

**“In a nutshell,
we have delivered”**

**First Jobs for Youth loans
signed in Poland and Italy**

**Vienna’s cutting-edge campus opens up
a new perspective**

INFO

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The EIB – The EU bank

April 2014

Editorial

The action of the EU bank is part of a concerted European response to the crisis. And there are encouraging signs that this common strategy is bearing fruit. Slowly but surely, the European economy is getting back to its growth path.

Thanks to the capital increase it received a year ago, the Bank was able to significantly step up its activities for growth and jobs in 2013. The EIB Group – the EIB and the European Investment Fund – provided strong counter-cyclical support by supplying the real economy with financing amounting to EUR 75bn. Within the EU, we increased our activities by a staggering 42% compared to the previous year. Not only did we deliver on increasing our lending, we also added new instruments to our toolbox. We piloted new tailor-made financial solutions, such as our initiatives targeting young people and innovative midcaps.

Politically, economically and socially, one of the biggest challenges remains the fight against youth unemployment. Here the Bank was able to respond quickly and commit loans of some EUR 9.1bn in the second half of 2013 to endow young people with skills training and lasting employment opportunities. SMEs in Poland and Italy are among the first to benefit from the new funding.

Unlocking finance for innovative midcap enterprises in Belgium and Italy was another first for the Bank in 2013. Besides this we supported cutting-edge university campuses and R&D that helps save lives. We also funded strategic infrastructure that forges links between cities and creates smart urban environments. Our contribution to climate projects ranges from small-scale renewable energy to the largest wastewater projects in Europe.

We have delivered on our promise to unlock funding to maximise growth and job creation, but there is no room for complacency. As the EU bank we will continue to do whatever it takes to support Europe's joint answer to the challenges ahead.



Vienna's cutting-edge campus opens up a new perspective

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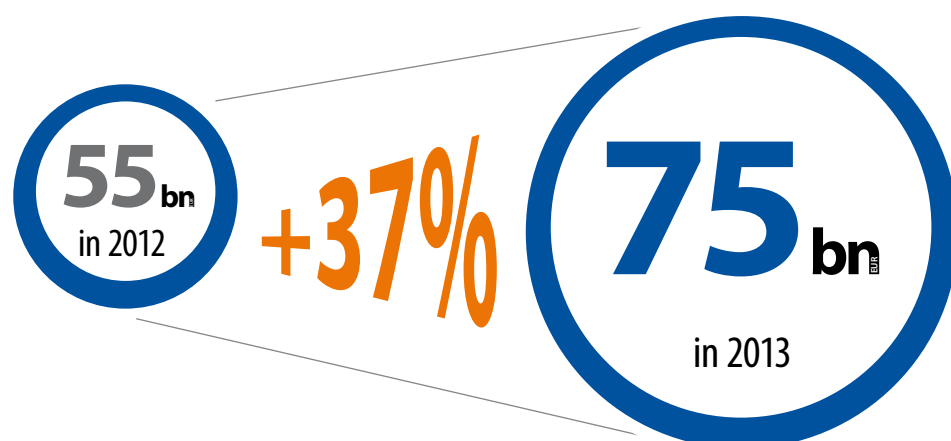


The EIB Group is responding to the pressing issues facing European economies. Large increases in activity from 2012 to 2013 onwards are testament to this, President Werner Hoyer indicated when presenting the EIB's results at the annual press conference in Brussels.

“In a nutshell, **we have delivered**”

Europe's economies are showing signs of recovery. Ireland is no longer a programme country and Portugal should follow suit in June. “When I presented the figures last year, Europe was facing tough challenges,” said Hoyer at the press conference in February. “Today the situation has clearly improved. We are more or less out of the recession and risk premiums on vulnerable countries have decreased significantly.”

Clearly, “Europe's strategy of following a policy of strict fiscal consolidation, growth-enhancing structural reforms and public financial support is delivering results.”





