EIB Group: the EU bank

We signed 854 operations in 2018
We invested EUR 8bn+ outside the EU in 2018

Shareholders: 28 EU Member States
Natural financing partner for the EU institutions since 1958
Supporting our priorities...

- Innovation
- Environment
- Infrastructure
- SMEs

With investment that matters

- Innovation: EUR 13.5bn
- Environment: EUR 15.2bn
- Infrastructure: EUR 12.3bn
- SMEs: EUR 23.3bn

Total EIB Group financing signed in 2018: EUR 64.2bn
EIB in the Western Balkans

- Supporting infrastructure, SMEs, innovation and climate action, in line with EU Accession Policy and the Berlin Process

- Advisory/Technical Assistance

- Strong cooperation with public authorities, local banking sector & partner International Financial Institutions (IFIs)

- Combination of EIB funding and EU grants:
  - Own resources;
  - External Lending Mandate / Economic Resilience Initiative (ERI);
  - Western Balkans Investment Framework (WBIF)

As of end 2018, the EIB has provided over 7 EUR bn financing to the Western Balkans, out of which 30% was dedicated to Transport projects (Roads & Railways)

<table>
<thead>
<tr>
<th>Country</th>
<th>EIB Signatures 2018</th>
<th>EIB Signatures 2008 - 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>EUR 105m</td>
<td>EUR 224m</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>EUR 242m</td>
<td>EUR 1.65bn</td>
</tr>
<tr>
<td>Kosovo*</td>
<td>EUR 80m</td>
<td>EUR 219m</td>
</tr>
<tr>
<td>Montenegro</td>
<td>EUR 141m</td>
<td>EUR 719m</td>
</tr>
<tr>
<td>North Macedonia</td>
<td>EUR 100m</td>
<td>EUR 645m</td>
</tr>
<tr>
<td>Serbia</td>
<td>EUR 418m</td>
<td>EUR 4.19bn</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>EUR 1.09bn</td>
<td>EUR 7.65bn</td>
</tr>
</tbody>
</table>

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Independence Declaration*
ERI and WBIF in the Western Balkans

**Economic Resilience Initiative (ERI)**

ERI aims at strengthening economic growth and social cohesion in the region to help the most vulnerable populations.

ERI creates job opportunities and generates resources for further public investment, pivotal for long-term economic resilience and stability which support EU accession.

**EUR 2.8bn**

of signatures under ERI in the Western Balkans and Southern Neighbourhood (by end 2018)

**Western Balkans Investment Framework (WBIF)**

In collaboration with IFIs, WBIF is a regional blending facility supporting EU accession and socio-economic development.

In 2018, WBIF provided financing and technical assistance for projects in energy, environment, social, transport, and digital infrastructure sectors.

<table>
<thead>
<tr>
<th>2018</th>
<th>WBIF (all IFIs)</th>
<th>WBIF (EIB as lead IFI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants (IG &amp; TA)</td>
<td>EUR 277m</td>
<td>EUR 97m (16 grants)</td>
</tr>
</tbody>
</table>
Flagship ERI projects in the Western Balkans

Serbian Inland Waterway Infrastructure

We provided a EUR 100m loan and a EUR 2.7m technical assistance grant to improve the safety and efficiency of water transportation along the Danube and Sava rivers in Serbia.

The project will improve services to the local and regional industries. It will also support growth, job creation and enhance regional connectivity.

Cooperation with Raiffeisen in Bosnia and Herzegovina

We provided EUR 25m to Raiffeisen Leasing Bosnia and Herzegovina to finance SMEs and support projects in tourism, agriculture, healthcare, education, and the environment.

The operation will promote youth employment under the European Youth Employment and Training for the Western Balkans (EYET) initiative. The loan will support c. 4,450 jobs (including existing & new jobs) and c. 445 SMEs.
Our Activity in Each Country in the Transport Sector

Montenegro’s first railway upgrade in over 40 years was supported by the EIB
EIB in Albania

- Active in Albania since 1995
- EUR 224m of signatures between 2008-2018
- We have helped build key infrastructure including EUR 18m for the construction of the Vlore motorway bypass and EUR 35m for the 22km motorway bypass around Fier which will improve travel, safety and environmental conditions.
- We are investing EUR 37.5m into the rehabilitation of primary and secondary roads to improve travel connectivity and support economic growth and social cohesion.

