Annual Report 2009

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EU-Africa Infrastructure Trust Fund

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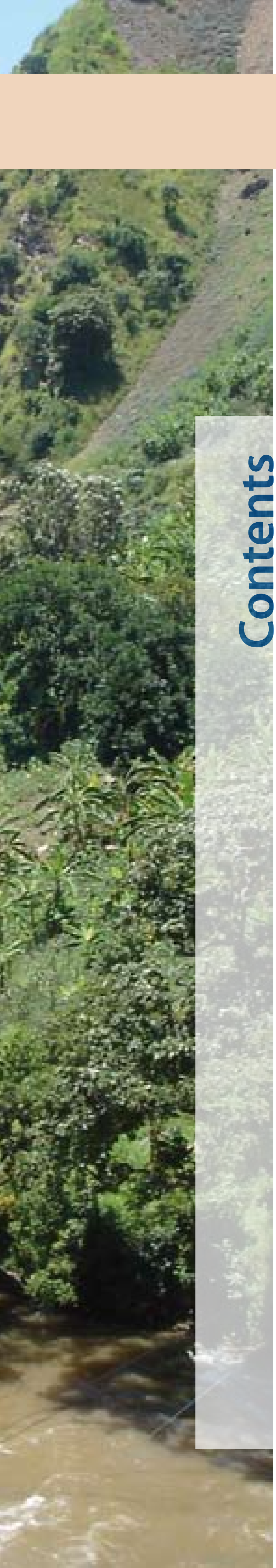

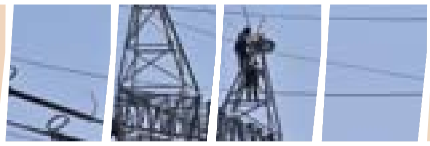

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Andris Piebalgs
Commissioner for Development
European Commission, Founding Donor

Philippe Maystadt,
President of the European Investment Bank
Manager of the Trust Fund

Joint Foreword by EC Commissioner Andris Piebalgs and EIB President Philippe Maystadt

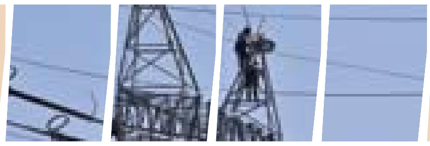
Developing countries were severely affected by the global economic and financial crisis in 2009, with Africa suffering the most. Growth rates were around 2% in 2009, which might increase to around 3% in 2010, well short of the level of economic development required to make a significant impact on poverty reduction.

Infrastructure is key to the development of Africa. Recent studies have shown that investment in infrastructure accounted for half of its average 6% growth prior to the crisis[1]. Africa's financing needs for infrastructure remain considerable: about EUR 60bn per year over the next ten years for Sub-Saharan Africa alone[1]. Up to two thirds of these needs are already met through national and international public and private funding. Nonetheless, funding for the remaining third still has to be covered. Given the critical importance of the sector for the economic and social development of Africa, which is central to the European Commission's strategy for responding to the financial crisis, the agenda on regional infrastructure has gained significance.

As announced to the Council in May 2009, the Commission decided in November 2009 to contribute a further EUR 200m to the EIB-managed EU-Africa Infrastructure Trust Fund, bringing its total support to EUR 308.7m. The Commission also invited the EU Member States to join this effort. Consequently, we welcome the UK's additional contribution of EUR 20m and the EUR 5m contribution of Finland, which became the twelfth EU Member State to join the Trust Fund.

These measures call for parallel strengthening of the Trust Fund's project pipeline, entailing closer and more efficient collaboration between financiers and donors. In this context, we would particularly like to highlight the discussions between experts from the European

[1] *Africa Infrastructure Country Diagnostic (AICD) study.*



Commission, the EIB, EU Member States and the financiers to improve the impact of blending loans with grants, to define specific proposals for further improving the functioning of the Trust Fund and to accelerate the identification and preparation of projects.

These efforts and initiatives resulted in substantial progress for the Trust Fund in 2009, which is detailed on the following pages. The most notable outcomes of the year include the abovementioned additional funds, which brought total contributions to EUR 373m, the expansion of the Project Financiers Group with the appointment by Italy of Società Italiana per le Imprese all'Estero (SIMEST) and the approval or clearance in principle[2] of 13 grant operations. Overall, at the end of 2009, 21 operations had been approved or cleared in principle, representing a total grant amount of more than EUR 120m.

We would especially like to emphasise the crucial role the Trust Fund has played in funding large infrastructure operations in the energy, transport and information and telecommunications sectors across Africa, including:

- hydroelectric schemes, such as Félou in West Africa;
- electricity interconnection schemes, such as the Benin-Togo interconnection and the Caprivi (Namibia-Zambia) interconnection;
- roads, railways, airports and ports, such as Beira, Walvis Bay, Pointe Noire, Port Louis, the Jomo Kenyatta International Airport or the Great Eastern Road in Zambia;
- the East African Submarine Cable system (EASSy), a fibre-optic cable linking Southern and Eastern African countries to the international communications network;
- preliminary studies for Sambangalou and Gouina in West Africa and Ruzizi and Gibe hydroelectric schemes in Central and Eastern Africa.

In all cases, the infrastructure projects supported by the Trust Fund form part of a regional network and provide the basis for reinforcing economic and social capacities at continental level.

We are confident that the progress achieved in 2009 will be sustained in 2010, with an expanded group of active financiers making full use of the range of instruments available from the Trust Fund to leverage additional investments, including from the private sector.

[2] *A clearance in principle (CIP) is an initial decision on the eligibility of a project.*

Lluis Riera
Director, Development Policy
Directorate-General
Development and Relations with ACP
European Commission

Aboubakari Baba-Moussa
Director
Infrastructure and Energy
African Union Commission

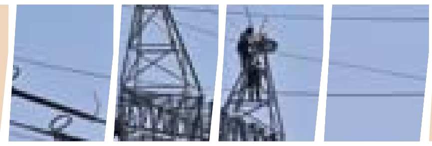
Joint Statement by the Co-Chairmen of the Steering Committee

A key function of the Infrastructure Partnership Steering Committee – which comprises an equal number of representatives from the African Union and the European Union – is to provide strategic guidance to the EU-Africa Infrastructure Trust Fund.

We are very pleased with the operational results achieved by the Trust Fund in 2009, which indicate that 11 projects were approved, bringing the total number of approvals to 19[3], for a grant amount of over EUR 96m. These projects, which are analysed further in the subsequent sections of this Annual Report, are fairly evenly spread over Sub-Saharan Africa, and concern mostly the power and transport sectors, including ports, airports, roads and railways. 2009 was also a year which saw progress in the implementation of several of the Steering Committee's recommendations, especially with respect to enhanced collaboration between the financiers and the Secretariat of the Trust Fund on the one hand, and the African partners on the other.

The Trust Fund participated in or was represented by its donors, financiers or Secretariat at several events aimed at fostering infrastructure and regional infrastructure in Africa. Notable events include the Consultation organised by the African Development Bank (AfDB) on its Regional Integration Strategy, the High-Level North-South Corridor Aid for Trade Conference organised by three Regional Economic Communities (COMESA-EAC-SADC), the Infrastructure Day of the African Union and the ICA meetings on the Consortium's strategic Business Plan 2010-2012. The presence of the Trust Fund at such events also ensured a good level of visibility, which we expect to enhance next year with new communication and information channels for wider dissemination of information on Trust Fund activities and projects. The participation of the Trust Fund in Africa-wide events provided the Authorities of the Trust Fund with helpful reference points for

[3] Plus two projects cleared in principle, i.e. which received a positive initial decision on eligibility.



shaping their opinion when identifying, assessing and approving grant operation requests.

In addition, the African Development Bank was an active participant in all the meetings of the Project Financiers Group, providing ideas, advice and an African perspective on the projects being discussed at the meetings.

Increased attention was also given to the possible participation of the private sector in infrastructure projects. Several Trust Fund donors and financiers emphasised the need to be more pro-active in mobilising private funds, and discussions took place, notably with the European Contractors Association and the Private Infrastructure Development Group, on the catalytic role that the Trust Fund could play as a catalyst for the participation of private funds in infrastructure projects.

Next year, in addition to meeting on its own, the Steering Committee will also have the opportunity to meet with the Executive Committee with a view to sharing issues of strategic importance for the Trust Fund, and discussing the progress and direction of key long-term strategic programmes for infrastructure in Africa, such as the Programme for Infrastructure Development in Africa (PIDA), led by the African Union Commission.

Gary Quince
Chairman of the Executive Committee

Statement by the Chairman of the Executive Committee

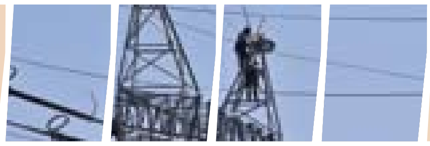
At end-2009, the EU-Africa Infrastructure Trust Fund (ITF) had made good progress in comparison to the previous year, confirming the positive trend recorded since its inception in mid-2007.

The ITF is the key instrument of the EU-Africa Partnership on Infrastructure, one of the pillars of the EU-Africa Strategy, which aims to promote investments in infrastructure in Africa with a view to fostering regional integration and trade. As an instrument, the ITF is a mechanism which blends grants from EU donors with long-term loan finance from the European Investment Bank and other European development finance institutions. This blending generates significant leverage and additionality, enabling promoters and financiers to consider investments which could otherwise not be undertaken because of costly preparatory work, limitations on new borrowing by HIPC[4] countries, or financial returns which do not match the economic benefits of a project.

Since its creation, the level of pledged financial contributions to the Fund has grown from EUR 87m to EUR 373m at the end of 2009, and the number of participating European Member States has increased from 9 to 12. In addition to the European Commission, current Member State donors include Austria, Belgium, Finland, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom.

In 2009, a total of 13 grant operations were approved or cleared in principle[5], compared to five in 2008. Based on current estimates the 21 operations, for which around EUR 120m in grant funds has been approved to date, are expected to generate investments totalling about EUR 1.4bn, a significant multiplier effect.

[4] Heavily Indebted Poor Countries – HIPC.
[5] A clearance in principle (CIP) is an initial decision on the eligibility of a project.



The grants from the ITF can be used either at the pre-investment stage or during the investment phase of a regional infrastructure project. An example of ITF support for a project in the pre-investment stage in 2009 is the EUR 5m grant approved for the financing of a preparatory package of technical assistance and capacity building for upgrading and rehabilitating the Jomo Kenyatta International Airport in Kenya. An example of a grant for concessional lending is the EUR 12m interest rate subsidy that Benin and Togo will receive from the ITF to help them finance the rehabilitation of power transmission lines.

Disbursements in 2009 started to build up, with the Trust Fund disbursing over EUR 22m during the year. Disbursements for infrastructure projects tend to be slower than for other sectors, given the long lead times between inception and implementation. Regional infrastructure projects take even longer to implement, as they involve more consultative processes and fall under more jurisdictions.

Functioning and Governance

Functioning and Governance Structure

Purpose and Mechanism of the Fund

The Fund fosters co-financing and technical collaboration between numerous stakeholders in line with the principles of the Paris Declaration on Aid Effectiveness and the European Consensus for Development.

Its main stakeholders are the European Commission and EU Member States, the African Union and African nations, the European Investment Bank and participating European development finance institutions, the African Development Bank and other potential donors/private investors involved in the projects.

The Fund shares the same objectives as the Infrastructure Consortium for Africa (ICA), a network of bilateral donors, multilateral agencies and African institutions, which supports infrastructure initiatives in Africa, encouraging information-sharing, good practice and project development.

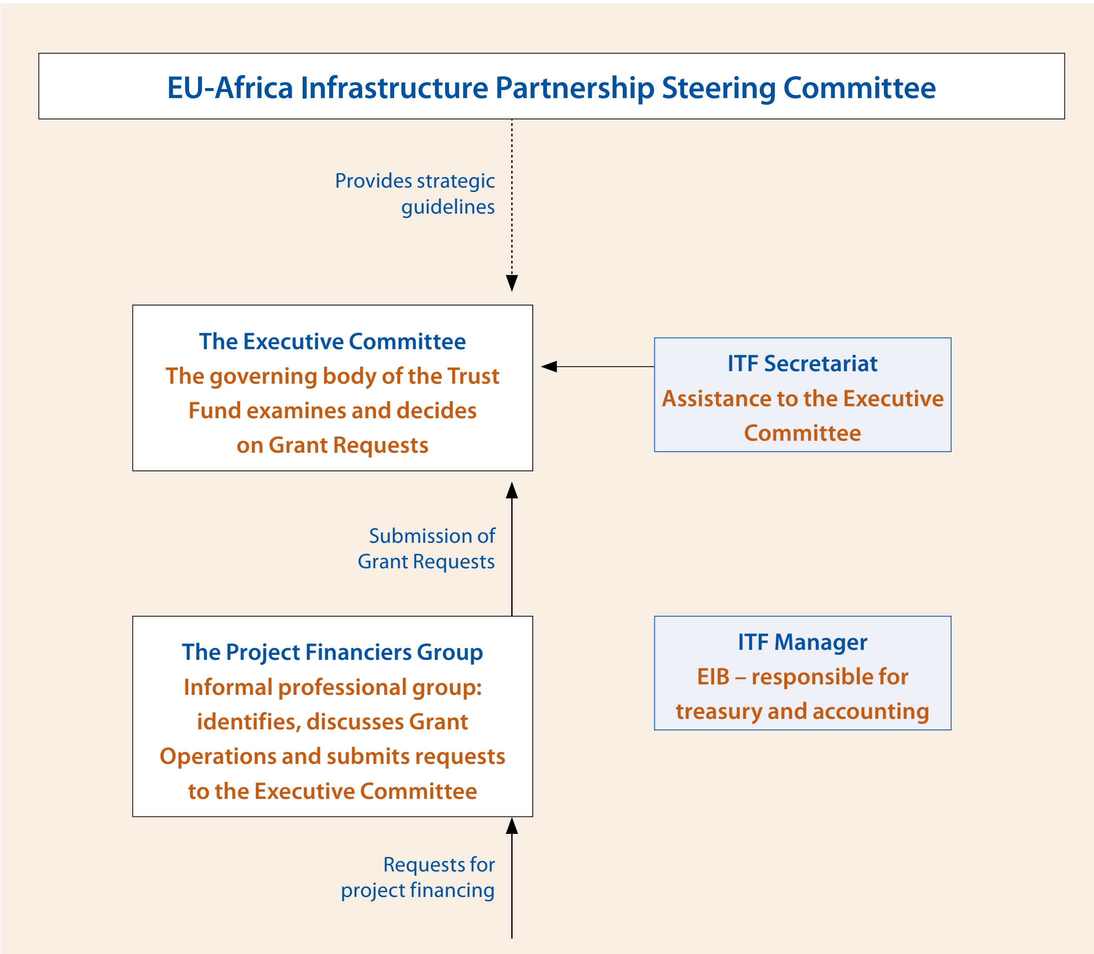
As an instrument, the Trust Fund can be defined as a "blending mechanism", i.e. mixing non-refundable grants from donors with long-term investment finance from financiers. This "blending" acts as a catalyst for investment, mitigating the risks taken by the promoters and financiers and providing an incentive to consider investment in projects with substantial development impact but low financial return that could not otherwise be envisaged.

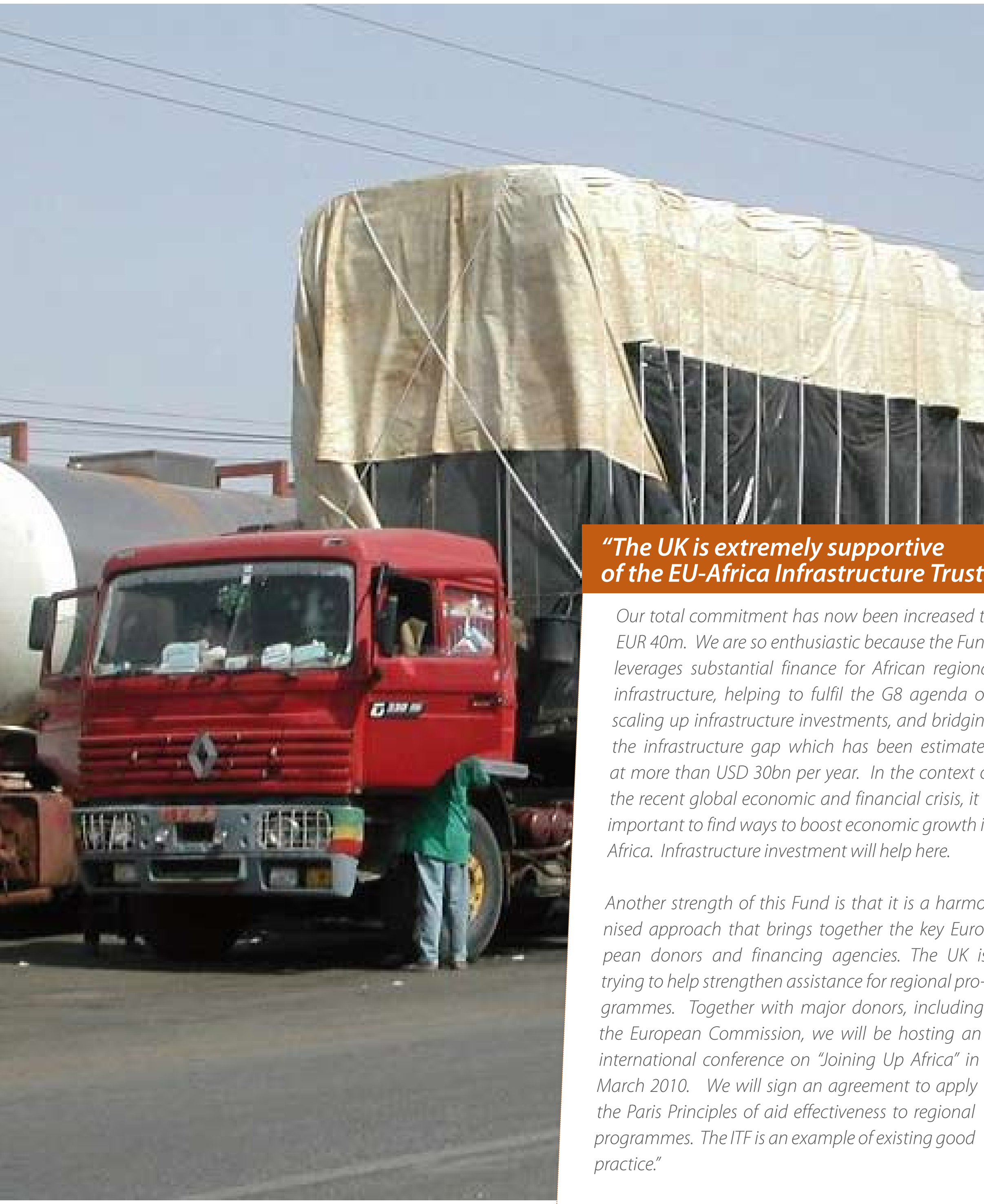
Governance Structure

The governance structure of the Fund reflects these complementary objectives and multi-dimensional partnerships.

