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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

ON 2018 EIB EXTERNAL ACTIVITY WITH EU BUDGETARY GUARANTEE

1. INTRODUCTION

The External Lending Mandate (ELM) of the European Investment Bank (EIB) is an important instrument through which the European Union supports investments in partner countries. It is based on a guarantee from EU budget resources, provided by the European Commission to the EIB in order to enable the latter to increase its lending outside the EU, in support of EU policies. The EU guarantee covers defined instances when borrowers fail to repay financing owed to the EIB. This way the EU guarantee increases the EIB's capacity to bear investment risk. The legal basis of the ELM is Decision No 466/2014/EU (the 'ELM Decision'),¹ last amended in 2018.² In case the EIB calls on the EU guarantee, payments are made from the Guarantee Fund for External Actions.³

The ELM supports EIB activity in Pre-Accession countries, the Eastern and Southern Neighbourhood, Asia, Latin America and South Africa, with a total of 64 countries currently eligible. In the current ELM period (2014-2020), the EU budget guarantees up to EUR 32.3 billion of EIB financing operations with a commitment to cover the first 65% of losses that may arise in the guaranteed portfolio. The ELM Decision establishes guarantee ceilings for the various geographic regions and sub-regions.

The Commission has recently published a comprehensive evaluation of the implementation of the External Lending Mandate since mid-2014 until end-2018.⁴

This annual report provides a basic overview of the EIB's activities under the EU guarantee in 2018.⁵ It also provides a summary of the operations carried out by the EIB without the EU guarantee (i.e., at its 'own risk') in order to provide a fuller picture of the EIB's activity in the regions covered by the ELM.⁶

2. KEY RESULTS

In 2018, the EIB signed a total of EUR 5.8 billion of financing operations in the regions covered by the External Lending Mandate.⁷ Of this total, over EUR 4.46 billion of EIB

¹ Decision No 466/2014/EU of the European Parliament and of the Council of 16 April 2014 granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union, OJ L 135, 8.5.2014, p. 1.

² Amending Decision (EU) 2018/412 of 14 March 2018, OJ L 76, 19.3.2018, p. 30.

³ Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions (Codified version), OJ L 145, 10.6.2009, p. 10, last amended by Regulation (EU) 2018/409 of the European Parliament and of the Council of 14 March 2018.

⁴ SWD(2019) 333 final and related documents, available at https://ec.europa.eu/info/commission-staff-evaluation-european-investment-banks-external-lending-mandate-2014-18_en.

⁵ This report has been prepared in line with the requirements set out in Article 11 of the ELM Decision.

⁶ The EIB currently has four Own Risk Facilities in the ELM regions, namely the Pre-Accession Facility (PAF), the Neighbourhood Financing Facility (NFF), the Climate Action and Environment Facility (CAEF) and the Strategic Projects Facility (SPF). The latter two facilities also cover African, Caribbean and Pacific countries and Overseas Countries and Territories of EU Member States.

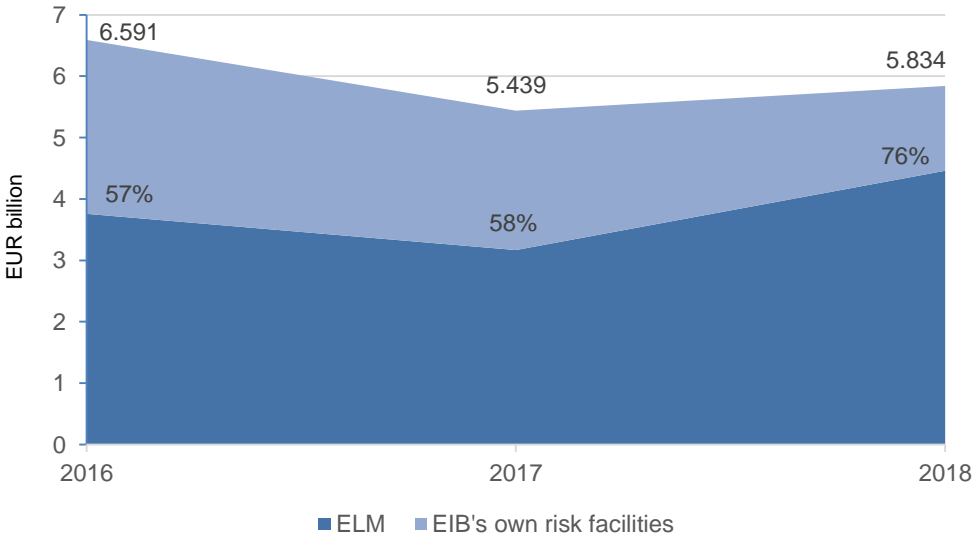
⁷ In addition, two operations signed in 2005-6 were transferred under the ELM 2014-20 in the course of 2018, with combined volume of EUR 150 million. These two operations are not included in the overviews of 2018 signatures presented in this annual report, but they are taken into account in the overview of the ELM's cumulative utilisation rate (Table 2 in section 3.2).