21.9bn

at Group level for 230 000 SMEs and midcaps, supporting 2.8 million jobs. We deployed 30% of our activity in 2013 to unlock finance for Europe's **SMEs and midcaps**. This is a 50% increase on 2012.




17.2bn

at Group level for the entire **innovation** cycle. Almost 23% of the Group's investments were dedicated to innovation in 2013.



And the Bank has played its part. The EIB Group, comprising the European Investment Bank and the European Investment Fund (EIF), financed projects and initiatives with a value of EUR 75.1bn in 2013. This represents an increase of 37% over the 2012 figure, as the Bank's capital increase and more diverse activities came to the fore. Out of this total, EUR 67.1bn was invested in Europe alone, itself an increase of 42%. EUR 7.7bn was invested outside of the European Union. "We presented our objectives to the European Council on the occasion of our capital increase in 2012," said Hoyer. "And to put it in a nutshell, the Bank has delivered."

As the EU's long-term financing institution, the EIB has been helping to build up the continent since 1958, providing long-term finance for thousands of large-scale projects. However, the EIB Group is also an integral part of the European Union's armoury to respond to the crisis, providing counter-cyclical support that goes against the prevailing mood and putting Europe's small and medium-sized enterprises in the front row and centre, as President Hoyer had promised at the 2012 press conference.

The Bank signed loans of EUR 18.5bn for such firms, while the EIF, itself dedicated to risk finance for European SMEs, allocated EUR 3.4bn in 2013. This mobilised EUR 50bn of capital, via 700 financial intermediaries,

to benefit 230 000 SMEs and midcaps (companies with up to 3 000 employees), employing 2.8 million people in Europe.

Tailor-made financial instruments

Never before had the EIB Group allocated such a large volume to intermediated loans for SMEs. The total of EUR 21.9bn makes this the biggest policy contribution amongst the four priorities that the EIB has set out for operations in Europe for the coming three years. It is also almost double the figure for 2012. This will continue as access to finance for SMEs is an enduring problem in the EU – in all countries and not just Cyprus, Greece, Ireland, Portugal or Spain. We may have exited the recession, but the risk-averse banks are not going to start investing in the same volumes and types of business as in the pre-crisis years.

Not only did the Bank increase its lending but it also launched innovative instruments to provide much-needed support to SMEs. Tailor-made financial instruments and programmes have been created to help enhance the opportunities to boost growth and jobs in Europe. To support export-focused SMEs in Greece and Cyprus, the EIB put in place Trade Finance Facilities with a view to extending the option to other EU nations, should they so desire. Under the Greek facility, the EIB put

forward EUR 500m in guarantees for foreign banks. This covers 85% of their risks on their Greek counterparts, which can then support export-focused Greek SMEs. The guarantees have an average term of four months, enabling the EUR 500m to be revolved three times per year, allowing an annual transaction volume of EUR 1.5bn. This alleviation of cash flow constraints strengthens import and export flows. The Trade Finance Facility was named EMEA Deal of the Year by Trade Finance Magazine, and Deal of the Year by Trade & Forfeiting Review.

A second product launched in 2013 was the Growth Finance Initiative (GFI) directed towards Europe's innovative midcaps. The GFI enables the EIB to provide direct loans of between EUR 7.5m and EUR 25m to co-finance RDI investments by EU midcaps that have outgrown venture capital injections but face a shortage of debt and equity financing. It falls under the EIB and European Commission's joint Risk Sharing Finance Facility (RSFF). The EIB has allocated an initial EUR 150m for the GFI, which fits into the priorities of support for SMEs as well as innovation and skills (see also article on p. 13).

Overall, the EIB Group invested EUR 17.2bn in innovation and skills in 2013, another of the Bank's four key priorities for the coming three years as the European economy gets back on track.

Youth in focus

Activities go beyond straight-up financing of SMEs, though. For no-one is the need more pressing than Europe's youth, where 15 to 24-year olds face a jobs crisis that could lead to a lost generation. The EIB's "Skills and Jobs: Investing for Youth" programme came into being in July 2013, and complements the European Commission's Youth Employment Initiative as well as similar programmes in Member States themselves.