It remains lean and efficient, as each level was given clearly defined roles and operating tools and procedures. The procedures can be applied quickly and flexibly. For example, decision-making meetings can be called at short notice and "as needed", based on the requirements of the projects and their smooth progression towards approval.

The following flow chart shows the different levels of the governance and operating structure of the ITF, which are detailed further below.





"The UK is extremely supportive of the EU-Africa Infrastructure Trust Fund.

Our total commitment has now been increased to EUR 40m. We are so enthusiastic because the Fund leverages substantial finance for African regional infrastructure, helping to fulfil the G8 agenda on scaling up infrastructure investments, and bridging the infrastructure gap which has been estimated at more than USD 30bn per year. In the context of the recent global economic and financial crisis, it is important to find ways to boost economic growth in Africa. Infrastructure investment will help here.

Another strength of this Fund is that it is a harmonised approach that brings together the key European donors and financing agencies. The UK is trying to help strengthen assistance for regional programmes. Together with major donors, including the European Commission, we will be hosting an international conference on "Joining Up Africa" in March 2010. We will sign an agreement to apply the Paris Principles of aid effectiveness to regional programmes. The ITF is an example of existing good practice."

John Burton,
Deputy Director and Head of Africa Regional Department Department for International Development – DFID (UK)

Identification of projects: public or private sponsors/project promoters

- The **EU-Africa Infrastructure Partnership Steering Committee** was established in October 2007 in Addis Ababa. Its purpose is to provide oversight to the wider EU-Africa Infrastructure Partnership and strategic advice to the Executive Committee of the Trust Fund. It is composed of an equal number of representatives from the European Union and the African Union (29 each), a list of which is given in Annex 3. The Steering Committee is not involved in the day-to-day operations of the Trust Fund or in the selection of grant operations.

- The **Executive Committee** is the sole governing body of the Trust Fund. It includes three categories of members: (i) the voting participants, i.e. the donors (European Commission and EU Member States) who have contributed a minimum of EUR 1m; (ii) the non-voting participants, i.e. the EU Member States, who are not yet donors; (iii) the European Investment Bank (EIB) as Manager of the Trust Fund, and the Secretariat of the Trust Fund, both of which have a non-voting status. The list of the Members of the Executive Committee is in Annex 2.
  The Executive Committee seeks to work on the basis of consensus. However, when a vote is required, and in order to maintain some balance in the decision-making process, it will be subject to a double majority rule, i.e. (i) two thirds of the donors in attendance, (ii) two thirds of the total voting rights (each million euro in contribution representing one voting right).
  As the governing body of the Trust Fund, the Executive Committee is responsible for all key decisions, such as examining and approving Grant Operations, and ensuring that all activities undertaken under the Trust Fund comply with the terms and conditions of its agreed Rules and Procedures.

- The **Project Financiers Group (PFG)** brings together the appointed project financiers, i.e. a development finance institution, bank, Member State agency or public body with international development project expertise, nominated by each donor and approved by the Executive Committee. Their list can be found in Annex 4.
  The financiers in the PFG are an informal group of professionals and the mandatory channel through which grant operation requests are submitted to the Executive Committee for approval. As a prerequisite to this submission, the financiers will examine and evaluate a project in accordance with their own operating methodology and make a specific recommendation to the Executive Committee.

- The **European Investment Bank (EIB)**, as Manager of the ITF, is responsible for the Fund's financial management, accounting and treasury operations. It also hosts and administers the Secretariat of the Trust Fund.

- The **Trust Fund Secretariat's basic function is** to provide assistance to the Executive Committee, to which it reports and is accountable. As the sole "going concern" in the structure of the Trust Fund, it assumes an important liaison function with the other stakeholders of the Trust Fund.

Eligibility of Grant Operations

Eligible infrastructure projects must comply with the guiding principles of African ownership and long-term project sustainability.

They must also be trans-border projects or national projects with a regional impact on two or more countries, and at least one of the countries concerned must be in the list of 47 eligible African countries[6]. Four sectors are eligible for support: (i) energy; (ii) transport (rail, road, air, maritime and inland waterways); (iii) water; and (iv) information technology, including telecommunications infrastructure where projects financed provide access to a service of general economic interest.

Funding support for eligible projects can take four different forms:

- interest rate subsidies: the provision of a grant amount to a participating lender to enable the lender to make long-term loan finance available in flexible arrangements that reduce the total amount of debt service to be paid by the borrower. Such subsidies can therefore be applied upfront or over time, and will be granted in such a way as to avoid market distortions. Financing operations benefiting from interest rate subsidies must be in line with the EU's position on debt sustainability in low-income countries;
- technical assistance: this includes funding of preparatory work for eligible projects, such as environmental impact assessments, project supervision and targeted capacity building (e.g. reinforcing the technical and administrative capacity of local staff in Africa);
- direct grants: for project components which have substantial demonstrable social or environmental benefits or which can mitigate negative environmental or social impacts;
- insurance premia: i.e. initial-stage funding of insurance coverage necessary to launch infrastructure projects.

Projects may be implemented by public or private entities, or entities with mixed public-private capital. Further information is available on the ITF website[7].

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[6] *Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo Brazzaville, Democratic Republic of the Congo, Eritrea, Ethiopia, Djibouti, Gabon, Equatorial Guinea, São Tomé & Principe, Ghana, Togo, Guinea-Bissau, Republic of Guinea, Côte d'Ivoire, Liberia, Kenya, Somalia, Lesotho, Swaziland, Madagascar, Malawi, Mali, Mauritania, Mauritius, Comoros, Seychelles, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Cape Verde, Gambia, Sierra Leone, Sudan, Tanzania, Uganda, Zambia, Zimbabwe.*

[7] *www.eu-africa-infrastructure-tf.net/*

Grant Operation Requests and Investment Project Processing

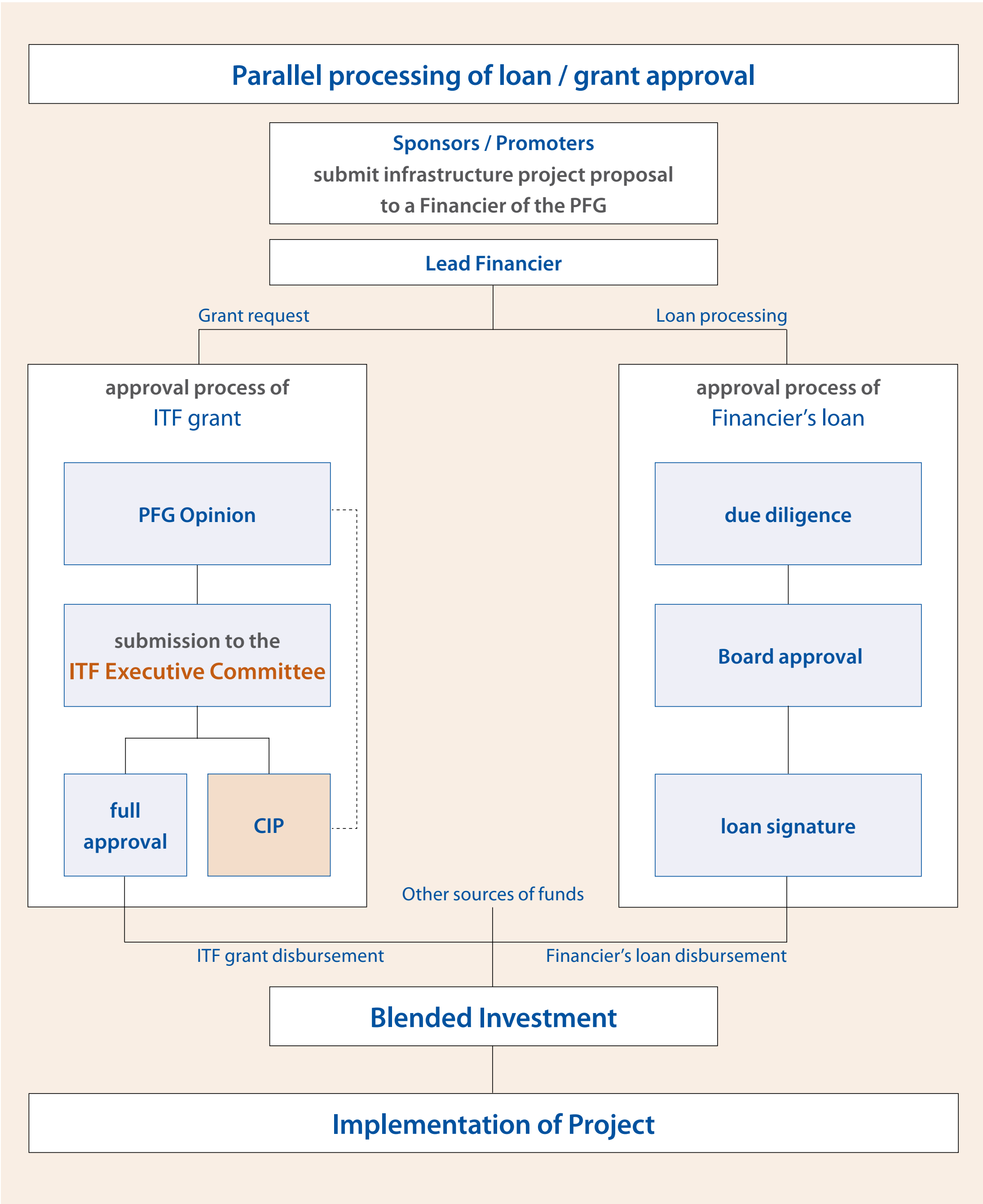
Implementing regional infrastructure projects is a long process, which requires several years and involves multiple stages, from an identified need and concept to completion, through preparatory studies and due diligence.

This "project cycle" is well known to financiers, who ensure that the project is "bankable" throughout this process and that it is economically, financially, environmentally and socially viable and sustainable in the long term.

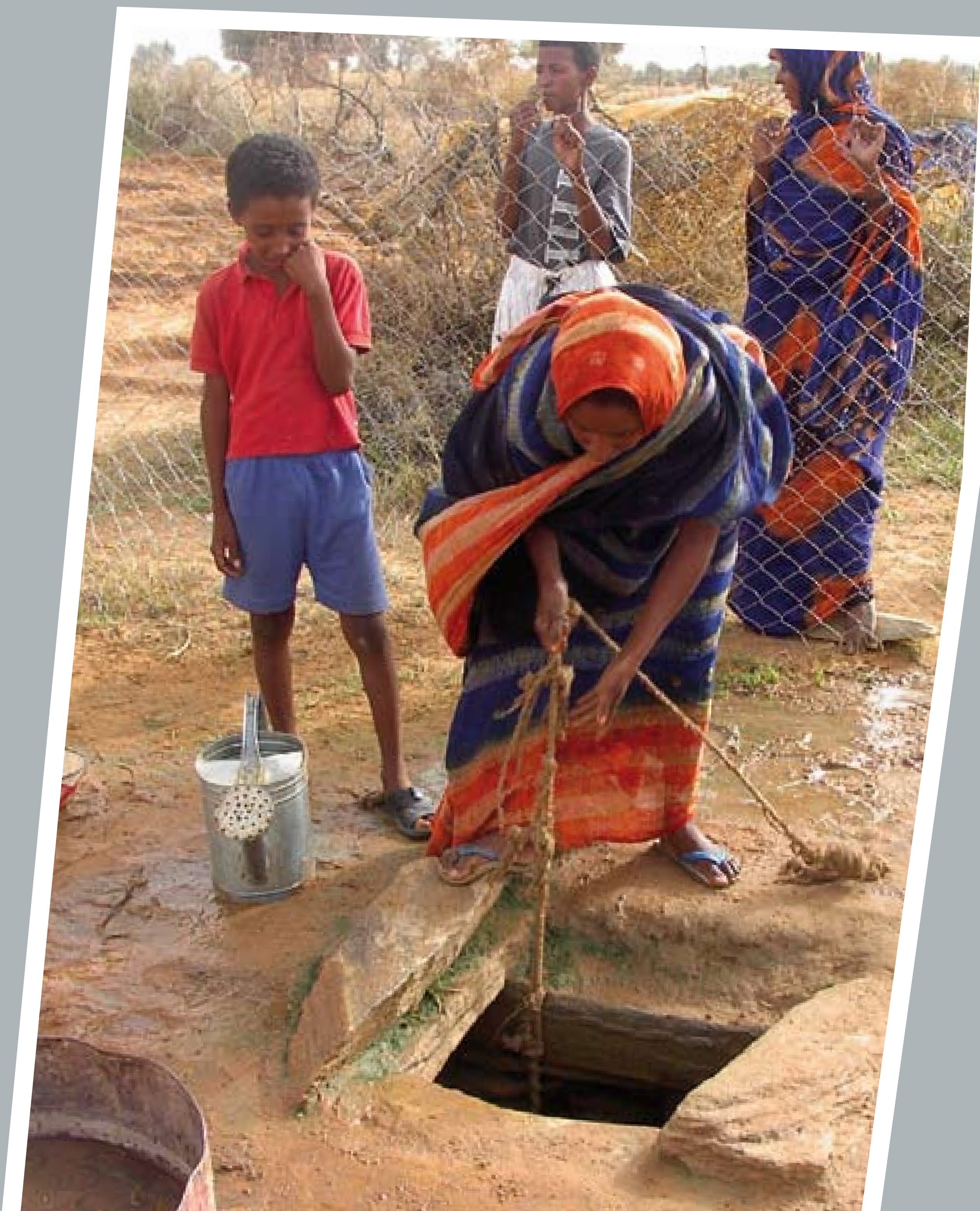
The Trust Fund can help in this process. There are no restrictions on the source for identifying regional infrastructure needs and projects, which can be conveyed to any level of the governance structure of the Trust Fund, including the Secretariat. However, as indicated earlier on page 14, only financiers in the PFG are entitled to enter potential projects into the Trust Fund pipeline and process them towards approval by the Executive Committee.

As the Trust Fund is a mechanism blending grants from donors and long-term finance from financiers, the two components cannot be dissociated and will be evaluated jointly on the basis of their combined impact on bankability and sustainability, both by the financiers and the Executive Committee. However, as explained earlier, the evaluation by the financiers takes place first, focusing on technical and financial criteria, which the Executive Committee will not want to duplicate, but assess in its own comprehensive review of all the criteria for approval, as defined in the Trust Fund Agreement.

This dual and joint process is summarised in the chart on page 17.


Parallel processing of loan / grant approval
Sponsors / Promoters
submit infrastructure project proposal
to a Financier of the PFG
Lead Financier
Grant request
Loan processing
approval process of
ITF grant
PFG Opinion
submission to the
ITF Executive Committee
full
approval
CIP
approval process of
Financier's loan
due diligence
Board approval
loan signature
Other sources of funds
ITF grant disbursement
Financier's loan disbursement
Blended Investment
Implementation of Project

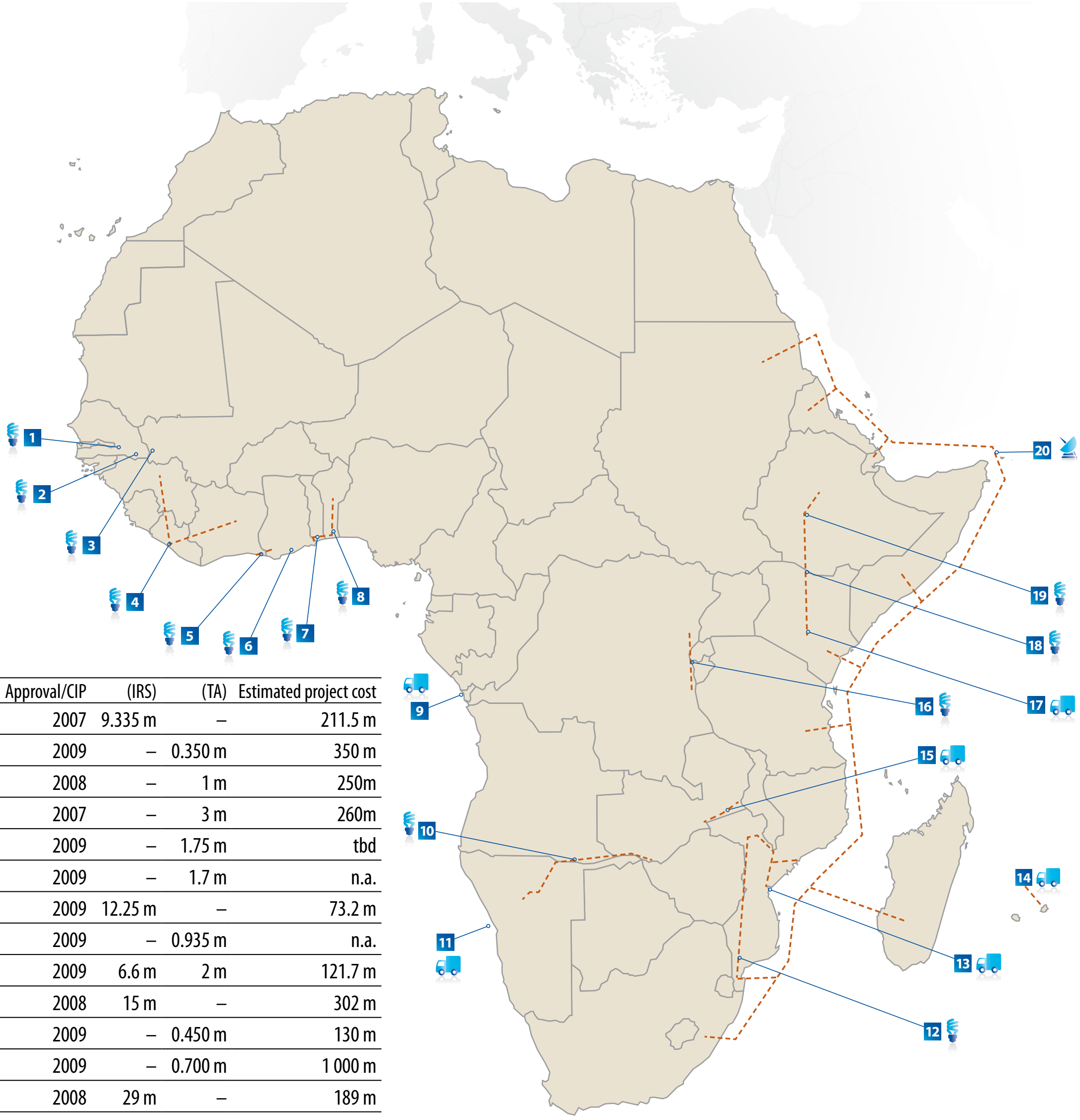
Operational Results



Overview 2007-2009

Map Indicating Location of Approved Grant Operations

The map below shows the locations of the 21[8] grant operations approved or cleared in principle to date. All projects approved in 2009 are described in detail on pages 30 to 44 of this report, while updates on projects approved in 2007 and 2008 are provided on pages 47 to 56.



