

Financing Trans-European Networks

BACKGROUND TO EIB ACTIVITY AND RESOURCES DEPLOYED

Efficient communications and energy transfer networks are vital for both the economic integration of the European Union and preparations for its enlargement.

Since 1993, following the deliberations of the Christophersen Group and identification by the Essen European Council in December 1994 of priority trans-European networks, the EIB has vigorously stepped up its support for TENs :

- Within the Union and in the Accession Countries, it has, since 1993, approved loans totalling EUR 82 billion, of which EUR 58 billion have been signed. Eleven of the fourteen priority transport projects and seven of the ten priority energy schemes have to date been the focus of EIB commitments worth EUR 17 billion.
- The EIB represents the **leading source of bank finance** for these major networks. It is able not only to mobilise, on the finest terms, the substantial amounts required for their implementation, but also to offer maturities and other conditions tailored to the scale of the projects, while serving as a catalyst for other sources of funding.
- This is illustrated, inter alia, by the growing number of **Public-Private Partnerships** underpinned by the EIB and combining the advantages specific to each of the two sectors in building this infrastructure. After financing projects such as Athens Airport, the London – Channel Tunnel high-speed link, the Oresund link between Denmark and Sweden plus numerous sections of motorway in the United Kingdom and Portugal, it extended this type of partnership in 2001 to the Accession Countries by funding the A2 motorway in Poland.
- In addition, the EIB introduced, in 2000, a **Structured Finance Facility** (SFF) endowed with a reserve of EUR 750 million in all for the following three years and designed to generate a volume of operations of between EUR 1.5 billion and EUR 2.5 billion. This facility, whose goal is to provide value added for priority projects by complementing commercial banks and the capital markets, will make it possible to offer diversified financial products. Operations will be mounted principally in EU countries, although the Accession Countries will also benefit.

ACTIVITY IN 2001

Last year, EIB lending in support of TENs within the **EU** totalled **EUR 6.1 billion**, of which EUR 5.1 billion were devoted to transport networks and EUR 1 billion to telecommunications systems.

In the **transport** sector, financing centred on :

- construction of *high-speed rail lines* with initial loans in France for the line connecting Paris and Strasbourg (and ultimately Luxembourg and Frankfurt) as well as financing for the Milan - Bologna link in Italy and the Amsterdam - Schiphol Airport - Rotterdam - Belgian border line;
- upgrading of *road and motorway networks* in eight countries with, in particular, ongoing work on Portugal's concession-based systems as well as development of the PATHE and EGNATIA networks in Greece and widening of the Bologna – Florence section of the A1 motorway linking Northern Italy with the Mezzogiorno;
- improving *airport infrastructure* in Cologne, Munich and Nuremberg (Germany), Madrid (Spain), Gatwick and Stansted (United Kingdom), Cork, Dublin and Shannon (Ireland) and Portugal;
- extending and modernising *port infrastructure* : Bilbao and Barcelona in Spain, Göteborg in Sweden, some twenty ports in Italy and, especially, the Autonomous Port of Le Havre to back an initial phase of investment geared to expanding container traffic.

In the **Accession Countries**, with their substantial need for infrastructure development and rehabilitation, projects in the fields of transport and telecommunications TENs attracted **EUR 1 billion**.

The financing in question benefited rail transport (EUR 340 million for upgrading rail lines in Bulgaria, Hungary and Poland) together with roads and motorways (EUR 549 million in Bulgaria, Lithuania, Poland, Slovakia and the Czech Republic) on priority corridors. In addition, EUR 111 million were made available for telecommunications and mobile telephony networks.