We are financing the Trans Adriatic Pipeline (TAP), which stems from the Greek/Turkish border to Italy through Albania.

TAP will improve energy security and diversification sustaining the transition towards decarbonisation in Albania and wider Europe.

Up to 10bn m3 of gas will be transported yearly.

In 2018 EUR 105m signed
EIB in Bosnia and Herzegovina

- Active in Bosnia and Herzegovina since 1977
- EUR 1.65bn of signatures between 2008-2018
- In 2018, we have signed EUR 150m loan for Corridor VC: EUR 50m in Zenica North connecting the Croatian coast to Budapest through BiH and EUR 100m for the south of Mostar. In addition a WBIF Investment Grant of EUR 19.4m was provided to co-finance the construction of a 2.4 tunnel in Zenica.

- In 2018, we have signed EUR 47m loan for the Construction of a 72km 2x2 toll motorway between Banja Luka and Doboj connecting to Corridor Vc in Republika Srpska. Furthermore, a WBIF Investment Grant of EUR 6.8m was signed to support the construction of border crossing facilities and a cross-border bridge over the River Sava, in Gradiska.

Signed in 2018

- ProCredit Loan for SME and Other COP Objectives BA (EUR 5m)
- Banja Luka-Doboj Motorway B (EUR 47m)
- ISP Loan for SMEs & Priority Projects III B (EUR 25m)
- Corridor Vc Zenica North (EUR 50m)
- Corridor Vc Mostar South (EUR 100m)
- RLBH Loan for SMEs Mid-Caps & Priority Projects II (EUR 15m)
EIB in Kosovo*

- Active in Kosovo* since 2007

- EUR 219m of signatures between 2008-2018

- In 2018 a EUR 80 million EIB loan to Kosovo was signed for the construction of a new 30 km single carriageway motorway on Route 6b between Peja and Kijeve linking Kosovo’s capital Pristina to the border with Montenegro, hence improving regional transport integration and the development of strategic connections with the neighbouring countries.

- Alongside the EIB financing, a EUR 3,2m TA grant under the Western Balkan Investment Framework (WBIF) complemented by a EUR 1m grant under the EIB’s Economic Resilience Initiative (ERI), were given to support the preparation and implementation of the project.

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In 2018, we financed EUR 40 million loan for the rehabilitation and upgrading of five main roads with a length of around 180 km under the “Main Roads Rehabilitation Program” aiming to improve road conditions and safety, thereby facilitating trade and regional integration.

We provided the first technical assistance grant (EUR 1.5m) in the region under ERI to upgrade five main roads in Montenegro. The project will improve road safety and help facilitate trade and regional integration.

We provided EUR 40m to improve 180km of roads in Montenegro.

Signed in 2018
IDF MBIL IV-A (EUR 100m)
Main Roads Rehabilitation Program (EUR 40m)
EIB in North Macedonia

- Active in North Macedonia since 1977
- EUR 645m of signatures between 2008-2018
- In 2011 and 2016 we have supported the construction of Corridor X, which passes through Austria, Slovenia, Croatia, Serbia, North Macedonia, and Greece. In North Macedonia, this includes EUR 100m for a 28km motorway section between Demir Kapija and Smokvica in the south of North Macedonia to improve regional connectivity.
- In 2018, we provided EUR 100m to the Macedonian Bank for Development Promotion to support SMEs and Mid-Caps which constitute the backbone of the country’s economy.

We provided EUR 100m for the construction of Corridor X, which passes through Austria, Slovenia, Croatia, Serbia, North Macedonia, and Greece.
EIB in Serbia

- Active in Serbia since 1977

- EUR 4.3bn of signatures between 2008-2019

In 2019, the EIB has signed a EUR 100m loan to finance the construction of the new highway linking Niš and Merdare, known as the “Highway of Peace”, connecting Niš in Serbia with Priština.

The project is also supported by a EUR 40.6m Investment Grant from the Western Balkans Investment Framework and represents a concrete step towards regional cooperation and reconciliation. An additional EUR 7.4m WBIF TA grant has been given for project preparation. It is expected that the project will be completed by the end of 2024.