Eligible sectors

- ICT
- Transport
- Energy
- Water

(EUR)

	Project	Approval/CIP	(IRS)	(TA)	Estimated project cost
1	**FELOU Hydropower**	2007	9.335 m	–	211.5 m
2	**SAMBANGALOU Hydro.** (OMVG Phase 2)	2009	–	0.350 m	350 m
3	**GOUINA Hydropower**	2008	–	1 m	250m
4	**CLSG Interconnection**	2007	–	3 m	260m
5	**Coastal Backbone IC**	2009	–	1.75 m	tbd
6	**ECOWAS Electricity Regulation**	2009	–	1.7 m	n.a.
7	**BENIN-TOGO Interconnection**	2009	12.25 m	–	73.2 m
8	**Update of the WAPP Masterplan**	2009	–	0.935 m	n.a.
9	**Port de Pointe Noire**	2009	6.6 m	2 m	121.7 m
10	**Caprivi Interconnection**	2008	15 m	–	302 m
11	**Walvis Bay Port Extension**	2009	–	0.450 m	130 m
12	**CESUL - Regional Transmission Dev**	2009	–	0.700 m	1 000 m
13	**BEIRA Corridor**	2008	29 m	–	189 m
14	**Port de Port Louis**	2009	–	1 m	136 m
15	**Great East Road**	2009	25 m	–	200 m
16	**Ruzizi Hydropower**	2008	–	2.8 m	tbd
17	**JKIA – Nairobi Airport Upgrading**	2009	–	5 m	184 m
18	**Ethiopia-Kenya Interconnection**	2007	–	0.550 m	tbd
19	**GIBE III Hydropower**	2009	–	1.3 m	1 450 m
20	**EASSy Submarine Cable**	2007	–	2.6 m	201 m

[8] *The map indicates only 20 locations, as one project (Port de Pointe Noire) received two separate grants, the first for technical assistance (TA) and the second for an interest rate subsidy (IRS).*

Summary of Operational Results 2007-2009

The chart below shows the progress achieved by the Trust Fund, since its inception in 2007 to the end of 2009. During this period, approvals and clearances in principle grew from four grant operations and EUR 15.5m in grant funding in 2007 to 13 operations and EUR 59m in 2009. The number of operations therefore more than doubled, while the amount of funding almost quadrupled. On a cumulative basis, the number of grant operations stands at 21 for over EUR 120m in trust funding.

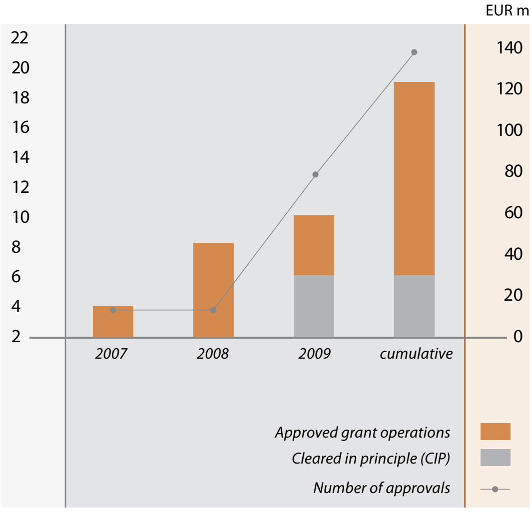
EUR '000

	2007	2008	2009	cumulative
Approved grant operations	15 485	47 800	33 035	96 320
Cleared in principle (CIP)			26 000	26 000
Number of approvals	4	4	13	21

only CIPs which are still to be converted into full approval are counted here.

Operational results by amount (EUR m)

(n.b. the total amount of CIPs exclude CIPs which have received a subsequent full approval)



List of Approved Grant Operations 2007-2009

Below is a list of the 19 fully approved projects, which are described separately in detail on pages 31 to 42.

EUR '000

Approved grant operation	Sector	Scope	PFG lead financier	Co-financiers	Grant amount	Estimated total project cost
Beira - rehabilitation of the port of Beira and the Sena railway line	Transport	IRS	EIB	IDA/WB, Oret, Danida	29 000	189 000
Caprivi IC - construction of a transmission line between Zambia and Namibia	Energy	IRS	EIB	KfW, AFD	15 000	302 000
Benin-Togo Power Rehabilitation – upgrading of power grid and electricity transmission infrastructure	Energy	IRS	EIB	KfW	12 250	73 200
Félou - construction of a hydropower plant at the Félou falls	Energy	IRS	EIB	World Bank	9 335	211 500
Port de Pointe Noire - IRS for financing the rehabilitation of port infrastructure	Transport	IRS	AFD	EIB	6 600	121 700
JKIA - expansion of the Nairobi International Airport	Transport	TA	EIB	AFD	5 000	184 270
WAPP CLSG IC - power interconnection from Côte d'Ivoire to Guinea	Energy	TA	EIB	KfW	3 000	260 000
Ruzizi - construction of a hydroelectric plant on the Ruzizi River	Energy	TA	EIB	tbd	2 800	300 000
EASSy - 10 000 km fibre-optic submarine cable	ICT	TA	EIB	KfW, AFD, IFC, AfDB, DBSA	2 600	201 000
Port de Pointe Noire - support and capacity building for the financial and accounting staff of PAPN	Transport	TA	AFD	EIB	2 000	121 700
WAPP Coastal Backbone - construction of transmission lines and high-voltage substations between Côte d'Ivoire and Ghana	Energy	TA	EIB	tbd	1 750	tbd
ECOWAS Electricity Regulation - implementation of ERERA's regulation activities	Energy	TA	AFD	tbd	1 700	na
GIBE 3 Hydropower plant - ESIA for the Lake Turkana region	Energy	TA	EIB	tbd	1 300	1 450 000
OMVS Gouina Hydropower - construction of a hydropower plant on the Senegal River	Energy	TA	AFD	tbd	1 000	250 000
Update of the WAPP Master Plan - identification of a development plan for power generation and transmission projects	Energy	TA	EIB	na	935	na
CESUL-Regional Transmission Development Project - transmission backbone project connecting electricity grids and generation sites	Energy	TA	EIB	AFD, KfW	700	1 000 000
Ethiopia-Kenya IC - construction of a power transmission line	Energy	TA	KfW	AFD, AfDB, DBSA	550	660 000
Expansion of the Port of Walvis Bay - update of the ESIA for the Walvis Bay extension project	Transport	TA	KfW	EIB, AFD	450	130 000
Sambangalou Hydropower - update of economic and environmental studies	Energy	TA	AFD	EIB, KfW	350	350 000
				Total approved grant operations	96 320	

Ruzizi III Hydropower Plant

Simanga Ngovi-Ngulu
*Managing Director of EGL**

Located on the Ruzizi river, the 145 MW Ruzizi III hydropower plant is a joint project of Burundi, the Democratic Republic of the Congo and Rwanda. Following on from the 28.2 MW Ruzizi I (1958) and the 44 MW Ruzizi II (1989) plants, the Ruzizi III plant will increase electricity generation in the Great Lakes region, make use of common water resources and provide the energy required for socioeconomic development.

The promoter of the project, EGL[9], is an organisation for energy cooperation between the three countries involved. The studies for Ruzizi III, which are currently being conducted by FICHTNER with EU finance (EUR 2.85m), will be available in July 2010. The cost of the project, which is scheduled to come on stream in 2015, is EUR 262m.

The EU-Africa Infrastructure Trust Fund provided EUR 2.8m of funding to EGL for the preparation of technical and organisational studies on energy cooperation, which the SOFRECO-RSW-MERCADO consortium has been conducting since April 2009 (18 months).

It will also contribute to laying the foundations for rapid mobilisation of funds through the introduction of joint management of existing and future cascade power plants utilising the hydro resources of Lake Kivu on the basis of a PPP[10] arrangement, through studies on the extension and strengthening of the 220 kV interconnected grid in order to distribute the power generated by the Ruzizi III and the future Ruzizi IV (287 MW) plants and establish energy exchanges, through assistance with the mobilisation of Ruzizi III funds and through capacity building at EGL.

EGL would like to thank the EU and the EU-Africa Infrastructure Trust Fund for the infrastructure and the EIB for its contribution to promoting Ruzizi III.

** It is with deep regret that we learned of the sudden death of Mr Simanga on 25 March 2010 in Kinshasa (Democratic Republic of the Congo), where he had been on a professional assignment since 14 March 2010.*

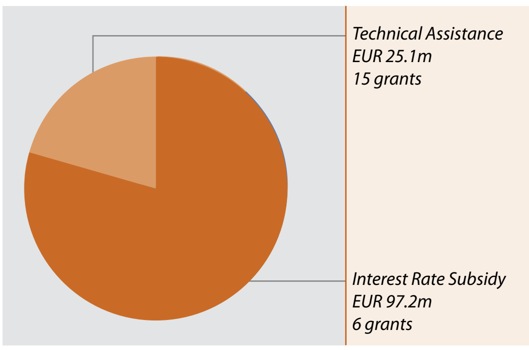
[9] *CEPGL organisation for energy in the Great Lakes countries.*
[10] *Public-private partnership.*

Approved Grant Operations by Type of Grant

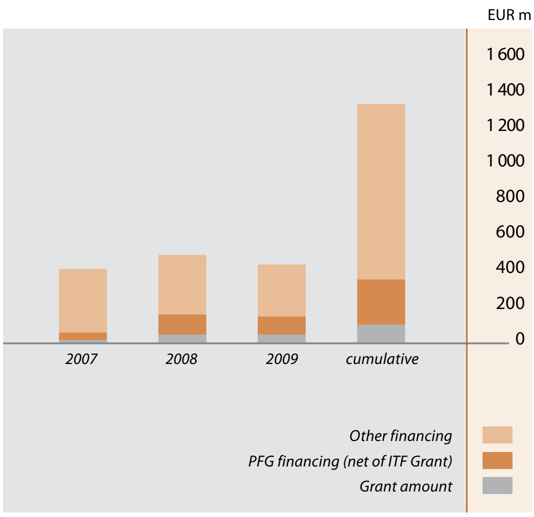
Although funding support for eligible projects can take four different forms (see page 15), grant operations approved to date covered only technical assistance (TA) and interest rate subsidies (IRS). Technical assistance represents the whole range of services performed by consultants which enable sponsors, financiers, and donors to ascertain that the infrastructure investment being contemplated will be both economically viable and environmentally and socially sustainable. Funding for technical assistance is thus usually provided for studies and other preparatory work at the early stages of a project for a fraction of the downstream investment itself, hence the large proportion of approvals for TA (70%) relative to the total number of grant operations approved, but the smaller percentage (20%) of the total amount approved or cleared in principle.

To date, the average cost of a TA grant amounts to EUR 1.7m, while that of an IRS to about EUR 16.2m.

The other two forms of eligible funding support, i.e. direct grants and insurance coverage premia, seem to be more difficult to integrate in a financial plan for most sponsors, but are likely to come on stream in 2011, and could be particularly useful for developing and implementing public-private partnerships (PPPs).



Multiplier or Leverage Effect



Leverage can be both financial and non-financial. Non-financial leverage refers to how loan-grant blending mechanisms can unblock, accelerate or promote institutional change facilitating more, better and faster investment projects. Financial leverage is the process whereby an original amount of grant can catalyse or mobilise non-grant investment in a project.

The multiplier effect calculated below involves only grant operations for which the total cost of the underlying investment project is fairly well known, as well as the financing from the PFG financiers.

The multiplier effect in the graph is based on seven out of a total of 21 approved grant operations and grant operations cleared in principle. As at the end of 2009, each euro from the donors is expected to generate 3.6 euros in financing from the PFG financiers, and 9.9 euros from other sources, for a total of about 13.5 euros invested per euro granted.

Leverage effect of ITF grants supporting project investment phases

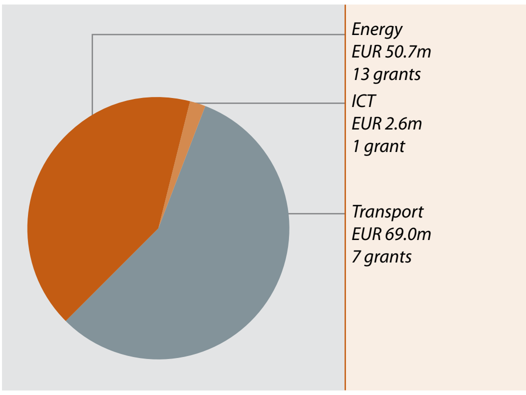
EUR '000

	2007	2008	2009	cumulative
Grant amount	11 935	44 000	43 850	99 785
PFG financing (net of ITF Grant)	44 002	111 000	100 650	255 652
Other financing	356 563	336 000	294 900	987 463
Total investment	412 500	491 000	439 400	1 342 900
			Multiplier effect as at 31.12.2009.	13.5

Approved Grant Operations by Sector

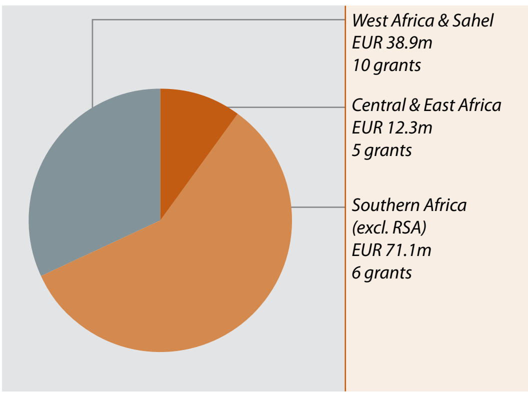
On a cumulative basis, two sectors, i.e. energy and transport, account for almost all the grant operations approved. The energy sector accounted for 62% of all the grant operations approved in terms of number of projects, and absorbed 41% in terms of amount, compared respectively to 33% and 57% for the transport sector. There was no project in the water sector and only one (for EUR 2.6m) in the ICT sector.

The absence of projects in the water sector can be explained by the limited opportunities for identifying and developing projects with a truly regional dimension, as required by the Rules of the Trust Fund. By contrast, opportunities for ICT projects may be more plentiful, but they are also more immediately profitable and open to private sector investors with less need for support from the Trust Fund.



Approved Grant Operations by Region

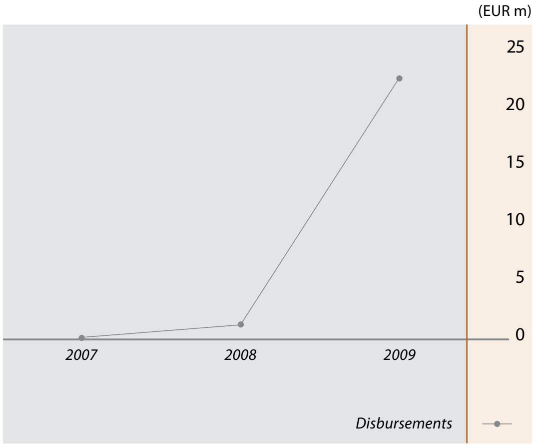
The map on page 19 gives an overview of the geographical distribution of projects receiving funding from the ITF. There is a slightly higher concentration of projects in the Western part of Africa, but for a lower average amount, as a result of the technical assistance nature of the projects. Southern Africa (not including South Africa) by contrast had less approved grant operations but for higher amounts, in the form of interest rate subsidies.



Total Disbursements 2007-2009

EUR '000

2007	2008	2009
0	1 082	22 396
	Total disbursed to date:	23 478



Disbursements from the Trust Fund to the beneficiaries of the grants are quite satisfactory given their nature, and improving with time as might be expected.

Infrastructure projects take a long time to prepare, develop and implement. The time element is particularly acute for the African regional projects supported by the Trust Fund. Public sector projects generally require longer periods between inception and implementation than private sector projects, as they require agreements and coordination between multiple national and local authorities, in addition to stricter public and transparent procedures. Regional public infrastructure projects such as those funded by the ITF take the longest to implement, as they require additional coordination and acceptance of conditions by an even larger number of governmental entities, with sometimes diverging or competing interests, coupled with historical political divergences.

