings together all the financial, engineering and scientific expertise of the EIB to maximise impact. The new structure fosters strong, focused partnerships within Team Europe, with multilateral development banks and bilateral development agencies. With a stronger presence on the ground, it increases our cooperation with partner countries, clients, EU Member States and other development finance institutions.

Last year was challenging for most of our partner countries around the globe. While businesses and households were still recovering from the disruptive and poverty-enhancing effects of the pandemic, these countries were hit by rising inflation and borrowing costs, undermining the sustainability of their public finances and making it even harder to close the huge gaps in investment, to achieve sustainable and inclusive growth. Russia's invasion of Ukraine only exacerbated this situation, driving up food and fuel prices even further, undermining food security in some of the poorest regions of the world, and damaging wider development prospects.

In this context, the European Union needs to step up its political and economic presence in the world, to offer a much stronger partnership for inclusive, green and resilient growth. EIB Global is now a key part of this effort.

I am very glad to report the success of EIB Global in its first year. Under very difficult circumstances, we substantially increased our lending outside the European Union to €9.1 billion in new project signatures, with a further €1.7 billion of previous signatures repurposed for rapid disbursement to Ukraine. New signatures included solar power plants in Brazil, further support for vaccination initiatives across the globe, and making sure that the people of Jordan have access to clean water by funding one of the world's largest desalination plants.

This report is about the impact that these projects will have: 11.7 million people with access to safe drinking water, 836 million people vaccinated against COVID-19 and other diseases, 141 million more trips on public transport every year. It details the efforts we make to track results and maximise our impact.

Alongside these noteworthy results, we also stepped up to provide rapid emergency assistance to Ukraine. As we speak, EIB financing is helping to build — or rebuild — schools and health facilities from Odessa to Kyiv. Our technical assistance is helping Kharkiv get its war-ravaged trams back on their tracks. And our funds support emergency repairs to the country's bomb-damaged roads.

Thanks to support from the EU budget, we were among the first to provide help for Ukraine's government, to keep it going, as early as last March. The €1.7 billion we disbursed to Ukraine was done under exceptionally difficult circumstances, repurposing existing loans to respond to immediate emergency needs. We have another €540 million still to disburse, as concrete projects on the ground progress, and we continue to explore all possible options to support Ukraine this year by combining our own resources with guarantees from the European Union and its Member States.

"Europe needs to step up its political and economic presence in the world. EIB Global is now a key part of this effort."

In the longer run, you can count on the EIB to co-finance the reconstruction of a victorious Ukraine, in close partnership with the European Commission, governments, international financial institutions and national promotional banks. It will be a huge task. That's why we are already planning for this.

From climate change to the COVID-19 pandemic, to the shockwaves caused by Russia's aggression, it's now clear that the challenges we face are global. We are all in the same boat. We either rise to these challenges, or we sink together.

That's the rationale behind the European Union's Global Gateway, a plan to promote sustainable, inclusive growth across the world with investments that do not lead to toxic dependencies. EIB Global is well on track to facilitate at least one-third of the €300 billion of investment that Global Gateway aims to support by 2028.

It is also why we are working to turn the European Green Deal into a global one, to leave no one behind in the green transition. 46% of our lending outside the European Union this year supported climate action and environmental sustainability, and this will increase to at least 50% in the coming years. Our projects will provide clean energy for 2.1 million households and reduce the risks of drought facing nearly 11 million people.

This is why we are helping tens of thousands of businesses to get through current challenges and invest to create jobs and more prosperous, inclusive societies. 48 500 loans to microenterprises and smaller businesses will help to sustain some 316 000 jobs.

In challenging times, it is tempting for many in Europe to turn their backs on the rest of the world, but this would be neither moral, nor in Europe's interest. The European Union needs to further its strategic autonomy, but it will not achieve that by taking an inward-looking perspective. If we want to strengthen EU resilience, we need to forge new, sustainable partnerships and alliances around the globe.

I am very proud that with EIB Global, we are making an active contribution to this under the banner of the European Union.

Werner Hoyer

A queue of people in need of humanitarian assistance in Kharkiv, Ukraine.

INTRODUCTION

The world is facing unprecedented challenges, with multiple crises undermining development progress, and even rolling back the achievements of recent years. The impacts of the pandemic and Russia's invasion of Ukraine are causing human suffering, have set back the struggle against extreme poverty, and are making it harder to achieve the Sustainable Development Goals by 2030. The negative effects of climate change are worsening, with many emerging and developing countries among the most vulnerable.

These challenges call for an effective, visible EU response that fosters real partnerships. As the EU bank and a key member of Team Europe, the European Investment Bank (EIB) launched EIB Global in January 2022 to better respond to this global context, and to improve the impact of its operations outside the European Union. This publication reports on the first year of EIB Global, with a focus on the global development context, on EIB Global's three main priority areas — climate change, jobs and inclusive growth, and the Global Gateway — and on the impact of its operations.

EIB Global: A focus on impact

As a dedicated branch within the EIB Group, EIB Global's central goal is to increase its impact, in alignment with EU priorities. It aims to serve as the European Union's development finance arm in support of EU external policies and priorities, in particular the Global Gateway initiative, the climate transition and the Sustainable Development Goals. It does so by financing sound projects developed to high standards, using its technical and financial expertise and resources to promote inclusive and sustainable investment in partner countries.

> **"EIB Global is designed to strengthen partnerships and enhance impact."**

The breadth and depth of current international challenges demand an effective response. At the same time, adopting the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe) has laid the groundwork for a stronger partnership between the EIB and the European Commission and closer cooperation with Team Europe partners. As of March 2023, EIB Global is participating in 112 Team Europe Initiatives.[1]

EIB Global is designed to strengthen partnerships and enhance impact. It is a response to the Council of the European Union's request, expressed in its conclusions on improving EU financial architecture for development in 2021, for the EIB to identify improvements to enhance the impact of its work in partner countries.

1. https://europa.eu/capacity4dev/tei-jp-tracker/donorslist?tab=tei

EIB Global's strategy is anchored in its mission as a part of the EIB Group and a part of Team Europe.

- EIB Global remains an integral part of the European Union's external action and development toolbox. The special position of EIB Global as part of the EU bank is reflected in its dedicated investment windows in the NDICI-Global Europe instrument, and in its ability to deploy its own resources in support of EU policies.

- EIB Global supports the delivery of overarching EU initiatives and policies, including the Green Deal, the Global Gateway and specific regional policies, such as EU enlargement. It will remain aligned with EU priorities and the programming process, based on the "policy first" principle.

- EIB Global is also an active participant in the wider international community of multilateral development banks, development finance institutions and public development banks.

In this, EIB Global builds on the EIB's decades-long experience operating outside the European Union, with established client engagements and partnerships in all regions of operation. EIB Global provides a comprehensive product range of loans, equity and advisory services, encompassing both public and private sector clients. It has a vast pool of technical and financial expertise to draw from across various priority areas. It operates to high EU standards, aligned with EU policies and has proven its ability to respond rapidly and flexibly to crises.

Looking forward, EIB Global is greatly enhancing its presence in partner countries and its engagement in the upstream development and preparation of priority projects. It will be working more closely with its partners in Team Europe, delivering new products and advisory services to better respond to specific needs, and to maximise its impact on the ground.

The impact of EIB Global's operations in 2022

This report examines the development challenges in the different regions where EIB Global operates, and in light of the main EU priorities. It then details the impact of EIB Global operations.

Global challenges, deeper partnerships – This section reviews the development context, looking at global macroeconomic development and the different regions where EIB Global operates:

- EU neighbourhood countries;

- Sub-Saharan Africa;

- Western Balkans and Türkiye;

- Asia and the Pacific, and Latin America and the Caribbean.

The report then turns to the overarching priorities of EIB Global and the European Fund for Sustainable Development Plus, examining investment needs and describing the response by EIB Global.

A global Green Deal – International efforts to catalyse and accelerate flows of capital for green investments in emerging and developing economies are essential. The benefits of these investments are obviously not just local, but also global. Rising financing costs, however, mean even greater barriers to investment in clean energy technologies, and technical advice plays a vital role in identifying and designing sound investments. EIB Global supports the overarching EU priority of accelerating the transition to low-carbon, climate-resilient and environmentally sustainable development by prioritising the Green Deal, Paris Alignment and the Just Transition outside the European Union.

Connecting the globe – The concept behind the Global Gateway initiative is that investments in transport connections, digitalisation, energy systems, education and health should be made within partnerships that are transparent and accountable to all, respecting human rights, climate objectives and best standards on social, environmental and procurement issues. This is the only way to ensure that investments really create lasting benefits for people in the targeted countries and communities. As part of Team Europe, EIB Global is already at the forefront of implementing the Global Gateway initiative.

Jobs and inclusive growth – Access to finance, including microfinance, small business loans and growth capital, is critical to enable microentrepreneurs and businesses to invest, innovate, create jobs and promote inclusive growth. EIB Global is building on its decades-long experience and partnership with banks, funds and microfinance institutions to support more widespread access to finance, particularly for microenterprises and small and medium-sized businesses. It supports intermediaries' efforts to expand their outreach, increasingly with a focus on green investments and gender equality.

Impact: In detail – The final part of this report brings together all the information on the results of EIB Global operations and the financial and non-financial contribution we make. It covers:

- How we measure results and impact
- Expected results of new projects
- EIB Global's contribution to new projects
- Evidence on the EIB's crowding-in effect
- Carbon footprint exercise
- Macroeconomic impact modelling
- Results of completed projects
- Lending volumes
- List of operations signed in 2022

A companion volume to this report, ***EIB Global Report: The Story***, delves deeper into the rationale for, and experience gained from, individual projects by EIB Global.

Total EIB Global financing signed in 2022:

€9.1 billion

Loans repurposed for emergency disbursement to Ukraine:

€1.7 billion

Table 1: **Financing arrangements signed in 2022 by region and public policy goal** (in EUR million)

		Neighbourhood countries	Sub-Saharan Africa	Western Balkans and Türkiye	Asia and the Pacific	Latin America and the Caribbean	Total
SME and mid-cap finance		1 347	863	165	217	157	2 750
Innovation, digital and human capital		74	857	7	412	135	1 484
Sustainable cities and regions		768	429	622	323	34	2 177
Sustainable energy and natural resources		602	422	60	247	1 359	2 690
Economic and social cohesion	Cross-cutting	0	526	174	50	100	850
Climate action and environmental sustainability	Cross-cutting	1 225	486	635	592	1 263	4 202
Total		**2 791**	**2 571**	**854**	**1 200**	**1 685**	**9 101**

Table 2: **Selected expected results for 2022 projects**

Production of food and agricultural products (tonnes/year)	**90 000**	
Agricultural product storage capacity (tonnes)	**224 000**	
Volume of patients with access to improved health services	**184 000**	
Population vaccinated against COVID-19 and other diseases	**836 000 000**	
Microfinance loans to women beneficiaries	**16 154**	
Additional trips by women on urban public transport, per year	**65 790 000**	
People with access to safe drinking water	**11 663 000**	
People with access to improved sanitation services	**911 600**	
Households that could be supplied with electricity generated from renewable energy sources	**2 112 000**	
New connections to electricity networks	**15 000**	
Jobs sustained in microenterprises, small and medium enterprises and mid-caps	**326 200**	
Employment during project construction (person-years)	**301 700**	
Additional trips on public transport, per year	**153 000 000**	
Submarine or terrestrial fibre-optic backbone cable installed (km)	**7 100**	
Length of railway track lines built or upgraded (km)	**768**	
Building surface area built or upgraded (m^2)	**200 000**	
Savings from energy efficiency measures (GWh/year)	**85.1**	
Absolute greenhouse gas emissions (t CO_2-eq/year)	**300 000**	
Greenhouse gas emissions avoided (t CO_2-eq/year)	**900 000**	

GLOBAL CHALLENGES, DEEPER PARTNERSHIPS

In recent decades, economic growth has been the engine that has lifted hundreds of millions of people out of poverty, with increased economic integration boosting the incomes of many people around the world, from East Asia to many countries in the EU neighbourhood. Even before the pandemic, however, there were worrying signs of a slowdown in economic development. The pandemic, the fallout from the war in Ukraine, rising food and energy prices and tightening global financing conditions are now creating even greater hurdles.

Development progress is under threat

The growth trend in emerging markets and developing economies (EMDEs) had already slowed significantly in the decade to 2020, due to factors such as higher debt, lower productivity growth and a slowdown in China. Growth rates of 7% were typical before the 2007-2008 Global Financial Crisis, falling to an average of 5% in 2010-2019. The combined shocks from the pandemic and war in Ukraine may further set back long-term growth prospects. The IMF is currently forecasting growth in emerging and developing economies of as little as 4.0% in 2023, rising to 4.2% in 2024.[2]

This trend has been compounded by the war in Ukraine. Aside from the enormous cost to the people of Ukraine itself, the war has driven price inflation of essential goods, particularly food and energy. Via higher inflation, it has exacerbated a global tightening of financial conditions. The weak expected growth performance in the United States, the euro area and China has further undermined the outlook for economic growth in other parts of the world.

The costs of the COVID-19 pandemic and the war were borne disproportionately by the world's poorest people. Global poverty had declined from 38% of the global population in 1990 to 8.4% in 2019, representing three decades of continued progress on poverty reduction. However, the pandemic disrupted this trend in 2020, with the incomes of the world's poorest falling. While data for 2020 are still uncertain, it is estimated that the pandemic swelled the ranks of the extreme poor by 11%, or about 70 million extra people globally, and it seems probable that the increase in poverty in 2020 is the largest since World War II. The goal of eradicating extreme poverty by 2030 now appears even harder to reach.[3]

"The pandemic swelled the ranks of the extreme poor by 11%, or about 70 million extra people globally."

2. IMF, 2023, "World Economic Outlook Update".
3. World Bank, 2022, "Poverty and Shared Prosperity 2022: Correcting Course".

Debt sustainability poses new challenges for development finance

In this context, high debt levels are another source of fragility, weighing on development prospects. While debt was already growing steadily in the decade ahead of the pandemic, measures needed to support economies through the pandemic led to a rapid acceleration in debt accumulation. While advanced economies borrowed far more heavily initially, they have since been able to deleverage somewhat and reduce their debt ratios. Emerging and developing economies, in contrast, have needed to expand borrowing further and debt ratios have proven far stickier.

Against a background of elevated debt ratios, the war in Ukraine created two complementary and related problems. Firstly, it added to international supply constraints, putting upward pressure on inflation globally, thereby creating an unusually synchronised global central bank tightening cycle. This led to higher domestic borrowing costs in emerging and developing economies. Secondly, it led to a reduction in global risk appetite and an abrupt tightening in global financial conditions. With higher interest rates in advanced economies, capital outflows put further pressure on emerging and developing economies. Bond issuance in EMDEs fell to levels not seen in a decade. Indeed, the drop in issuance compared to the previous year dwarfed the reductions seen following the onset of the Global Financial Crisis, the taper tantrum or the pandemic.[4] The severity of the impact by country was closely related to creditworthiness. Countries with weaker fundamentals saw sharp increases in bond yields and, in some cases, were completely shut out of international capital markets.

"The war in Ukraine led to a reduction in global risk appetite and an abrupt tightening in global financial conditions."

The combined impact of higher debt levels and high interest rates on both domestic and external debt put enormous pressure on debt servicing costs in many countries. Exchange rate weakness was another factor exacerbating debt problems for some countries with large foreign currency-denominated debt stocks. When the US dollar appreciated in 2022 on the back of an aggressive Federal Reserve tightening cycle, it led to a sharp increase in indebtedness and debt servicing costs for some countries.

"Emerging and developing economies' increased reliance on commercial creditors in the last decade has been one factor adding to current debt issues."

These multifaceted challenges confronting EMDEs have pushed a growing number of countries into debt difficulties. According to the most recent IMF-World Bank debt sustainability analyses, 60% of low-income countries are at high risk of public debt distress or are already in debt distress, double the rate in 2015. Signs of distress are also evident among emerging economies. Bond yield spreads on dollar-denominated debt relative to US treasuries have exceeded 1 000 basis points for several countries, a level generally considered to indicate "distress".

4. World Bank, 2023, "World Economic Prospects".

Investment needs remain huge

Despite these mounting difficulties, development needs and financing gaps remain stark. Investments in clean energy in developing and emerging economies (excluding China) need to expand by more than seven times, to above $1 trillion, to be on track for net-zero global carbon emissions by 2050.[5] More is also urgently needed to expand access to clean electricity and enhance resilience to the climate changes already underway.

Investment in social and economic infrastructure, education and human health is another prerequisite for sustainable and inclusive growth. Investments need to be technically, socially and environmentally sound, and part of a coherent development concept owned by partner countries, without creating new dependencies or unsustainable debts. This is the thinking behind the European Union's Global Gateway initiative.

