

European Investment Bank *The EIB bank*

Transport Lending in the EIB

SEETO Transport Infrastructure Forum SARAJEVO

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1. The EU Bank
2. Transport Investment and EIB Lending
3. EIB Project Cycle and Appraisal
4. Challenges ahead

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The EU Bank



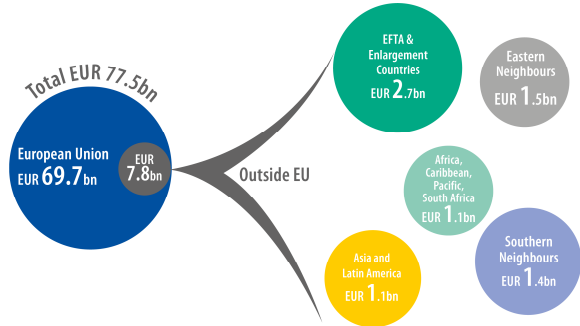
- Natural financing partner for the EU institutions since 1958
- Around 90% of lending is within the EU
- Shareholders: 28 EU Member States

- Investing in Europe's growth

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EIB lending in 2015: EUR 78bn (EIB signatures)

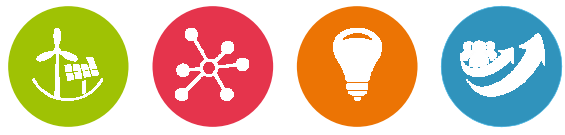


Region	Amount (EUR bn)
Total	77.5
European Union	7.8
Outside EU	70.7
EFTA & Enlargement Countries	2.7
Eastern Neighbours	1.5
Africa, Caribbean, Pacific, South Africa	1.1
Asia and Latin America	1.1
Southern Neighbours	1.4

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We focus on our key priorities



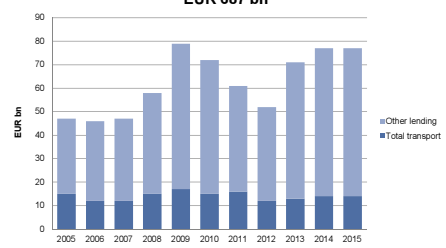
Priority	Amount (EUR bn)
ENVIRONMENT	EUR 19.6bn
INFRASTRUCTURE	EUR 18.9bn
INNOVATION	EUR 18.7bn
SMEs	EUR 29.2bn

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EIB Implementing EU Policy objectives

EIB total lending EUR 687 bn



Year	Total Lending (EUR bn)	Transport (EUR bn)
2005	45	15
2006	45	15
2007	45	15
2008	55	15
2009	75	15
2010	70	15
2011	60	15
2012	50	15
2013	70	15
2014	75	15
2015	75	15

Transport approximately 20–25% of total lending

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EIB Transport Lending Policy (2011)

Policy driven Bank.
In line with:
2011 Commission White Paper for Transport



- Multimodal approach to optimise interventions
- Prioritise environmentally sustainable transport solutions
- Air and road sectors: Restricted & high economic returns required
- Compliance with EU Directives

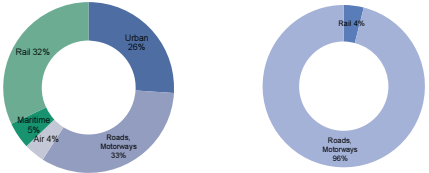
EIB's transport lending policy approved in 2011 after public consultation

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EIB Lending to the transport sector (2010-2015)

All countries EUR 83 bn WB EUR 1.1 bn



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Lending to Transport sector in Western Balkans 2010-2015 (1)