operations are covered by the EU guarantee (i.e., they fall under the ELM), involving nearly 50 loan contracts. The remaining operations are financed from the EIB’s own-risk facilities.

Compared to 2017, when only EUR 3.2 billion of operations were signed under the ELM, the 2018 volumes are visibly higher. By contrast, the volume of the EIB’s own-risk operations in ELM countries declined from EUR 2.3 billion in 2017 to EUR 1.4 billion in 2018.⁸

Chart 1 illustrates the evolution of lending under the ELM and the own-risk facilities between 2016 and 2018 (amounts signed, net of amounts cancelled). Over this period, an average of 64% of EIB financing in these regions benefitted from the EU guarantee.⁹

Chart 1: Annual evolution of EIB lending volumes in the ELM regions



In accordance with the ELM Decision, the nature of the EU guarantee differs depending on the EIB’s financing operation in question:

- A comprehensive guarantee, covering both operational and political risks, is provided for financing operations with public sector counterparts (typically for infrastructure development) as well as for EIB loans to banks or companies that benefit from a state guarantee and for financing operations under the Economic Resilience Initiative private mandate, created following the mid-term review of the ELM in 2018.¹⁰ EUR 4.2 billion or nearly 95% of financing operations signed under the ELM in 2018 benefitted from the EU’s comprehensive guarantee.

⁸ The decrease in the volume of the EIB’ own-risk operations in the ELM regions in 2018 is mainly attributable to the slowdown of EIB activities in Turkey and to climate action-related projects in Asia, Central Asia and Latin America, which were higher in number but smaller in size.

⁹ Differences with amounts published in previous reports are due to contract cancellations. The two operations transferred under the ELM 2014-20 from previous mandates during 2018 are not included in the chart.

¹⁰ The EU comprehensive guarantee enables the EIB to waive the risk premium it would otherwise need to include in its interest rate. Consequently, partner countries or their institutions/companies can borrow from the EIB at a significantly lower cost. For a detailed analysis, see SWD(2019) 333, pp. 10-11, 21 and 33-37.

- A *political risk guarantee* with a more limited coverage is provided for other private sector operations.¹¹ In 2018, it covered financing operations in the volume of EUR 242 million.

The cumulative level of disbursements under the ELM 2014-20 reached 33% of net signatures at the end of 2018 (EUR 5.8 billion), up from 18% in 2016 and 25% in 2017. Especially in the case of infrastructure projects, disbursements of EIB financing take place gradually and over a number of years.¹²

3. FINANCING OPERATIONS

3.1. OVERVIEW OF NEW EIB FINANCING OPERATIONS BY OBJECTIVE

Each operation under the ELM contributes to one of the two ‘vertical’ objectives of (a) local private sector development or (b) development of social and economic infrastructure. In addition, the same operations can also contribute (partly or fully) to the ‘horizontal’ objectives of climate action, regional integration and long-term economic resilience.¹³

The total volume of EIB investments signed under the ELM in 2018 amounted to EUR 4.46 billion. Two-thirds (EUR 3 billion) will contribute to the development of social and economic infrastructure. The remaining one-third will support local private sector development, principally through improving access to finance for SMEs.

