“The role of the EIB in the transport sector – opportunities for the private sector”

Sector Seminar on “Transport and infrastructure in EU External Aid programmes

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Outline

- EIB outside the EU
- EIB in the transport sector
- EIB and EU blending facilities
  - Overview
  - Technical assistance in the transport sector
    - Project examples
EIB outside the EU: the framework

- The ‘EU Bank’
- Support to EU external policies: enlargement, cooperation, development and climate policies
- **Multi-annual mandates:**
  - with EU budget guarantee, decided by the European Parliament and the Council
  - under Cotonou Partnership Agreement

Investment projects in some 150 non-member countries throughout the world
EIB Signatures 2012 (in EUR)

Russia, Eastern Europe, Southern Caucasus
EUR 0.9bn

EFTA & Enlargement Countries
EUR 3.3bn

Mediterranean countries
EUR 1.7bn

ACP, PTOM, South Africa
EUR 0.7bn

Asia & Latin America
EUR 0.7bn

EU-27
EUR 44.7bn
EIB outside the EU: priority objectives

- Local private sector development
- Social and economic infrastructure
- Climate action
- Regional integration
EIB’s 2011 Transport Lending Policy

Background:

- EU 2020 Strategy: smart, sustainable, inclusive growth
- 2011 Transport White Paper (Roadmap to a Single European Transport Area): innovation, modern sustainable transport system
- Connecting Europe Facility: EUR 50bn EC plan of investments to boost EU’s networks (transport, energy, digital networks)

>>>> Review of EIB’s 2007 transport lending policy

*EU focus – but also relevant outside the EU*
EIB’s 2011 Transport Lending Policy

EIB’s transport lending contributes to multiple EU policy objectives:

• Environmental improvement
• Regional development
• Knowledge economy
• Trans-European networks (TEN-T)
• Climate action (mitigation/adaptation)
EIB’s 2011 Transport Lending Policy

Guiding principles:

• Mobility is essential for economic growth: EIB strives for efficient, economic, sustainable ways of satisfying transport demand.

• Commitment to funding TEN-Ts: Backbone of transport investments in EU, essential for the internal market.

• Climate change: Continue to mainstreaming climate change considerations into all projects.
EIB outside the EU and the Transport Sector

- 2007-12: Transport represents 21% of total signatures
- Wide difference between regions: from 14% in ACP & RSA to 33% in EPCs

Breakdown by sector:
- Road = 49%
- Urban = 22%
- Rail = 15%
- Port = 10%
“Aid alone will never be enough to help a country pull itself out of poverty. It can only be a catalyst.”

Andris Piebalgs, European Commissioner for Development
Leverage additional public and private resources for EU external policy objectives

Increase aid effectiveness:

- Grant improves quality and sustainability of projects and speeds up processes
- Careful use of loans increases financial discipline and ownership compared to exclusively grants

Promote cooperation and coordination (donors and finance institutions).
Objectives of Technical Assistance

- To **help** the partner countries and private promoters to better prepare, manage and supervise their investment projects;

- To **improve** the quality and development impact of investment;

- To **strengthen** the management capacities of local partners in the medium and long term.
Upstream Studies and Project Preparation

**EUROMED Logistic Platforms**
(FEMIP Trust Fund)

Aim: to create a network of Mediterranean logistic platforms

**TA(1):**
- Diagnosis of Logistic Needs
- Definition of typology of platforms
- Identification of +/- 10 sites

**TA(2): Network Feasibility Studies**

**TA (1): EUR 0.6m**
**TA (2): EUR 1m**
Project Preparation

**Railway infrastructure in Ukraine**: Project Identification and Preparation (Eastern Partnership TATF)

- Review development plans in railway network
- Prioritise future investments
- Support preparation of investment projects

TA: EUR 0.2m
Project Preparation and Implementation

**Albania:** National programme upgrading regional and local roads

Technical Assistance:
- Detailed design
- Assessment of existing local road maintenance institutional + financial conditions
- Tool kits on rural road maintenance
- Capacity building programme
- Assist implementation of pilot maintenance programmes

- **WBIF TA:** EUR 4m
- **EIB+EBRD loans:** EUR 100m
- **EU IPA:** EUR 34m
Project Implementation

**Zambia: Great East Road (EU-AFRICA ITF)**

Technical Assistance:
- ✓ Assist procurement, contract administration and progress reporting
- ✓ Strengthen and improve planning and procedures for major road projects
- ✓ Tool kits on rural road maintenance
- ✓ Capacity building programme
- ✓ Assist implementation of pilot maintenance programmes

**ITF TA: EUR 1m**

**ITF IRS: EUR 38.7m**

**EU-EDF: investment grant**

**EIB (EUR 80m), AfD, AfDB loans**

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TA tender opportunities