> **"Investments in clean energy in developing and emerging economies need to expand by more than seven times."**

At the same time, individuals and businesses need support to seize upon opportunities to create employment and raise standards of living. The pandemic and the energy shock have been very disruptive for business activity in developing and emerging economies, with consequences that may reach well into the medium and long term. Inclusive access to finance, including microfinance, small business loans and growth capital, is an essential part of a comprehensive development strategy.

With emerging and developing economies facing both elevated debt levels and significant funding and investment needs, multinational development banks have an important role to play to expand funding on concessional terms. Indeed, emerging and developing economies' increased reliance on commercial creditors in the last decade has been one factor adding to current debt issues.

5. International Energy Agency, 2021, "Financing clean energy transitions in emerging and developing countries".

EU NEIGHBOURHOOD COUNTRIES

War has imposed massive human and economic costs on the people of Ukraine. In the wider eastern and southern neighbourhoods, it has undermined food and energy security, disrupted trade and worsened conditions for private sector development. In 2022, EIB Global focused on accelerating funding flows to Ukraine, while supporting connectivity, small business resilience and food security in the wider region.

Although the macroeconomic outlook in the Eastern Partnership countries was improving before the pandemic struck, weaknesses in the business environment pointed to the need for policies to further strengthen competitiveness, with a view to reaping benefits from enhanced trade and integration with EU and global markets. These policies include investments in infrastructure to better connect with European markets, investments in human capital and support for private sector-led growth. Post-war reconstruction in Ukraine will add greatly to these investment needs.

In the Southern Neighbourhood, economic development in the last decade has been relatively slow, doing little to raise standards of living and ease social pressures. Public finances have suffered, with debt-to-GDP ratios growing considerably over the last ten years. And yet, in 2022, several countries managed to recover growth lost during the pandemic despite tightening financial conditions and negative spillovers from the Russian invasion of Ukraine.

Improving the business environment is a key challenge throughout the EU neighbourhood. According to a joint assessment by the EIB, the EBRD and the World Bank, businesses list access to finance, political instability and corruption as key concerns.[6] Most firms in need of a loan had been either rejected or discouraged from applying. Trade integration, including access to know-how through participation in global value chains, is key to enhancing rates of innovation and productivity growth.

Environmental sustainability poses another significant challenge for EU neighbourhood countries. Carbon emissions per unit of GDP remain relatively high, partly due to widespread fossil fuel subsidies, which have even increased in the wake of the pandemic. Key investment priorities include development of renewable energy resources and water security, particularly in the south, alongside building energy efficiency investments in the east and sustainable urban transport investments throughout the EU neighbourhood.

EIB Global targets these investment needs under the umbrella of European Neighbourhood Policy and specific regional policies, such as the New Agenda for the Mediterranean for the Southern Neighbourhood or the revised Eastern Partnership priorities. It stands ready to play a key role in the future reconstruction of Ukraine, and in the accession processes for Ukraine, Moldova and Georgia. This accession process will provide the countries with a framework for strengthening democratic institutions, rule of law and socioeconomic development. Previous rounds of enlargement have resulted in substantial economic stimulus as countries have adopted EU law, built a more stable investment climate and gradually integrated into the European Union's single market.

6. EIB, EBRD, World Bank, 2022, "Unlocking sustainable private sector growth in the Middle East and North Africa: Evidence from the Enterprise Survey".

Signed in 2022

€2.79 billion

Climate action and environmental sustainability: 44%

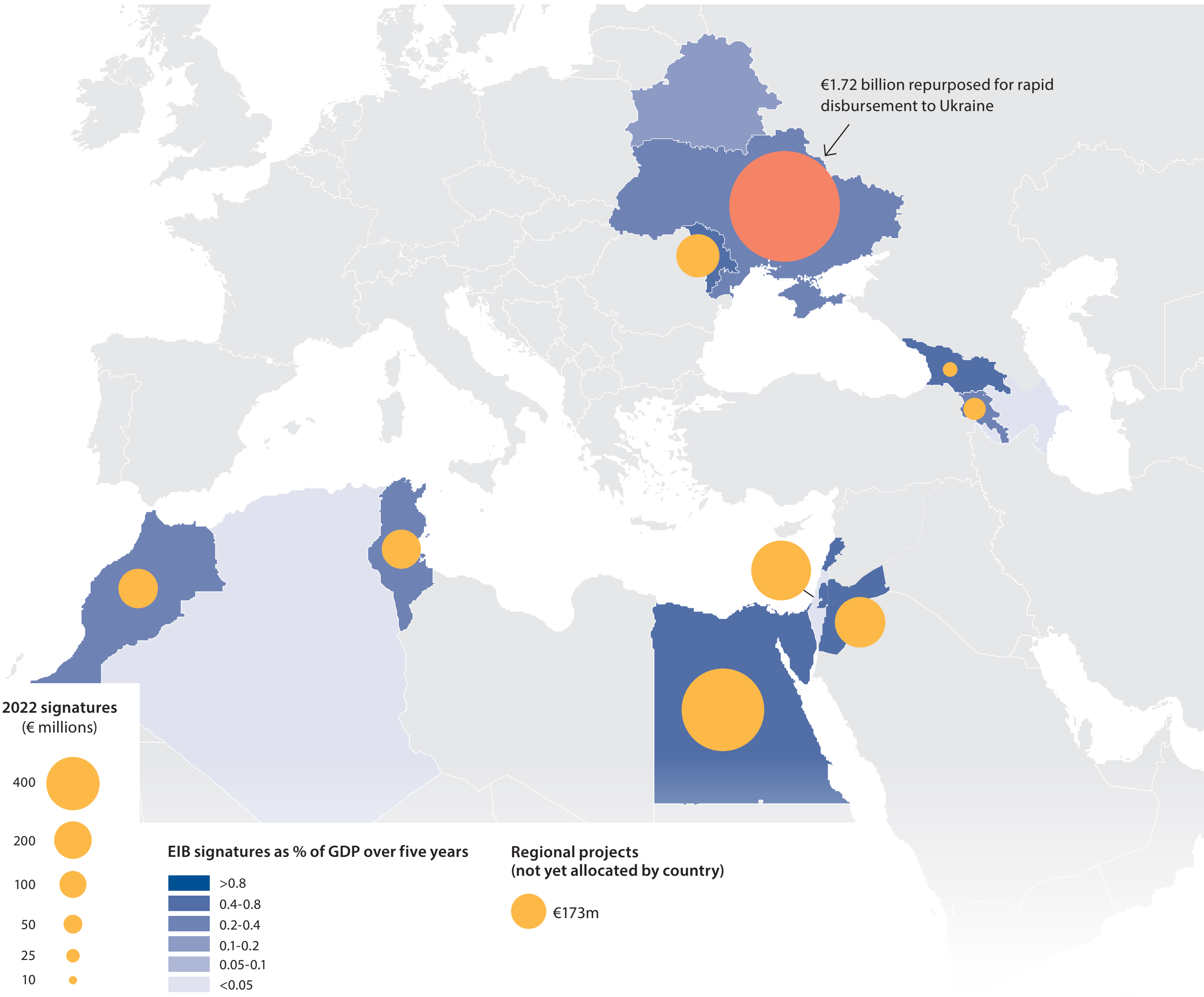
Key expected results of new projects

10.9 million people with access to safe drinking water

15 million journeys per year on new or upgraded railways

192 000 jobs sustained in microenterprises and smaller enterprises

Figure 1: **EIB lending in EU neighbourhood countries**
(Contracts signed in 2022 and as % of GDP over 2018-2022)



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SUB-SAHARAN AFRICA

This is a region with enormous potential. Yet sub-Saharan Africa also faces huge investment needs, and many financial, institutional and security challenges. It is also very vulnerable in the face of climate change.

Although many African economies show considerable dynamism, poverty levels remain extremely high. Before the pandemic, in 2019, 35% of the population (389 million people) lived in extreme poverty, with poverty slowly rising as income growth failed to keep up with a growing population. According to latest estimates, a further 11 million people were pushed into extreme poverty by the pandemic.[7] The OECD (2020) has estimated that recovery from COVID-19 will require an additional $1 trillion annually, on top of the $2.5 trillion annual gap in finance for the Sustainable Development Goals (SDGs) that predated the crisis.[8]

With only 65% of the population in sub-Saharan Africa able to access basic drinking water services, and 33% able to access basic sanitation and public transport, there is a great need for investment in vital infrastructure. The tasks of fighting climate change and increasing renewable energy generation add to this need. According to a recent analysis performed by the EIB, almost all African countries face elevated, high or very high risk from climate change.[9] Rising temperatures and more frequent droughts will severely undermine the productivity of agriculture, most notably in the Sahel. However, the region has high solar capacity potential and plentiful wind, hydro and geothermal generation resources.

Governments alone cannot close the structural bottlenecks that hinder more inclusive, broad-based development. To support economic recovery and sustained growth and job creation, a thriving financial system is needed. However, banking sectors remain underdeveloped relative to the size of the region's economies. Only 20% of small and medium businesses have access to a line of credit or a loan with a formal financial institution. In 14 African countries, the share is below 10%, and even this level of service is vulnerable to global conditions. Banks surveyed for the EIB's report Finance in Africa 2022 expressed concern about rising local costs for financing due to tightening global financial conditions, while their concerns regarding the financial health of their clients have been elevated since the pandemic.[10]

EIB Global supports EU policy in sub-Saharan Africa in the context of Global Europe. The strategic focus is on less developed countries and fragile or conflict-affected states. Achieving the Sustainable Development Goals, reversing the negative post-pandemic trend and initiatives to support climate adaptation are central priorities. EIB Global's support for private sector development includes a strong focus on disadvantaged groups and gender-responsive investments. In 2022, it signed €2.6 billion in finance for the region, including projects to deploy solar home systems in Benin, bring high-speed broadband to nine towns in underserved areas of the Democratic Republic of Congo, expand safe water access in São Tomé, and support the manufacturing of malaria medicines in Nigeria.

7. World Bank, 2022, "Poverty and Shared Prosperity 2022: Correcting Course".
8. OECD, 2020, "Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet".
9. See Ferrazzi, M., F. Kalantzis and S. Zwart, 2021, "Assessing climate risks at the country level: The EIB Climate Risk Country Scores", *EIB Working Paper*, 2021/03.
10. EIB, 2022, "Finance in Africa 2022: Navigating the financial landscape in turbulent times".

Signed in 2022

€2.57 billion

Climate action and environmental sustainability: 19%

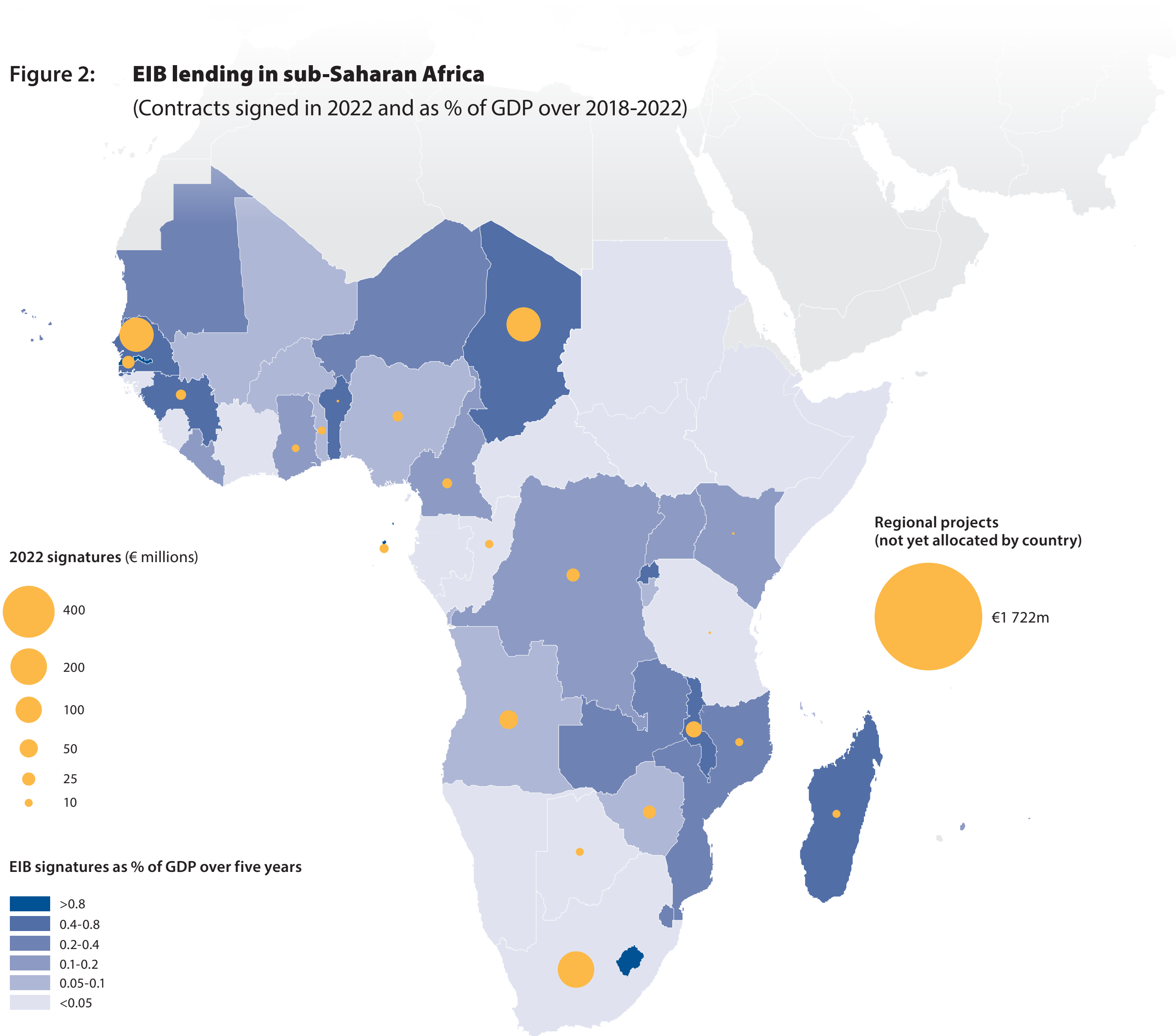
Key expected results of new projects

516 million people vaccinated against COVID-19 and other diseases

Clean electricity generation sufficient to supply 923 500 households

136 million journeys per year on improved urban transport

Figure 2: **EIB lending in sub-Saharan Africa**
(Contracts signed in 2022 and as % of GDP over 2018-2022)



Total regional contacts signed include €1.27 billion earmarked for the continent of Africa, and €30 million earmarked for African, Caribbean and Pacific States.
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WESTERN BALKANS AND TÜRKIYE

The accession process in the region received a boost in 2022 as formal negotiations commenced with Albania and North Macedonia, and as the Council decided to grant candidate status to Bosnia and Herzegovina subject to certain conditions being met. While there are still many political challenges in the region, advances in the accession process are improving the investment climate.

EIB Global supports the EU enlargement strategy through targeted assistance that promotes sustainable economic integration and convergence with the European Union. It supports key projects in the Economic and Investment Plan for the Western Balkans, with particular focus on Global Gateway projects, and contributes to the roll-out of the recently announced Emergency Energy Package.

Following the devastating earthquake in Türkiye and Syria in February 2023, EIB Global proposed a €500 million package at the International Donor Conference organised by the European Commission and the Swedish Presidency. This will accelerate infrastructure reconstruction, business recovery and investment in earthquake-proof buildings. New lending to Türkiye has been on hold in recent years.

In the Western Balkans, strong domestic and EU support helped to preserve stability during the pandemic, and to enable a strong recovery in 2021. However, growth in 2022 decelerated to 2.8%, with the energy crises and high inflation taking their toll.[11] These new shocks are testing economic resilience, with most countries in the region suffering from relatively limited fiscal capacity. Many structural issues are also a source of concern. The business environment notably suffers from high informality, weak rule of law and financing constraints.

The war in Ukraine has affected the Western Balkans, particularly through higher food and energy prices, which have fuelled inflation and hit disposable incomes. EIB survey data show that demand for credit remains strong in the wake of the post-pandemic recovery, but mostly to finance working capital, with banks expecting credit demand for fixed investments to fall. Moreover, the supply of credit has deteriorated due to tighter financing conditions, and is expected to weaken further.[12]

Public infrastructure investments are needed, both to improve connections to the European Union and to enhance sustainability.[13] Fossil fuels still account for around three-quarters of primary energy supply in the Western Balkans, and diversifying the energy mix is therefore a priority. In addition, enhancing trade with the European Union and within global value chains will be key to boosting innovation and competitiveness.[14]

EIB Global has continued to develop investments in line with the European Union's enlargement policy and the Economic and Investment Plan for the region. New projects in 2022 include investments to improve water supply and wastewater treatment in 80 municipalities in North Macedonia, and to upgrade the TEN-T rail network in Serbia, as well as support for businesses and jobs in Bosnia and Herzegovina. Transport connectivity and financing for small and medium businesses continue to be key areas of focus.