Although the target volume was EUR 6bn, Hoyer pointed out that he was "very proud that this figure was significantly exceeded. From 1 August, we began to disburse, and by the end of the year the available loans were EUR 9.1bn, signed to tackle youth unemployment. This is a major achievement."

The programme has two pillars, jobs for youth and skills. EUR 4.5bn went towards the latter, taking in investments in infrastructure for secondary education, vocational training and support for student loans. In the former, EUR 4.6bn was allocated to SMEs and young entrepreneurs in regions where youth unemployment exceeds 25%. "We estimate that about 50 000 jobs for young people benefited from these loans," said Hoyer (see article on p. 12).

Committed to clean energy

2013 also saw the EIB adopt new lending criteria for energy, as well as investing a total of EUR 19bn in the field of climate action, which is also a key priority. President Hoyer explained that "the new criteria will reinforce our support for renewable energy, energy efficiency and energy grids, as well as related research and development, and innovation. We have committed ourselves to new and strict emission performance standards for fossil fuels."

These new criteria will support the EU's energy and climate objectives and help create employment across Europe. They also demonstrate the EIB's commitment to clean energy. The EIB doubled its investment in renewable energy from 2012 to 2013, reaching a total of EUR 6bn, while also showing up well in energy efficiency investments.

As ever, the EIB is also a core supporter of strategic infrastructure projects, and invested EUR 15.9bn in these over the course of 2013, helping to improve road and rail infrastructure and public facilities (investments and projects in Lithuania, Poland, Spain and the UK are examples of this), to improve day-to-day life for citizens in Europe.

Evolving Europe

For Europe, much needs to be done. President Hoyer sees three major challenges for Europe going forward: an investment crisis, where overall levels of investment remain 15% below 2007 levels; an employment crisis, as has been looked at already and concerns the young in particular; and finally, a productivity crisis. "Our long-term competitiveness and growth depend crucially on research, development and innovation. Here, Europe is falling behind Japan, the United States and South Korea," he explains. "Government expenditure on R&D here averages out across the EU at 1.9% of GDP compared to 3.3% in Japan and 2.8% in the US."

Without action, Europe will fall further behind. The EIB Group has demonstrated the role it can play to respond to the crisis. It is also ready to lend all the support it can to tackle Europe's post-crisis challenges. The core activities of lending, blending loans with funding from the EU budget and advising are in place.

Europe needs all three now and will continue to do so. The EIB is a natural partner to rebuild confidence and promote investment in our new and modern economy, now and tomorrow. ■

15.9bn



EIB loans for **strategic infrastructure** to enable economic development, a key area for EIB investment accounting for 22% of EIB lending in 2013.



19bn

EIB loans for **climate action** to promote a low-carbon, climate-resilient economy. In 2013, climate activities accounted for 27% of the EIB's total lending volume.



The largest issuer of **Green Bonds**

The EIB is not only the biggest financier of projects to tackle climate change, having provided over EUR 19bn worldwide in 2013 alone, it is also the largest issuer of Green Bonds.

The EIB has been issuing environmentally themed bonds or Climate Awareness Bonds (CAB) since 2007 as part of its broader climate strategy.

From 2007 to March 2014, Climate Awareness Bonds raised some EUR 5bn equivalent in seven currencies, with three new currencies in 2014 alone: the Swiss franc, British pound and Japanese yen. The EUR CAB, initially launched in July 2013 for EUR 650m, has reached a record size of EUR 2.25bn via re-openings and is currently the largest green bond outstanding in any currency, responding to investor demand for a liquid product in the socially responsible investment space.

The funds raised via these issues are earmarked to match disbursements to EIB lending projects in the fields of renewable energy (such as wind, hydropower, wave, tidal, solar and geothermal) and energy efficiency (such as district heating, cogeneration, building insulation, energy loss reduction in transmission and distribution, and equipment replacement). Investors can thus associate themselves more closely with these areas of the Bank's climate action, while continuing to enjoy the excellent credit quality of the EIB as an issuer.