The West Africa Power Pool and the EU-Africa ITF

Mr. Amadou Diallo,
WAPP Secretary General

The advent of the EU-Africa Infrastructure Trust Fund in spring 2007 and its subsequent collaboration with and support to the WAPP in addressing a number of challenges in the West African region were very much appreciated by all stakeholders. To date, the Trust Fund supports WAPP with the funding of:

- *pre-investment studies on the Côte d'Ivoire – Liberia – Sierra Leone – Guinea (CLSG) Interconnection Project (EUR 3m);*
- *pre-investment studies on the Côte d'Ivoire – Ghana Interconnection Reinforcement Project (EUR 1.75m);*
- *update of the WAPP Master Plan (EUR 0.935m).*

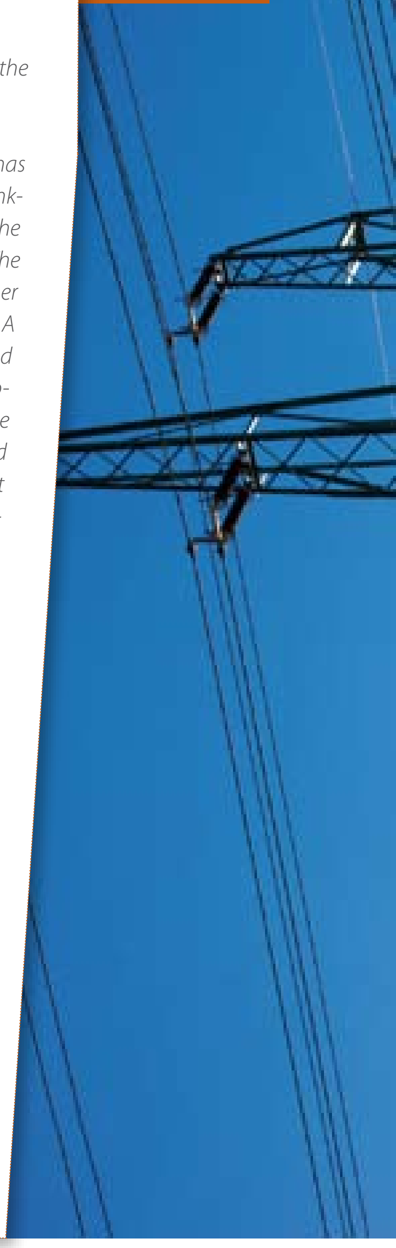
Further support from the Trust Fund was granted to subsidise the interest rate of the EIB's financing for the rehabilitation of the Benin-Togo Power Interconnection by up to EUR 12.3m.

The EU-Africa Infrastructure Trust Fund's operation to support WAPP in the preparation of its projects has been timely and pivotal. Financing agencies have always decried the non-availability of a pipeline of bankable projects especially at the regional level, and have therefore warmly welcomed the support from the Trust Fund in the preparation of WAPP projects, ensuring that the roll-out of projects does not stagnate. The support from the Trust Fund has furthermore galvanised and leveraged complementary support from other WAPP donors, thereby enhancing, inter alia, donor collaboration in the development of WAPP projects. A good example is the CLSG Interconnection where funding of the pre-investment studies by the Trust Fund through the EIB and KfW, helped the WAPP to secure funding from the World Bank's ESMAP for developing the institutional framework for the implementation of the project. These have in turn attracted the attention of funding agencies such as African Development Bank and ECOWAS Bank for Investment and Development, which have already indicated a firm interest in participating in the financing of the project in collaboration with the EIB and the KfW. Similar situations exist for the Côte d'Ivoire – Ghana Interconnection Reinforcement Project, where African Development Bank has already announced its intention to participate in the project financing upon completion of the studies.

Notwithstanding the above-mentioned projects, the WAPP is still looking towards the EU-Africa Infrastructure Trust Fund for assistance with project preparation and moreover, if possible, capacity building within the WAPP. In particular, the WAPP is highly interested in securing the support of the Trust Fund in developing future potential projects such as the rehabilitation/reconstruction of the 64 MW Mount Coffee Hydropower Facility in Liberia and further interconnection and reinforcement projects as well as capacity building for:

- *public-private partnerships in power projects, especially transmission and generation;*
- *management of power pools (twinning with European power pools);*
- *electricity markets;*
- *environmental safeguards.*

The update of the WAPP Master Plan, expected to be completed by October 2010, will result in a catalogue of priority projects that would also require the support of WAPP donors, in particular, the EU-Africa Infrastructure Trust Fund. WAPP therefore anticipates in the future, a deepened relationship and closer collaboration with the EU-Africa Infrastructure Trust Fund.



The ITF in 2009

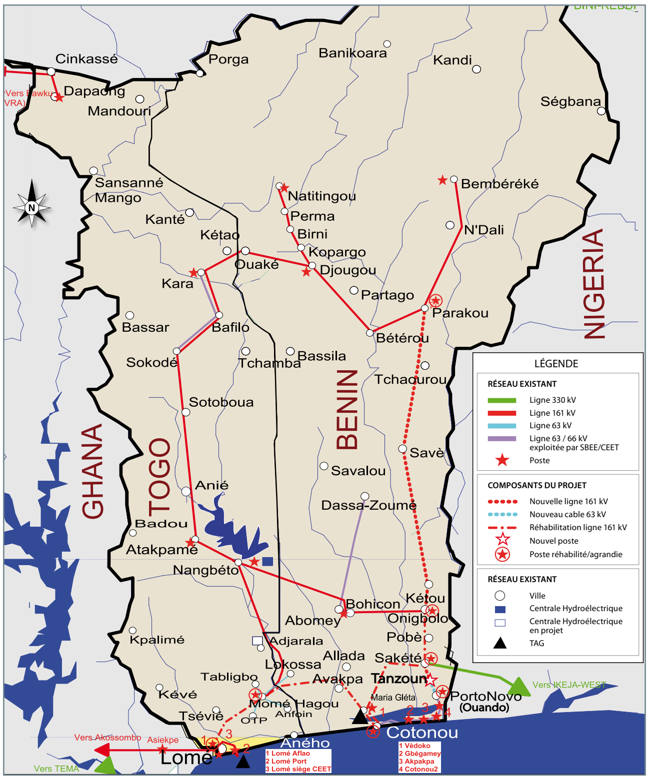
Grant Operations Approved in 2009

ITF grant operations approved in 2009

EUR '000

Approved Grant Operation	Grant amount	Approved on	Region	Sector	Scope	Estimated total project cost
Benin-Togo Power Rehabilitation – Upgrading of power grid and electricity transmission infrastructure	12 250	10/11/2009	West Africa & Sahel	Energy	IRS	73 200
Port de Pointe Noire - IRS for the financing of the rehabilitation of port infrastructure	6 600	10/11/2009	West Africa & Sahel	Transport	IRS	121 700
JKIA - expansion of the Nairobi International Airport	5 000	14/12/2009	Central & East Africa	Transport	TA	184 270
Port de Pointe Noire - support and capacity building for the financial and accounting staff of PAPN	2 000	14/12/2009	West Africa & Sahel	Transport	TA	121 700
WAPP Coastal Backbone - construction of transmission lines and high-voltage substations between Côte d'Ivoire and Ghana	1 750	27/03/2009	West Africa & Sahel	Energy	TA	tbd
ECOWAS Electricity Regulation - implementation of ERERA's regulation activities	1 700	10/11/2009	West Africa & Sahel	Energy	TA	na
GIBE 3 Hydropower Plant - ESIA for the Lake Turkana region	1 300	14/12/2009	Central & East Africa	Energy	TA	1 450 000
Update of the WAPP Master Plan - identification of a development plan for power generation and transmission projects	935	22/10/2009	West Africa & Sahel	Energy	TA	na
CESUL-Regional Transmission Development Project - transmission backbone project connecting electricity grids and generation sites	700	14/12/2009	Southern Africa	Energy	TA	1 000 000
Expansion of the Port of Walvis Bay - update of the ESIA for the Walvis Bay extension project	450	14/12/2009	Southern Africa	Transport	TA	130 000
Sambangalou Hydropower - update of economic and environmental studies	350	14/12/2009	West Africa & Sahel	Energy	TA	350 000

West Africa Region: Benin – Togo Power Rehabilitation	
Sector	energy
Type of grant	IRS
Approval date	10.11.2009
Grant amount	up to EUR 12.25m
eTPC[11]	EUR 73.2m
Leverage effect	6 : 1
Lead financier	EIB
Co-financiers	KfW, World Bank, CEB[12] own funds



The project consists of three components aimed at refurbishing and extending the transmission network of the promoter, the Communauté électrique du Bénin (CEB), which will help to avoid major power supply disruptions. The new lines will extend the reach and quality of the transmission infrastructure in the beneficiary countries, creating a better environment for private sector investment and growth and, in turn, contributing to poverty alleviation.

Parakou–Onigbolo, the main project component, comprises the new overhead line between Parakou and Onigbolo (280 km, 161 kV, double circuit) and the extension/modification of the existing Onigbolo and Parakou substations and will result in a substantial reduction of losses and power cuts in the region. This line is fully located in Benin and will run in a north-south direction from north-east to south-east of the country. The new line will complete the transmission ring interconnecting Togo and Benin and secure the energy supply of the Nangbeto power station.

Sakété-Tanzoun-Ouando, the second project component, consists of the construction of an overhead line between Sakété and Tanzoun (28 km, 161 kV), the 161/63/20 kV substation in Tanzoun and the 63 kV underground connection between Tanzoun and Ouando (5 km), as well as the extension of the existing substations of Sakété and Ouando (Porto Novo). It is located in south-east Benin and is designed to complete the network ring supplying the important industrial zone located around Porto Novo and Cotonou, the capital of Benin.

The rehabilitation of the Lomé-Cotonou-Sakété-Onigbolo connection, which is the third and final project component (289.5 km, 161 kV, double circuit with Sakété-Onigbolo single circuit), is located partly in Togo and partly in Benin and interconnects the southern areas of both countries. This rehabilitation scheme will extend by 20 years the technical life of the transmission corridor, the construction of which dates back to the seventies. The obsolete substation equipment in the substations of Lomé Aflao, Momé Hagou and Cotonou Vèdoko will be replaced by new equipment so that the energy supply of the populated coastal areas of both countries can be secured.

The ITF grant will be used to subsidise the interest rate of the EUR 35m EIB loan to CEB. As HIPC countries, both Benin and Togo are restricted in terms of the financing costs they can bear for their respective public sector investments; the ITF grant is therefore of great importance.

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[11] *Estimated total project cost.*
[12] *Communauté électrique du Bénin.*

West Africa Region: Port Autonome de Pointe Noire (PAPN)	
Sector	transport
Type of first grant	IRS
Approval date	10.11.2009
Grant amount	up to EUR 6.6m
eTPC	EUR 121.7m
Leverage effect	20 : 1
Type of second grant	TA
Approval date	14.12.2009
Grant amount	up to EUR 2m
Lead financier	AFB
Co-financiers	EIB, BDEAC, PAPN own funds

The port of Pointe Noire is located in a bay in the Gulf of Guinea. Partly reclaimed from the sea, it is particularly favoured in comparison with other ports in the sub-region, with a depth of water that can reach at least 13 m after dredging. It was developed in the colonial era to serve a vast hinterland now comprising Chad, the Central African Republic, the Republic of the Congo and, in part, the Democratic Republic of the Congo.

The aim of the port renovation project, which is one of the priorities of the Congolese Government, is to reinforce the integration of the sub-region, notably the Central African Republic and the Democratic Republic of the Congo, in international trade by increasing maritime traffic under competitive and financially viable conditions in terms of price and quality of services (time limits, safety, simplification of procedures, etc). A greater involvement of the private sector is targeted by the award of a private concession for the container terminal. The project will be co-financed by Agence Française de Développement, the EIB and BDEAC[13], and the lenders will play an important strategic role in providing technical assistance and ensuring consistency with international best practice in financial and technical management. The IRS grant from the Trust Fund will be used to subsidise the interest rate of the EUR 29m loan provided by Agence Française de Développement.

The renovation works will consist of the construction of a protective berm along the last 550 m of the existing breakwater and the extension of the external breakwater by 300 m in order to create a sand trap and thus reduce the frequency of maintenance dredging, the rehabilitation and extension of the quays in the container terminal, the construction of the new quay, some dredging and rehabilitation of the quay surface and the repair and upgrading of some infrastructure such as lighthouses, buoys, water, electricity and sewage networks, etc. The total project cost is estimated at EUR 121.7m.

The Technical Assistance grant will be used to finance capacity building for the financial and accounting staff of the Port Authority, including the upgrading of accounting information systems, improvements to internal control procedures, maintenance of the financial projection model and assistance to the financial management. These measures will help to improve the management of the Port Authority and decrease the credit risk for the Port's lenders. In addition, the Port Authority needs external support for implementing an environmental management plan for the day-to-day operation period.

[13] *Banque de Développement des États de l'Afrique Centrale.*

East Africa Region: Jomo Kenyatta International Airport Extension (JKIA)	
Sector	transport
Type of grant	TA
Approval date	14.12.2009
Grant amount	up to EUR 5m
eTPC	EUR 184.27m
Leverage effect	37 : 1
Lead financier	EIB
Co-financiers	AFD, World Bank, KAA own funds

Air transport has become increasingly important to the economy of Kenya. The aviation sector in Kenya has enjoyed significant growth in the recent past, both in tourism and cargo transport. Kenya Airways, the national carrier, has the largest route network in sub-Saharan Africa, ensuring their dominant position in providing essential regional air transport services. JKIA is the sixth busiest airport in Africa, and is an important regional hub, currently serving 32 destinations on the African continent. The importance of JKIA as a hub is highlighted by the considerable proportion of transit passengers, playing a significant role in regional integration with Rwanda, Burundi, Tanzania and Uganda. In Kenya alone, JKIA contributed just under 11% of GDP in 2007 and over half a million jobs depend on the airport. More than 320 000 tons of cargo were exported in 2008, the equivalent to almost 3% of GDP.

However, the JKIA civil aviation infrastructure has not kept pace with the volume of air transport services. The current airport was originally designed for an annual capacity of 2.5 million passengers, and presently handles almost double that volume. The JKIA Extension Project will address these issues, increasing the design capacity to 9.3 million passengers a year and improving security in order to comply with International Civil Aviation Authority standards. The total project cost is estimated at the equivalent of EUR 184.27m and will be financed through Kenya Airport Authority's own funds and loan facilities from AFD, the EIB and the World Bank.

Due to the complexity of the project, as well as potential environmental issues, a number of areas will greatly benefit from the technical assistance and capacity building which will be financed by the ITF grant. Areas to be addressed in the framework of this technical assistance are:

- support for the project management to minimise the impact on existing operations and to ensure proper monitoring of project spending and technical monitoring for the different contracts;
- financial monitoring for the development of regular financial reporting systems and regular updating of the corporate financial model;
- KAA environmental activities covering areas such as the measurement and monitoring of air pollutants, the assessment of aviation activities on wildlife and natural habitats and assistance in implementing environmental management systems at KAA airports;
- National Environment Management Authority (NEMA): provision of targeted technical capacity building in the area of aeronautical project development to ensure air, noise and air quality regulations are adequately implemented;
- Kenya Wildlife Services (KWS): additional capacity building for monitoring and measuring the effects of increased air traffic on local flora and fauna. This can relate to both noise and pollution.

West Africa Region: Update of the WAPP Master Plan	
Sector	energy
Type of grant	TA
Approval date	22.10.2009
Grant amount	up to EUR 0.935m
Lead financier	EIB

The West African Power Pool (WAPP) Organisation was established in January 2006, as a specialised institution of the Economic Community of West African States (ECOWAS). The goal of the WAPP is to integrate the national power systems of ECOWAS States into a unified, sustainable regional electricity market, which would ensure a stable and reliable electricity supply at an affordable cost, thereby facilitating the growth and expansion of local economies. The Implementation Strategy of the WAPP is based on developing complementary and mutually reinforcing infrastructure sub-programmes that comprise priority projects, which – when completed – will result in a fully integrated electricity system in West Africa. These projects are in various stages of development but most of them require preparatory work in order to attain bankability status. One of the key challenges that the WAPP has encountered in the realisation of its infrastructure programme is the mobilisation of funds to implement the prerequisite pre-investment studies on its projects and this has resulted in significant delays in moving the implementation strategy forward.

The current WAPP Master Plan dates back to December 2003. In the meantime, the situation concerning the generation and transmission of electricity in the ECOWAS zone has changed substantially, in particular in the light of the energy crisis experienced in 2007-2008, which led a number of states to plan emergency generation projects. An update of the WAPP Master Plan is therefore a necessity, not only for the WAPP to continue to plan and coordinate regional projects effectively but also in order to revise the analysis of ongoing WAPP projects.

The ITF agreed to finance a study on the evaluation and update of electricity supply and demand forecasts, on the regional network with ongoing and future projects, making proposals for their prioritisation, on the viability and stability of the proposed network and on an implementation strategy for the WAPP's priority projects.