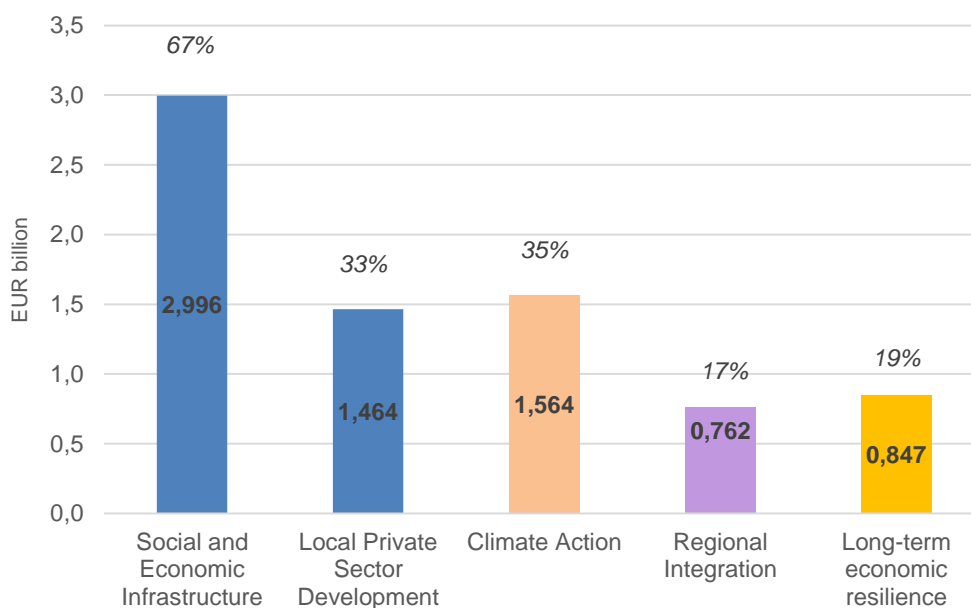
From the same total volume signed under the ELM in 2018, 35% will contribute to the climate action objective, 17% will support regional integration, and 19% will contribute to the objective of long-term economic resilience (see Chart 2).

¹¹ The political risk guarantee covers non-payment due to non-transfer of currency, expropriation, war or civil disturbance or denial of justice upon breach of contract. It does not translate in a reduction of the EIB’s risk pricing.

¹² For a more detailed analysis concerning disbursements, see the recent Commission staff evaluation, SWD(2019) 333, pp. 28 – 30.

¹³ Article 3 of the ELM Decision.

Chart 2: Contribution to ELM objectives (EUR billion)



Note: A single project may contribute to more than one objective of the ELM. The objectives of Climate Action, Regional Integration and Long-term Economic Resilience are cross-cutting (horizontal) objectives applying to all projects and therefore overlap with the two others. Signature volumes for Local Private Sector Development and Economic & Social Infrastructure counted together give the total volume signed in the year.¹⁴

Local private sector development, in particular support to SMEs

The EIB signed EUR 1.72 billion of operations supporting local private sector development in 2018, of which EUR 1.46 billion under the ELM. The vast majority of this financing was provided in the form of credit lines to local financial intermediaries (mainly banks) for on-lending to SMEs and mid-caps. Four of these credit lines aim to reach out to second-tier banks, namely in Armenia, Lebanon, Montenegro and South Africa. The EIB also signed one new credit line for microfinance in Jordan at its own risk.

Moreover, the EIB also invested in private equity funds under its own-risk facilities, notably in the Green Growth Fund in the Southern Mediterranean and in the EcoEnterprises fund in Latin America. Finally, it also provided a loan for the development of three industrial zones in Lebanon and loans to a Ukrainian corporation active in agri-business and biomass power generation.

¹⁴ The EUR 847 million of operations contributing to the long-term economic resilience objective include also several operations that had been signed by the EIB prior to the conclusion of the current ELM guarantee agreement between the Commission and the EIB in October 2018. Their inclusion under the long-term economic resilience objective was confirmed by the Commission Decision C(2019) 2901 final of 17 April 2019. In the recently published evaluation of the External Lending Mandate (SWD(2019) 333), these ‘transitional operations’ were not included in the statistical calculation. This difference in calculation explains why the evaluation states on p.27 that only ‘10% of 2018 signatures under the ELM contributed to the objective of long-term economic resilience’, while Chart 2 of this annual report shows that the resilience objective will be supported by 19% of the amounts signed under the ELM in that year.

Development of social and economic infrastructure

Financing operations contributing to the development of social and economic infrastructure in the ELM regions amounted to EUR 4.12 billion of volumes signed by the EIB in 2018, of which nearly EUR 3 billion under the EU guarantee. The main sectors concerned were energy, transport and water/sewerage.