11. World Bank, 2022, "Western Balkans Regular Economic Report: Fall 2022".
12. EIB, 2022, "CESEE Bank Lending Survey, Autumn 2022".
13. IMF, 2018, "Public Infrastructure in the Western Balkans: A Highway to Higher Income".
14. EIB, 2022, "Business resilience in the pandemic and beyond".

Signed in 2022

€854 million

Climate action and environmental sustainability: 74%

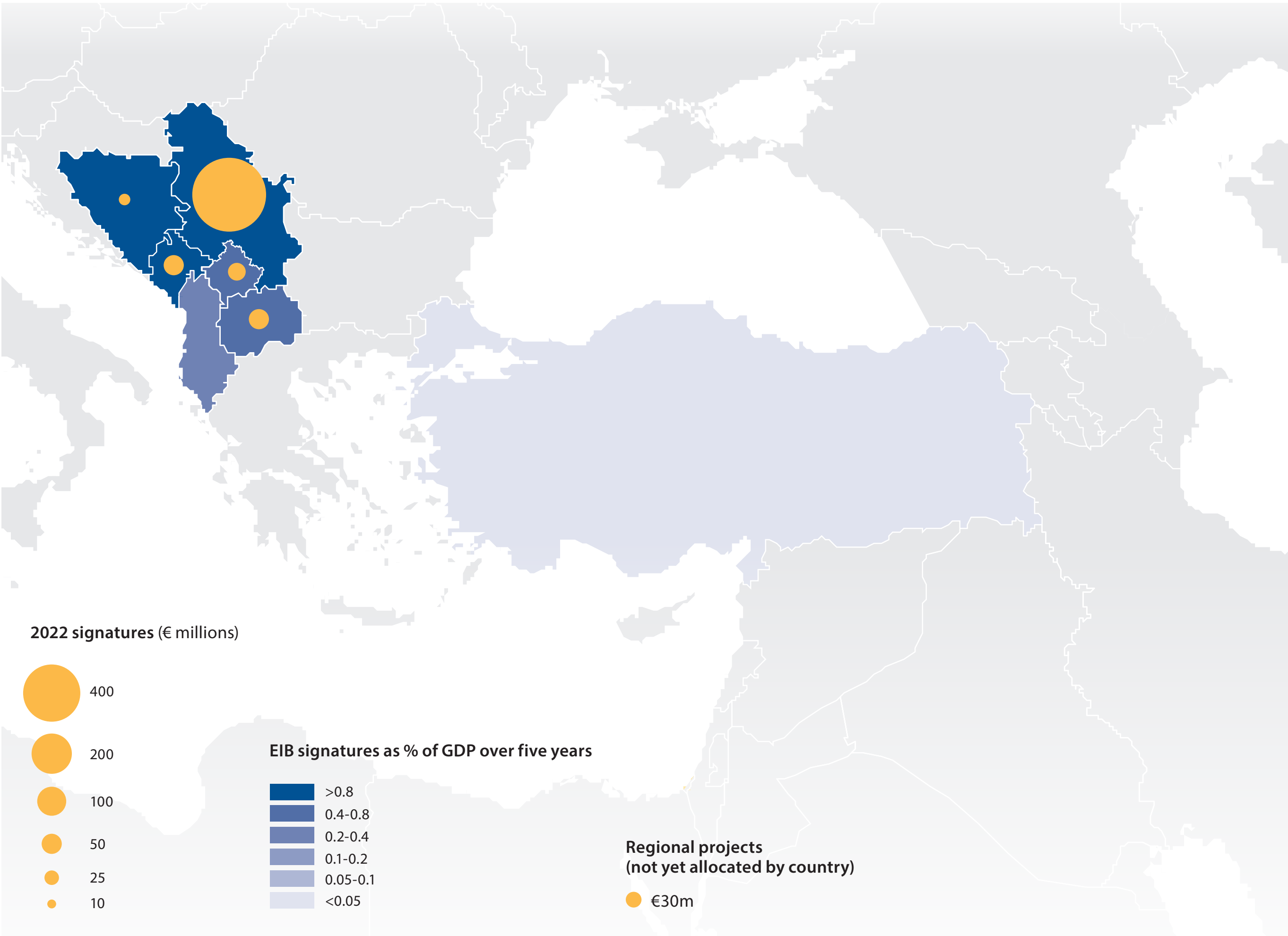
Key expected results of new projects

150 000 domestic connections to water supply and sanitation

2.3 million journeys per year on new or upgraded railways

36 400 jobs sustained in microenterprises and smaller enterprises

Figure 3: **EIB lending in Western Balkans and Türkiye**
(Contracts signed in 2022 and as % of GDP over 2018-2022)



Kosovo : This designation is without prejudice to the positions expressed by the EU Member States on Kosovo's status and is in line with United Nations Security Council Resolution No. 1244/1999 and the International Court of Justice Opinion of 22 July 2010 on Kosovo's declaration of independence.

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

ASIA-PACIFIC, LATIN AMERICA AND THE CARIBBEAN

Massive investment is needed in these regions to shift growth to a low-carbon growth path and address their vulnerability to the effects of climate change. Meanwhile, widespread poverty and social exclusion remain a major challenge, even in some of these regions' dynamic, middle-income economies.

In 2022, growth slowed down in most countries of Asia and the Pacific, as well as in Latin America and the Caribbean, amid an uncertain global environment. Rising food and energy prices driven by Russia's war in Ukraine contributed to a sharp increase in inflation and pushed more people into poverty. Growth in China weakened, mainly due to domestic factors, while trade slowed.

Many countries in these regions are also vulnerable to long-term scarring from the pandemic. In Latin America and the Caribbean, for example, it is estimated that the number of people in poverty has risen by 15 million since the pandemic, to 201 million, or 32% of the population. Institutional capacity to deal with development challenges is mixed. High public and private debt levels in a number of economies are also a source of vulnerability in the face of worsening funding conditions for emerging markets.

Achieving sustained, inclusive growth will take continuous improvement to the business environment. This includes investments in education, health and infrastructure, investments to raise productivity and economic output, and investments to provide public goods like efficient transport and communication systems, as well as a healthy environment. Above all, sustainability means investment to shift growth towards a low-carbon pathway, ending dependence on fossil fuels for electricity generation, transport and industry.

Many countries in these regions are particularly vulnerable to the effects of climate change. Some 450 million people live in low-lying areas of Asia where shorelines are already retreating, while some entire Pacific Island nations are severely threatened by sea-level rise. Caribbean and Central American countries are particularly exposed to any worsening of tropical storms, and investing more in adaptation is a matter of urgency. Rural populations are facing changes in rainfall patterns that will particularly affect rain-fed agriculture, while poor urban populations are highly exposed to volatility in food prices. Economic inequality and weak institutions greatly increase vulnerability in some contexts.

The main EU priorities in Asia and the Pacific, Latin America and the Caribbean are to support a sustainable, low-carbon emissions growth model while promoting connectivity with the European Union and an open and fair environment for trade and investment. Climate change and environmental sustainability therefore constitute a strong focus of EIB activity in these regions. 64% of the €2.89 billion signed by the Bank in 2022 will address this objective, including investments in energy efficient housing in Chile, Colombia and Peru, and several programmes to finance solar energy installations and other climate investments by households and businesses in Brazil, India and Argentina. Other loans will support microfinance in the Dominican Republic and vaccination programmes across these regions.

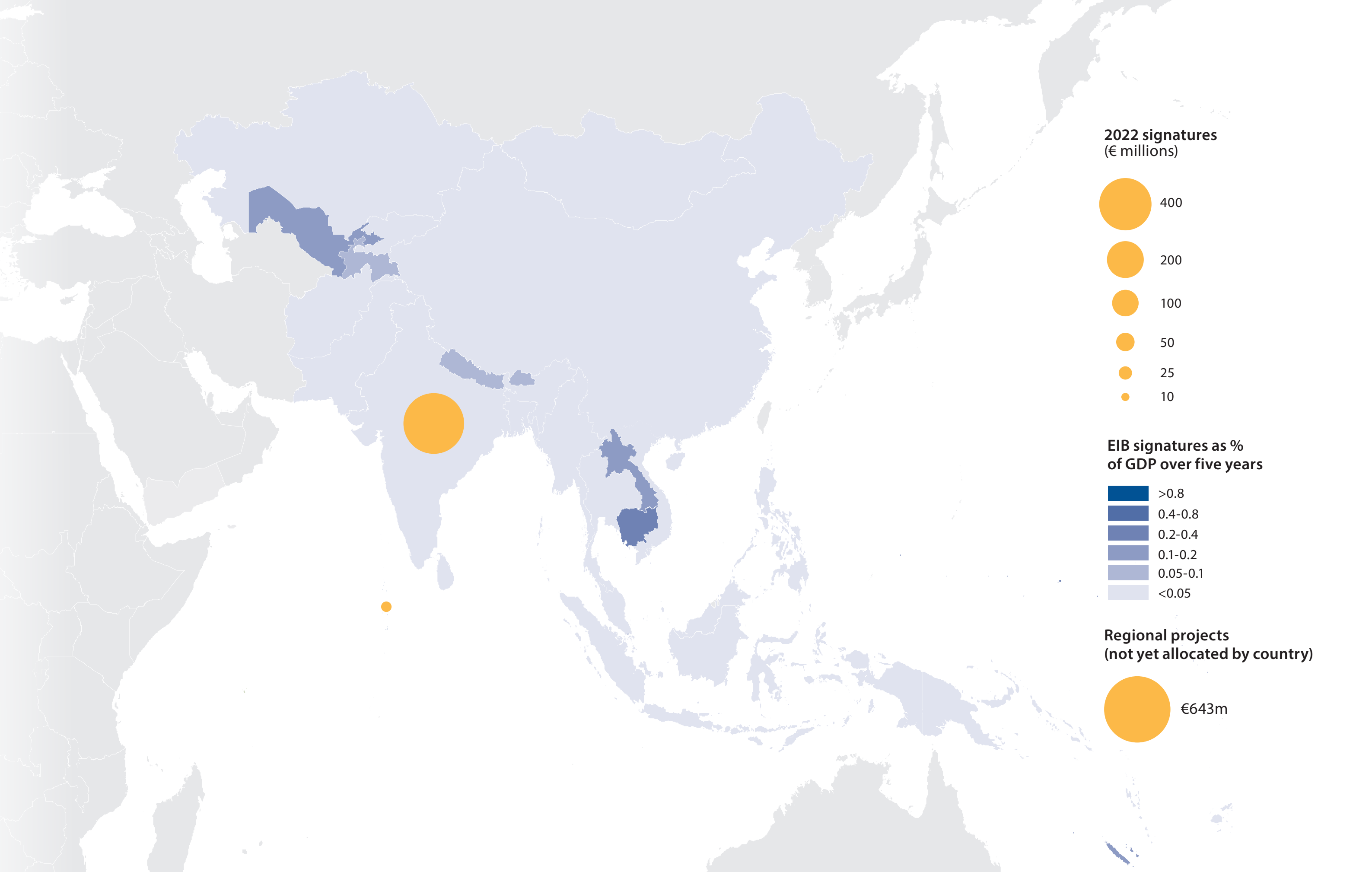


Figure 4: **EIB lending in Asia-Pacific, Latin America and the Caribbean**
(Contracts signed in 2022 and as % of GDP over 2018-2022)

Signed in 2022

€2.89 billion

Climate action and environmental sustainability: 64%

Key expected results of new projects

Clean electricity generation sufficient to supply 780 000 households.

320 million people vaccinated against COVID-19 and other diseases

6 667 households in more **energy efficient affordable housing**

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

A GLOBAL GREEN DEAL

In the wake of the pandemic, and against the backdrop of macroeconomic strains and uncertainty, countries must find smart, innovative ways to transition to low-carbon and more resilient economies, while also creating new economic opportunities and jobs. The Paris Agreement and the most recent sessions of the Conference of the Parties have reiterated the necessity of achieving net-zero carbon emissions by 2050, and the urgent need for greater, more coordinated action to fight climate change from both governments and the private sector if that goal is not to drift out of reach.

To incentivise investment in sustainable, low-carbon and climate-resilient development, the EIB follows an innovative approach which is detailed under its Climate Action Roadmap. In 2022, attractive financing, blended with grants and much-needed advisory support, allowed EIB Global to be an anchor investor in climate mitigation and adaptation projects across the world.

RESPONDING TO A GLOBAL EMERGENCY

Mitigating the effects of climate change is a prerogative to achieve net zero and support countries in their nationally determined contributions under the Paris Agreement. According to the International Monetary Fund, 37.7 billion metric tonnes of CO_2 emissions were released into the air in 2022. Two-thirds of these emissions were created powering households, commerce, industry or transport.[15] With health damage due to air pollution costing an estimated 6% of world GDP annually,[16] reducing emissions also comes with benefits and positive spillovers for communities, contributing to a number of Sustainable Development Goals (SDGs).[17]

In 2022 EIB Global signed financing worth €4.2 billion, supporting €14 billion in investments in climate action and environmental sustainability, across 37 countries. These projects have very different channels of impact. Investments in the electricity sector and renewable energy represent the largest share. These investments are aimed at decarbonising the energy sector by increasing a country's energy generation and diversifying its energy mix, in line with its needs and developmental priorities.

"WeLight Madagascar's project will support the installation of solar mini-grids in more than 120 villages in rural Madagascar, equipping more than 45 000 households."

Investment loans supported by EIB Global pay for measures ranging from increasing the capacity of electricity grids to integrate large-scale energy generation from renewables, to providing small-scale, off-grid solar home systems. When focusing on rural and remote areas, small systems can play an important role in reducing the number of people without access to electricity (currently estimated at 700 million worldwide), contributing to SDG 7 on universal access to clean energy.[18] This is the approach taken by rural electrification operator WeLight. Under its project, €10 million signed by EIB Global in 2022 will go to fund the installation of solar mini-grids in more than 120 villages in rural Madagascar, giving over 45 000 households and businesses their first access to clean, affordable energy and light. In Chile, Colombia and Peru, meanwhile, EIB Global is working through intermediaries to improve the energy efficiency of thousands of affordable houses.

Sustainable transport is the other main thrust of EIB Global's support for climate change mitigation outside the European Union. Investments in railways and urban public transport reduce emissions by encouraging a shift away from more polluting mobility options. They also reduce congestion, save passengers time and help fight other forms of pollution. In Senegal, the EIB signed a €150 million loan to support the modernisation of Dakar's bus fleet. The project is expected to reduce air and noise pollution, greenhouse gas emissions and road accidents. It will also reduce the cost of transport across the urban area, providing an affordable mobility solution and making employment, education and other key services more accessible.

Achieving the Paris Agreement goals and the EU commitments to climate neutrality by 2050 will also require innovative solutions. That is why the EIB supports green business development, notably in the fields of R&D and innovation. Outside the European Union, EIB Global is actively pursuing several potential investments in green hydrogen, which, according to an EU-commissioned EIB study, could reduce carbon emissions in Africa by 40%, replacing 500 million tonnes of CO_2 a year.[19]

15. https://ourworldindata.org/emissions-by-sector.
16. World Bank, 2022, "The Global Health Cost of PM2.5 Air Pollution: A Case for Action Beyond 2021".
17. Anteneh G. Dagnachew & Andries F. Hof, 2022, "Climate change mitigation and SDGs: modelling the regional potential of promising mitigation measures and assessing their impact on other SDGs", Journal of Integrative Environmental Sciences, 19:1, 289-314.
18. International Energy Agency, 2021, "Financing clean energy transitions in emerging and developing economies".
19. New study confirms €1 trillion Africa's extraordinary green hydrogen potential (eib.org).

CLIMATE RESILIENCE MOVES UP THE AGENDA

EIB Global also invests in climate adaptation projects to reduce and prepare for the adverse effects of climate change. While developing and emerging countries only account for a small share of global greenhouse emissions, they will likely face the brunt of the already inevitable and accelerating changes to weather patterns in the coming years. The impacts of climate change are already being felt, with increased drought, lower crop yields and more frequent extreme weather events causing food insecurity, economic hardship and forced displacement.