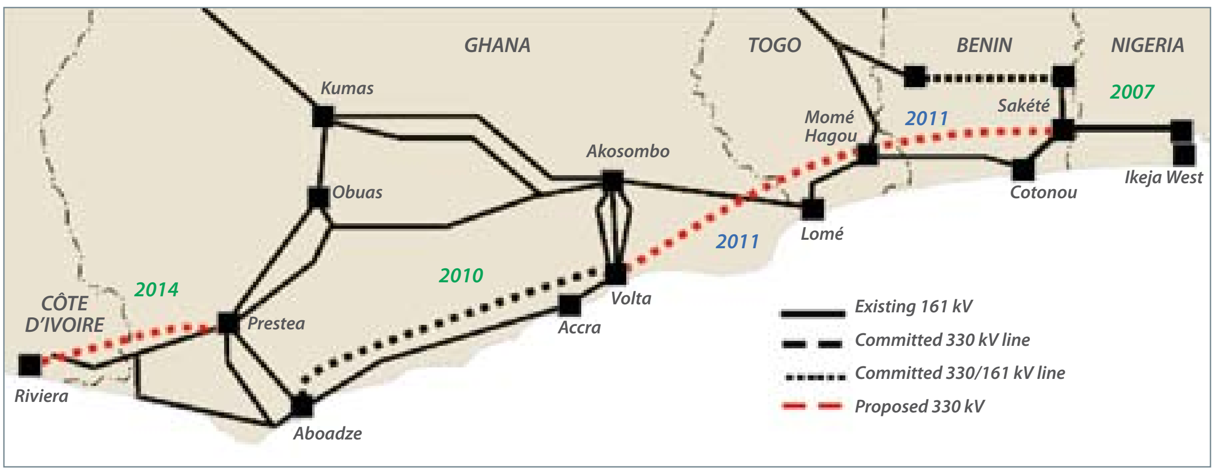
As a relatively new regional institution, the operating costs of which are still largely covered by the donor community, the WAPP does not have any resources of its own to (part-)finance pre-investment studies for the projects that it promotes. A grant was therefore the only acceptable means for the financing of the above study.

The envisaged updated Master Plan will make a vital contribution to the implementation of all WAPP priority projects, including generation projects such as Gouina and interconnection projects (Côte d'Ivoire-Liberia-Sierra Leone-Guinea and Riviera-Prestea), which also benefit from ITF grants for the financing of their pre-investment studies.

West Africa Region: WAPP Coastal Backbone	
Sector	energy
Type of grant	TA
Approval date	27.03.2009
Grant amount	up to EUR 1.75m
eTPC	tbd
Lead financier	EIB
Co-financiers	tbd

The ongoing development of key generation projects in Ghana and the rehabilitation of the Buyo hydropower plant in Côte d'Ivoire, in addition to the implementation of the WAPP Emergency Power Supply Security Plan with a 400 MW generation programme in Ghana and other generation projects in Benin and Togo, will permit the further exchange of low-cost power between Côte d'Ivoire, Ghana, Togo, Benin and Nigeria. The existing link will, however, constitute a bottleneck once these various new generation capacities are up and running and the construction of a new power transmission line becomes indispensable. Consequently, and in line with the goal of the WAPP to foster power exchange among the countries of the West African sub-region and to provide all member states of ECOWAS with access to economic energy resources, a 330 kV Riviera to Prestea Interconnection Reinforcement Project is planned. This project comprises the construction of 300 km of high-voltage transmission lines from Côte d'Ivoire to Ghana, including two new high-voltage substations to reinforce the existing Côte d'Ivoire-Ghana interconnection.

In the planning phase of this project, a grant was made available to the WAPP to fund a project preparation package comprising one contract for a technical, economic and financial feasibility study of the project, a second contract for the line route study, the Environmental and Social Impact Assessment, the Resettlement Action Plan and the Environmental and Social Management Plan for the project and, as a third element, an audit of these two contracts. An agreement between the EIB and the WAPP for this package was signed on 29 June 2009. The feasibility study is expected to be carried out from March 2010 to January 2011.



West Africa Region: ECOWAS Electricity Regulation	
Sector	energy
Type of grant	TA
Approval date	10.11.2009
Grant amount	up to EUR 1.7m
Lead financier	AFD

The ECOWAS Energy Protocol, adopted in 2003, aimed at increasing investments in the energy sector and energy trade in the West Africa Region.

Following this objective, the West African Power Pool (WAPP), an ECOWAS specialised institution created in 2006, brings together the sub-region's electricity operators. The WAPP is now the successful focal point for the implementation of the ECOWAS Master Plan and regional investment planning, in coordination with international donors.

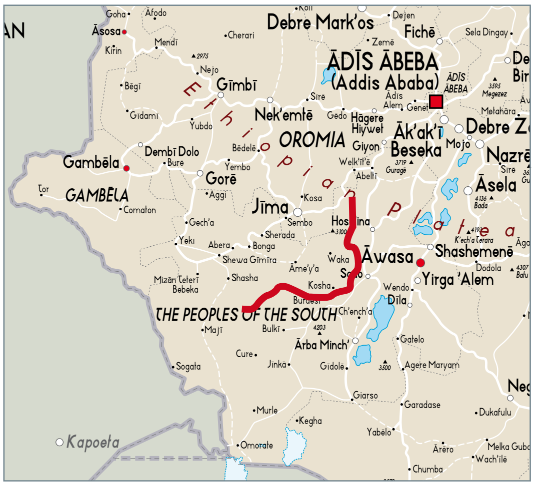
The TA grant will be made available and used by the ECOWAS Regional Electricity Regulatory Authority (ERERA) to implement its initial regulatory activities such as the regional benchmarking of the electricity sector, assistance to OMVS (Senegal river basin commission) and OMVG (Guinea river basin commission) for improving cross-border exchanges and support for the national regulators for setting international exchange tariffs. ERERA will also facilitate the settlement of disputes relating to cross-border power exchange. In addition, ERERA's activities are focused on fostering the creation of a competitive regional market by enhancing regional power policy, planning and technical regulation and on regional integration in the energy sector. To this effect, it targets the secured development of cross-border exchanges, the promotion of competitiveness in the emerging regional electricity market, a better exchange of information and building up the trust of investors in the energy sector.

This Technical Assistance grant for the emerging regional electricity regulatory authority complements the investment programmes being supported by ITF financiers through the WAPP.

ERERA will benefit from the analytical work completed under the African Infrastructure Country Diagnostic study (AICD). As an example, the AICD study on energy sector performance will provide useful benchmarks for ERERA's activities.

Since the adoption of the Supplementary Act, ERERA has been in a transition phase which will continue until its formal constitution, which is expected to take place in 2010.

East Africa Region: Gibe III Hydropower Plant	
Sector	energy
Type of grant	TA
Approval date	14.12.2009
Grant amount	up to EUR 1.3m
eTPC	approx. EUR 1.45bn
Lead financier	EIB
Co-financiers	tbd



Ethiopia has one of the lowest electricity access rates in the world, with only 10% of Ethiopians connected to the electricity network. To meet its increasing demand, Ethiopia has embarked on an accelerated electrification programme, including a major extension of the distribution network. Official electricity demand projections by the Ethiopian Electric Power Corporation (EEPCo's) range from 8.7% to 13.2% per annum between 2009 and 2030.

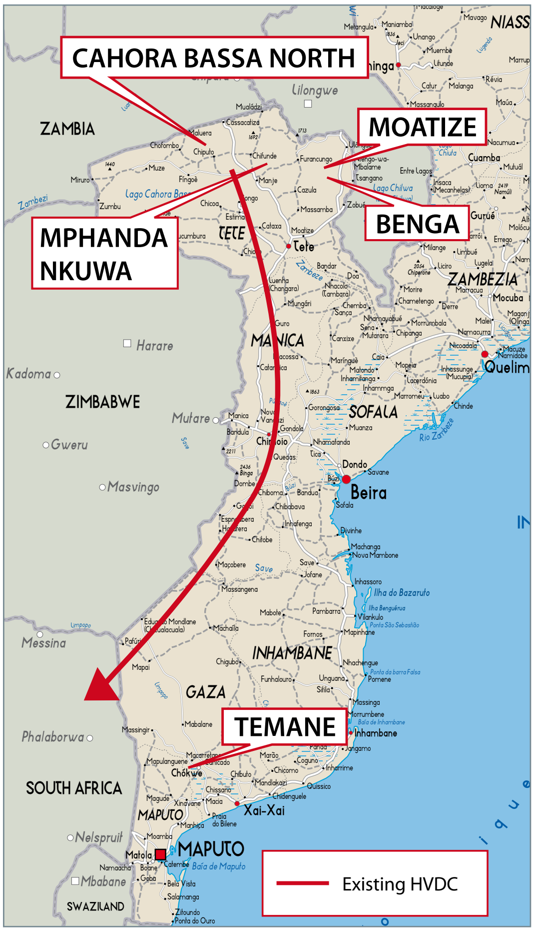
Ethiopia's vast hydropower resources give the country important opportunities to play a key role in the provision of the region's power supply. The surplus power to be produced by new hydropower schemes downstream of the main Gibe/Omo River would be exported to Djibouti, Sudan and Kenya. The Gibe III Hydropower Project would be the third development in a cascade of water resource schemes on the river. The project would consist of the construction and operation of a 1 870 MW hydropower plant, including the construction of a 240 m high gravity dam and related hydromechanical equipment. At this early stage, the total project cost is estimated at about EUR 1.45bn.

A number of different studies for the GIBE III project have already been completed or are under way, e.g. the Environmental and Social Impact Study (ESIA), a Resettlement Action Plan (RAP) for the dam and reservoir area, as well as for the transmission line, an Economic, Financial and Technical study and an Independent Review of the ESIA. Furthermore, a study on the hydrological impact of the project on the water levels of Lake Turkana and for the analysis of the socio-economic situation of Lake Turkana communities was launched by African Development Bank.

The ITF grant will be used to conduct two more studies, namely a Comprehensive Environmental and Social Impact Assessment study (ESIA) for Lake Turkana and a Cumulative Impact Assessment (CIA). The ESIA will address topics of central importance such as changes in the flows into the Lake from the Omo River, the impact on lake morphology and ecosystems and on critical natural habitat as well as on agriculture, the lake fishery and on the local economy. The CIA will determine the magnitude and significance of the cumulative impacts on the environment and the people associated with the construction and operation of the Omo River hydroelectric cascade and will focus on issues such as the identification of key natural resources along the river, the identification of cause-and-effects relationships between hydropower development and the key resources and resource uses, assessment of the impacts of the physical presence of the dams and recommendations on project design features that allow significant mitigation of negative impacts and enhance positive ones.

The consultant conducting the Lake Turkana ESIA and CIA studies will integrate the findings and recommendations of each of the many different studies into a comprehensive and technically consistent body of work. The technical assistance will be provided as part of the due diligence of the EIB, IFIs and other project donors. The decision to finance part of the project is contingent upon the satisfactory analysis of all environmental and social aspects related to Gibe III.

Southern Africa Region: Regional Transmission Development Project (CESUL)	
Sector	energy
Type of grant	TA
Approval date	14.12.2009
Grant amount	up to EUR 0.7m
eTPC	approx. EUR 1bn
Lead financier	EIB
Co-financiers	KfW, AFD, AfDB

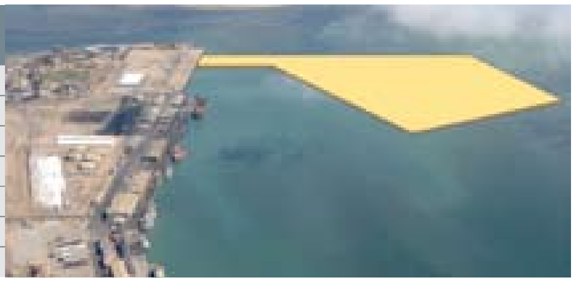


Mozambique is in possession of abundant natural energy resources of approximately 10 000 MW in the Zambezi valley (hydroelectric, coal) and in the Temane area (gas). In order to exploit some of these resources, mainly for export, the Government of Mozambique has launched major initiatives involving the development of generation projects and an Extra High Voltage transmission system for the evacuation of power to neighbouring countries within the Southern African Power Pool (SAPP) and also – to a lesser extent – to meet Mozambique's domestic and industrial consumption needs. One of these initiatives is the CESUL Regional Transmission Development Project comprising the construction of a transmission line from the main electricity production site on the Zambezi River in northern Mozambique to the main area of consumption in Maputo and its surroundings in southern Mozambique, with scope for the development of production projects along the line.

The CESUL will therefore link the central northern and the southern grids, extending from Tete to Maputo and then on to the SAPP, where it will contribute to solving a severe power shortage. It will improve the reliability of affordable electricity in the Southern Africa Region as a whole. Owing to this new access to a reliable electricity supply, it is anticipated that several large-scale industrial or commercial activities will emerge along the CESUL line route. The development of the CESUL Transmission System will be linked with the development of two large hydropower generation projects in the same province, namely in North Cahora Bassa (1 250 MW) and Mpanda Nkwua (1 500 MW). In addition, two large coal mining projects in Moatize and Benga are under development for the export of high-grade coking coal. All these projects and activities will have significant environmental and social implications for the Tete region, which requires a comprehensive Strategic Regional Environmental and Social Assessment (SRESA).

The aim of the SRESA study, to be funded by the ITF, is to maximise the benefits and minimise the environmental and social risks associated with rapid development in the area of influence of the CESUL Transmission System and related generation projects. It will provide an overarching assessment of the indirect, induced and cumulative environmental and social impacts of existing projects, projects under construction and planned projects in the Tete region, related transport routes, areas of influence and associated projects. It will also take into account all relevant documentation, such as the project-specific Environmental and Social Impact Assessment, a Resettlement Action Plan and all other relevant information related to the power generation plants and coal mines. Prioritisation of the sequencing of the new generation and transmission investments in Mozambique, which will impact the whole Southern Africa Region, will be another benefit of the study.

Southern Africa Region: Expansion of the Port of Walvis Bay	
Sector	transport
Type of grant	TA
Approval date	14.12.2009
Grant amount	up to EUR 0.45m
eTPC	approx. EUR 130m
Lead financier	KfW
Co-financiers	EIB, AFD



Since its harbour was deepened in 2000, the Port of Walvis Bay in Namibia has been attracting more container cargo. The container throughput increased from 40 000 TEU (Twenty-foot Equivalent Unit) in 2003 to 200 000 TEU in 2008 with an average growth per annum of 38% since 2003. The harbour benefits from high-quality hinterland connections such as the trans-Cunene, trans-Caprivi and trans-Kalahari corridors that connect Namibia with its neighbouring countries and which were upgraded in recent years. In 2008, 67% of the containers handled in Walvis Bay were dedicated to transhipment or transit to neighbouring countries. The harbour's throughput exceeded 250 000 TEU in 2009.

To ensure that the Port of Walvis Bay will continue to play the role of a container transhipment hub on the south-west coast of Africa as well as a gateway to the land-locked countries of Botswana, Zambia, the Democratic Republic of the Congo and Zimbabwe, the state-owned Namibian Ports Authority (NamPort) has launched a new container terminal project, located offshore at the southern end of the port site. The total project cost for this major expansion and upgrading of the Walvis Bay container terminal, including extension of berths and dredging to permit larger vessels to access the port, is estimated at the equivalent of EUR 200m. The new container terminal would increase NamPort's annual container handling capacity from 250 000 TEU to more than 500 000 TEU. Berthing is at present limited to 3 500 TEU container vessels. The Ports Authority has approached the EIB, AFD, KfW and Development Bank of Southern Africa as potential lenders for assistance in completing the assessment of the financial and economic feasibility of the project as well as the analysis of different investment and operating options.

The ITF grant approved for the preparation of this project will be used to assist NamPort in assessing the commercial risk and the financial sustainability of the various project options and designing a financial model for the Ports Authority itself. The services entail four interrelated modules, namely a detailed market forecast study for the Walvis Bay container terminal, an economic analysis, a comparison of options for investing into and operating the new container terminal, including public-private partnerships and drafting of the tender documents for the preferred option and the financial modelling for NamPort taken as a whole and for the container terminal.

West Africa Region: Sambangalou Hydropower Plant	
Sector	energy
Type of grant	TA
Approval date	14.12.2009
Grant amount	up to EUR 0.35m
eTPC	approx. EUR 350m
Lead financier	AFD
Co-financiers	tbd

The Sambangalou Hydropower Project (SHPP) is a transboundary initiative presented by the Gambia River Basin Organisation (OMVG) which regroups Gambia, Guinea, Guinea-Bissau and Senegal. This sub-regional organisation is the executive agency designated by the four member countries to implement integrated development programmes for the rational and harmonious exploitation of common resources in the basins of the Gambia, Kayanga-Gébas and Koliba-Corubals Rivers.

The development of these fluvial basins offers an opportunity to utilise the energy potential which is for the most part still untapped. In view of the significant energy deficit within the sub-region and the strong dependence of electricity production on imported oil products, assessment studies confirmed the need to increase the hydroelectric energy supply with additional production units and resulted in the launch of the OMVG Energy project which comprises three components: the hydroelectric developments at Sambangalou and Kaléta and the interconnection line. The total cost of this project is estimated at EUR 990m. The initial phase is estimated at EUR 540m and concerns the hydroelectric developments at Kaléta and a part of the interconnection line. The SHPP is part of the second phase. It will have an installed capacity of 128 MW and should be operational by 2015. Total energy production should reach 208 to 402 GWh per year. Furthermore, the important pondage volume can contribute to downstream development, notably through irrigation. The SHPP therefore offers interesting advantages but at the same time involves environmental and social risks, particularly with regard to the relocation of populations and the riparian wet zones of the Gambia River, downstream of the dam.

A feasibility study, including the Environmental and Social Impact Assessment for the SHPP, was completed in 2006. However, some aspects such as the economic analysis and environmental and social aspects have to be critically reviewed and analysed in greater depth.

The ITF grant will be used by OMVG to contract international consultant firms for the assessment of the Total Economic Value (TEV) of the project including the environmental and social impacts and related mitigation measures. A review of the Environmental and Social Management Plan (ESMP) and of the Population Resettlement Plan (PRP) is also planned, as well as an analysis of the sensitivity of the project's profitability to flood variations and to climate and precipitation variability.