New infrastructure investments under the ELM include upgrades of Ukraine's electricity transmission infrastructure, a tunnel under the Bosphorus, a road corridor in Bosnia and Herzegovina, rail fleet modernisation in Bangladesh, rehabilitation of the metro network in Buenos Aires or wastewater treatment facilities in Egypt.

Under its own-risk facilities, the EIB signed financing in 2018, for instance, for solar energy development in Mexico, for urban transport in Bangalore and Bogota, or water and wastewater infrastructure in Panama and Uzbekistan.

Climate change mitigation and adaptation

EUR 2.5 billion of loans in the ELM regions signed in 2018 will support climate change mitigation and adaptation, of which EUR nearly 1.6 billion under the EU guarantee.¹⁵ At end-2018, the cumulative climate action ratio in the current ELM period stood at over 35% of net signatures, exceeding the 25% target established by the ELM Decision.

The largest contributions to the climate action objective will come from lower carbon transport and renewable energy investments. Adaptation to climate change continues to account for less than 10% of the EIB's climate-related financing in the ELM regions.

Regional integration

The EIB signed 12 new projects in 2018 that contribute to the cross-cutting objective of regional integration. The largest of these is the Trans-Anatolian Natural Gas Pipeline. Other operations counted in this category will finance transport links (e.g. the Niš-Dimitrovgrad railway in Serbia) or upgrades of air traffic control systems in Serbia and Kosovo.

Economic Resilience Initiative (ERI)

The Economic Resilience Initiative was launched by the EIB in 2016 as a contribution to Europe's response to the migration and refugee challenge.¹⁶ In the context of the mid-term review of the ELM completed in 2018, an additional objective of long-term economic resilience was introduced in the ELM Decision. Moreover, EUR 1.4 billion was earmarked for public sector investments contributing to the resilience objective, and a specific 'ERI Private Mandate' of EUR 2.3 billion was created in order to guarantee private sector investments supporting long-term economic resilience. The ERI Private Mandate is specific in

¹⁵ In many cases, only part of a project contributes to the climate change objective and only a proportion of that project's lending total is therefore reported as contributing towards the objective.

¹⁶ <https://www.eib.org/en/projects/initiatives/resilience-initiative/index.htm>

that it provides to the EIB a comprehensive guarantee cover, enabling to undertake financing operations involving higher risk.¹⁷

By end-2018, the EIB approved EUR 4.1 billion of operations foreseen to respond to this new objective of the ELM. More than half of them are credit lines (mainly for lending to SMEs), some 12% are water or sewerage investments and some 11% are investments in transport.

3.2. OVERVIEW OF EIB FINANCING BY REGION AND SECTOR

Table 1 provides an overview of the volume of EIB financing in 2018 in the regions covered by the ELM, including those with EU guarantee and those financed under own-risk facilities.

Table 1: EIB financing operations signed in 2018 in ELM regions (net of cancellations)

Region (EUR million)	Operations with EU guarantee			EIB own-risk facilities or third-party funds	Total
	Comprehensive guarantee	Political risk guarantee	Total ELM		
Pre-Accession	1,182	60	1,242	230	1,472
Mediterranean	1,944	20	1,964	60	2,024
Eastern Neighbours, Russia	470	162	632	--	632
Asia	205	--	205	600	805
Central Asia	--	--	--	200	200
Latin America	347	--	347	292	639
South Africa	70	--	70	--	70
Total	4,218	242	4,460	1,382	5,842

The EIB signed EUR 5.8 billion of loans in the ELM regions in 2018 out of EUR 7.7 billion of operations outside the EU (including the ACP countries, Overseas Countries and Territories as well the EFTA states). Approximately EUR 4.1 billion is the volume of operations signed in the Pre-Accession and in the Neighbourhood regions (both South and East). EUR 1.7 billion was signed in Asia, Central Asia, Latin America and South Africa.¹⁸

Compared to 2017, the total volume of EIB financing in ELM regions somewhat increased in 2018, mainly due to a ramp-up of activity in the Western Balkans.

¹⁷ The EIB remunerates the EU for the budgetary guarantee under the ERI Private Mandate by passing on to the EU the risk-related revenues on these operations.