It is estimated that one hundred million individuals could fall into extreme poverty by 2030 as a result of climate change.[20] Climate-related shocks also fuel instability, social tensions and involuntary migration. According to the EIB's own assessment, almost all African countries face elevated, high or very high risks from climate change.[21] In fact, the African Development Bank has estimated that the continent already loses as much as 15% of GDP every year due to the impacts of climate change,[22] while the 2022 UNEP Adaptation Gap Report predicts that the cost of climate adaptation in developing countries could reach up to half a trillion dollars annually by 2050.[23]

> "Africa already loses as much as 15% of GDP every year due to climate change."

Under the EIB's Climate Action Roadmap, EIB Global aims to increase the share of climate adaptation projects to 15% of its climate action commitments by 2025. Investments in the water sector are particularly important to address climate change impacts, reducing the risks of both droughts and floods that people face. In 2022, for example, EIB Global signed the first tranche of the €500 million Aqaba-Amman Water Desalination and Conveyance Project with the Jordanian government. The project will help Jordan adapt to a changing climate by addressing the challenges of increasingly scarce water resources and growing drought risk.

20. World Bank, 2018, "Turn Down the Heat: Confronting the New Climate Normal".
21. M. Ferrazzi, F. Kalantzis and S. Zwart, 2021, "Assessing climate risks at the country level: The EIB Climate Risk Country Scores", *EIB Working Paper*, 2021/03.
22. https://www.afdb.org/en/news-and-events/press-releases/africa-loses-15-its-gdp-capita-annually-because-climate-change-african-development-bank-acting-chief-economist-kevin-urama-54660.
23. United Nations Environmental Programme, 2022, "Adaptation Gap Report 2022 | UNEP - UN Environment Programme".

MOBILISING GREEN FINANCE

There is no shortage of financial capital in the world to address investment needs for the transition to net zero. But channelling that capital to viable projects, particularly in emerging and developing economies, is a major hurdle to be overcome. High financing costs and limited access to international capital markets, high government debt and underdeveloped domestic financial markets stand in the way of mobilising more finance for mitigation and adaptation investments in many such economies.

One tool to mobilise more capital for such investments is green bonds, which can be issued by public and private sector entities alike. The EIB became the world's first green bond issuer in 2007 with its Climate Awareness Bond. Since then, green bond issuance has grown exponentially, proving investors' appetite for this market. In 2022, green instruments represented 65% of the sustainable debt issued in emerging and developing economies.[24] However, the success of green finance has sparked fears of "green-washing", and the EIB's approach — helping develop the EU taxonomy for green finance and ensuring full traceability of investments — is important in setting a benchmark and raising market standards.

As part of Team Europe, EIB Global and other European development finance institutions launched the Global Green Bond Initiative, an impact-oriented investment vehicle to purchase green bonds in emerging markets and enable local capital markets to flourish, while also promoting the EU sustainable finance agenda.

> "The EIB's approach — helping develop the EU taxonomy for green finance and ensuring full traceability of investments — is important in setting a benchmark and raising market standards."

It is also important that financial sectors in emerging and developing economies have the technical capacity to properly screen green investments and assess climate risk issues affecting their portfolios. In the EIB report Finance in Africa 2022, around 60% of the banks surveyed across Africa cited a lack of expertise, data and climate risk assessment tools as a barrier to identifying climate risks and opportunities. Against this backdrop, in 2022, EIB Global launched a technical assistance programme for €20 million on greening financial systems, to build capacity in green financing practices at central banks, supervisory authorities and commercial banks in developing countries.

24. IMF, 2022, "Global Financial Stability Report, October 2022".

2022 IN FIGURES:
CLIMATE AND THE ENVIRONMENT

Lending for climate action and environmental sustainability:

€4.2 billion signed

Climate and the environment, expected results:

6 570 GWh/year electricity generated from renewables, enough to serve **2.1 million households**

141 million additional trips on public transport, per year

10.9 million people with reduced exposure to drought risk

Estimating the carbon footprint of EIB projects:

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

To do that, we carry out an annual carbon footprint exercise to report on the total carbon impact of all projects with significant emissions, or reductions in emissions relative to the status quo. We include:

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

Details of the 2022 EIB carbon footprint exercise, including reporting thresholds and the number of projects covered, are given on page 53.

300 000 t CO_2-eq/year
absolute GHG emissions

900 000 t CO_2-eq/year
emissions avoided

CONNECTING THE GLOBE

At a time of growing global divides, close partnership between the European Union and like-minded countries around the world are more important than ever. Such partnerships can bring enormous benefits: by increasing trade that spurs innovation; by granting access to EU technology, markets and expertise; and thanks to the ability of European financing to unlock the enormous potential in Europe's neighbours, and in emerging and developing economies around the world.

Investment in infrastructure provides the foundation for such development. Investments in transport and digitalisation, for example, facilitate mobility, access to markets and the exchange of information. Likewise, investments in education and public health create the conditions for dynamic private sector growth and rising living standards. Investment in the energy sector is needed to power growth — sustainably — and to enhance security of supply within and between regions.

The Global Gateway Initiative is Europe's offer to partner countries: to support such critical investments, and to do so applying principles of equal partnership, high standards and environmental sustainability. Part of Team Europe, EIB Global is already a leader in implementing the Global Gateway initiative.

INFRASTRUCTURE AND HUMAN CAPITAL AS A FOUNDATION FOR GROWTH

The European Union's Global Gateway initiative is based on the belief that development financing should target projects that are technically, socially and environmentally sound, steered by democratically accountable decision-making, and part of a coherent development concept fully owned by partner countries. There must be no room for new economic dependencies to emerge, including in the form of unsustainable debt. Instead, real partnerships must be formed.

Mobility, energy, information, skills, health: these are goods that meet basic needs. At the same time, they lay the foundations for inclusive and sustainable development based on trade and private sector-led growth. This has long been recognised, but recently a number of factors have highlighted the need for special focus on this area. Digitalisation and the growing role of global value chains for economic development are making transport links, digital infrastructure and skills more important to growth than ever before. The climate emergency means an urgent shift to green technologies, requiring unprecedented global cooperation. The COVID-19 pandemic has demonstrated the interconnectedness of public health.

Investments in infrastructure and human capital can improve global connectivity and global economic resilience. They can unlock growth potential in a number of important areas:

- **Transport** — Transport infrastructure forms the backbone of our economies. It accounts for between 6% and 12% of GDP in developed countries, and 37% of global CO_2 emissions.[25] With over a billion people still living more than two kilometres away from an all-weather road, financing safe, green and affordable transport infrastructure in developing countries has become a pressing issue.[25] And as transport could become responsible for as much as 60% of greenhouse gas emissions by 2050, global coordinated efforts and finance mobilisation for sustainable forms of transportation are essential.

- **Digital infrastructure** — Digitalisation has become a cornerstone for businesses to access new markets and for productivity-enhancing technological advances. As nearly 2.9 billion people in developing countries, predominantly women and girls, lack a telephone, a computer or internet access,[27] supporting the digital transition is critically important to enable faster and more inclusive economic development.[28]

- **Education and knowledge** — Although knowledge dissemination has been widely recognised as a key trigger of innovation and economic growth, as well as empowerment and inclusion,[29] more than 120 million children are still prevented from completing primary education.[30] Promoting quality investment in education infrastructure and training is thus a key priority for developing countries to grow and raise living standards in the years ahead.

25. https://transportgeography.org/contents/chapter3/transportation-and-economic-development/.
26. https://www.worldbank.org/en/topic/transport/overview.
27. https://www.itu.int/en/mediacentre/Pages/PR-2022-09-16-Internet-surge-slows.aspx.
28. K. Bahia, P. Castells and X. Pedros, 2020, "Mobile technology: two decades driving economic growth", GSMA Working Paper, November 2020.
29. C. E. Montenegro and H. Patrinos, 2014, "Comparable Estimates of Returns to Schooling Around the World", World Bank Policy Research Working Paper 7020.
30. https://www.eib.org/en/essays/invest-in-education-in-developing-countries.

- **Health** —The COVID-19 pandemic has highlighted the interdependence of public health outcomes everywhere, as well as the vital role that health plays in economic development and the fight against poverty. With at least half of the world's population unable to obtain essential health services[31] because of limited availability or excessive costs, there is a great need for investments in health systems. Such investments, along with more sharing of scientific knowledge and coordination of responses, can also enhance economic resilience and support inclusive growth.

- **Energy generation and networks** — Energy sector investments are critical to expand access to clean energy and power economic growth. In the context of the global climate emergency, international cooperation to unlock the huge green energy potential of emerging and developing economies is a must. It has also become even more important to invest in energy networks, to integrate and transport renewable energy and enhance security of supply.

As a response to these challenges and with the aim of promoting digital, clean and sustainable connectivity across the globe, EIB Global stands alongside the European Commission to support the Global Gateway initiative. Within this programme, EIB Global is committed to supporting long-term finance, providing rigorous appraisal of economic, environmental and social sustainability, and offering technical assistance to help prepare projects and ensure quality.

This section highlights some areas where the EIB has been particularly active, such as its response to the pandemic, its long track record of investment in transport infrastructure and its investment efforts in digitalisation.

31. https://www.who.int/news/item/13-12-2017-world-bank-and-who-half-the-world-lacks-access-to-essential-health-services-100-million-still-pushed-into-extreme-poverty-because-of-health-expenses.

MODERNISING TRANSPORT LINKS

Transport infrastructure forms the backbone of our economies. It accounts for a significant share of economic activity and underpins the rest of the economy by facilitating the exchange of goods, services and people. However, transport still contributes to a very large share of greenhouse gas emissions — some 37% across the globe. Moreover, the share of transport-related greenhouse gas emissions is projected to increase steadily in developing countries over the coming years. Governments and businesses need to work together to deliver innovative solutions to achieve greener mobility around the world.

EIB Global has a long-standing track record of supporting transport investments outside the European Union, particularly those that foster modal shifts to low-carbon options for mobility. In 2022, it invested almost €2 billion in transport infrastructure. Most notably, as part of the Global Gateway initiative, it signed contracts to provide €550 million out of a total of nearly €1.2 billion approved to finance the modernisation of Serbia's railways. The project focuses on a 230-kilometre section between Belgrade and Niš, part of the Trans-European Transport Network (TEN-T) — a Europe-wide network of roads, railways, inland waterways, maritime routes, ports, airports and multimodal terminals. This project will increase the quality, availability and reliability of rail services in Serbia, facilitating trade and economic integration with EU markets, reducing the cost of maintenance, improving safety standards and providing environmental benefits, including climate change mitigation.

"The project will increase the quality, availability and reliability of rail services in Serbia, facilitating integration with EU markets, improving safety standards and providing environmental benefits, including climate change mitigation."

Altogether, transport projects supported in 2022 will enable 141 million additional trips per year on public transport, will save passengers and road users some 31.7 million hours per year, and will support the annual movement of 1.3 million additional tonnes of rail cargo.

NEW DIGITAL CONNECTIONS

Digitalisation has served as a springboard for economic recovery in the aftermath of the COVID-19 pandemic. It continues to support growth by allowing businesses to serve new markets and access new technologies. Digitalisation has even been shown to improve firms' access to credit in developing countries, notably in Africa, by promoting competition between financial intermediaries and supporting the advent of fintech companies.[32]

EIB Global's investments in digital infrastructure focus on inter-regional links and the distribution networks needed to bring internet services to previously unserved areas. In 2022, it financed the construction and deployment of over 7 100 kilometres of submarine cables linking five European countries (Portugal, Spain, France, Italy and Cyprus) with Morocco, Algeria, Tunisia and Egypt. Of mutual benefit to North African and EU countries, this new infrastructure will increase digital access to information and markets in North Africa, spurring economic opportunities and private sector growth. A new project in the Republic of Congo will operate at a different scale, expanding the domestic broadband network by some 1 400 kilometres.

"A new project in the Republic of Congo will operate at a different scale, expanding the domestic broadband network by some 1 400 kilometres."

32. A. D'Andrea and N. Limodio, 2020, "High-Speed Internet, Financial Technology and Banking", ECB Working Paper.

INVESTING IN HEALTH

Sustainable Development Goal 3 calls for governments to "To ensure healthy lives and promote well-being for all at all ages." Better health services are needed to achieve that goal and meet basic human needs. Moreover, good health is also part of the foundation for economic development. This message was brought home forcefully by the tremendous economic and human cost of the COVID-19 pandemic, which laid bare how poorly prepared public health systems were all around the world. Tremendous investment is needed to build up effective, accessible, affordable and resilient health systems.

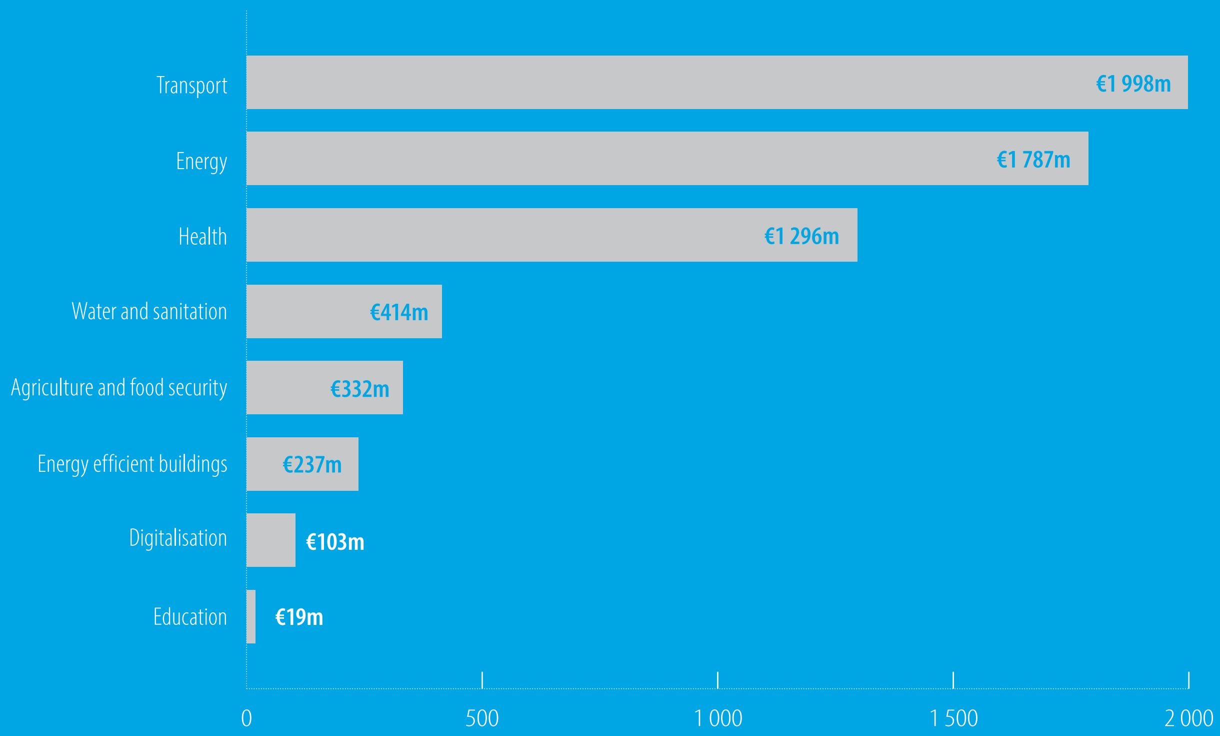
EIB Global has been at the forefront of the European external action response to the COVID-19 pandemic, and it continues to provide assistance to developing countries three years on. With the aim of slowing down the circulation of the virus, it has joined forces with the World Health Organization to support a €400 million package of emergency supplies, such as personal protective equipment, to be provided to low- and middle-income countries. EIB funding to the GAVI vaccine alliance will also support the vaccination of more than 830 million people against COVID-19 and other diseases.

"EIB Global has been at the forefront of the European external action response to the COVID-19 pandemic, and it continues to provide assistance to developing countries three years on."

In the wake of the pandemic, EIB Global is also increasing assistance to developing countries in building up their health systems and reducing their dependence on imported healthcare supplies. For example, under the COVID-19 Essential Active Pharmaceutical Ingredients (APIs) plan, EIB Global is helping a Nigerian manufacturer expand its facilities to produce several different APIs for use in malaria treatments.

2022 IN FIGURES:
CONNECTING THE GLOBE

Figure 5: **Lending for social and economic infrastructure – contracts signed in 2022,** in EUR million



Social and economic infrastructure, expected results:

7 100 kilometres of **submarine fibre-optic backbone cable**

15 000 new connections to **electricity networks**

863 million people **vaccinated against COVID-19** and other diseases

33.5 million people covered by improved health services

1.3 million tonnes of additional **rail cargo transported**, per year

31.7 million hours saved by transport improvements, per year

224 000 tonnes of storage capacity for **agricultural products**

JOBS AND INCLUSIVE GROWTH

Businesses in emerging markets and developing economies continue to face a combination of serious challenges. Still seeking to recover from the effects of the global pandemic, they are also dealing with the consequences of tightening financial conditions worldwide and the specific effects of Russia's war against Ukraine, which has added to inflationary pressures, raising input costs and depressing demand.