In 2013, total disbursements from the earmarked portfolio amounted to a record EUR 1.3bn, supporting 24 projects within and outside the EU.

Since the inception of the programme, CABs have supported 55 projects in 19 countries within and outside the EU as illustrated below ■



BEWAG Wind Power
Austria
CAB disbursement:
EUR 244m



Global Tech I Offshore Windfarm
Germany
CAB disbursement: EUR 143m

London Array
Offshore
Windfarm
United Kingdom
CAB
disbursement:
EUR 244m





ENEL Greenpower Energie Rinnovabili II
Italy
CAB disbursement: EUR 36m



INELFE Interconnexion
France, Spain
CAB disbursement: EUR 15m



Vardnili and Enguri Hydro Rehabilitation
Georgia
CAB disbursement: EUR 3m



Northwind Offshore Windfarm
Belgium
CAB disbursement: EUR 135m



Board of Directors Seminar with Civil Society 2014

52 participants

from 47 organisations presented
their views



The EIB's Board of Directors and several Management Committee members had the pleasure of meeting representatives of civil society to discuss the Bank's progress and challenges on 3 February. A review of the year and a look ahead led by EIB staff was discussed in a plenary debate, where the focus was the role of civil society and the EIB in a changing Europe and world.

The views of 52 participants from 47 organisations were articulated at this meeting held at our Luxembourg HQ. This event was the third of its kind, building upon the previous Board seminars with civil society held in October 2011 and February 2013.

Partnering to meet local and global expectations

The civil society groups represented a variety of issues ranging from the need for partnering to meet local and global expectations to the challenges of developing finance and fighting climate change. In fact, they constituted a good mix of civil society organisations with many diverse interests, from international and local NGOs, to think tanks, industry associations, trade unions and representatives of international and European institutions. They heard senior management describe how the EIB is working to help create sustainable jobs and growth in Europe, with a stress on climate action and inclusive growth and development.

The event demonstrated as always the importance of the input and constructive criticism from civil society organisations to the EIB and its activities. Throughout the discussions, a number of key issues emerged as being in the participants' sphere of interest. At a general level, the Bank was asked to play a larger political role, partner with others and lead by example on international and European debates about global issues such as fighting climate change and promoting human rights. It was also called on to review its policy towards Non-Conforming Jurisdictions (NCJ) and to take tax justice into account, while a strong desire was signalled by civil society to engage in a consultation process on our Climate Action Review.

Working to achieve better mutual understanding

Moreover, the EIB Board members, staff and civil society participants who took part in the discussions were all convinced that this type of exchange of views helps all parties achieve better mutual understand-

ing. As a result, the action points and commitments arising from the seminar included the continuous engagement with civil society at all levels of the Bank, a review in 2014 of the EIB's Emission Performance Standard, a public consultation on the revision of the Bank's Transparency Policy in 2014 and a session on blending and other mechanisms on which the EIB is working with the European Commission at the next seminar, which will be held in 2015. ■

www.eib.org/cso



News in brief

New lending mandate outside the EU agreed

In March, the European Parliament approved a new mandate for EIB lending operations outside the EU over the period 2014-2020, which is now going to be approved by the Council and is expected to enter into force as of July 2014. The Bank is a natural partner for financing investments to support the Union's external policy objectives. The vote concerns operations in the pre-accession countries, Southern and Eastern Neighbours and partnership countries, Asia and Latin America, and the Republic of South Africa, which are carried out under an EU guarantee covering sovereign/political risks.

The mandate allows EIB financing operations up to a ceiling of EUR 27bn, plus an optional additional amount of EUR 3bn subject to a mid-term review that will take place by 2016. The agreement came just in time, ahead of the Parliament's recess before the elections, to enable continuity of operations outside the EU and at similar levels as in the past seven years. In line with the Union's priorities, lending for the Eastern Neighbourhood and Partnership region has been stepped up under the new mandate, which provides for up to EUR 4.8bn of finance. Our recent pledge to support Ukraine with loans of up to EUR 3bn over the next three years emphasises our mission to underpin EU external policies.



