



EUROPEAN INVESTMENT BANK

EIB's Contribution to Transport Infrastructure Investments in the Danube Region

The Danube Region Transport Days 2012
18-19 November 2012
Hotel LEV, Vošnjakova ulica 1, Ljubljana, Slovenia



European Investment Bank (EIB)

- ❖ Created by the Treaty of Rome in 1958
- ❖ Long-term lending bank owned by the 27 EU-Member States
- ❖ Further EU policy objectives while operating on “non-profit”-making basis
- ❖ AAA-Rating, voluntary application of Basel Regulation
- ❖ Anti-cyclic loan allocation in crisis times

2011 Key Figures:

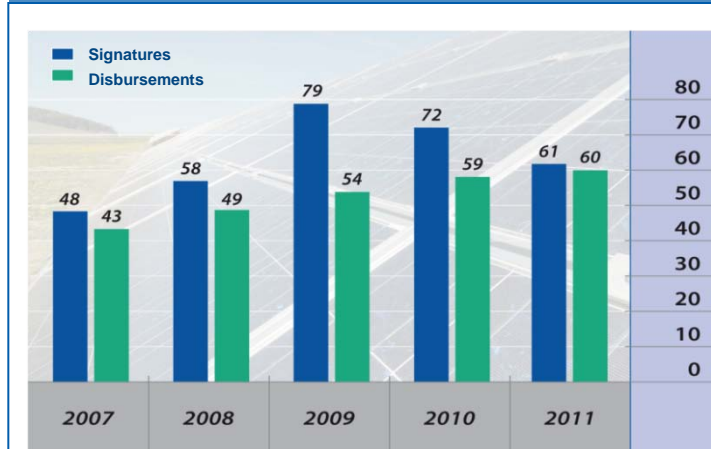
- ❖ Total Lending : Eur 60.9 bn *of which Eur 10.7 bn for transport*
- ❖ Total Borrowings Eur 73.0 bn
- ❖ Subscribed Capital Eur 232.39 bn