¹⁸ As noted above, in addition, two operations signed in 2005-6 in the Southern Neighbourhood were transferred under the ELM 2014-20 in the course of 2018, with combined volume of EUR 150 million. These two operations are not included in Table 1 (overview of 2018 signatures) but they are counted in Table 2 (utilisation of ELM guarantee ceilings).

Table 2: Net signatures per year and cumulative net signatures compared with ELM guarantee ceilings for 2014-20 (Decision 466/2014/EU as amended by Decision (EU) 2018/412)

Region / year (EUR million)	2014 (H2)	2015	2016	2017	2018	Total 2014(H2) -2018	Guarantee ceiling	Utilisation rate
Pre-Accession	200	906	582	170	1,242	3,100	7,635	41%
Mediterranean	379	726	1,299	1,168	1,789*	5,973	11,170	53%
<i>ERI Private Mandate**</i>				612	325	937	2,300	41%
Eastern Neighbourhood, Russia	975	1,401	1,493	657	632	5,158	6,650	78%
Asia	45	433	45	118	205	846	1,165	73%
Central Asia	70	70	20	22		182	224	81%
Latin America	219	468	319	371	347	1,725	2,694	64%
South Africa		150		50	70	270	462	58%
Total	1,888	4,154	3,758	3,168	4,610*	17,578	32,300	54%

* including two operations in the Southern Neighbourhood in the volume of EUR 150 million, transferred from earlier mandates to the ELM 2014-20 in the course of 2018

** The ERI Private Mandate covers the Western Balkans and the Mediterranean region.

Cumulative signatures under the ELM for 2014-18, net of cancellations, reached approximately EUR 17.6 billion at the end of 2018. The cumulative utilisation rate of the ELM in terms of net signatures stood at 54% of the overall guarantee ceiling.

The lowest rate of utilisation of the EU guarantee is observed in the Pre-Accession region. This is explained mainly by the scaling back of EIB operations in Turkey in view of political and economic developments since 2016. The highest utilisation rate, at least in terms of signatures, is recorded in Central Asia and in the Eastern Neighbourhood.

Looking at the ERI Private Mandate established through the amending Decision (EU) 2018/412, the EIB already utilised 41% of it by the end of 2018.

As concerns sector distribution of ELM operations in 2018, the top rank is once again occupied by credit lines to local banks serving as intermediaries of financing for private sector development (33%). However, the majority of ELM operations consists of infrastructure investments, mainly in the transport, energy and water/sewerage sectors.

Table 3: Sector distribution of EIB financing operations signed in ELM regions in 2018 under the EU guarantee

Sector / region (EUR million)	Pre-Accession	Mediterranean (Southern Neighbourhood)	Eastern Neighbourhood & Russia	Asia*	Latin America	South Africa	Total	Share of the total
Credit lines	260	970	155	--	--	70	1,455	33%
Transport	746	40	132	130	102	--	1,150	26%
Energy	236	387	167	--	46	--	836	19%
Water, sewerage	--	438	84	75	139	--	736	17%
Industry	--	--	56	--	--	--	56	1%
Urban development	--	77	--	--	24	--	101	2%
Composite infrastructure	--	52	--	--	--	--	52	1%
Agriculture, fisheries, forestry	--	--	38	--	--	--	38	1%
Solid waste	--	--	--	--	36	--	36	1%
Total	1,242	1,964	632	205	347	70	4,460	100%

* Asia excludes the sub-region of Central Asia, where no operations under the ELM were signed in 2018.

3.3. ESTIMATED RESULTS OF EIB OPERATIONS

Given that the majority of EIB operations under the ELM serve to finance infrastructure investments, which typically take many years to be completed, data on actual results and impacts achieved with the support of the EU budgetary guarantee normally becomes available with a considerable time lag.

The EIB assesses the expected impact of its financing operations through its 'Result Measurement Framework' (ReM), launched in 2012. At appraisal stage, results indicators are identified, with baselines and targets that forecast expected economic, social, and environmental outcomes. Achievement against those performance benchmarks is monitored throughout the project's life and reported at two milestones: project completion and three years after project completion ('post completion') for direct operations; the end of the investment period and the end of life of private equity funds; and the end of the allocation period for intermediated lending.