Smaller businesses have been particularly affected by the multiple crises as they have less recourse to longer-term lending to cushion shocks, with many effectively disconnected from the banking sector. In the least developed countries, they will be the first to suffer from deteriorating macro-financial conditions due to possible issues of public debt overhang or even defaults of sovereign borrowers.

Yet private sector development is highlighted in the EU Agenda for Change as the most effective means to support sustainable economic growth and resilience. The creation of job opportunities, and equal access to jobs and financial services, is particularly crucial to combating poverty and ensuring that growth is inclusive for all. EIB Global is building on its long track record of supporting smaller businesses, high-growth companies and microentrepreneurs, with a growing focus on gender inclusion.

PROGRESS ON JOBS, POVERTY REDUCTION AND INCLUSION AT RISK

Private sector development has contributed dramatically to poverty reduction and growth in recent decades. However, businesses face multiple constraints that have held them back from doing more to create employment and raise living standards, and the recent headwinds affecting the global economy — particularly the pandemic — have increased these difficulties.

In fact, employment rates in emerging and developing economies often belie the scarcity of decent employment. Estimates of informal employment range from 20% to 50% of total employment in the Eastern Neighbourhood, to more than 90% in most countries in sub-Saharan Africa.[33] These jobs are without any social protection and typically involve low productivity and labour-intensive tasks that generate little income. Informal sector enterprises are usually extremely constrained in terms of access to finance, but even smaller enterprises in the formal sector are often effectively cut off from the banking services and access to finance for investment and expansion.

> **"Employment rates in emerging and developing economies often belie the scarcity of decent employment."**

When the growth of decent employment opportunities is limited, it is typically the most marginalised that suffer. Worldwide, women and young people face discrimination in labour markets. The global labour force participation rate of women was 47% in 2022, compared with 72% for men. Young people face particular difficulties in finding decent employment, and the unemployment rate of those aged 15–24 is three times that of adults. Globally, nearly 24% of young people are not in employment, education or training.[34]

Women and women-led businesses also face discrimination in access to finance that restricts opportunities for entrepreneurship and wealth creation. However, research confirms that banking on women is also profitable for financial institutions. The EIB report Finance in Africa 2022 dispels misconceptions related to women and asset quality. In fact, almost 30% of banks surveyed observed no differences in default and non-performing loan rates between men and women portfolios. In addition, four in ten banks found that non-performing loan rates for women-led businesses are lower than the average non-performing rates of their loan portfolios.[35]

> **"The global labour force participation rate of women was 47% in 2022, compared with 72% for men."**

Supporting access to finance for individuals and businesses in emerging and developing economies is key to raising standards of living and tackling poverty. Moreover, it can be an important vehicle for enhancing inclusion in employment and entrepreneurship. For the past ten years, we have seen significant developments in this regard, with the number of unbanked adults worldwide decreasing from 2.5 billion in 2011 to 1.4 billion in 2021[36] — although women, poor adults and those with less access to education continue to be excluded from the formal financial sector. Lastly, with appropriate targeting, providing access to finance can also be a way to advance the investments in climate mitigation and resilience that need to happen within the financial and business sectors.

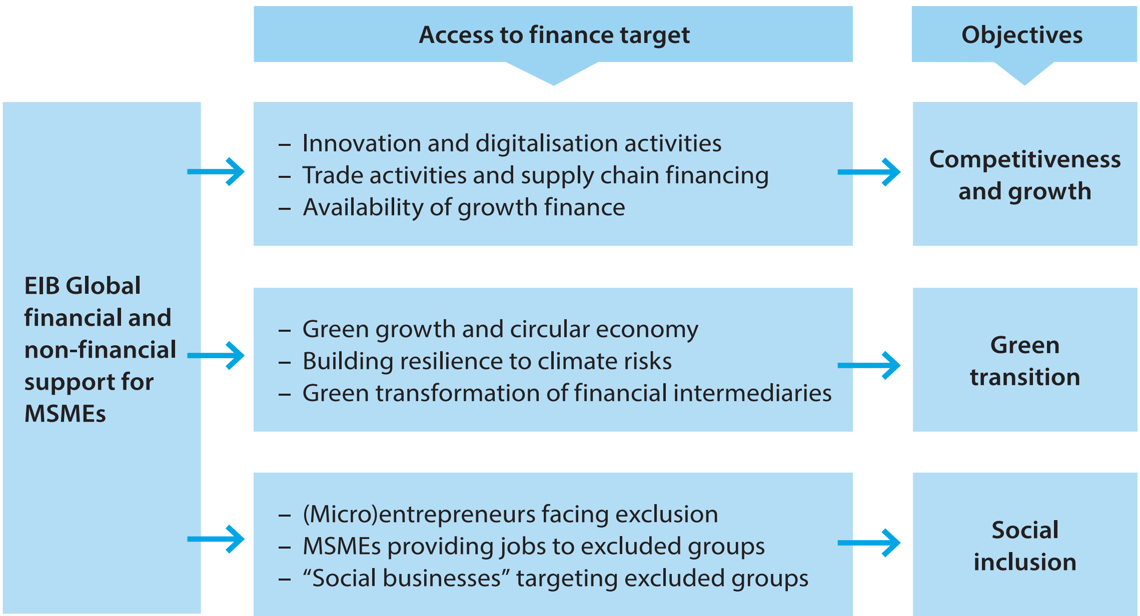
33. C. Elgin et al., 2021. "Understanding Informality", *CEPR Discussion Paper*, 16497.
34. https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_865256/lang--en/index.htm.
35. EIB, 2022, "Finance in Africa 2022: Navigating the financial landscape in turbulent times".
36. A. Demirgüç-Kunt, L. Klapper, D. Singer and S. Ansar. 2022. The Global Findex Database 2021: Financial Inclusion, Digital Payments and Resilience in the Age of COVID-19. Washington, DC: World Bank. p. 33.

EIB GLOBAL'S STRATEGY FOR JOBS AND INCLUSION

EIB Global is guided by EU policy objectives — sustainable growth and jobs, employment and decent work, green technology and innovation, and social inclusion — and by analysis of the situation in partner countries. With this in mind, EIB Global is working to promote the development of robust, resilient and competitive financial sectors and local sustainable capital markets. It will target increased access to finance and financial inclusion, and will mobilise investments of private sector capital.

To achieve these overall objectives, EIB Global's strategy identifies three focal areas for action that are key to inclusive, green private sector development: competitiveness and growth, green finance and social inclusion.

Figure 6: **EIB Global's focal areas for supporting MSMEs**



Recognising that strong financial intermediaries are key to addressing widespread market failures and suboptimal investment situations, EIB Global is building on its many years of experience and partnership with banks, microfinance institutions and equity funds, supporting their efforts to innovate and enhance the scope and inclusiveness of their outreach. It also considers non-banking financial institutions, such as guarantee funds, leasing companies or fintechs, that have a financial model to enable greater outreach to underserved smaller businesses. To support the development of value chains, notably in the agri-food and connectivity sectors, the Bank also grants direct loans to larger businesses.

One good example of this strategy in 2022 is the €60 million in financing provided by EIB Global to support Argentina's Banco de Inversión y Comercio Exterior (BICE), which will target investments by SMEs in green energy and bioeconomy projects, and will also help to sustain some 35 000 jobs. While climate action is the main objective of this project, it is expected that at least 30% of the EIB-supported lending will comply with the criteria of BICE's Women Who Lead programme, for example by supporting businesses with at least 50% female employees or ownership.

THE NEED FOR KNOW-HOW ALONG WITH FINANCE

Tackling gaps in access to finance and financial services is not just a matter of funding. Financial institutions in emerging and developing markets must also build the skills of their workforce if they are to better serve clients like small and female-led businesses, or take issues like climate risk into account.

EIB Global helps to address these needs through technical assistance and advisory programmes, covering issues such as digitalisation, greening financial systems and small business lending. In 2022, for example, the Bank held SME banking and microfinance academies in West and Central, East and Southern Africa for high-level representatives of financial intermediaries, focusing on banking reform in areas like capital adequacy, anti-money laundering measures and cybersecurity, climate finance, gender-based finance and digitalising financial services.

The EIB and the IMF have provided an online course called "Financial Development and Financial Inclusion" since 2019. Targeting both policymakers and financial intermediaries, the course focuses on strategies to support the development of effective financial systems, including on the challenges faced by smaller businesses and how financial intermediaries can better tailor their products to them. Since its launch, more than 4 000 participants have benefited from the course (20% of whom are women), representing more than 70 countries across five continents, from Belize to Somalia. Online delivery proved crucial to the success of the course during the COVID-19 pandemic.

"EIB Global helps to address these needs through technical assistance and advisory programmes, covering issues such as digitalisation, greening financial systems and small business lending."

THE BENEFITS OF SUPPORTING WOMEN-LED FIRMS

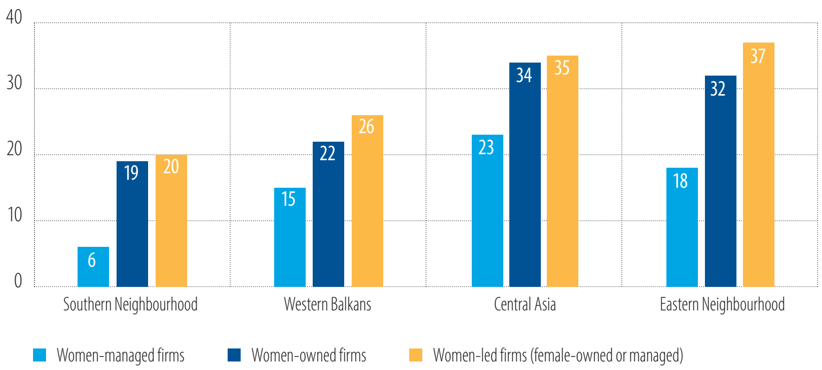
Around the world, economic opportunities for women are still lagging behind those of men. Globally, women earn 20% less than men on average, with a large part of this gap due to gender-based discrimination.[37] They make up only around 47% of the global labour force and occupy just 28% of management positions.[38] Women are less often entrepreneurs, and those that strive to grow their business or decide to lead a company face high barriers.

An EIB report on female entrepreneurship sheds further light on the situation of women entrepreneurs and women-led businesses, and the economic benefits of tackling the barriers that they face.[39] It draws on three different surveys, the EIB Investment Survey (EIBIS), the EIBIS Startup and Scaleup Survey and the European Bank for Reconstruction and Development-EIB-World Bank Group Enterprise Survey, and provides data for EU neighbourhood, Western Balkans and Central Asian countries, as well as the European Union.

> **"Women make up only around 47% of the global labour force and occupy just 28% of management positions."**

The progress made towards parity in firm management and ownership varies greatly by region. In the Eastern Neighbourhood and Central Asia, around one-third of firms have at least some female ownership, while around a fifth have a woman as a top manager. Barriers to women in ownership and leadership roles appear greater in the Western Balkans, while the Southern Neighbourhood countries stand out for a very low share of women-managed firms.

Figure 7: The share of women-led firms in EU neighbourhood, Western Balkans and Central Asian countries



Note: "Women-managed" refers to firms where the top manager is a woman. "Women-owned" refers to firms where there is at least one woman among the owners.

There are multiple benefits of supporting female entrepreneurs. Our analysis shows that women-led firms employ more women, and that women have better prospects to advance in women-led organisations, narrowing gender employment gaps in the labour force and promoting more inclusive growth. In this respect, our findings for middle-income economies corroborate data for advanced economies.

We find that female-led businesses are more likely to offer training, and that a higher share of their employees are likely to benefit from training offered. Women-led firms' investment in human capital thereby contributes to knowledge building and empowerment beyond the company. Women-led firms also achieve higher environmental, social and governance scores. In part this directly reflects better gender balance and training, but these firms tend to outperform on the governance and environment components as well.

37. https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_856203.
38. https://ilostat.ilo.org/topics/women/.
39. EIB, 2022, "Support for female entrepreneurs: Survey evidence for why it makes sense".

FOCUSING ON THE GENDER GAP – SHEINVEST

The EIB is financing projects that tackle deep-rooted gender inequalities while strengthening the resilience and adaptive capacity of women and girls worldwide, ensuring that they have access to and benefit from the low-carbon, climate-resilient infrastructure and services generated by our investments. The bank also supports its clients in setting targets for women's employment and leadership opportunities in their climate projects, through advisory and technical assistance.

In 2019, the EIB launched SheInvest, an initiative to boost women's economic empowerment and gender equality in Africa guided by the 2X Challenge criteria.[40] In the meantime, the initiative has been expanded to include also gender-lens investments in Asia and Latin America. EIB Global is well on track to have mobilised more than €4 billion in total gender-responsive investment, providing women with better access to finance, as well as dedicated coaching, and tailored services and products, thereby unlocking much-needed business and social transformation potential.

The success of the EIB's SheInvest initiative illustrates the transformative potential of gender-lens investing, helping to build more prosperous and resilient communities for everyone. The EIB was the first multilateral development bank to sign up to the 2X Challenge gender lending criteria. Since the beginning of the initiative, the EIB has mobilised more than €2 billion in gender-lens investing.

"As the first multilateral development bank to be a 2X Challenge member, the EIB has mobilised more than €2 billion in gender lens investing since the beginning of the initiative."

The African Women Rising Initiative, is a €2 million technical assistance programme set up by the EIB to complement SheInvest by providing support for financial intermediaries as they design, create and promote financial services better tailored to the needs of women entrepreneurs in Rwanda, Côte d'Ivoire, Senegal and Uganda.[41] In addition, competence building, mentoring and networking support are directly provided to women entrepreneurs to facilitate their access to financial services. At the Finance in Common summit, EIB Global signed a new cooperation agreement with the Development Bank of Rwanda that will enable it to increase access to finance for women and develop targeted advisory services for women entrepreneurs in micro to small and medium-sized enterprises in the country.

40. https://www.2xchallenge.org/.
41. https://consumercentrix.com/2021/05/03/african-women-rising-initiative/.

2022 IN FIGURES:
EMPLOYMENT AND INCLUSION

Lending for private sector development:

€2.72 billion signed

Private sector development, expected results:

303 000 jobs sustained
through 14 800 loans to **SMEs and mid-cap** companies

13 200 jobs sustained
through 33 700 loans to **microenterprises** by supported microfinance institutions

16 400 jobs created
in 390 private equity fund **investee companies**

IMPACT IN DETAIL

The EIB supports projects around the globe that make a real difference to people's lives. What is more, EIB support makes a real difference to project success. This is why we rigorously assess the results of our projects through the project cycle. It is why we assess what we are able to bring to each project in terms of financial benefits, catalytic effect and technical support.

To get as full a picture as possible, we use different complementary methods to examine our impact. We track results and the EIB's contribution to each project throughout the project cycle. We also support in-depth studies for a detailed understanding of certain projects' impact, and we use macroeconomic modelling to gain insight into the broader economic impact of our lending.[42]

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

- The EIB approach to results and impact
- Expected results of new projects
- EIB contribution to new projects
- Evidence on the EIB's crowding-in effect
- Carbon footprint exercise
- Modelling macroeconomic impact
- Results of completed projects
- Aggregate lending volumes

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

HOW WE MEASURE RESULTS AND IMPACT

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

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

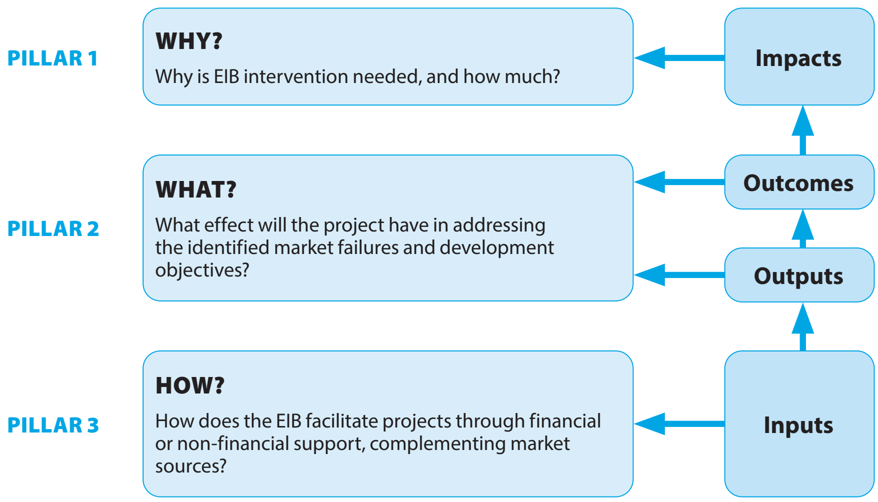
The EIB engages with development partners to further develop the results agenda. The Bank is currently co-chairing the multilateral development bank working group on Managing for Development Results, as part of the steering group of the Harmonized Indicators for Private Sector Operations (formed to establish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

Tracking results through the project cycle: the AIM framework

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

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

Figure 8: **The AIM framework and the results chain**



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

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

Going further to investigate impact

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

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

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

EXPECTED RESULTS OF NEW PROJECTS

In 2022, the EIB signed contracts for 68 new projects outside the European Union, the United Kingdom and the European Free Trade Association. Total approved lending for these new projects (excluding contracts signed under older projects) was €10.4 billion (see page 62 for further details on lending volumes). This section summarises the aggregate outputs and outcomes we expect from these new projects.