Total signed EUR 1.1 bn

Country	Project name	Year	EUR M	WBIF grant
Albania	Secondary and Local Roads Programme	2010	50	4.00
Albania	Fier Bypass	2012	35	
Albania	Vlore Bypass	2014	18	0.75
Total			103	
Bosnia and Herzegovina	Corridor Vc, Phase II	2012	166	0.50
Bosnia and Herzegovina	Banja Luka – Doboj Motorway	2013	160	
Bosnia and Herzegovina	Corridor Vc Foča - Bijaca	2014	100	2.00
Total			426	
FYROM	Corridor X Road Project	2011	65	
Total			65	
Kosovo	Route 10 Railway Rehabilitation	2015	42	1.40
Total			42	
Montenegro	Montenegro Railways II B	2011	7	6.50
Montenegro	Urgent Flood Retard and Prevention	2012	16	
Montenegro	Road Rehabilitation and City Bypass	2014	30	
Total			53	
Serbia	Belgrade Bypass B	2010	40	
Serbia	Corridor X (E-80) Motorway Phase I	2010	195	4.50
Serbia	Belgrade City Sava Bridge/B	2010	90	
Serbia	Roads Rehabilitation and Safety	2013	100	
Total			425	15.65

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Lending to Transport in Western Balkans (2)

BiH
CORRIDOR VC - SECOND PHASE
Signed: EUR 166 m (Finance Contract signed in 2011)
Project: Two motorway sections in a combined length of 31 km: (i) a 20.35 km long section from Vlakovo to Tarcin south of Sarajevo, fully implemented and (ii) a 10.76 km long section to the northern border to Croatia from Svilaj to Odzak including a bridge over the river Sava, partially implemented.

CORRIDOR VC – THIRD PHASE
Signed: EUR 100 m (Finance contract signed in 2014)
Project: One motorway section 21 km from Pocitelj to Zivirovici, tender stage.

BANJA LUKA – DOBOJ MOTORWAY
Signed: EUR 160 m (Finance contract signed in 2013)
Project: Construction of a 2x2 72 km toll motorway from Banja Luka to Doboj in Republika Srpska; partially implemented.

MNE
RAILWAYS II (Corridor Vc)
Signed: EUR 14 m (Finance contracts : EUR 7 m signed in 2008 and EUR 7 m in 2011)
Project: Rehabilitation works on the railway Corridor Vc (bridges, tunnels, signalling); expected to be fully implemented by end 2016.

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Lending to Transport in Western Balkans (3)

FYROM
CORRIDOR X ROAD PROJECT
Signed: EUR 100 m (Finance contracts: EUR 65 m signed in 2010 and EUR 30 m in 2016)
Project: Construction of a new 28-km section of motorway on the Pan-European Corridor X in FYROM between Demir-Kapja and Smokvica, partially implemented.

SRB
CORRIDOR X (E-80) MOTORWAY
Signed: EUR 195 m (Finance contract signed in 2010)
Project: Motorway section Prosek -Crvena Reka; expected to be fully implemented by end 2017.

BELGRADE CITY SAVA BRIDGE
Signed: EUR 160 m (Finance contracts: EUR 70 m signed in 2009 and EUR 90 m in 2010)
Project: Construction of access roads to a new cable stayed bridge over the Sava river; expected to be fully implemented by end 2017.

BELGRADE BYPASS
Signed: EUR 100 m (Finance contracts: EUR 60 m signed in 2007 and EUR 40 m in 2010)
Project: Construction of a 47 km long by-pass, including 27 km of 2x2 lanes toll motorways and 20 km of 2 lane roads/motorway on Pan-European Corridor X; implementation progressing slowly, expected to be fully implemented by end 2017.

ROADS REHABILITATION AND SAFETY
Signed: EUR 100 m (Finance contract signed in 2013)
Project: Rehabilitation and safety improvements of part of the national road network in Serbia; partially implemented.

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Lending to Transport in Western Balkans (4)

KS*
ROUTE 10 RAILWAY REHABILITATION
 Signed: EUR 42 m (Finance contract signed in December 2015)
 Project: Modernisation of the Kosovo part of European Rail Route 10. The project is benefiting from a EUR 40 m EU grant for project preparation and implementation.