Under the ReM, projects are rated by the EIB under three 'pillars':

- i. Pillar 1 rates the expected contribution to EU and partner countries' priorities and eligibility under EIB mandate objectives. It helps to understand the logic of EIB intervention with a view to the expected *impacts* of the project.

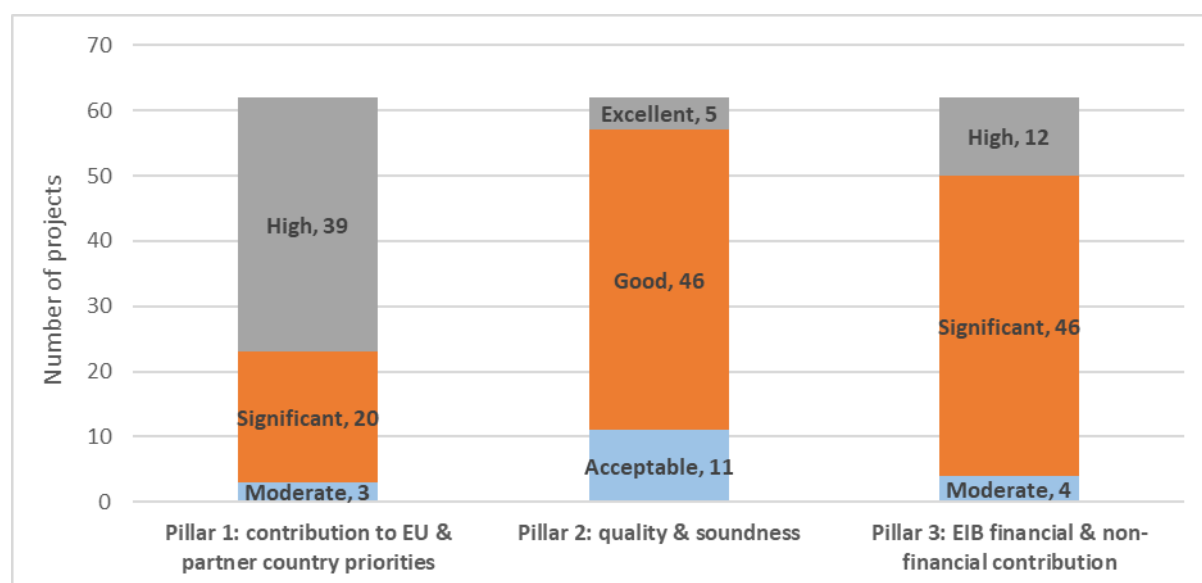
- ii. Pillar 2 rates the quality and soundness of the operation, based on the expected *outputs, outcomes and results*.
- iii. Pillar 3 rates the expected financial and non-financial contribution (added value) the EIB brings to the project, beyond the market alternative. It helps to assess the intervention logic at the level of the EIB's *input* to the project.

This section reports the EIB's estimations under the ReM framework with regard to 62 projects for which the first financing contract was signed in 2018 under the ELM and the EIB's own-risk facilities. The total amount of financing approved by the EIB for these projects is EUR 7.2 billion.

In 2018, 59 of 62 new projects were rated by the EIB at least 'significant' under Pillar 1, signifying that they are deemed to be in line with ELM objectives and make a high contribution to either national development objectives or those of the EU and a moderate contribution to the other. 39 projects were rated 'high' by the EIB for making a high contribution to both EU priorities and national development objectives.

The Pillar 2 rating is based mainly on project soundness and financial and economic sustainability. Five new projects signed in 2018 were rated 'excellent' and 46 were rated 'good' by the EIB under Pillar 2, with an average economic rate of return of 10% to 15% in the case of infrastructure projects. 11 projects received an 'acceptable' rating by the EIB, often because of high risk environments or promoter weaknesses.

Chart 3: EIB ReM ratings by pillar for new operations in ELM regions signed in 2018



Under Pillar 3, the EIB rated its expected financial and non-financial contribution to 58 projects as 'high' or 'significant', notably for the length of tenor of financing provided, exceeding what was available in local markets.