Table 3: **Expected results of new infrastructure projects**

Agriculture/food security – 6 projects, €723 million	
Land under new or improved management (hectares)	17 217
Agricultural product storage capacity (tonnes)	224 000
Water savings due to modernisation of irrigation systems (million m^3)	20.9
Crop yield after irrigation improvements (tonnes/hectare)	10.95
Productivity of water irrigation (EUR/m^3)	0.27
Additional operating surplus (EUR/hectare)	1 480
Number of beneficiaries (farmers) receiving support for investments	9 164
Production of food and agricultural products (tonnes/year)	90 000

Digital – 4 projects, €151 million	
Submarine or terrestrial fibre-optic backbone cable installed (km)	7 100
Capacity of installed submarine and land transmission networks (gigabytes)	1 700 200
New submarine cable landing stations	12
Length of broadband line installed (km)	1 419

Energy – 13 projects, €1.27 billion	
Generation	
Electricity generation capacity from renewable energy sources (MW)	3 233
Electricity produced from renewable energy sources (GWh/year)	6 570
Households that could be supplied with the electricity generated	2 111 630
Transmission	
Power lines constructed or upgraded for integration of renewable energy sources (km)	334
Power lines constructed or upgraded for transmission and distribution of electricity (km)	5 427
Electricity sub-stations constructed or upgraded	20
Capacity of sub-stations constructed or upgraded (MVA)	6 300
Incremental demand supplied by transmission network (GWh/year)	704
New connections to electricity networks	15 000

Health – 8 projects, €1.87 billion	
Constructed or refurbished floor area in health facilities	12 214
Number of new or rehabilitated health facilities	27
Number of beds in new or refurbished health facilities	604
Equipment and ICT supplied to health facilities (EUR million)	404
Volume of patients with access to improved health services	184 000
Population covered by improved health services	33 464 000
Population vaccinated against COVID-19 and other diseases	836 000 000
Active pharmaceutical ingredients produced (tonnes/year)	270
Value of active pharmaceutical ingredients produced (EUR million/year)	32
National or international patents granted	2

Transport – 7 projects, €2.24 billion	
Urban public transport	
Stations or stops constructed or upgraded	701
Vehicles or rolling stock purchased or rehabilitated	406
Time savings from improved urban transport (million hours/year)	14.5
Vehicle operating cost savings (urban public transport) (EUR million/year)	11
Additional trips on urban public transport, per year	135 872 178
Rail	
Length of railway track lines built or upgraded (km)	768
Stations constructed or upgraded	61
Additional trips on public rail transport (per year)	5 200 000
Additional cargo transported (tonnes/year)	1 300 000
Time savings from improved rail transport (million hours/year)	9.15
Roads	
Length of road lanes built or upgraded (km)	1 148
Beneficiaries (average annual daily traffic)	459
Time savings from improved road transport (million hours/year)	8
Vehicle operating cost savings (roads) (EUR million/year)	12.5
Reduced road accident fatalities, per year	37

Urban development and energy efficiency – 2 projects, €234 million	
Building surface area built or upgraded (m^2)	200 000
Social or affordable housing units built or renovated	6 667
Households in new or refurbished social and affordable housing	6 667
Savings from energy efficiency measures (GWh/year)	85.1

Water and sanitation – 4 projects, €737 million	
Water supply	
Length of water mains or distribution pipes installed or rehabilitated (km)	557
Capacity of reservoirs or raw water storage constructed or rehabilitated (m^3)	174 700
Capacity of water treatment plant constructed or rehabilitated (person equivalent)	827 040
Domestic connections to water supply created or rehabilitated	161 939
Average reduction in non-revenue water (percentage points)	16
People with access to safe drinking water	11 663 110
People with reduced exposure to drought risk	10 900 000
Sanitation	
Length of sewerage and/or stormwater pipes installed or rehabilitated (km)	12.8
Capacity of sewage treatment plant constructed or rehabilitated (person equivalent)	600 000
Reduction in energy consumption of sewerage plant (%)	36
Sewage sludge sold (tonnes of dry solids, per year)	96 000
Wastewater treated to acceptable standards (person equivalent)	331 566
Wastewater reused in agriculture (million m^3/year)	285
Domestic connections to sanitation services created or rehabilitated	150 000
People with access to improved sanitation services	911 566
Flood prevention	
People with reduced exposure to flood risk	10 000

Note: Project numbers listed include one equity fund that contributes to the energy, digital and transport sectors, with financing of €75 million prorated by sector.

Table 4: **Expected employment results of new infrastructure projects**

	Temporary employment in project construction (person-years)	Permanent employment in project operation (full-time equivalent)
Agriculture	507	2 067
Digital	784	311
Energy	72 174	3 325
Health	4 905	2 660
Transport	166 581	4 602
Urban development and energy efficiency	17 567	43
Water and sanitation	39 156	570
Total	**301 674**	**13 578**

Table 5: **Expected results of new private sector development projects**

Credit lines for MSMEs and mid-caps – 17 operations, €2.3 billion			
	MSMEs	Mid-caps	All
Total loans (EUR million)	1 623	696	2 334
Total loans (#)	10 932	380	14 862
Average loan size (EUR thousand)	148	1 832	157
Average loan tenor (years)	5.0	4.7	4.9
Jobs sustained in beneficiary firms	176 611	126 432	303 043

Credit lines for microfinance – 1 operation, €10 million	
Total loans (EUR million)	35 000 000
Total loans (#)	33 654
Average loan size (EUR)	1 040
Women as % of final beneficiaries	48
Jobs sustained in beneficiary firms	13 221
Jobs sustained held by women	6 346
Jobs sustained held by youth	3 966

Equity funds – 15 operations, €844 million	
Total fund size (EUR million)	4 510
Average leverage ratio	5.34
Investee companies (#)	390
Average investment (EUR million)	9.2
Jobs sustained in investee companies	61 478
Net jobs created in investee companies	16 432

THE EIB'S CONTRIBUTION TO NEW PROJECTS

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

AIM Pillar 3 evaluates how the EIB facilitates or strengthens a project by providing financial or non-financial support that complements what is available from market sources.[43] The EIB contribution responds to identified market failures; without it, the project in question either could not go ahead, or would be limited in scale and scope. The types of **financial contribution** assessed are:

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

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

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

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

Table 6: **AIM Pillar 3: the EIB contribution — summary for different instrument types for 58 new projects assessed under the AIM framework**

			Loans for infrastructure	Credit lines for MSMEs and mid-caps	Equity funds
Number of projects			32	13	13
EIB contribution — overall rating		**Average rating**	**3.0**	**2.6**	**3.4**
Financial contribution	**Financial contribution — overall**	**Average rating**	**3.7**	**3.3**	**3.0**
	Longer maturity	Average rating	3.6	3.5	3.0
	Match with economic life	Average (%)	88	92	88
	Customised terms	Average rating	3.7	3.2	2.8
	Extension of tenor	Average (%)	140	131	46
Non-financial contribution	**Non-financial contribution — overall**	**Average rating**	**2.8**	**2.3**	**3.5**
	Innovative financing (bonus)	Average rating	1.6	1.8	2.2
	Crowding-in	Average rating	2.7	1.8	3.5
	Subsidy	Average (%)	9	3	0
	Financial advice and structuring	Average rating	2.3	1.7	2.8
	Technical contribution and advice	Average rating	2.6	2.7	1.9
	Raising standards	Average rating	2.9	2.5	3.5

Table 7: **ReM Pillar 3: the EIB contribution — summary for different instrument types for nine new projects assessed under the ReM framework**

			Loans for infrastructure	Credit lines for MSMEs and mid-caps	Equity funds
Number of projects			2	5	2
EIB contribution — overall rating		**Average rating**	**3.0**	**2.6**	**4.0**
Financial facilitation	**Overall rating**	**Average rating**	**3.0**	**3.2**	**4.0**
	Subsidy	Average rating	1.0	1.0	1.0
	Subsidy	Average (%)	0	0	0
	Local currency	Average rating	1.0	2.8	4.0
	Extension of tenor	Average rating	4.0	3.6	4.0
	Extension of tenor	Average (%)	200	155	100
	Match with economic life	Average rating	4.0	4.0	4.0
	Match with economic life	Average (%)	100	100	100
Financial facilitation	**Overall rating**	**Average rating**	**2.5**	**2.0**	**3.5**
	Innovative financing	Average rating	2.5	1.6	3.0
	Attracting other private sector financiers	Average rating	2.0	2.6	3.0
	Raising standards	Average rating	2.0	2.0	2.5
	Working with public sector partners	Average rating	3.0	n/a	3.0
Advice	**Overall rating**	**Average rating**	**2.5**	**2.4**	**2.5**
	Financial advice and structuring	Average rating	3.0	2.4	2.5
	Technical contribution and advice	Average rating	2.5	2.4	2.5

Note: EIB contribution ratings for individual projects: **4 = Excellent; 3 = Very good; 2 = Good; 1 = Poor**.
Simple averages across projects.

Financial concessionality is another way of looking at the degree of financial contribution provided by EIB Global. Financial flows such as loans are concessional when they are provided with conditions substantially more favourable that what is available in the market, so that they may be considered to include a grant element. The Development Assistance Committee of the OECD has established concessionality thresholds that must be met in order for financial flows to be considered official development assistance. These thresholds are different for low-income, lower-middle income and upper-middle income countries. Much higher thresholds are set for lower-middle and, particularly, low-income countries, in view of their greater need for grants or highly concessional loans.[44]

The EIB reports on the concessionality of its financing (disbursements) annually, via the European Commission, to the OECD. It reports on disbursements, as the final interest rate (and thus the concessionality of loans) is only known at disbursement. Figures for 2022 will be published by the OECD in mid-2023. In the meantime, the data for 2021 disbursements can be used to get a sense of the degree of concessionality of EIB Global financing. In 2021, 83% of disbursements to OECD Development Assistance Committee listed countries met the concessionality thresholds required to qualify as official development of assistance.

The official methodology for private sector instruments is different from the methodology used for public sector instruments. Private sector instruments disbursed in 2021 are still reported as official development of assistance on a cash-flow basis, rather than on a grant equivalent basis, provided they met a threshold of at least 25% concessionality.

Table 8: **Share of EIB disbursements to OECD Development Assistance Committee listed countries in 2021 that qualify as official development of assistance** (in EUR million)

	Official development assistance		Other financial flows		Official development assistance (disbursements) as % of total
	Disbursed amount	Grant element	Disbursed amount	Grant element	
To the public sector					
of which loans	3 813	1 316	625	6	86%
of which equity	15	15	-	-	100%
To the private sector					
of which loans	593	*	317	*	80%
of which equity	147	*	-	-	100%
Total	**4 588**		**942**		**83%**

Note: While equity finance qualifies as official development assistance by default under current OECD reporting directives, these are being revised, and the treatment of equity may change in the future.

* Reported on a cash-flow basis.

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

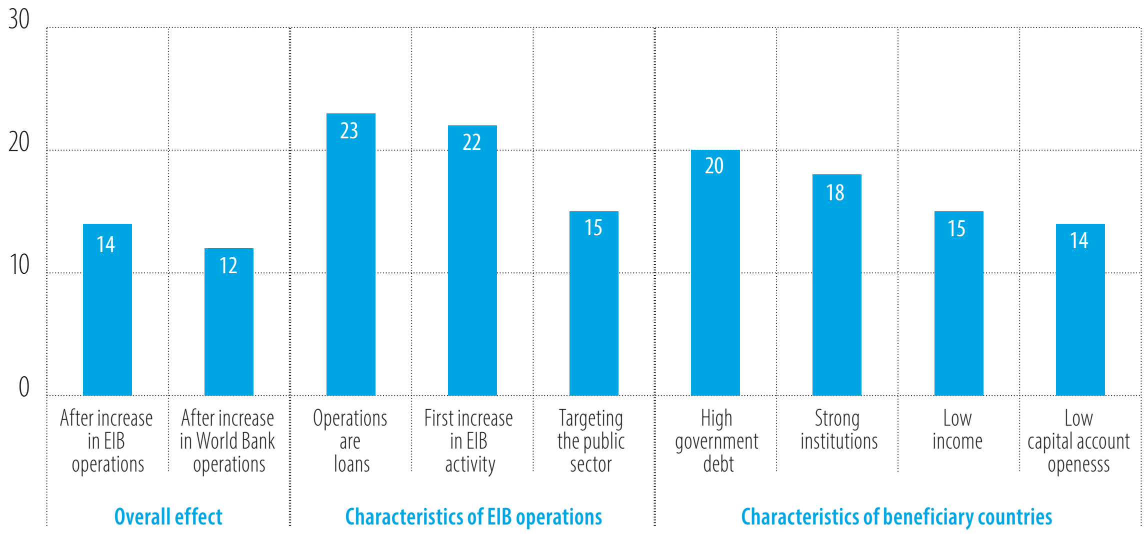
EVIDENCE ON THE EIB'S CROWDING-IN EFFECT

Meeting Sustainable Development Goals and achieving a global climate transition will require a tremendous increase in development and climate finance. This cannot be met by public lenders alone. Private capital must also be mobilised at a very significant scale. Some recent research provides evidence on how EIB lending outside the European Union crowds in private sources of finance via syndicated loans.

One way in which private finance can be mobilised is through syndicated loans. In such loans, many lenders pool resources to lend to one large borrower, to finance a single large project. This lets smaller lenders benefit from the efforts of a lead lender that carries out due diligence to ensure the soundness of the project, giving it a stamp of approval and acting as arranger to facilitate participation by others. In this way, international financial institutions (IFIs) like the EIB can help to attract or crowd-in private finance.

IFI engagement in a country may also help to encourage wider syndicated lending to projects in that country. Due to the complex structure of such syndicated loan agreements and their high due diligence standards, lending syndicates tend to avoid extending loans to low-income and developing countries. This attitude can change significantly if other lenders like multinational development banks step up their lending to these countries, as such lending removes some of the informational uncertainty regarding a borrower's economic prospects and repayment ability.

Figure 9: **Increase in syndicated loans associated with an increase in EIB operations in non-EU countries** (%)



Source: EIB estimates based on Dealogic Loan Analytics.

Notes: Only effects that are statistically significant at a 5% level are plotted in this figure.

Some econometric research by the EIB helps to corroborate the existence of this crowding-in effect.[45] Figure 9 summarises the results of this analysis. A typical wave of increased EIB finance to a country outside the European Union, through either lending or equity investments, is associated with a 14% increase in the number of loans to that country arranged by loan syndicates. World Bank operations are associated with a 12% increase.

The increase in syndicated loans associated with EIB activity rises to 23% when only loan operations are considered, and 22% in association with the first rise in EIB operations in a country. Operations targeting the public sector have a significant apparent effect, but not those targeting private sector borrowers.

The characteristics of the beneficiary country also affect the results. The increase in syndicated lending associated with EIB activity is greatest in countries with a high level of debt. The associated increase is also significant for countries with low income levels and low capital account openness, suggesting that such countries have more difficulty accessing private finance without the leadership and signalling effects of the EIB and other IFIs. Countries with strong institutions appear more able to capitalise on the crowding-in effect of IFI finance.

45. M. Gatti, D. Gorea and A. F. Presbitero, 2023, "EIB operations and private sector lending outside the European Union", EIB working paper, forthcoming.

CARBON FOOTPRINT EXERCISE

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

- **absolute emissions** (actual emissions from the project) exceed 20 000 t CO_2-eq/year;
- **relative emissions** (estimated emissions increases or abatement compared to the expected alternative) exceed 20 000 t CO_2-eq/year.