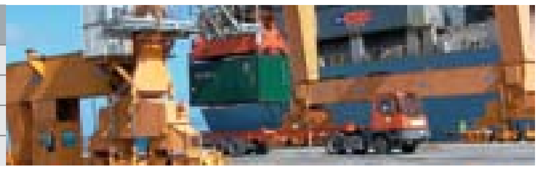
Grant Operations Cleared in Principle in 2009

ITF Grant Operations cleared in principle in 2009

EUR '000

Name of operation	Grant Amount	Region	Sector	Scope	Estimated TPC
Port Louis investment programme	1 000	Indian Ocean	Transport	TA	136 000
Rehabilitation of the Great East Road	25 000	Southern Africa	Transport	IRS	200 000

Port Louis investment programme	
Sector	transport
Type of grant	TA
Grant amount	up to EUR 1m
eTPC	approx. EUR 136m



The investment programme of the Mauritius Port Authority (MPA) is scheduled to be implemented over the next five years and comprises the expansion of Container Terminal III including a 440 m quay extension, the dredging of the access channel to a depth of 18 m and the extension of the existing fishing port of Trou Fanfaron as well as the creation of a second fishing port for a regional seafood hub in Fort Williams with a quay length of 270 m. The construction of a cruise terminal is also planned. The total project cost is estimated at EUR 136m.

The ITF grant will be used to conduct additional technical studies, including an environmental impact assessment. The port expansion will promote trans-shipment via Mauritius, in a context where some other regional hubs, such as Durban in South Africa, are close to saturation. As a result, the project will not only benefit Mauritius, but also enhance regional integration. The project promoter, Mauritius Ports Authority, will contribute to the overall cost of the additional studies.

Rehabilitation of the Great East Road	
Sector	transport
Type of grant	IRS
Grant amount	up to EUR 25m
eTPC	approx. EUR 200m

The Great East Road is a 360 km long road built almost 40 years ago in urgent need of reconfiguration, upgrading and general repairs, including bridge replacements. It forms part of the regional Nacala Corridor stretching from Zambia through Malawi to Mozambique and is 230 km shorter than the Lusaka to Durban route. Related corridor developments include road and rail upgrading in Malawi and Mozambique. A dry port for a rail to road interconnection at Chipata in Zambia is under consideration and a pre-feasibility study is being funded by the European Commission. The feasibility study, detailed design and tender documentation for the project are being finalised. The project cost is estimated at up to EUR 200m.

The ITF grant will be used to subsidise the proposed EIB loan to the Government of Zambia and align it with the country's HIPC-related external borrowing constraints. The minimum grant element of any public external borrowing of the country is set at 35% and therefore the grant requested from the ITF is in the order of one third of the loan amount. It will allow complementary funding to that of the European Commission.

Outlook for 2010

The Project Financiers Pipeline for 2010 looks promising, with ITF grant approvals estimated to reach EUR 100m in 2010.

It seems that the energy and transport sectors will remain predominant. Together with the African partners of the Trust Fund, the financiers will endeavour to identify investments in the other two sectors as well, i.e. the ICT sector and especially the water sector, which is essential for development, but presents special challenges for investments on a regional basis.

The projects in the pipeline for 2010 are evenly spread over the Sub-Saharan countries eligible for ITF support with a slight focus on the Southern Africa Region.

About 80% of the grant operation requests forecast for 2010 involve an interest rate subsidy, highlighting the concrete catalytic role of the blending mechanism as a tool to foster investments. Direct grants are also likely to be requested in 2010 for the financing of environmental and social components of an infrastructure project.

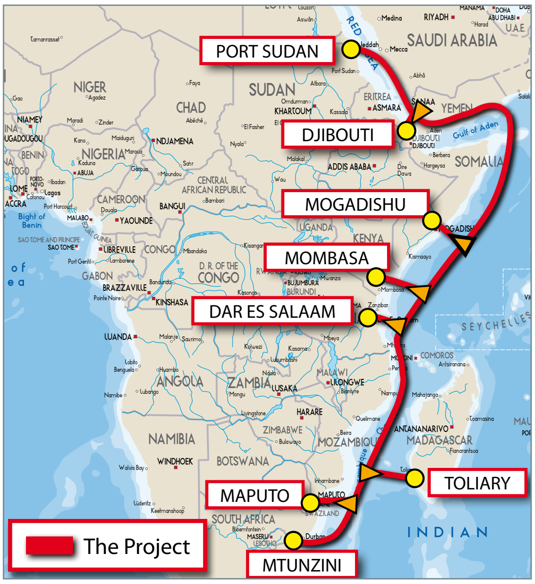
Based on existing assumptions, grant operations could leverage up to EUR 500m in long-term loan finance from PFG Financiers and over EUR 1bn in total investments.

Update: 2007-2008 Grant Operations in Portfolio

EUR '000

Approved Grant Operation	Region	Sector	Type	Grant amount	Estimated total project cost
EASSy	Central & East Africa	ICT	TA	2 600	201 000
Félou	West Africa & Sahel	Energy	IRS	9 335	211 500
Ethiopia-Kenya Interconnector	Central & East Africa	Energy	TA	550	660 000
WAPP - CLSG Power Interconnection Project	West Africa & Sahel	Energy	TA	3 000	260 000
Caprivi Interconnector	Southern Africa	Energy	IRS	15 000	302 000
Ruzizi	Central & East Africa	Energy	TA	2 800	300 000
Beira Corridor	Southern Africa	Transport	IRS	29 000	189 000
OMVS Gouina Hydropower (GHPP)	West Africa & Sahel	Energy	TA	1 000	250 000

East Africa Region: EASSy – East African Submarine Cable System	
Sector	ICT
Type of grant	TA
Grant amount	up to EUR 2.6m
Total project cost	EUR 201m
Grant status	Under disbursement
Lead financier	EIB



The East African Submarine Cable System (EASSy) project consists of a 10 000 km fibre-optic submarine cable along the East African coast, linking Sudan to South Africa with landing points in these countries as well as in Djibouti, Somalia, Kenya, Tanzania, Madagascar, Mozambique, Mayotte and Comoros. EASSy will be the first optical fibre connection for these countries to the global optical fibre network. Its stretch of coastline from Sudan to South Africa is the longest expanse of any inhabited continent not being served by an international undersea cable system today. EASSy is vital for the economic development of Eastern and Southern Africa, as the lack of international connectivity has a direct negative impact on the economic development of the region. The works which started in June 2008 are on track and completion is planned for June 2010.

The total project cost of EASSy has been estimated at USD 272m, of which WIOCC's share is USD 115m. This figure includes the cost of the supply contract, as well as start-up costs and interest during construction. The co-financiers of the project are IFC, AfDB, KfW, AFD, the EIB and DBSA. Furthermore EASSy Consortium decided to increase the total capacity of the cable from 32 wavelengths to 68 wavelengths per fibre pair without additional funding requirements for the promoter, West Indian Ocean Cable Company (WIOCC), as the amount will be paid from contingencies that were built into the original budget.

The project is a key example of regional integration in Africa. EASSy will provide reliable, fast and widespread access to international communications (including the Internet) and is expected to bring the costs of international telecommunications and Internet connectivity down to competitive levels. Furthermore, EASSy will contribute to generating more competition in the system, thereby bringing prices down to more affordable levels. As a safeguard against anti-competitive behaviour, WIOCC operates according to an "open access" principle by selling capacity not only to its own shareholders but to any licensed operator in any of the markets, subject only to national regulatory restrictions. In order to prevent profiteering, WIOCC will sell capacity on a cost-plus basis and will sell to all licensed operators at the same price in order not to discriminate between shareholders and non-shareholders of the company.

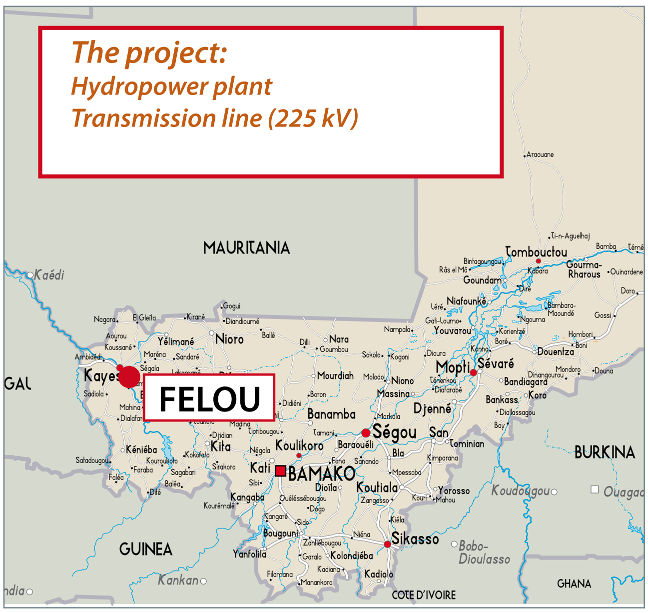
The ITF grant was used to hire the core management team and the balance is to be used to pay the management team's costs during the construction phase of the project. A competent management team is key for WIOCC to be successful in selling new transmission technology in many markets. The ITF grant has therefore been instrumental in helping WIOCC to hire first-class professionals.

West Africa Region: Félou Hydropower	
Sector	energy
Type of grant	IRS
Grant amount	up to EUR 9.335m
Total project cost	EUR 211.5m
Leverage effect	23 : 1
Grant status	approved
Lead financier	EIB

The Félou Hydropower project involves the engineering, construction, commissioning and operation of a run-of-the-river hydropower plant at the Félou falls, on the Senegal River, about 15 km upstream of the town of Kayes in Mali. The project will be implemented as part of the development of the hydropower potential of the countries that belong to the "Organisation pour la mise en valeur du fleuve Sénégal (OMVS)", of Mali, Mauritania and Senegal, which was joined by Guinea in 2006. The OMVS was founded in 1972 by Mali, Mauritania and Senegal to manage the Senegal River and its river basin. Its aim is to promote self-sufficiency in food, to improve the income of the local populations and to preserve the natural ecosystems.

The main components of the Félou project are the rehabilitation of an existing weir and the construction and installation of a powerhouse, three Bulb turbine/generator units with a nominal capacity of 21 MWe each, a water intake structure, a substation and an overhead transmission line. The project also includes the upgrading of access roads as well as improvements to the existing dispatch centre at Manantali and to the telecommunications systems operated by Société de Gestion du Barrage de Manantali (SOGEM) and the national utilities of Mali, Mauritania, and Senegal. The total cost of the project is estimated at EUR 211.5m and will be co-financed by the World Bank, the EIB and SOGEM.

The grant from the ITF takes the form of an interest rate subsidy for the EIB loan. The subsidy will enable the three states (Mali, Mauritania, Sénégal), who are borrowers for the project, to meet HIPC requirements, while contributing to strong regional development through sustainable and clean power generation.



East Africa Region: Ethiopia-Kenya Interconnector	
Sector	energy
Type of grant	TA
Grant amount	up to EUR 0.55m
eTPC	approx. EUR 660m
Grant status	fully disbursed
Lead financier	KfW

The implementation of the planned interconnection between Ethiopia and Kenya will enable these two countries to benefit from the respective advantages of their own power systems, which have strong complementarities: the bulk of Kenya's electricity is expected to come from geothermal and fuel-fired thermal plants, while Ethiopia possesses a large hydropower potential. Despite the availability of these enormous energy resources, the two countries currently have overall electrification rates of less than 20%. This low level of access to electricity is a major barrier to social and economic development, especially in agriculture and industry. The construction of an interconnecting power line between the two countries will increase reliability of supply. Moreover, they would be able to trade not only energy, but also reserve capacity, which would provide an incentive to coordinate outages so that the total reserve margin on the interconnected system could be reduced, resulting in savings in capital and operating cost. In the short term, the line will also enable Kenya to cover its power needs by importing cost-effective power from Ethiopia instead of relying on expensive and polluting thermal power stations in Kenya. The amount required to finance the entire project is estimated at about EUR 660m for Phase I (200 MW) and EUR 400m for Phase II (600 MW).

As a priority for the future project preparation, financial close must be reached on the hydropower plant Gilgel Gibe III which will feed the interconnector with the necessary power. Investigations related to the possible adverse environmental and social impacts of Gilgel Gibe III must still be undertaken and the necessary measures to mitigate any adverse environmental or social impacts analysed. A further ITF grant will be used to finance a comprehensive Environmental and Social Impact Assessment study for Lake Turkana and a Cumulative Impact Assessment.

The ITF grant supporting the preparation of the interconnector construction project was used to co-finance a feasibility study. A fully-fledged technical and financial feasibility study, as well as a detailed Environmental and Social Impact Assessment, a Resettlement Action Plan, and the choice of the appropriate organisational and institutional frameworks for the construction, ownership and operation of the interconnector were completed in June 2009.

West Africa Region: CLSG – Pre-Investment Studies for West Africa Power Interconnection	
Sector	energy
Type of grant	TA
Grant amount	up to EUR 3m
Total project cost	approx. EUR 260m
Grant status	under disbursement
Lead financier	EIB

This interconnection project will consist of the construction of approximately 1 100 km of high-voltage transmission lines, as well as the extension of existing or the construction of new high-voltage substations in Man (Côte d'Ivoire); in Sannequille, Buchanan, and Monrovia (Liberia); in Nzérékore and Linsan (Guinea) and in Bumbuna (Sierra Leone). The project is essential for the reconstruction efforts currently underway in the post-conflict countries of Liberia and Sierra Leone and the forest region of Guinea. One of WAPP's priorities is to interconnect these countries with the Côte d'Ivoire in order to allow mutually beneficial power exchanges and a reliable electricity supply fostering economic growth and consolidating the fragile peace that has been achieved so far in these countries.

A major impact of the project will be the alleviation of energy shortages, which are a recurring problem in several West African States and an impediment to economic development. In turn, this lack of economic development is a major contributor to the conflicts and political instability that have characterised this region in recent years. The project will benefit three of the poorest states in the West Africa Region and enhance cooperation in a region that has been marred by dramatic conflicts.

For the preparation of this project an ITF Grant of up to EUR 3m was made available for the financing of a feasibility study and ESIA. The studies were completed in December 2009. The balance of the grant will be used in 2010 to finance an extension of the terms of reference of the feasibility study in order to assess the connection of the Kaleta hydropower site in Guinea to the interconnection on the one hand and to further finance the review of the existing bidding documents for the Kaleta project. These studies are expected to be finalised by the end of the first quarter of 2010.

The availability of electricity is not only a prerequisite for a recovery of economic activity but it also affects the general sense among civil society of progress and improvement in the standard of living which is essential for continued stability in these countries. The Trust Fund's support in the different stages of this important project serves as a crucial catalyst for its preparation and implementation.

Southern Africa Region: Caprivi Interconnector	
Sector	energy
Type of grant	IRS
Grant amount	up to EUR 15m
eTPC	EUR 302m
Leverage effect	20 : 1
Grant status	fully disbursed
Lead financier	EIB

The Caprivi project consists of the construction of a 200 MW (designed to be upgradeable to 600 MW) high-voltage direct current transmission connection from Zambia to the Namibian electricity network, interconnecting the northern and western parts of the Southern African Power Pool (SAPP) network. The purpose is to reinforce the electricity transmission interconnection between Zambia, Namibia and South Africa in order to provide a reliable route for electricity exports and imports, support a competitive regional power market and improve the security of supply. The project is a new 970 km transmission line starting from Katima Mulilo, in the north-eastern tip of Namibia, continuing along the Caprivi Strip, a narrow 400 km long section of Namibia in the north-east of the country between Zambia and Botswana and ending in Gerus in central Namibia.

The total project cost is estimated at approximately EUR 302m and will be funded by the promoter's own funds and a co-financing operation of the European Investment Bank (EIB), Kreditanstalt für Wiederaufbau (KfW) and Agence Française de Développement (AFD).

Project implementation started in mid-2007 and the interconnector is expected to be commissioned in the second quarter of 2010 in line with forecasts. The official launch of the transmission line is planned for the second half of 2010. The promoter, NamPower, has finalised power purchase agreements. The full financing provided by EIB, KfW and AFD was made available in 2009 and the full ITF grant of EUR 15m was transferred to the three financiers to subsidise their loans.

The alternative to the Caprivi Interconnector would have been the purchase of coal-generated energy from Zimbabwe or the construction of Namibia's own coal (base load) and/or gas (peaking) power plants, which was environmentally unattractive and did not offer the potential advantages of cross-border wheeling and energy trading, power stabilisation or security of supply benefits to the region. The ITF grant therefore helped to facilitate investment in the economically and environmentally preferable option, generating benefits beyond Namibia's borders.

Caprivi Link Project – Technical Background

Alison Chikova
Chief Engineer – Southern African Power Pool (SAPP)

The objective of the Caprivi Link Interconnector is to provide an asynchronous link between the Namibian and Zambian/Zimbabwean electricity networks in order to ensure a reliable power transfer capability between the east and west of the Southern African Power Pool (SAPP).

Benefit of the scheme:

- *Connection of Zambezi substation to the rest of the NamPower grid*
- *Better utilisation of the Livingstone – Zambezi 220 kV line, which was constructed by ZESCO & NamPower*
- *Provision of an alternative wheeling path for SAPP electricity trade*

Configuration:

Phase 1:

- *300 MW Monopole HVDC Scheme (2010):*
- *300 MW, 350 kV DC monopole converters using VSC technology connecting to 330 kV AC at Zambezi substation and 400 kV AC at Gerus substation*
- *950 km DC overhead line with both pole conductors installed*
- *AC substation extensions:*
  - *Zambezi: 2 x 220/330 kV 315 MVA transformers*
  - *Gerus: 2 x 220/400 kV 315 MVA transformers*

Phase 2:

- *Upgrade to 600 MW bipole HVDC Scheme*
- *Second 300 MW, 350 kV DC monopole*
- *330 kV AC network strengthening Zambia/Zimbabwe*
- *400 kV AC line Auas - Gerus*

Project Progress

350 kV HVDC Line

- *Completed November 2009*

AC Substation Extensions: Gerus and Zambezi

- *Equipment installation 98% complete*
- *Busbars and stringing is complete*
- *2 x 315 MVA coupling transformers installed*
- *Commissioning in progress*
- *Energisation of first 315 MVA transformers planned for early March 2010*

Future Projects

The SAPP would need the EU-Africa Infrastructure Trust Fund (ITF) to assist with other regional projects. The economic benefits of such projects are substantial as this leads to regional integration.