As the EIB Results Measurement Framework matures, data gradually becomes available also on the results actually achieved on some operations where expectations had been formulated

through the ReM after its launch in 2012. For 2018, the EIB has reported actual results for nine credit lines – six in Turkey and one each in Georgia, Lebanon and Ukraine. Under these credit lines, the partner banks extended EUR 1.52 billion through 5,740 loans in total, of which 5,504 loans benefited SMEs and 232 midcaps. This lending helped to sustain 235,000 jobs in the final beneficiary companies, roughly 40% of which were in midcap companies. The average tenor of the loans provided to final beneficiaries (weighted by loan size) was 4.4 years. The average beneficiary company had 41 employees.

3.4 CALLS ON THE EU GUARANTEE

In 2018, the EIB proceeded to make new calls under the EU Guarantee as a consequence of overdue amounts on Syrian sovereign loans. From 2012 to 2018 the EIB called overall EUR 421.2 million, of which EUR 55.6 million in 2018, while the residual principal amount potentially callable stood at EUR 211.5 million at end-2018.¹⁹ Efforts to recover the overdue amounts have not been successful to date. The EIB has followed up in relevant courts in order to preserve the EU's claims on the amounts owed by Syria.

4. EIB COOPERATION WITH OTHER PARTNERS

4.1 COOPERATION WITH THE COMMISSION

Cooperation between the EIB and the Commission on matters related to the ELM takes place in the context of a broader partnership between the two institutions, including the European Fund for Strategic Investments (inside the EU) as well as EU blending facilities that support development financial institutions' activities outside the EU and in the European Fund for Sustainable Development (EFSD).

The EIB has continued to draw on the EU's blending facilities, i.e. concessional financing from EU budget resources, supporting the preparation and/or implementation of EIB-financed projects. In 2018, 24 new grants fully or partially funded from the EU budget for a total of EUR 193 million were approved for implementation by the EIB in ELM regions. Of these, EUR 43 million was allocated for technical assistance, EUR 105 million for investment grants, EUR 40 million for risk capital and EUR 5 million for interest rate subsidies.

The EIB is also one of the implementing partners for the new EU guarantee offered through the EFSD. However, the ELM and the EFSD target rather different types of products, borrowers and geographies. For example, the EFSD does not cover Western Balkans while the ELM does not cover large parts of Africa. Moreover, the decision-making process on the EU guarantees provided under the EFSD is different from the upfront 7-year guarantee provided to the EIB for the ELM.

In June 2018 the Commission proposed to revamp the provision of EU budgetary guarantees for investment outside the EU in the context of the post-2020 Neighbourhood, Development

¹⁹ The amounts are reported in the EUR equivalent as of 31 December 2018 for indicative purposes only. Some of the guarantee calls refer to amounts owed in other currencies.

and International Cooperation Instrument (NDICI).²⁰ The approach proposed for post-2020 is based on the notion of an ‘open architecture’ whereby the EIB would remain an important partner for the financing of investments supporting sustainable development outside the EU, but a number of other financial institutions would also qualify for EU guarantees.²¹ The NDICI foresees stronger policy steer from the EU and reinforced coordination with the financial institutions serving as implementing partners. As the European Parliament and the Council began to examine the NDICI proposal, follow-up technical discussions between the Commission and the EIB were undertaken, helping to specify options for the design of post-2020 guarantees that could be provided by the EU to the EIB.

4.2. COOPERATION WITH THE EUROPEAN OMBUDSMAN

The Memorandum of Understanding signed between the EIB and the European Ombudsman in 2008 sets the basis for the two stages of the EIB Complaints Mechanism. Complaints are first handled through the EIB’s internal mechanism (EIB-CM) before possibly coming to be examined by the Ombudsman. The EIB updated its Complaints Mechanism Policy in November 2018.²²

During 2018, the Ombudsman did not notify nor close any complaints related to the EIB activities in the ELM regions.

As for the internal stage of the EIB Complaints Mechanism, the number of new project-related complaints registered in the ELM regions increased from 14 in 2017 to 19 in 2018. Out of these, 12 were related to environmental and social issues, 5 to procurement undertaken by project promoters, and 2 to the EIB’s own procurement (consultancy services). During the same year 2018, the EIB-CM closed 17 cases in the ELM regions: 4 in Bosnia and Herzegovina, 1 in Egypt, 4 in Georgia, 1 in Jordan, 1 in Morocco and 6 in Serbia. The outcome of these complaints handled by EIB-CM varied from ‘allegations not grounded’ (11), ‘friendly solution’ (1), ‘allegations grounded’ (2) and ‘areas for improvement recommended’ (3).