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

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

The 2021 exercise included 17 projects outside the European Union (including contracts signed and large allocations approved during the year), representing €1.9 billion of EIB lending. The exercise estimates the greenhouse gas emissions from financing these investment projects at 300 000 t CO_2-eq/year. Estimated savings from financing these investment projects are 900 000 t CO_2-eq/year. The results of the exercise are published every year in the EIB Group Sustainability Report.

The latest version of the EIB Project Carbon Footprint Methodologies was published in January 2023.[46]

46. EIB, 2023, "EIB project carbon footprint methodologies".

MACROECONOMIC IMPACT MODELLING

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

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

- Indirect effects on employment along the supply chain, such as increased demand for products like concrete and steel. Supplying this demand supports additional employment.

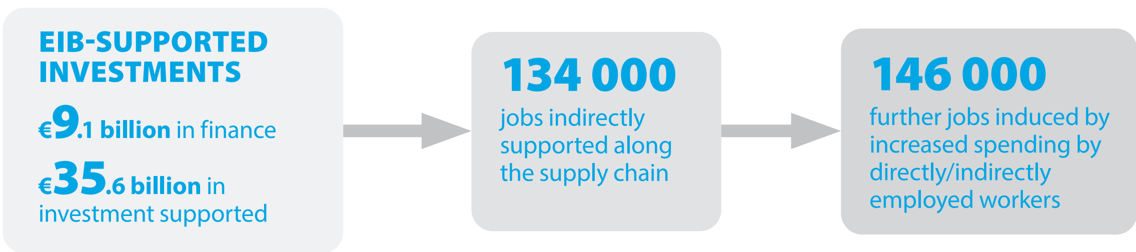
- The inducement of further demand and employment through increased incomes. Both direct employment in project implementation and employment supported indirectly along the supply chain give workers more income to spend, which has a further knock-on effect on demand and employment.

- Indirect effects on productivity and competitiveness. Reduced congestion and travel times may improve economic efficiency in a range of economic sectors, with further economic impacts.

There are various ways of modelling indirect economic impacts. For operations outside the European Union, the EIB currently uses the Joint Impact Model developed collaboratively by a number of development finance institutions.[47]

We have used the Joint Impact Model to investigate the possible indirect impact on employment of EIB-financed investments outside the European Union. The model estimates that such investments in 2022 will support some 134 000 indirect jobs along supply chains (for example, supplying the materials and equipment used in the project). The model estimates that a further 146 000 jobs are likely to be induced by the extra income generated throughout the supply chain.

Figure 10: **Indirect employment impact of 2022 lending: Joint Impact Model results**



As the results of a modelling exercise, these figures should be treated with a degree of caution. This model is also fairly new, and the underlying structure and modelling approach are still evolving. This year's results are not easily comparable to previous recent ones: Changes in data, portfolio composition and even model assumptions have yielded a somewhat different set of results. The approach will likely continue to be refined as a result of ongoing work, including with other development finance institutions using the model and other modelling initiatives. The values are indicative at this stage, and not easily compared with previous or other users of the Joint Impact Model. The EIB is supporting this work and cooperating with other modelling teams to enhance this approach further.

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

RESULTS OF COMPLETED PROJECTS

We reassess project results fully upon completion in order to check the accuracy of our assessment at appraisal and draw lessons from future project appraisal and design. This full reassessment is performed for projects originally appraised from 2012 onwards.48 This section summarises the key output and outcome indicators for such projects that reached completion in 2022.

Credit lines for MSMEs and mid-caps

Five credit lines for MSMEs and mid-caps, originally appraised under the Results Measurement (ReM) or Additionality and Impact Measurement (AIM) frameworks in previous years, reached completion in 2022.[49] As in 2021, this is a relatively low number of completions, reflecting the drop in operations in Türkiye in the preceding years. Two of the credit lines were for banks in Egypt, while the rest targeted Montenegro, Kenya and Saint Lucia.

Table 9: **Results achieved for five completed credit lines**

Results achieved	All SMEs	Micro	Small	Medium	Mid-caps	All
Total loans (EUR million)	1 182	196	459	527	223	**1 405**
Total loans #	1 706	719	644	343	84	**1 790**
Average loan size (EUR thousand)	693	273	713	1 536	2 654	**785**
Average investment size (EUR thousand)	1 242	361	1 303	2 975	5 245	**1 430**
Average loan tenor (years)	3.3	4.2	2.9	3.3	3.5	**3.3**
Jobs sustained	50 217	2 508	15 033	32 676	46 623	**96 840**

Supported by these credit lines, partner banks extended more than €1.4 billion through 1 790 loans. Of these, 1 706 loans benefited SMEs and 84 benefited mid-caps. This lending helped to sustain 96 840 jobs in the final beneficiary companies. The average tenor of the loans provided to final beneficiaries (weighted by loan size) was 3.3 years. 95% of them were made to SMEs, with 76% going to micro (less than ten employees) and small SMEs.

The results of credit lines for SMEs and mid-caps can be difficult to estimate in advance because they are tied to the lending intermediaries' success in finding clients in unpredictable or changing environments. For operations completed in 2022, the split between SMEs and mid-caps was as expected in terms of numbers of loans, with SMEs receiving somewhat larger loans than anticipated. At 29 employees, however, the average size of supported SMEs was smaller than originally predicted (39 employees). Due to the higher share of lending going to smaller firms, the overall total for jobs sustained is 27% lower than the expected total.

48. The EIB's ReM framework, the predecessor to the AIM framework, was introduced in 2012.
49. Operations are judged completed when fully allocated. In some cases where the formal allocation period extends to the following year, cancellations or changes to the allocation data cannot be ruled out.

Unlike in previous years, the weighted average loan tenor provided to final beneficiaries through this set of credit lines was only around half of what was expected. Looking at the individual credit lines, there is great variation, with two of the credit lines providing substantially longer tenor than expected. However, the overall average is brought down by the two credit lines via Egyptian banks, which were also much larger than the rest. Further investigation is needed to shed light on the difference between expected and realised tenor for these two credit lines. It may reflect country-, year- or counterpart- specific factors. Notably, the loans to final beneficiaries were allocated during 2020-2022 (and mostly in 2022, when the Egyptian economy was already beset by the combined effects of the pandemic and food price rises), which may have driven greater risk avoidance. Smaller-than-expected beneficiary firms may also explain the shorter average tenor to some degree.

Table 10: **Results expected for five completed credit lines**

Results expected	All SMEs	Mid-caps	Other*	All
Total loans (EUR million)	939	456	10	**1 405**
Total loans #	2 151	113	5	**2 269**
Average loan size (EUR thousand)	437	4 035	2 000	**619**
Average investment size (EUR thousand)	1 653	11 623	-	**4 912**
Average loan tenor (years)	7.0	7.3	7.0	**7.1**
Jobs sustained	83 913	48 000	-	**131 913**

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

Microfinance credit lines

Microfinance is a powerful tool for broadening access to finance to individuals, very small enterprises, those on low incomes and other marginalised groups so often excluded from traditional financial services. It helps to create jobs and address local needs and financial services supply gaps. EIB Global supports microfinance in sub-Saharan Africa, the Pacific and Caribbean regions, as well as in the Southern Neighbourhood.

EIB Global supports microfinance in two different ways. Direct operations typically take the form of credit lines provided to microfinance institutions or small microfinance-focused banks. These institutions must be of sufficient size, usually with an equity volume of at least €10 million. To reach smaller and less well-established microfinance institutions, the Bank offers equity or debt to investment funds called microfinance investment vehicles that are better equipped to provide the smaller-scale financing needed by these institutions. Both types of operations are accompanied by technical assistance and possible first-loss portfolio guarantees.

Even to reach larger microfinance institutions (MFIs) typically requires relatively small credit lines of around €5-10 million. To optimise the approval process for these, EIB Global has set up regional "facilities" that can each finance several counterparts with shorter approval times. This increased flexibility and responsiveness makes the Bank's offering better suited to the rapidly changing economic environments and often fragile contexts in which these microfinance institutions operate. Since 2011, EIB Global has set up eight such facilities, which have so far been used to provide credit lines to 40 microfinance institutions, all in the Africa, Caribbean and Pacific regions.

To track the results achieved by EIB support for microfinance, EIB Global requires its counterparts to record and report the details of the loans they provide to final beneficiaries, until each credit line has been fully repaid. This can take up to seven years. So far, three facilities, launched in 2011-2013, have been fully repaid. These comprise credit lines to 16 microfinance counterparts in Kenya (5), Namibia (1), Rwanda (2), Tanzania (3), Uganda (2) and Zambia (3), with €125 million disbursed in total. In this section, we look back on these credit lines to provide an overview of where this lending went, the types of enterprises and sectors supported, and the employment it has helped sustain.

Table 11: **Results achieved for 16 microfinance credit lines**

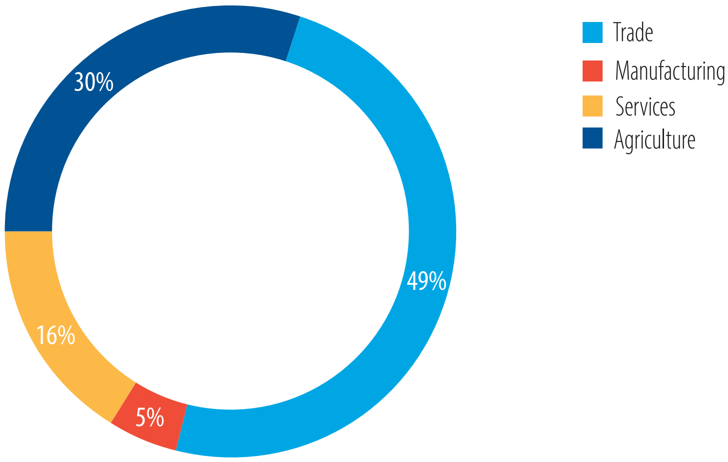
Results expected	
Number of loans to final beneficiaries	**370 000**
% provided to women	**33%**
% provided to youth*	**15%**
Average size of loans to final beneficiaries (euros)	**3 253**
Jobs sustained	**560 000**
Jobs sustained per loan	**1.51**

* For these operations, counterparts used their own definitions of "youth", normally between 18–35 years of age.

Altogether, the 22 counterparts under the three facilities disbursed more than 370 000 loans to final beneficiary microentrepreneurs and microenterprises, using finance from the EIB. The relatively short repayment periods typical of microfinance loans meant that EIB-provided funds could be lend out more than once before reimbursement to the Bank. The average size of these loans was €3 253. One-third of them went to female recipients, while young people made up 15%.

We further estimate that these loans have supported some 560 000 jobs. Most microfinance institutions find it is challenging to report precisely on the number of people employed by microentrepreneurs (if any). In general, where the final beneficiary listed is a single entrepreneur, we assume one job is supported, and where the beneficiary is reported as a microenterprise (less than ten employees), we conservatively assume that two jobs are supported (the microentrepreneur, plus one). Overall, we estimate 1.5 jobs sustained per loan. Because of the short duration of the loans, some microentrepreneurs or enterprises may receive more than one loan with EIB funds, which means that some jobs may be counted more than once. Overall, however, we believe our estimate of jobs sustained per loan is conservative.

Figure 11: **Sector distribution of microfinance final beneficiaries**



Access to microfinance is often especially sought after by microentrepreneurs operating in trade (retail and wholesale) and agriculture. This was reflected in the type of activities pursued by final beneficiaries of the 22 EIB microfinance credit lines. Almost half of disbursed loans were provided to finance trade activities, while one-third supported agriculture. 16% of final beneficiaries were engaged in other services, and 5% in manufacturing.

From this review of the results achieved by completed microfinance facilities, we may draw lessons that can improve ongoing management for results at EIB Global. One issue encountered was with the ability of traditional banks to expand their portfolio to microenterprises. Extending the reach of such banks to microenterprises is a desirable objective, but it comes with some implementation risk. The first facility targeting East Africa was successful, but with some traditional banks seeking to reach smaller clients, the average size of loans to final beneficiaries was comparatively large (for microfinance), at €7 183. Counterparts under the second East Africa facility proved more able to reach smaller beneficiaries, issuing 288 000 loans of €2 988 on average. One credit line under the second East Africa facility had to be cancelled because the approved counterpart no longer complied with the EIB Global covenants. The Southern Africa Microfinance Facility (with counterparts in Zambia and Namibia) encountered greater challenges: four credit lines under this facility could not be fully disbursed, as most of the chosen counterparts were downscaling commercial banks that proved unable to reach as many eligible microfinance clients as they had expected. Under subsequent microfinance facilities, EIB Global has concentrated more on boosting microfinance institutions with an established track record; however, we have remained open to supporting promising efforts by banks to reach more microenterprises, and have continued to support smaller and less established institutions through microfinance investment vehicles.

Over time, EIB Global has improved its methodology for estimating results expected at appraisal. It now uses information about the counterpart's eligible portfolio — including average loan duration, client drop-out rate and client gender — to estimate the number of loans likely to be extended to men and women microentrepreneurs, as well as the number of jobs likely to be sustained. The results presented here use a different data source: the EIB-financed loans really issued, as reported by the counterpart. For these early facilities, therefore, it makes little sense to directly compare the results achieved with the original estimates. Still, the results are reasonably similar to typical estimates of loan numbers and jobs per loan made using the current methodology.

There is growing consensus on the importance of microfinance for developing countries' financial sectors. Indeed, in most African, Caribbean and Pacific countries, microentrepreneurs and the employees of microenterprises comprise a majority of the working population. Extending access to financial services for these people is an important goal. Recent years have seen improvement in this regard, although the COVID-19 pandemic was a major setback. More vulnerable populations, including women, young people, refugees and migrants, still face much greater rates of financial exclusion. Indeed, the share of loans provided to women under these early microfinance credit lines was relatively modest. Over time, EIB Global has supported more institutions with a strong gender focus. Going forward, it will concentrate further on how to reach those who remain financially excluded. For example, the most recent facility specifically targets microfinance institutions that make strong efforts to reach female borrowers.

Social and economic infrastructure development – Results achieved

Of the social and economic infrastructure projects tracked using the Results Measurement framework (since 2012), 19 reached completion in 2022. These include five in the energy sector, and seven agriculture and forestry projects.

Table 12: **Results for infrastructure projects completed in 2022**

	Expected	Achieved (for projects with expected results data)	Achieved (all)
Energy (5 projects*)			
Electricity generation capacity from renewable energy sources (MW)	15	14.2	298
Electricity produced from renewable energy sources (GWh/year)	21	20.2	1 247
Energy – annual efficiencies realised (GWh/year)	106	103	103
Energy efficient and innovative mobile towers deployed	250	601	601

Water and sanitation (2 projects)			
Capacity of water treatment plant (m^3/year)	-	-	150 000
Capacity of reservoirs or raw water storage facilities constructed or rehabilitated (m^3)	16 800	18 000	18 000
Length of water mains or distribution pipes built or upgraded (km)	220	989	1 915
Domestic connections to water supply created or rehabilitated	3 000	40 000	92 200
Water distributed with acceptable standards (m^3/year)	42 100 000	15 358 250	15 358 250
Non-revenue water (%)	20	46	46
Reduction in water losses (%)	40	24	24
People with access to safe drinking water	640 000	850 000	3 807 600
People with access to improved sanitation services	-	-	284 368

* Includes one fund investment for which energy sector indicators are not available, and one gas pipeline project. Indicators for these projects are not included.

	Expected	Achieved
Agriculture (2 projects)		
Area covered by irrigation networks (hectares)	21 605	21 900
Water savings (%)	35	35
Crop yield (tonnes/hectare)	130	130
Gross operating surplus achieved (EUR/hectare)	2 220	2 150
Productivity of water irrigation (EUR/m^3)	1	1.5
Farmers benefiting from the scheme	7 772	7 893
Additional exports of agricultural goods (million tonnes/year)	1	1.3
Additional cargo handled by port facilities (million tonnes/year)	1	1.3
Additional storage capacity (tonnes)	343 500	370 500

	Expected	Achieved
Forestry (5 projects)		
Afforested area (hectares)	164 720	324 251
Rehabilitated forest or area with improved management (excluding afforested area) (hectares)	88 449	247 091
Access roads created or maintained (km)	2 328	2 038
Fire breaks created or maintained (km)	806	1 107
Forest products: production (tonnes/year)		7 000 000
Forest products: imports substituted (tonnes/year)		170 000
Number of beneficiaries (farmers, foresters, fish producers)		50 000

	Expected	Achieved
Digital infrastructure (2 projects)		
Additional 3G sites	47	36
Additional 4G sites	105	132
Fibre optic cable installed (km)	5 075	4 568
Additional homes connected to the fibre-optic network	12 700	5 909
Additional homes passed by the fibre-optic network	24 500	20 717
Additional subscriptions with data services enabled	38 461	72 461
Percentage point increase in population covered by 3G	7	3
Percentage point increase in population covered by 4G	33	29
Number of landing stations installed	6	1
Total capacity installed (submarine and land transmission networks, Gigabytes/second)	600	900
Population benefiting	9 241 000	11 325 000

	Expected	Achieved
Transport (3 projects)		
Length of bus/tram/metro track constructed (km)	48	48
Stations or stops constructed or upgraded	35	34
Vehicles or rolling stock purchased or rehabilitated	109	109
Beneficiaries (additional passenger journeys per year on urban transport, millions)	1 147	557
Time savings – urban public transport (million hours/year)	10.5	4.95

Table 13: **Results for infrastructure projects completed in 2021 – Employment**

	Expected	Achieved
Employment during construction – temporary jobs	62 639	87 287
Employment during operation – new permanent jobs	15 020	18 735

Four of the **energy** sector projects focused on electricity generation from renewables. Together, these projects are already producing 1 247 GWh per year. This does not include the results of one fund for small energy access projects, for which data are not available. Energy efficiency measures (specifically, the installation of energy efficient and solar-powered mobile telecommunications towers) were a key objective of one of the projects that is saving some 103 GWh/year. A further gas pipeline project in Tunisia (to connect the country's gas network to new gas fields in the south, reducing use of oil and coal) was successfully completed, although its impact was reported to be reduced due to lower-than-expected gas production at the time.