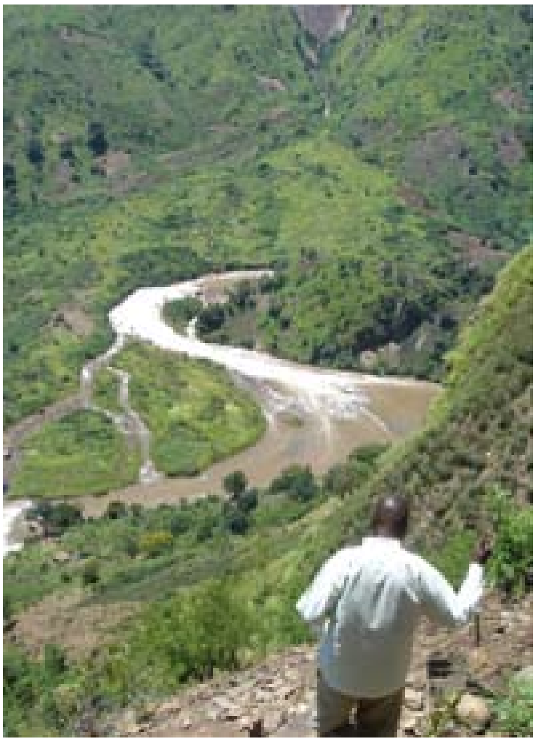
Central Africa Region: Ruzizi Hydropower III	
Sector	energy
Type of grant	TA
Grant amount	up to EUR 2.8m
Total project cost	approx. EUR 300m
Grant status	under disbursement
Lead financier	EIB

In addition to the existing hydroelectric plants on the Ruzizi River, i.e. Ruzizi I, operated by NEL, a utility from the Democratic Republic of the Congo (DRC), and Ruzizi II, operated by International Society of Electricity of the Great Lakes (SINELAC), supplying electricity to Rwanda, the eastern part of DRC and Burundi, the construction of a new sub-regional hydroelectric plant, Ruzizi III, is expected to generate an additional 143 MW of power by 2013. The total project cost for the construction of Ruzizi III is estimated at up to EUR 300m.

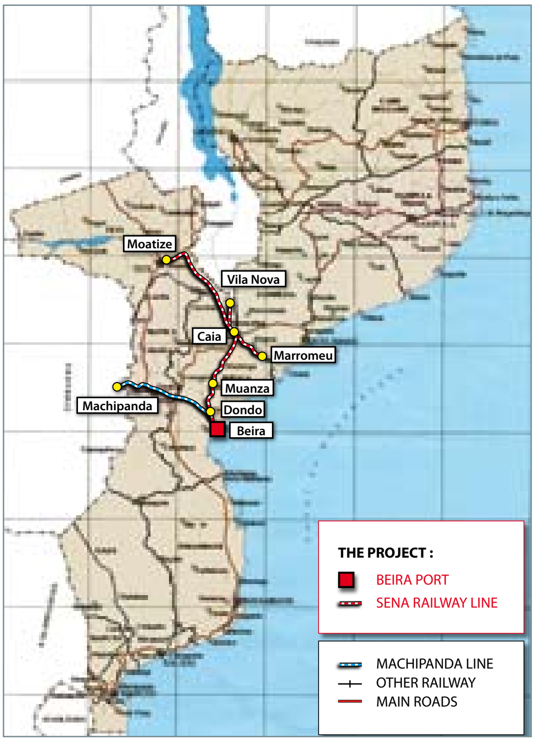
The ITF grant is being used to finance additional and complementary studies for the preparation of this project, mainly focusing on its economic and financial viability and its institutional arrangements, including water flow management and interaction with the existing plants and additional technical studies for the interconnection of South Kivu and North Kivu and their interface with the CEPGL interconnected network. Part of the ITF grant will be used to provide institutional capacity support to EGL. These studies are well advanced and expected to be completed by mid-2010.

It is now planned to add a second phase of project preparation consisting of further studies to convert the existing ESIA, which provides a good baseline for complementary studies, to a bankable format. In addition, the consultant would carry out other technical studies to complement the existing tasks defined in the terms of reference for the first phase of studies.

The EIB therefore plans to approach the ITF Executive Committee early 2010 for approval of an extension of the ITF grant by up to 50% of the original amount.



Southern Africa Region: Beira Corridor	
Sector	transport
Type of grant	IRS
Grant amount	up to EUR 29m
eTPC	EUR 189m
Leverage effect	7 : 1
Grant status	under disbursement
Lead financier	EIB



Mozambique's Beira corridor constitutes the main transport access link between the port of Beira and the interior of the country as well as to the neighbouring landlocked Zimbabwe, Zambia and Malawi. As an important gateway for cargo transport in the region, an extensive refurbishment of the corridor infrastructure was undertaken in the 1980s and 1990s. However, the improvements have not been maintained and the port and its access constitute a major bottleneck for regional transport and trade. Rehabilitation of the transport infrastructure of the Beira corridor, including the repair of the Sena railway line and the restoration of the Beira port access channel to its original design characteristics, is currently under way.

The EIB co-finances this project through long-term loans, subsidised by an ITF grant. Due to HIPC rules, Mozambique must respect a concessionality level of 35% when borrowing. Therefore, the interest rate subsidy from the ITF is crucial for the implementation of the investments. The Beira Corridor project is emblematic for Mozambique as it will allow the reopening of the Sena railway line, closed for over 20 years due to the civil war. The cost of the entire project is estimated at about EUR 190m; the works started in December 2008 and should be finished by mid-2011. The strengthening and refurbishment of the existing 3.75 km bridge over the Zambezi river at Dona Ana have been completed.

The subsidy granted to the project by the EU-Africa Infrastructure Trust Fund highlights the project's strategic importance and its positive regional impact on the transport links across Southern Africa.

West Africa Region: Gouina Hydropower	
Sector	energy
Type of grant	TA
Grant amount	up to EUR 1m
Total project cost	approx. EUR 250m
Grant status	approved
Lead financier	AFD

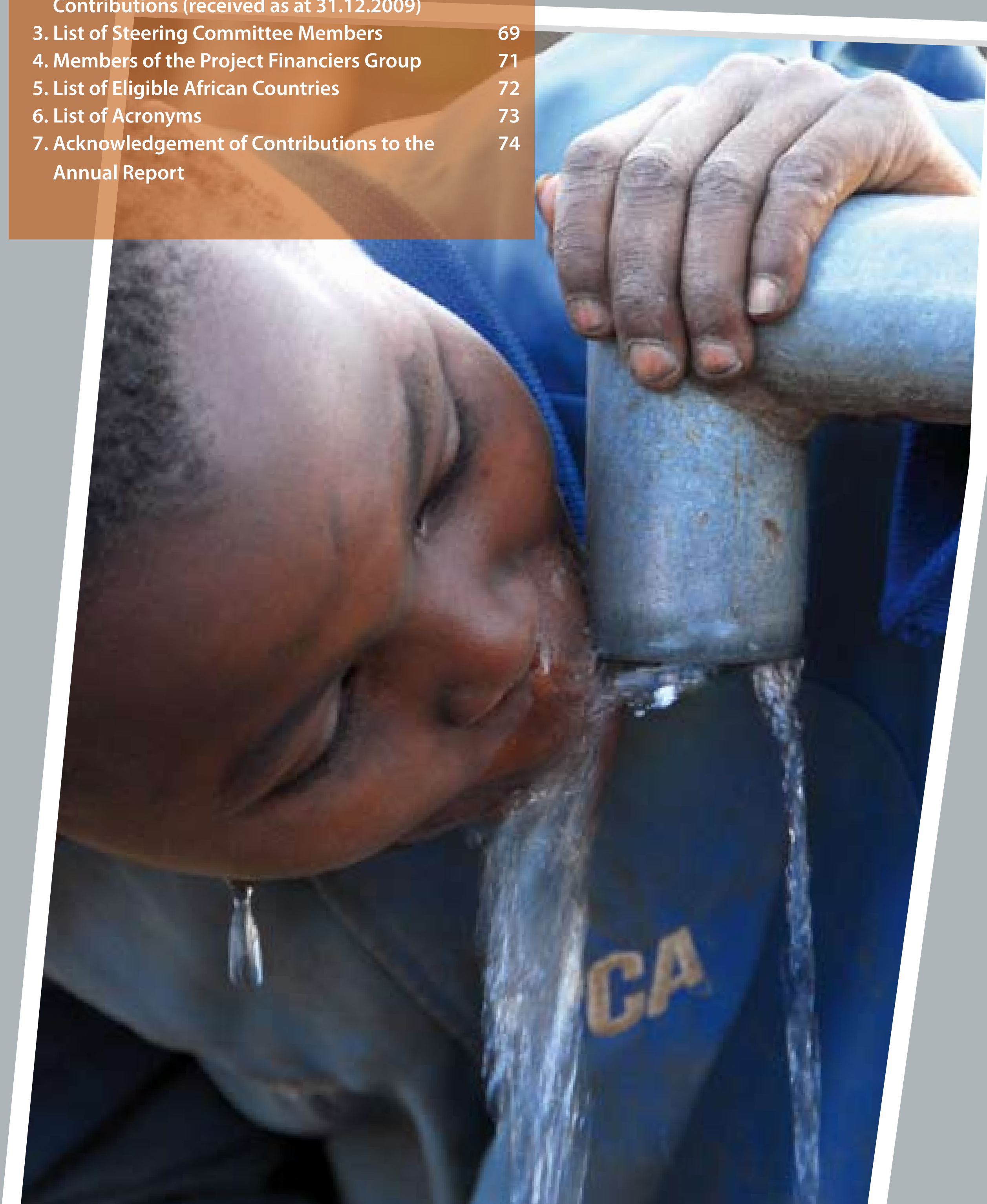
The Gouina Hydropower Project (GHPP) is a trans-boundary initiative by the Senegal River Basin Organisation (OMVS), grouping Mali, Mauritania, Senegal and Guinea. Its purpose is to supply renewable electricity to the four member states, currently facing a lack of production capacity and mainly relying on thermal production, which makes them very vulnerable to oil price volatility. The project, located on a natural fall on the Senegal River, near Kayes, West of Mali, will use the water already processed and regularised by the Manantali dam and is expected to become operational by 2013 at a cost of EUR 250m.

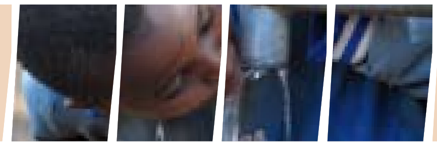
Although feasibility, environmental and social studies were completed in 2004 and 2006, the following complementary studies are required and will be financed by the ITF grant:

- a Cumulative Impact Assessment (CIA), taking into account the cumulative impacts of the existing Manantali dam, the Félou project (being developed) and the GHPP;
- complementary sociological studies for the finalisation of the Resettlement Action Plan and of the Cultural Properties Management Plan;
- environmental studies leading to the completion of a Management and Protection Plan for the classified Bagouko Forest;
- finalisation of the Environmental and Social Management Plan (ESMP), the Resettlement Plan (RP) and the Cultural Properties Preservation Plan (CPPP).

OMVS will also benefit from the assistance of the nascent ECOWAS Regional Electricity Regulatory Authority (ERERA), also financed by the ITF, to improve cross-border exchanges.

Annexes





1. Audited Financial Statements

Statement of financial position

as at 31 December 2009 (in EUR '000)

	Notes	31.12.2009	31.12.2008
ASSETS			
Cash and cash equivalents	2.4.2	144 151	91 881
Other assets	3	5 132	2 898
Total Assets		**149 283**	**94 779**
LIABILITIES AND CONTRIBUTORS' RESOURCES			
LIABILITIES			
Other liabilities	4	7	7
Total Liabilities		**7**	**7**
CONTRIBUTORS' RESOURCES			
Contributions from European Commission and Member States	5	170 200	93 000
Retained earnings		- 20 924	1 772
Total Contributors' resources		**149 276**	**94 772**
Total Liabilities and Contributors' resources		**149 283**	**94 779**

Statement of comprehensive income

for the year ended 31 December 2009 (in EUR'000)

	Notes	2009	2008
Interest and similar income	6	562	2 941
Total income		**562**	**2 941**
Projects financed	7	- 22 396	- 1 082
General administrative expenses	8	- 855	- 580
Audit fees		- 7	- 14
Total expenses		**- 23 258**	**- 1 676**
Net loss / profit		**- 22 696**	**1 265**
Total comprehensive loss / income for the year		**- 22 696**	**1 265**

The accompanying notes form an integral part of these financial statements.

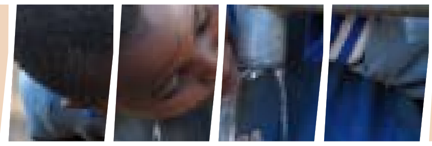
Statement of changes in contributors' resources

For the year ended 31 December 2009 (in EUR'000)

	Contributions	Retained earnings	Total
At 1 January 2008	**42 500**	**507**	**43 007**
Total comprehensive income for the year			
Profit for the year	-	1 265	1 265
Transactions recorded directly in contributors' resources			
Contributions from European Commission and Member States (Note 5)	50 500	-	50 500
At 31 December 2008	**93 000**	**1 772**	**94 772**

	Contributions	Retained earnings	Total
At 1 January 2009	**93 000**	**1 772**	**94 772**
Total comprehensive income for the year			
Loss for the year	-	- 22 696	- 22 696
Transactions recorded directly in contributors' resources			
Contributions from European Commission and Member States (Note 5)	77 200	-	77 200
At 31 December 2009	**170 200**	**- 20 924**	**149 276**

The accompanying notes form an integral part of these financial statements.



Statement of cash flows

For the year ended 31 December 2009 (in EUR'000)

	Year to 31.12.2009	Year to 31.12.2008
OPERATING ACTIVITIES		
Interest received	562	2 941
General administrative expenses	- 3 089	- 2 020
Projects financed	- 22 396	- 1 082
Audit fees	- 7	- 7
Net cash from operating activities	**- 24 930**	**- 168**
FINANCING ACTIVITIES		
Contributions from European Commission and Member States	77 200	50 500
Net cash from financing activities	**77 200**	**50 500**
Net increase in cash and cash equivalents	**52 270**	**50 332**
Cash and cash equivalents at beginning of year	**91 881**	**41 549**
Cash and cash equivalents at end of the year	**144 151**	**91 881**

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

1. General information

Under the umbrella of the EU Strategy for Africa, the European Commission and nine EU Member States ("the Contributors") as well as the European Investment Bank ("EIB") as Manager of the EU-Africa Infrastructure Trust Fund (ITF) ("the Trust Fund" or "the ITF"), signed the Agreement constituting the Implementation Rules of the Trust Fund ("the Rules"). Since then, three further Member States have become Contributors of the Trust Fund. A first amendment to the Rules was approved by the Trust Fund's Executive Committee on 29 June 2009.

The key objective of the ITF is to contribute to achieving the strategic objectives of the EU-Africa Infrastructure Partnership through blending of targeted long-term financing of eligible regional infrastructure projects in Sub-Saharan Africa with grant money from Contributor Member States.

The Trust Fund has a limited lifespan and can be wound-up once certain events occur. Article 11.2.1 (d) of the Rules includes the possibility to wind-up the Trust Fund on 31 December 2013 and article 11.3 specifies the modalities of disposal of the remaining resources.

The Board of Directors of the EIB adopted the financial statements, on 11 March 2010, and authorised their submission to the Board of Governors for approval at their meeting on 8 June 2010.

2. Significant accounting policies

2.1. Basis of preparation- Statement of compliance

The Trust Fund's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

2.2. Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires EIB Management to exercise its judgment in the process of applying the Trust Fund's accounting policies.

2.3. Changes in accounting policies

The applicable accounting policies adopted are consistent with those of the previous financial year, except as follows:

The Trust Fund applies revised IAS 1 "Presentation of Financial Statements", which became effective as of 1 January 2009. The change in accounting policy only impacts the presentation and has no impact on the financial performance or position of the Trust Fund.

The amendments of IFRS 7 "Financial Instruments: Disclosures", applicable from 1 January 2009, expand the disclosures required in respect of fair value measurement and liquidity risk. As the Trust Fund's single investment is a current account with EIB, this amendment has no impact on the financial statements of the Trust Fund as at 31 December 2009.

The International Accounting Standards Board (IASB) published the following relevant Standards and Amendments in 2009 that were not yet endorsed by the European Union and consequently are not yet adopted by the Trust Fund:

- IFRS 9 "Financial Instruments" (issued 12 November 2009);
- Revised IAS 24 "Related Party Disclosures" (issued 4 November 2009).

2.4. Summary of significant accounting policies

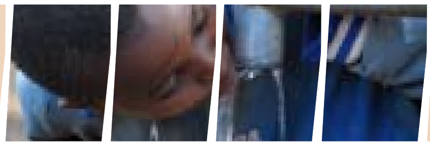
2.4.1 Foreign currency translation

The Trust Fund uses the Euro (EUR) for presenting its financial statements, which is also its functional currency.

Foreign currency transactions are translated at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in currencies other than Euro are translated into Euro at the exchange rate prevailing at the statement of financial position's date. The gain or loss arising from such translation is recorded in the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised foreign exchange differences

on unsettled foreign currency monetary assets and liabilities, are recognized in the statement of comprehensive income.

The elements of the statement of comprehensive income are translated into Euro on the basis of the exchange rates prevailing at the end of each month.

2.4.2 Cash and cash equivalents

The Trust Fund defines cash and cash equivalents as current accounts and short-term deposits with original maturities of three months or less. The current account is one account opened in the EIB books in the name of the Trust Fund, called "EU-Africa Infrastructure Trust Fund Account".