4.3. COOPERATION WITH INTERNATIONAL FINANCIAL INSTITUTIONS

The EIB’s cooperation with other International Financial Institutions (IFIs) and development finance institutions of EU Member States (DFIs) ranges from dialogue on institutional matters and thematic issues to co-financing of operations and sharing of relevant technical work.

In 2018, the EIB and the European Bank for Reconstruction and Development (EBRD) co-financed together 13 projects outside the EU, the highest annual number yet. Seven projects were co-financed with the AFD Group (France) and two with the KfW Group (Germany). Furthermore, 6 projects were co-financed with the International Bank for Reconstruction and

²⁰ Proposal for a Regulation of the European Parliament and of the Council, COM(2018) 460 final of 14 June 2018, establishing the Neighbourhood, Development and International Cooperation Instrument.

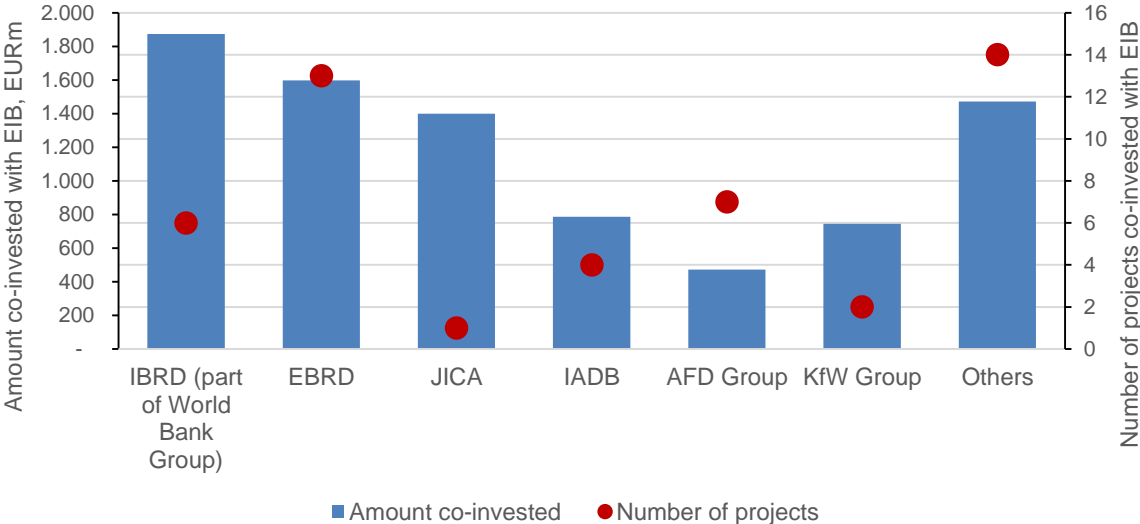
²¹ See also Commission Communication of 12 September 2018 “Towards a more efficient financial architecture for investment outside the European Union”, COM(2018) 644 final.

²² <http://www.eib.org/en/infocentre/publications/all/complaints-mechanism-policy.htm>

Development (IBRD), part of the World Bank Group, including the TANAP pipeline or the Bogota Sustainable Transport project. The latter and three other projects also involved co-financing from the Inter-American Development Bank (IADB). In addition, 2018 saw an important co-investment with the Japan International Cooperation Agency in the Bosphorus Tunnel Tranche B operation in Turkey.

The EIB, AFD and KfW have continued to cooperate closely in the context of the Mutual Reliance Initiative (MRI). Launched in 2013, the MRI streamlines and facilitates the delivery of co-financing support to beneficiaries by relying on one of the three partners assuming the role of Lead Financier for certain project-related tasks, e.g. parts of the project due diligence or procurement supervision. The management and decision-making bodies of the MRI partners have become acquainted to documents prepared by another institution, which they use for their own decisions. Overall, as of end-2018, 37 projects in ELM regions for which the EIB signed contracts under the current ELM (since mid-2014) were co-financed with the AFD Group and/or the KfW Group and 10 of them were covered by the Mutual Reliance Initiative.

Chart 4: IFIs and DFIs co-financing with EIB projects signed in 2018



Note: The amounts to be co-invested by other IFIs and DFIs are purely indicative, based on estimations undertaken at early stages of project development.