Two projects in the **water** sector, in Burkina Faso and Georgia, improved drinking water supply for 3.8 million people, creating or refurbishing 92 200 domestic connections to water supply and improving sanitation services for 280 000 residents.

Projects in the **agriculture and forestry** sector included five forestry projects (some were large allocations under framework loans) that have caused 324 000 hectares of forest to be planted and put a further 247 000 hectares of forest or rangeland under improved management. One agriculture project has extended irrigation networks over 21 900 hectares, achieving water savings and increased productivity. Another project focused on grain storage and transportation in Ukraine. At completion (before the current war), it was estimated to facilitate an additional 1.3 million tonnes of grain exports.

Other completed projects covered **digital infrastructure** (making improved data services available to 11 million people) and **transport** (supporting an additional 557 million trips on urban public transport).

Employment – All told, these projects directly supported 87 000 person-years of employment during the construction phase, and are supporting 17 000 full-time equivalent jobs associated with the operation of the infrastructure, facilities or forest and agricultural systems created.

On the whole, estimated results at appraisal have proven reasonably accurate (where it was possible to make them). However, some factors did lead to discrepancies. For one project, for example, large-scale rangeland rehabilitation and afforestation for erosion control seem to have been significantly underestimated at appraisal. Estimated passenger numbers for the three tram and metro projects seem to have been too high at appraisal (if not with respect to longer-term trends, then at least versus conditions at completion). In the case of a project in São Paulo, for example, passenger numbers appear to have fallen following unrest in the city, and to have been further depressed during the COVID-19 pandemic. Some of the original estimated results for the water project in Georgia were too low — however, a significant fall in the quantity of treated water distributed was actually an expected outcome (as a result of better metering to encourage less water wastage). In some cases, initial estimates of the employment to be created during construction undershot the real employment figures supplied by project promoters at completion.

LENDING VOLUMES

Unless otherwise stated, lending volumes in this report are for all contracts signed in 2022 for projects outside the European Union. These include contracts signed for new projects, where the first financing contract was signed in 2022. They also include a smaller number of follow-up contracts signed under older projects that have been mentioned in previous reports (because earlier financing contracts for these projects were signed in previous years). This is in line with standard EIB reporting of lending volumes. A breakdown of 2022 lending volumes for both new projects and older projects is given in the table below.

Table 14: **2022 aggregate lending volumes** (in EUR million)

	New projects (first signed in 2022)			Older projects (first signed before 2020)	Total contracts signed
	Total project cost	Funding approved	Contracts signed in 2020		
Asia and the Pacific	6 464	1 103	900	300	1 200
Eastern neighbours	900	380	250	112	362
Latin America and the Caribbean	3 833	1 349	1 199	486	1 685
Southern neighbours	10 998	3 077	2 344	98	2 428
Sub-Saharan Africa	10 137	3 101	2 478	119	2 571
Western Balkans and Türkiye	3 158	1 363	730	124	854
SME and mid-cap finance	11 468	3 154	2 715	35	2 750
Innovation, digital and human capital	9 385	2 086	1 456	28	1 484
Sustainable cities and regions	6 106	2 496	1 665	512	2 177
Sustainable energy and natural resources	8 532	2 639	2 066	624	2 690
Economic and social cohesion*	5 083	1 226	726	124	850
Climate action and environmental sustainability*	14 034	4 912	3 339	863	4 202
Total	**35 491**	**10 374**	**7 902**	**1 239**	**9 101**
Loans repurposed for immediate support to Ukraine					1 718
					10 801

* Cross-cutting objectives – these overlap with other objectives and are not included in the total.

Note: Sub-Saharan Africa includes projects earmarked for "Africa" (total of €1 274 million in contracts signed) and for "African, Caribbean and Pacific countries" (total of €80 million). Central Asia is included under Asia and the Pacific.

A slightly different scope is used for reporting project results in this "Impact in detail" section. To avoid double counting, we only report the results of new projects (with the first financing contract signed in 2022) — and not of follow-up contracts, the expected results of which have been reported previously. In the section on the expected results of new lending, we also only present lending volumes by sector and instrument type for new projects. In this case, we report the full EIB commitment (approved lending). This covers both the amounts under contracts signed in 2022 and any prospective approved balance to be signed under future contracts.

LIST OF OPERATIONS SIGNED IN 2022

Project	Region	Sector	Approved amount*	Signed in 2022*	Project cost*	Objective contribution (%)					
						SME	IDHC	SCR	SENR	ESC	CAES
Afreximbank Africa Health Resilience FL	Africa	Health	100	100	200	40	60				
Afreximbank Supply Chain Loan for SMEs & Midcaps	Africa	Credit lines for SMEs	300	300	600	100					2
Africa Food Security Fund (AFSF)	Africa	Equity Funds, Agriculture	12.50	12.5	85	100					
African Infrastructure Investment Fund 4	Sub-Saharan Africa	Digitalisation, Energy, Transport	74.83	71.74	498.85		39	38	23		36
AFR-IX Medusa Submarine Cable System	Southern Neighbourhood	Digitalisation	77	38.5	342.38		100				
Alcazar Energy Partners II	Southern Neighbourhood	Equity Funds, Energy	71.90	74.71	479.34				100		100
Alexandria West Wastewater Treatment Plant Ext	Southern Neighbourhood	Water	140.05	20.05	184.55				100		100
Angola COVID-19 Health Resilience	Sub-Saharan Africa	Health	54.50	54.50	57		100				
Aqaba-Amman Water Desalination & Conveyance	Southern Neighbourhood	Water	507.10	200	2 682.03				100		100
Argentina - Transmission Network Investments	Latin America	Energy	100	100	414.29				100		60
Armenia Economic Resilience Facility	Eastern Neighbourhood	Credit lines for SMEs	70	70	196	100					40
Banco Estado Ecovivienda - Energy MBIL	Latin America	Urban development	200	200	267				100		100
Bandwidth and Cloud Solutions	Sub-Saharan Africa	Digitalisation	8.82	10.28	18.78		100				
Banfondesa Microfinance Loan	Caribbean	Microfinance credit line	10	10	20	100					2
Benin Off-grid Solar Acceleration	Sub-Saharan Africa	Energy	10	10	13.34				100		85
Bhopal Metro Rail Project	Asia	Transport	400	150	815.35				100		100
BICE Argentina – Green MBIL	Latin America	Credit lines for SMEs	60	60	120	10			90		90
Congo Digital Transformation	Sub-Saharan Africa	Digitalisation	36.30	26	135		100				17
Connected Schools in Serbia	Western Balkans	Education	70	5	111.29		100			100	
COVID-19 Health Response Ghana	Sub-Saharan Africa	Health	82.50	7.50	90		100				
COVID-19 Vaccine Volume Allocation III	Africa, Latin America, Asia	Health	1 000	500	4 700		100			100	
Dakar Public Transport Network Restructuring	Sub-Saharan Africa	Transport	166.90	166.90	354.50			100			22
DBSA Egip Facility	South Africa	Energy	200	200	400				100		100
East Lane Partners Southern Neighbourhood & Levant Fund I	Southern Neighbourhood	Multisector equity fund	19.01	18.89	142.57	100					
Ecobank (ETI) COVID-19 Guarantee Facility	Sub-Saharan Africa	Guarantee for SMEs	15	15	93.75	100					1
EDFI European Financing Partners VII	Multi-Region	Credit lines for SMEs	300	300	600	100					
Egypt Green Economy Financing Facility	Southern Neighbourhood	Energy	12.97	14.10	25.95	25			75		75
Egypt Inclusive Growth Facility	Southern Neighbourhood	Credit lines for SMEs	500	500	1 400	100					2
Egyptian Pollution Abatement (EPAP) III	Southern Neighbourhood	Credit lines for SMEs	73.98	3.98	149.38				100		
Eiffel Energy Transition Africa Fund	Africa	Equity Funds, Energy	35.64	35.31	142.54				100		100
Enel Energy Efficiency & Renewables FL (LATAM)	Latin America	Energy	600	486.05	1 200				100		83
Essential API – Nigeria	Sub-Saharan Africa	Health	13.85	13.85	23.30		100				
Evolution III	Sub-Saharan Africa	Equity Funds, Energy	53.30	47.09	387.63				100		98
Fayoum Wastewater Expansion Project	Southern Neighbourhood	Water	172	46	395.38				100		95

Project	Region	Sector	Approved amount*	Signed in 2022*	Project cost*	Objective contribution (%)					
						SME	IDHC	SCR	SENR	ESC	CAES
Gambia Renewable Energy	Sub-Saharan Africa	Energy	101.91	24.08	140.80				100		51
GAVI Guarantee Facility II	Asia	Health	319	302	3 292		100				5
GEF South Asia Growth Fund III	Asia	Multisector equity fund	39.73	38.41	298	100					70
Georgia-Zemo Samgori Irrigation Project	Eastern Neighbourhood	Agriculture	60	20	124.30				100		86
Global Gateway Fund (GGF)	Multi-Region	Multisector equity fund	300	300	400	35	35	10	20		25
Helwan Wastewater Treatment Project	Southern Neighbourhood	Water	165.80	78	287.90				100		100
IDF Loan for SMEs Climate & Priority Projects VI	Western Balkans	Credit lines for SMEs	150	50	420	70		10	20	100	20
IFAD – Food Security Loan	Africa, Asia, Latin America	Agriculture	500	150	2 650	40		20	40		35
ISP BIH Impact Incentive Loan for SMEs & Mid-caps	Western Balkans	Credit lines for SMEs	23.30	20	43.30	100					2
Israel Loan for SMEs & Mid-caps & Green Transition	Southern Neighbourhood	Credit lines for SMEs	500	500	2 500	100					50
Jordan Loan for SMEs and Mid-caps	Southern Neighbourhood	Credit lines for SMEs	350	160	875	100					2
LATAM Energy Efficient Housing Fund III	Latin America	Urban development	34	24	127			100			100
Leapfrog Emerging Consumer Fund IV	Africa, Asia	Multisector equity fund	60	56.82	998	100					
Madagascar Electrification Programme	Sub-Saharan Africa	Energy	10	10	24				100		80
Malawi M1 Road Rehabilitation I	Sub-Saharan Africa	Transport	134	38	191			100			
Maldives COVID-19 health facility	Asia	Health	18.40	18.40	25		100				
Middle East Venture Fund IV (MEVF IV)	Southern Neighbourhood	Multisector equity fund	20	20.10	96	100					
Middle East Venture Fund venture fund IV B (MEVF IV B)	Southern Neighbourhood	Multisector equity fund	5.30	5.30	96	100					
Modernisation du Reseau Routier au Tchad	Sub-Saharan Africa	Transport	176	176	283			100		100	3
Moldova Energy Efficiency	Eastern Neighbourhood	Urban development	70.40	12.40	80			9	91		91
Moldova Roads III	Eastern Neighbourhood	Transport	250	100	500			100			3
Moldova Roads IV	Eastern Neighbourhood	Transport	150	150	300			100			5
Morocco SME T&C Guarantee – BCP	Southern Neighbourhood	Guarantee for SMEs	8	8	70	100					1
MSME Outreach Initiative – Caucasus	Eastern Neighbourhood	Credit lines for SMEs	100	10	280	100					2
Municipal Water Infrastructure North Macedonia	Western Balkans	Water	50	50	100				100	100	86
OMVG – Interconnection	Sub-Saharan Africa	Energy	102	17	426				100		100
ONCF Rehabilitation Ferroviaire	Southern Neighbourhood	Transport	250	200	596			100			100
OTP Serbia Loan for SMEs & Mid-caps	Western Balkans	Credit lines for SMEs	80	80	160	100					2
Partech Africa Venture Capital Fund II	Africa	Multisector equity fund	45	45	230	100					50
Portland Caribbean Fund III	Caribbean	Multisector equity fund	31.80	33.28	317.98	100					
Programme de Scolarisation Rurale	Southern Neighbourhood	Education	116.50	14	215.28		100				69
Pune Metro Rail Project	Asia	Transport	600	150	1 770			100			100
Route 10 Rail Rehabilitation	Western Balkans	Transport	80	38	245			100		100	
Saint Lucia COVID-19 Health Resilience	Caribbean	Health	13.50	13.50	15		100				
São Tomé Water Supply	Sub-Saharan Africa	Water	14	14	15				100		66

Project	Region	Sector	Approved amount*	Signed in 2022*	Project cost*	Objective contribution (%)					
						SME	IDHC	SCR	SENR	ESC	CAES
SBI Climate Action FL	Asia	Energy	200	200	400				100		100
Senegal Eau Potable & COVID-19	Sub-Saharan Africa	Water	70.05	5.55	79.15				100		33
Serbia Corridor X Railways FL – Global Gateway	Western Balkans	Transport	1 180	550	2 775			100			100
Serbian Inland Waterway Infrastructure	Western Balkans	Transport	131	31	315.70		5	95		100	98
Sicredi Solar Energy Portfolio FL	Latin America	Energy	200	200	400				100		100
Solar Development in Brazil	Latin America	Energy	300	300	600				100		100
Southern Africa COVID-19 Rapid Response Facility (NORSAD)	Sub-Saharan Africa	Credit lines for SMEs	20	10	10	100					2
Southern Africa COVID-19 Rapid Response Facility (FCB MOZ)	Sub-Saharan Africa	Credit lines for SMEs	20	10	10	100					2
STEG – Programme Transport et Distribution	Southern Neighbourhood	Energy	60.25	65.79	192.89				100		2
Strengthening Tunisia Food Resilience	Southern Neighbourhood	Agriculture	150	150	550			60	40		13
Tanta-el Mansoura-Damietta Railway Upgrading	Southern Neighbourhood	Transport	290	221	580.80			100			100
TDB Supply Chain Finance Loan for SMEs & Mid-caps	Sub-Saharan Africa	Credit lines for SMEs	199.54	189.36	399.08	100					2
Vantage Mezzanine Fund IV	Africa	Multisector equity fund	50.38	47.83	349.20	100					
West and Central Africa COVID-19 Rapid Response Facility (CCA)	Sub-Saharan Africa	Credit lines for SMEs	30	15	15	100					2
WHO COVID-19 Rapid Response Facility	Africa	Health	350	285.84	400		100				
Zimbabwe Private Sector Facility (NMB)	Sub-Saharan Africa	Credit lines for SMEs	12.50	12.50	25		100				2
Zimbabwe Private Sector Facility (FCB)	Sub-Saharan Africa	Credit lines for SMEs	12.50	12.50	25		100				2

* In EUR million. Amounts for operations denominated in a currency other than the euro are converted on the basis of the exchange rate applicable at the time of approval (approved amount, project cost) or signature (signed amount).

** The 2% applied to standard credit lines signed in 2022 was applied globally and based on an ex-post analysis of earlier credit lines, namely of the activities financed at allocation level (financial intermediary's on-lending to final beneficiaries) under similar non-dedicated credit lines in 2014-2016. All climate action data for 2022 are subject to the 2022 Sustainability Report audit.

Public policy goals:

SME SME and mid-cap finance
IDHC Innovation, digital and human capital
SCR Sustainable cities and regions
SENR Sustainable energy and natural resources
ESC Economic and social cohesion
CAES Climate action and environmental sustainability

Operations for which a contract was signed in previous year (results reported in a previous report).

For more insight into our projects outside the European Union
and the people they benefit, read the companion volume,
EIB Global Report: The story.

EIB GLOBAL REPORT

THE IMPACT

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