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

- **Signatures**
- **Disbursements**

<table>
<thead>
<tr>
<th>Year</th>
<th>Signatures</th>
<th>Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>48</td>
<td>3</td>
</tr>
<tr>
<td>2008</td>
<td>43</td>
<td>58</td>
</tr>
<tr>
<td>2009</td>
<td>54</td>
<td>49</td>
</tr>
<tr>
<td>2010</td>
<td>59</td>
<td>72</td>
</tr>
<tr>
<td>2011</td>
<td>61</td>
<td>60</td>
</tr>
</tbody>
</table>

### Capital

- **European Union (27 Member States and EFTA)**
  - Germany: 16.179%
  - France: 16.179%
  - Italy: 16.179%
  - United Kingdom: 9.732%
  - Spain: 4.482%
  - Netherlands: 4.482%
  - Sweden: 2.074%
  - Denmark: 2.260%
- **Outside European Union**
  - Austria: 2.074%
  - Poland: 2.074%
  - Italy: 2.074%
  - Switzerland: 1.296%
  - Norway: 1.296%
  - Estonia: 1.296%
- **Corporate Operational Plan forecasts for 2012-2014**
  - Outstanding lending: EUR 62.5bn
  - Lending ceiling up to 250% of subscribed capital and reserves: EUR 62.5bn
  - Subscribed capital: EUR 25bn

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European Investment Bank

19.11.2012
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

Direct Loans
Indirect Loans

Public Entities & Financial Intermediaries

<table>
<thead>
<tr>
<th>Global Loans</th>
<th>Framework Loans</th>
<th>Structural Programme Loans</th>
<th>Co-Financed Structural Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME’s, local authorities, etc …</td>
<td>Assist public authorities to fund large multi sector investment projects</td>
<td>Multi-schemes (FL) managed by Public authorities, within Operational Program Structural or Cohesion Funds</td>
<td>EU Member States, Enlargement Countries, EU Eastern Neighbours</td>
</tr>
<tr>
<td>50% eligible cost</td>
<td>Eur 40.000 to Eur 25 m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sub-schemes Appraisal

EIB ex-post
Eur 25 m

EIB ex-ante
Shortened appraisal

Eur 50 m

EIB ex-ante
Normal appraisal
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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