

PRESS RELEASE

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EUROPEAN DEVELOPMENT FINANCE INSTITUTIONS TO ESTABLISH JOINT CLIMATE CHANGE FUND

Agence Française de Développement (AFD), the European Investment Bank (EIB) and European Development Finance Institutions (EDFI) will establish a joint climate change fund.

AFD, EIB and EDFI members will sign a Memorandum of Understanding for THE INTERACT CLIMATE CHANGE FUND (ICCF) at a meeting in Bruges on Friday. The Parties intend to establish an investment matching facility to invest in private sector climate change projects in Africa, the Caribbean and the Pacific, Asia and Latin America before the end of 2010.

The institutions have extensive experience operating across developing countries and emerging markets and share a joint interest in financing climate change and climate efficiency projects with the aim of creating a portfolio of climate friendly private sector investments in target countries.

Partners will seek to demonstrate the financial attractiveness of climate-friendly projects to private sector investors in developing countries and emerging markets and will commit to act as catalyst lead investors to attract additional long-term investments.

The institutions will further promote use of clean technology as an integral part of economic development and provide long term financing for renewable energy projects in countries facing acute energy shortages and restricted energy access, further contributing to economic development;

Funding is expected to be provided by Agence Française de Développement, the European Investment Bank through the Cotonou Investment Facility and 12 EDFI members: BIO (Belgium), CDC (United Kingdom), COFIDES (Spain), DEG (Germany), FINNFUND (Finland), FMO (the Netherlands), IFU (Denmark), NORFUND (Norway), OeEB (Austria), PROPARCO (France), Sifem (Switzerland) and SWEDFUND (Sweden).

The initiative has the twin aim of promoting sustainable development of private sector climate change projects and strengthening meaningful co-operation between European Development Finance Institutions, AFD and the European Investment Bank.

The European Investment Bank's Director General for Operations outside the European Union and Candidate Countries, Martin Curwen, the acting Director General of AFD, Jean Michel Debrat, and the Chairman of EDFI, Luc Rigouzzo, expressed their commitment to the ICCF initiative at the signing ceremony in Bruges.

NOTE TO THE EDITOR

- The European Investment Bank, the European Union's financing institution, whose shareholders are the 27 European Union member states, supports investment projects fostering European development aid and cooperation policies.
- The European Investment Bank has been an active development partner in many African, Caribbean and Pacific countries since 1963. Since the inception of its successive development mandates in these regions the EIB has lent EUR 11.7 billion in favour of 1000 projects in 80 different countries. Since 2003, EIB operations in African, Caribbean and Pacific countries have been carried out under the ACP-EC

Cotonou Partnership Agreement. The Bank manages the EUR 3.5bn Investment Facility- funded from European Development Fund - which finances investment projects in the region through risk-bearing financial instruments. For the period 2007-2013, the Bank can also lend up to EUR 2bn, using its own resources backed by a guarantee from European Union member states.

- EIB loans in the ACP regions concentrate on fostering private sector-led initiatives, including SME investments that promote sustainable economic growth and help to reduce poverty. The Bank also supports public sector projects that are critical for private sector development and the creation of a competitive business environment.

Media contact:

- European Investment Bank: Richard Willis, Tel: +352 621 555758, Email: willis@eib.org, www.eib.org

AFD stands for the Agence Française de Développement. AFD is a public development finance institution that has worked to support economic growth and fight poverty in developing countries and the French Overseas Communities for almost 70 years. AFD executes the French government's development aid policies.

Through offices in more than fifty countries and nine French Overseas Communities, AFD provides financing and support for projects that improve people's living conditions, promote economic growth and protect the planet: schooling, maternal healthcare, help for farmers and small business, water supply, preservation of tropical forests, and fighting climate change, among other concerns.

In 2009, out of the €6.2 billion committed by AFD to financing aid activities, 40% have contributed to the fight against climate change. AFD has made available for energy efficiency and renewable energy projects €2 billion of financing last year. In addition, the commitments of AFD towards climate change effects adaptation projects, mainly in the area of water resource preservation in African countries, have amounted to € 430 million. These investments will help preventing the emission of 5 million tons of carbon dioxide each year during the next 20 years.

For further information about AFD, please contact Laure Weisgerber, Tel. +33 1 53 44 30 57
weisgerberl@afd.fr or visit www.afd.fr

EDFI, the Association of European Development Finance Institutions, is a group of fifteen bilateral European development finance institutions, whose members provide long term finance for private sector enterprises in developing and reforming economies. The main objectives of EDFI, which was founded in Brussels in 1992, are to foster cooperation among its members and to strengthen links between these and EU institutions. At the end of 2009, the total investment portfolio of EDFI members was EUR 18.5 billion in almost 4.000 projects. The EDFI members committed EUR 4.6 billion to new projects in 2009.

The EDFI members are: BIO, Belgium - CDC, United Kingdom - COFIDES, Spain - DEG, Germany - FINNFUND, Finland - FMO, The Netherlands - IFU/IØ, Denmark - NORFUND, Norway - OeEB, Austria - PROPARCO, France - SBI/BMI, Belgium - Sifem, Switzerland - SIMEST, Italy - SOFID, Portugal - SWEDFUND, Sweden

For further information about EDFI, please contact Jan RIXEN, tel. +32 2 230 2369 jan.rixen@edfi.eu or visit <http://www.edfi.eu>