Signed in 2018

<table>
<thead>
<tr>
<th>Loan</th>
<th>Amount (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EB Loan for SMEs Mid-Caps &amp; Other Priorities IV</td>
<td>60m</td>
</tr>
<tr>
<td>SGRS Loan for SMEs Mid-Caps Other Priorities</td>
<td>50m</td>
</tr>
<tr>
<td>Railway Nis-Dimitrovgrad</td>
<td>134m</td>
</tr>
<tr>
<td>ISP Loan for SMEs and Other Priorities IV C</td>
<td>30m</td>
</tr>
<tr>
<td>Air Traffic Control Upgrade</td>
<td>45m</td>
</tr>
<tr>
<td>Serbian Inland Waterway Infrastructure</td>
<td>100m</td>
</tr>
</tbody>
</table>
Best practice - the EIB’s experience

➢ **Road Safety Audits** needs to be followed up during
  • Draft design
  • Detailed design
  • Before completion
  • During early operation.

➢ **Transparent decision-making** on RSA recommendations by the competent authority.

➢ **Persons responsible for road safety** in design, supervision and contractor’s teams.
EIB’s approach to road safety

➢ Directive 2008/96/EC and 2004/54/EC
We apply the directives on TEN T projects.

➢ EIB Transport Policy
We use the principles of directive 2008/96/EC on road projects outside the EU.

➢ EIB Road Safety Guidelines
We mainstream road safety and good practice on projects on all roads - where possible.

➢ EIB Road Safety Action Plan
We strive to scale up lending, blending and advising in support of road safety
EIB’s approach to road safety

Lending within the EU
Financing of projects and programmes with sufficient volume
• EUR 25 million capital investment +
• Framework Loans with multiple schemes.

Lending, blending and advising outside the EU
• Co-financing and cooperation with other IFIs
• Opportunities for grants for TA and soft components, such as
• Better design standards, capacity building, awareness and training.
EIB’s challenges in transport projects

➢ **Delays in project implementation due to**: lengthy procurement procedures, low absorptive capacity of promoters that leads to poor preparation of works contract documents and/or poor performance of contractors.

➢ **Poor project Preparation due to**: inadequate budget resources e.g. major infrastructure projects in the transport sector typically require from 1-2% of the project cost to prepare feasibility studies, design, environment and social management and tendering.

➢ **Procurement**: contracting authorities often demonstrate weak capacity in the procurement of consulting services and works.
Going Forward

➢ Enhanced focus on the acceleration of implementation through e.g. business process reform in promoters, capacity building in promoters and industry.

➢ Reducing delays and training staff

➢ Identifying and disseminating good working practices and publicizing good/bad behavior thereby to establish healthy competition and encourage promoters to reform the way they work.

➢ Resolve funding gaps: grant resources under the Western Balkan Investment Framework, national IPA programmes and other sources are a welcome contribution to alleviate the situation but more resources for consulting services are required.
Examples of TA Grants for project preparation of EIB transport projects

➢ **EUR 4.8m** WBIF TA for Nis-Merdare Highway **SRB**: **Detailed Design** (approved December 2017, ToR completed)

➢ **EUR 5m** WBIF TA for Corridor Vc Počitelj - Zvirovići Subsection **BIH**: **Supervision of Works** (approved June 2018)

➢ **EUR 0.5m** WBIF TA for Comprehensive Network (Road R6b) **KOS**: **Detailed Design** (approved December 2017)
Our pipeline...

- Pristina inner Ring Road in Kosovo
- Corridor VIII (road) in North Macedonia
- Belgrade transport infrastructure (e-buses) in Serbia
- Corridor VC totaling about 12 km between Poprikuse-Nemila and Tarcin-Ivan in central Bosnia & Herzegovina
EIB in the Western Balkans

Our Team

EIB Headquarters in Luxembourg
EIB Representative Office in Belgrade
EIB Representatives in Tirana and Sarajevo (based within EU Delegations)

EU Candidate Countries

Albania
Montenegro
North Macedonia
Serbia

EU Potential Candidate Countries

Bosnia and Herzegovina
Kosovo*

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