AL
SECONDARY AND LOCAL ROADS PROGRAMME
 Signed: EUR 50 m (Finance contract signed in June 2010)
 Project: Rehabilitation of secondary and local roads which includes design, construction and supervision disbursed and almost all works are completed.

FIER BYPASS
 Signed: EUR 35 m (Finance contract signed in June 2012)
 Project: Construction of a 22 km motorway bypass around Fier in central Albania; partially implemented.

VLORE BYPASS
 Signed: EUR 18 m (Finance contract signed in June 2014)
 Project: Construction of a 29 km highway bypassing the city of Vlore to improve road traffic flow along the southern coast of Albania; partially implemented.

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Lending to Transport in Western Balkans (5)

POTENTIAL PROJECTS FOR 2016 and beyond

MNE
RAILWAYS III (Corridor Vc)
 Planned amount: EUR 20 m (appraisal and approval expected during 2016)
 Project: Rehabilitation works on the railway Corridor Vc (bridges, tunnels, signalling).

KS*
ROUTE 6 HIGHWAY IMPROVEMENT N9 KJEVE-ZAHAQ
 Planned amount: EUR 30 m (appraisal and approval expected during 2016)
 Project: Upgrading of 30 km road section of route 6B between Peja and Kline in the west of the country.

SRB
E-80 Nis – Merdare motorway (SEETO Route 7)
 Planned amount: EUR 500 m (construction of motorway (Phase 1) – under WBIFTA and JASPERS preparation)

Corridor X Nis – Dimitrovgrad (and potentially Nis Railway bypass)
 Planned amount: EUR 200 m
 Project: Modernisation of single track railway line – under WBIF investment grant

Stalac – Kraljevo– Rudnica Railway Rehabilitation (SEETO Route 10 and 11)
 Planned amount: EUR 180 m
 Project: Reconstruction and modernization of railway line Stalac – Kraljevo and Kraljevo– Rudnica

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Our products

We help catalyse investment

LENDING	BLENDING	ADVISING
Loans	Combining EIB finance with EU budget and other funds (state funds, other IFI-s, WBIF, etc.)	1. Prepare & implement projects (JASPERS, WBIF) 2. Advisory related to Financial Instruments (InnovFin) 3. Institutional & other (EPEC)
Guarantees (trade financing)		
Equity participation	Higher risk projects for innovation (InnovFin)	ADVISORY HUB
Attracting FUNDING for long-term growth		

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Project appraisal

- Independent assessment of project quality by sector experts (engineers & economists)
- Identical assessment process for all projects [EIB, EFSI, Connectivity Europe Facility (CEF)]
- Technical soundness: based on industry best practice
- EIB Cost Benefit Analysis (demand & costs)
 - Incorporates carbon footprint and GHG emissions
- EIB Climate Strategy

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Projects screened and graded for highest impact: Value-Added methodology

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Toward a seamless railway transport network

- › Challenging current dynamics of transport
 - › complex modal transfers
 - › multiple ownership structures
 - › international border crossings
 - › administrative difficulties
 - › physical incompatibilities - bottlenecks
- › Efforts are being made e.g.
 - › TEN-T Core Corridors
 - › Connectivity Europe Facility (CEF)
 - › SEETO


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Toward a seamless railway transport network

- › Further efforts need to be strengthened
 - › Regional integration among partner countries, including pre-accession countries, neighbouring countries and the EU
 - › cooperation throughout national borders
 - › within and across transport modes


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Trends in EIB lending in the transport sector

- Since 2011: increased lending volumes in urban transport and rail vs. roads
 - « green » approach of transport lending policy
- Future of EIB transport investments
 - Focus on road rehabilitation instead of greenfield projects
 - Better use of existing infrastructure: Traffic Management Systems
 - Interoperability – European Rail Traffic Mgmt System (ERTMS)
 - Alternative fuels
 - Electromobility

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THANK YOU

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