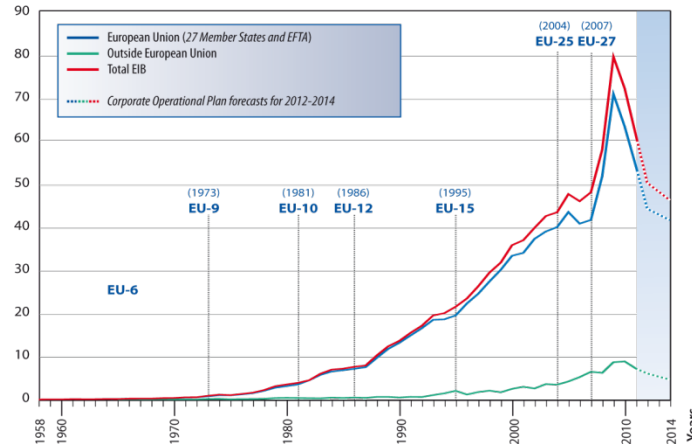


Signatures, Disbursements and Capital

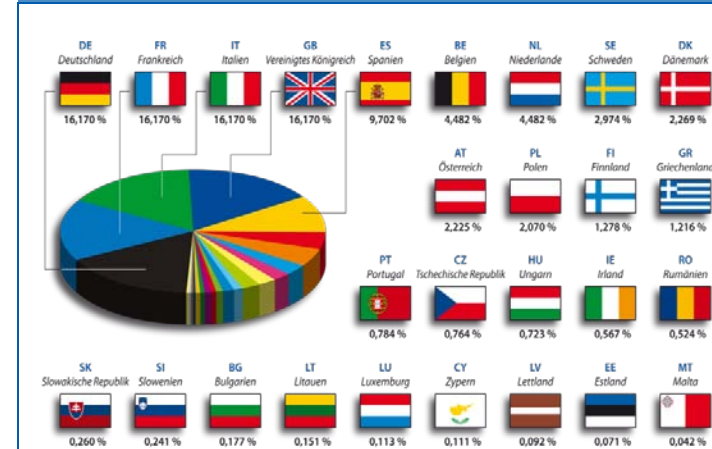
Signatures & Disbursements



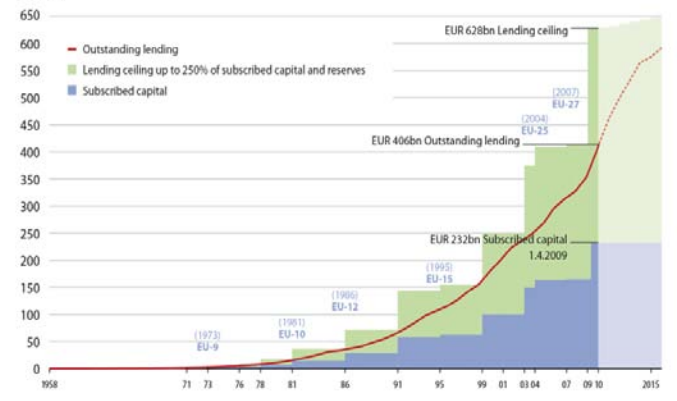
EUR bn



Capital



EUR bn





The Danube Region – Three Mandates





EIB Priority Objectives in the Danube Region

❖ **Connect**

- Trans-European Networks (TEN's)
- Cohesion and Convergence (Regional Development)

❖ **Build Prosperity**

- Promoting a competitive Knowledge Economy, Education, RDI
- SME's and Midcaps

❖ **Protect the Environment**

- Environmental sustainability
- Sustainable, competitive and secure energy



EIB's means in the Danube Region

Lending

- Maintaining a high level of Lending activity in the Region
- Focus on Transport, sustainable energy and water quality

Blending

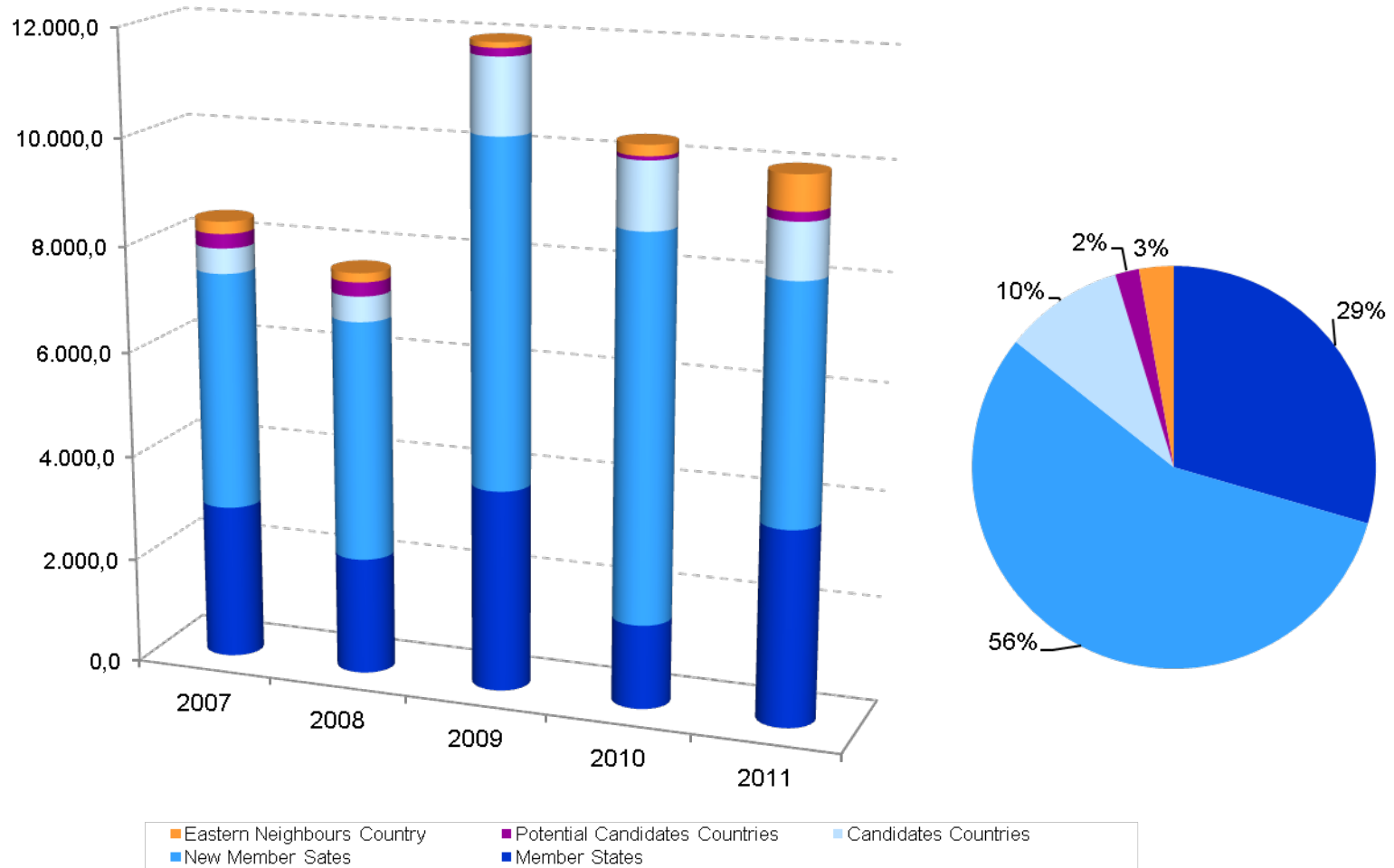
- Co-financing of Structural Funds financed projects
- Leveraging EU Funds through EU contribution to Credit Risk Provisioning