2.4.3 Contributions

In addition to the Founding Donor (the European Commission), any Member State of the European Union or any Member State Development Finance Agency may contribute funds in Euro to the Trust Fund. Contributions, net of banking charges, are recognised in the statement of financial position on the date when payment of a contribution by a contributor is received.

2.4.4 Disbursements for operations

Disbursements related to operations financed by the Trust Fund are recorded as expenditures in the statement of comprehensive income as "Projects Financed" at the date they are paid out by the Trust Fund.

2.4.5 General administrative expenses

For managing the Trust Fund the EIB is granted a one-off payment equal to 4% (four percent) to be deducted from each contribution effectively made available to the Trust Fund. The administrative fee is intended to cover in full the costs associated with managing the Trust Fund. General administrative expenses are recognised in the statement of comprehensive income on a pro-rata basis over the remaining lifespan of the Trust Fund.

2.4.6 Taxation

The Protocol on the Privileges and Immunities of the European Communities, appended to the Treaty of 8 April 1965 establishing a Single Council and a Single Commission of the European Communities, stipulates that the assets, revenues and other property of the Institutions of the Union are exempt from all direct taxes.

3. Other assets

Other assets represent administrative fees paid in advance to the EIB as laid down in Note 8.

4. Other liabilities

Other liabilities represent external audit fees payable for the audit of the Trust Fund's financial statements as at 31 December 2009. Comparatives represent external audit fees payable for the audit of the Trust Fund's financial statements as at 31 December 2008.

5. Contributions to the Trust Fund

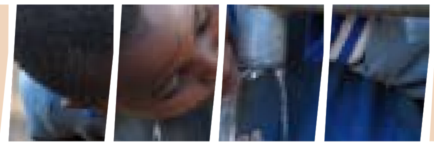
Contributions received from the European Commission and Member States as at 31 December 2009 and 2008 are detailed below:

European Commission/ Member States	2009 (EUR '000)	2008 (EUR '000)
Austria	1 000	1 000
Belgium	1 000	-
European Commission	108 700	60 000
Finland	5 000	-
France	5 000	5 000
Germany	1 000	1 000
Greece	1 000	1 000
Italy	5 000	5 000
Luxembourg	2 000	2 000
Netherlands	2 000	2 000
Portugal	1 000	1 000
Spain	10 000	10 000
United Kingdom	27 500	5 000
Total	**170 200**	**93 000**

6. Interest and similar income

According to the Agreement, the EIB remunerates the cash on the current account based on the Euro Overnight Index Average (EONIA).

During the financial year 2009, the interest income received in remuneration of the current account opened in the EIB books amounts to EUR 561 627 (2008: EUR 2 941 156).



7. Projects financed

In 2009 and 2008 the following disbursements for projects were made:

Projects financed (EUR' 000)	2009	2008
Technical Assistance		
Ethiopia-Kenya Interconnector	92	245
CLSG - West-Africa Power Interconnector	287	777
Ruzizi Hydropower	1 676	-
Total Technical Assistance	**2 055**	**1 022**
Interest Rate Subsidies		
Caprivi Link Interconnector	15 000	-
Beira Corridor	4 402	-
Total Interest Rate Subsidies	**19 402**	**-**
Direct Grants		
EASSy Cable	939	60
Total Direct Grants	**939**	**60**
Total projects financed	**22 396**	**1 082**

8. General administrative expenses

The management fee paid to the EIB amounts to EUR 3 088 000 and EUR 2 020 000 for the financial year 2009 and the financial year 2008 respectively. As at 31 December 2009 KEUR 855 (2008: KEUR 580) are recognised in the statement of comprehensive income and KEUR 5 132 (2008: KEUR 2 898) are capitalized in other assets in the statement of financial position as administrative fees paid in advance.

9. Contingent liabilities

Contingent liabilities of the Trust Fund are entirely composed of approved but not yet disbursed grant operations. As at the balance sheet date they are totalling to EUR 72.9 million (2008: EUR 62.2 million), of which EUR 52.8 million (2008: EUR 53.3 million) are within the scope of interest rate subsidies, EUR 16.8 million (2008: EUR 6.4 million) within the scope of technical assistance and EUR 3.3 million (2008: EUR 2.5 million) within the scope of direct support of projects in the investment phase. The Trust Fund Agreement (Article 6.1.2) foresees that disbursement of grant operations to the Project Leader should normally commence within 18 months of formal approval of each grant operation.

10. Subsequent events

There have been no material post balance sheet events which could require disclosure or adjustment to the 31 December 2009 financial statements.

Independent Auditor's Report

To the Chairman of the Audit Committee of EUROPEAN INVESTMENT BANK
98-100, Boulevard Konrad Adenauer
L-2950 LUXEMBOURG

We have audited the accompanying financial statements of the EU-AFRICA Infrastructure Trust Fund, which comprise the statement of financial position as at 31 December 2009 and the statements of comprehensive income, changes in contributors' resources and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

EUROPEAN INVESTMENT BANK Management's responsibility for the financial statements

The EUROPEAN INVESTMENT BANK's Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Réviseur d'Entreprises

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Luxembourg Institut des Réviseurs d'Entreprises. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the EUROPEAN INVESTMENT BANK's Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

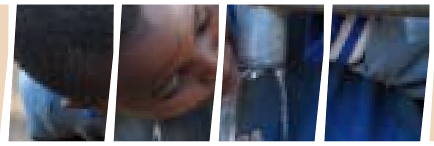
In our opinion, the financial statements give a true and fair view of the financial position of the EU-AFRICA Infrastructure Trust Fund as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Luxembourg, 11 March 2010

KPMG Audit S.à r.l.

Réviseurs d'Entreprises

Emmanuel Dollé



Statement by the Audit Committee

The conditions with regard to the approval of Financial Statements of the EU-Africa Infrastructure Trust Fund contained in the Agreement Constituting the Implementation Rules of the Trust Fund state that the Financial Statements shall be submitted to the EIB governing bodies according to the provisions laid down in respect of its own financial statements in the Statute. On this basis, the Audit Committee issues this statement.

Statement by the Audit Committee on the EU-Africa Infrastructure Trust Fund financial statements prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS)

The Committee, instituted in pursuance of Article 12 of the Statute and Article 27 of the Rules of Procedure of the European Investment Bank for the purpose of verifying that the operations of the Bank are conducted and its books kept in a proper manner, having

- designated KPMG as external auditors, reviewed their audit planning process, examined and discussed their reports,
- noted that the opinion of KPMG on the financial statements of the EU-Africa Infrastructure Trust Fund for the period ended 31 December 2009 is unqualified,
- convened on a regular basis with the Heads of Directorates and relevant services, and studied the documents which it deemed necessary to examine in the discharge of its duties,
- received assurance from the Management Committee concerning the effectiveness of the internal control structure and internal administration,

and considering

- the financial statements for the period ended 31 December 2009 as drawn up by the Board of Directors at its meeting on 11 March 2010,
- that the foregoing provides a reasonable basis for its statement and,
- Articles 24, 25 and 26 of the Rules of Procedure,

to the best of its knowledge and judgement:

- confirms that the activities of the EU-Africa Infrastructure Trust Fund are conducted in a proper manner, in particular with regard to risk management and monitoring;
- has verified that the operations of the EU-Africa Infrastructure Trust Fund have been conducted and its books kept in a proper manner and that to this end, it has verified that the EU-Africa Infrastructure Trust Fund's operations have been carried out in compliance with the formalities and procedures laid down by the Statute and Rules of Procedure;
- confirms that the financial statements, comprising the statement of financial position, the statements of comprehensive income, changes in equity and cash flows, and a summary of significant accounting policies and other explanatory notes give a true and fair view of the financial position of the EU-Africa Infrastructure Trust Fund as at 31 December 2009 and of its financial performance and its operations for the period then ended, in accordance with IFRS.

Luxembourg, 11 March 2010

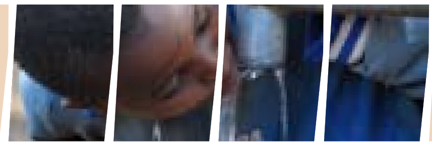
The Audit Committee

O. KLAPPER	G. SMYTH	E. MATHAY
J. RODRIGUES DE JESUS	D. NOUY	J. GALEA

2. List of Donors, Representatives and Aggregate Contributions (received as at 31.12.2009)

EUR '000

Donor	Representative institution	Date of signature of the agreement	Pledged contribution amount	Contribution amount effectively received
Austrian Republic	Austrian Development Agency Mr Hannes Bauer	23/04/2007	1 000	1 000
European Commission	European Commission Mr Gary Quince	23/04/2007	108 700	108 700
Federal Republic of Germany	Federal Ministry for Economic Cooperation and Development Mr Hein Winnubst	23/04/2007	1 000	1 000
French Republic	Agence Française de Développement Mr Jean-Marc Bellot	23/04/2007	5 000	5 000
Grand Duchy of Luxembourg	Ministry of Foreign Affairs Mr Oliver Maes	23/04/2007	2 000	2 000
Hellenic Republic	Ministry of Foreign Affairs Mr Panayotis Papanastassiou	23/04/2007	1 000	1 000
Italian Republic	Ministry of Foreign Affairs Mrs Gabriella Di Gioia	23/04/2007	5 000	5 000
Kingdom of Belgium	Federal Public Service for Foreign Affairs and Cooperation Mr Philippe Gérard	23/04/2007	1 000	1 000
Kingdom of Spain	Ministry of the Economy and Finance Mr Vicente J. Fernandez	23/04/2007	10 000	10 000
Kingdom of the Netherlands	Ministry of Foreign Affairs Mr Wim Bekker	23/04/2007	2 000	2 000
Portuguese Republic	Ministry of Finance and Public Administration Ms Ana Barreto	01/02/2008	1 000	1 000
The United Kingdom	Department for International Development - DFID Mr John Burton	15/01/2008	30 000	27 500
Finland	Ministry of Foreign Affairs Mr Jorma Suvanto	04/06/2009	5 000	5 000
			172 700	170 200



3. List of Steering Committee Members

African Members

Members of Conference Bureau Transport, Energy & ICT

TRANSPORT	ENERGY	ICT	OTHERS
Algeria	South Africa	Nigeria	Burkina Faso
Ethiopia	Senegal	Kenya	Morocco
Mali	Egypt	Egypt	Nigeria
Gabon	Congo	Zambia	Kenya
Zimbabwe	Uganda	Niger	

Regional Economic Communities (RECs):

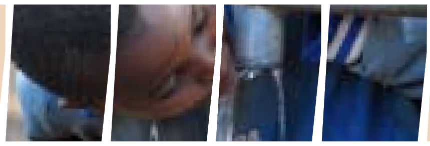
- Community of Sahel-Saharan States - CEN-SAD
- Common Market for Eastern and Southern Africa - COMESA
- Economic Community of West African States - ECOWAS
- Southern African Development Community - SADC
- Intergovernmental Authority on Development - IGAD
- East African Community - EAC
- Economic Community of Central African States - ECCAS
- Arab Maghreb Union - AMU

Others

- Economic Commission for Africa - ECA
- African Development Bank - AfDB
- New Partnership for Africa's Development – NEPAD
- African Union Commission - AUC

European Members

- Austrian Republic
- Kingdom of Belgium
- Republic of Bulgaria
- Republic of Cyprus
- Czech Republic
- Kingdom of Denmark
- Republic of Estonia
- Republic of Finland
- French Republic
- Federal Republic of Germany
- Hellenic Republic
- Republic of Hungary
- Ireland
- Italian Republic
- Republic of Latvia
- Republic of Lithuania
- Grand Duchy of Luxembourg
- Republic of Malta
- Kingdom of the Netherlands
- Republic of Poland
- Portuguese Republic
- Romania
- Slovak Republic
- Republic of Slovenia
- Kingdom of Spain
- Kingdom of Sweden
- The United Kingdom
- European Investment Bank
- European Commission



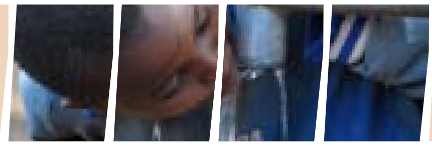
4. Members of the Project Financiers Group

Donor	Financier	Financier's Representative
Austrian Republic	Austrian Development Bank	Mr Oliver Walter
European Commission	European Investment Bank	Mr Alistair Wray
Federal Republic of Germany	Kreditanstalt für Wideraufbau - KfW	Mr Klaus Gihr
Finland	to be appointed	
French Republic	Agence Française de Développement	Mr Jean-Marc Bellot
Grand Duchy of Luxembourg	Lux-Development S.A.	Mr Richard Schmid
Hellenic Republic	Ministry of the Economy and Finance	Ms Katerina Alesta
Italian Republic	SIMEST	Mr Marco Rosati
Kingdom of Belgium	Ministry of Finance	Ms Ariane Meunier
Kingdom of Spain	COFIDES	Mr Fernando Aceña Moreno
Kingdom of the Netherlands	Ministry of Foreign Affairs	Mr Jan van Renselaar
Portuguese Republic	SOFID	Mr Francisco Mantero
The United Kingdom	African Development Bank - AfDB*	Mr Gilbert Mbesherubusa

** Observer status*

5. List of Eligible African Countries

- Angola
- Benin
- Botswana
- Burkina Faso
- Burundi
- Cameroon
- Central African Republic
- Chad
- Congo Brazzaville
- Côte d'Ivoire
- Democratic Republic of the Congo
- Eritrea
- Ethiopia
- Djibouti
- Gabon
- Equatorial Guinea
- São Tomé and Principe
- Ghana
- Togo
- Guinea-Bissau
- Guinea Republic
- Liberia
- Kenya
- Somalia
- Lesotho
- Swaziland
- Madagascar
- Malawi
- Mali
- Mauritania
- Mauritius
- Comores
- Seychelles
- Mozambique
- Namibia
- Niger
- Nigeria
- Rwanda
- Senegal
- Cape Verde
- Gambia
- Sierra Leone
- Sudan
- Tanzania
- Uganda
- Zambia
- Zimbabwe



6. List of Acronyms

A

AFD: Agence Française de Développement
AfDB: African Development Bank
AICD: African Infrastructure Country Diagnostic
AMU: Arab Maghreb Union
AUC: African Union Commission

C

CAR: Central African Republic
CCFB: Beira Railway Company
CEPGL: Communauté Economique des Pays des Grands Lacs
CEN-SAD : Community of Sahel-Saharan States
CFM: Portos e Caminhos de Ferro de Moçambique
CIA: Cumulative Impact Assessment
COFIDES: Compañía Española de Financiación del Desarrollo
COMESA: Common Market for Eastern and Southern Africa
CPPP: Cultural Properties Preservation Plan

D

DBSA: Development Bank of Southern Africa
DFI: Development Finance Institution
DFID: Department for International Development
DG: Direct Grant
DRC: Democratic Republic of the Congo

E

EAC: East African Community
EASSy: Eastern Africa Submarine Cable System
EC: European Commission
ECA: Economic Commission for Africa
ECCAS: Economic Community of Central African States
ECOWAS: Economic Community of West African States
EDF: European Development Fund
EGL: Energie des Pays des Grands Lacs
EIB: European Investment Bank
ELO: Portuguese Association for Economic Development and Cooperation
ERERA: ECOWAS Regional Electricity Regulatory Authority
ESMP: Environmental and Social Management Plan
EU: European Union
ExCom: Executive Committee

G

GHPP: Gouina Hydropower Project

H

HIPC: Heavily Indebted Poor Countries

I

ICA: The Infrastructure Consortium for Africa
ICT: Information and communication technologies
IDA: International Development Association
IFC: International Finance Corporation
IGAD: Intergovernmental Authority on Development
IP: Insurance Premiums
IRS: Interest Rate Subsidy
ITF: Infrastructure Trust Fund

K

KfW: Kreditanstalt für Wiederaufbau

N

NAMPOWER:Namibian Power
NEPAD: New Partnership for Africa's Development

O

OeEB: Oesterreichische Entwicklungsbank AG
OMVG: Organisation pour la mise en valeur du fleuve Gambie
OMVS: Organisation pour la mise en valeur du fleuve Sénégal

P

PFG: Project Financiers Group [of the ITF]
PIDA: Programme for Infrastructure Development in Africa
PPP: Public-Private Partnership

R

REC: Regional Economic Community
RP: Resettlement Plan

S

SADC: Southern African Development Community
SAPP: Southern African Power Pool
SIMEST: Società Italiana per le Imprese all'Estero
SINELAC: International Society of Electricity of the Great Lakes
SNEL: Société Nationale d'Electricité
SPV: Special Purpose Vehicle
SOFID: Sociedade para o Financiamento do Desenvolvimento
SOGEM: Société de Gestion du Barrage de Manantali

T

TA: Technical Assistance
TPC: Total Project Cost

U

UK: United Kingdom
UNCTAD: United Nations Conference on Trade and Development

W

WAPP: West African Power Pool
WIOCC: West Indian Ocean Cable Company Ltd.

7. Acknowledgement of Contributions to the Annual Report

The Secretariat of the EU-Africa Trust Fund prepared this Annual Report with the kind contribution of the:

European Investment Bank*
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg

European Commission
AIDCO C4
200, rue de la Loi
B-1049 Brussels

Department for International Development
1 Palace Street
UK - London SW1E 5HE

Southern African Power Pool
17th Floor Intermarket Life Towers
77 Jason Moyo Avenue
Cnr Sam Nujoma Ave/Jason Moyo Street
Graniteside, Harare
Zimbabwe

WAPP
Zone des Ambassade PK 6
Cotonou
Republic of Benin

EGL
Siege Uprona, B.P. 1912
Bujumbura
Burundi

Kreditanstalt für Wiederaufbau – KfW
Palmengartenstr. 5-9
D-60325 Frankfurt
Germany

Agence Française de Développement – AFD
5, rue Roland Barthes
F-75598 Paris Cedex 12
France

**The European Investment Bank as Manager of the Trust Fund prepared the Financial Statements.*

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European Union Africa
Infrastructure Trust Fund

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