Advising

- Providing advice to public sector clients to help developing their:
 - Financial absorption capacity
 - Design and management of joint financial instruments
 - Project preparation and implementation capabilities
- JASPERS - Joint Assistance to Support Projects in European Regions
- Cooperation with Budapest Danube Contact Point
- Western Balkan Investment Framework (WBIF)
 - Launched in 2010 (EC, EBRD, CEB and EU Member States)
 - joint grant facility and joint lending facility to prepare and implement priority projects in view of the EU Pre-Accession process



EIB Lendings in the Danube Region 2007-2011





EIB products and instruments

Project Loans (Individual Loans)

Public and private sector promoters - Large scale projects or investment programmes
50% eligible cost - > Eur 25 m – Eur 50 m



Public Entities & Financial Intermediaries

Global Loans

SME's, local authorities, etc ...
50% eligible cost
Eur 40.000 to Eur 25 m

Framework Loans

Assist public authorities to fund large multi sector investment projects

Structural Programme Loans

Multi-schemes (FL) managed by Public authorities, within Operational Program Structural or Cohesion Funds

Co-Financed Structural Funds

EU Member States, Enlargement Countries, EU Eastern Neighbours

Sub-schemes Appraisal



Eur 25 m



Eur 50 m





The Project Cycle

- Strong Project Promoters
 - Financial Ability to Repay Loan
 - Ability to Plan, Implement and Operate Projects
- [- PPPs: Ability to Organise, Tender, Supervise Concession]



- EU Procurement Rules
- EU Directives on Environment
- Economic Viability
- Feasibility Study / Alternatives



Special Products for Public Private Partnerships (PPP)

- ❖ **European PPP Expertise Centre** (EC and EU Member States)
 - sharing of experience, best practice in PPPs
 - support and advice to EPEC Members during project preparation phase

- ❖ **Structured Finance Facility**
 - financing of higher risk tranches

- ❖ **Loan Guarantee Instrument for Trans-European Transport Network Projects** (LGTT)
 - cover for lower than expected revenues that might occur due to lower than anticipated traffic volumes in early phases of project operation.
 - improved private sector participation in TEN projects that are exposed to traffic risk



❖ Europe 2020 Project Bond

- signed on 07.11.2012 between EC and EIB to improve capital market financing of infrastructure
- credit enhancement to project companies raising senior debt in the form of bonds to finance infrastructure projects
- the bonds will be rated A- or better and be issued by the project company (not by EIB or Member State)
- EIB will provide credit enhancement in the form of subordinated instrument (either a loan or contingent facility)
- after pilot phase, part of the EU's "Connecting Europe Facility" (2014-2020)

❖ Marguerite Infrastructure Fund

- co-financed with other leading European financial institutions
- specifically designed to provide direct equity for TEN projects



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