EIF support for SMEs gets a boost

The EIB, which owns the majority of shares in the European Investment Fund, endorsed a capital increase for the EIF, together with the other shareholders in December. This will allow the Fund to expand its activities substantially from this year onwards.

"The EIF is a powerful tool to help small and medium-sized businesses access finance, using equity and debt financial instruments to overcome existing financing constraints. With its understanding of the market, its wide range of tools and its impressive leverage the EIF is the ideal complement to the business of the EU bank in fostering growth, jobs and innovation in Europe," EIB President Werner Hoyer commented.

This boost to the EIF will consist of a capital increase of EUR 1.5bn of subscribed capital, including a cash contribution of EUR 560m, and a mandate through which the EIB will make available up to EUR 4bn in support of additional guarantees to be issued by the EIF over the next seven years.



First joint visit of EIB and EBRD Presidents to Moldova

In February, the Presidents of the EIB and EBRD made their first ever joint official visit to Moldova, underscoring the shared commitment of the two institutions to support the country's economic development and reform programme. Werner Hoyer and Sir Suma Chakrabarti met with major political leaders of the country and signed a joint EIB/EBRD loan to support the modernisation of Chisinau's water and wastewater infrastructure.

"Moldova is a key country for the EIB's and EBRD's shared and complementary engagement in the region, where both institutions have demonstrated a strong commitment to helping modernise crucial infrastructure, create jobs and increase economic competitiveness in recent years," Werner Hoyer said. Since the start of EIB lending in Moldova in 2007 more than EUR 450m has been provided in long-term loans including support for improved roads and public transport, water, energy and agriculture.

STRATEGIC INFRASTRUCTURE

15.9bn^{EUR}

EIB investment in European
strategic infrastructure

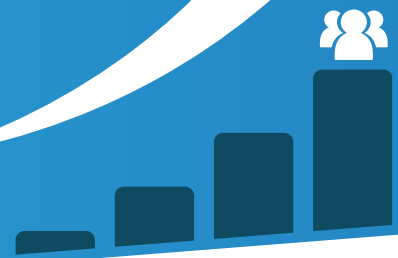
4.2bn^{EUR}
to support smart
European cities

Launch of new
energy lending criteria for
sustainable energy projects

First two projects
supported with the
**Project Bond
Initiative**

Group finance for
230 000 SMEs and midcaps

supporting
2.8m **JOBS**
in Europe



2013 IN FIGURES

The EIB Group plays an
integral role in the EU
strategy to address the
lasting consequences
of the financial crisis

Smart financing
instruments to put
Europe's economy
back on track

FINANCE FOR CLIMATE ACTION

19bn^{EUR}
finance to
promote
climate action

214m^{EUR}
dedicated to seven inno-
vative **climate funds**

1.4bn^{EUR}
Record
in EIB
Climate Awareness Bonds

Launch of EIB
Climate Statement

ACCESS TO FINANCE

21.9bn FOR **SMEs AND MIDCAPS**

Group support for SMEs and midcaps in Europe

First EIB **trade finance** operations go live in Greece and Cyprus

9.1bn

committed to **youth skills** and **employment** in EU



Capital increase put to productive use to support the drivers of growth and employment

75.1bn
EIB Group financing focusing on projects with impact on **growth and jobs**



INNOVATION AND SKILLS

17.2bn at Group level
for **innovation and skills** in Europe

Growth Finance Initiative (GFI) launched to promote innovative midcaps

19

universities and research centres supported by EIB

856m for innovative

SMEs via the EIF-managed **Risk Sharing Instrument (RSI)**



First Jobs for Youth loans

signed in Poland and Italy

Creating employment opportunities for young people across Europe is the main aim of a new EIB product under the recent "Jobs for Youth" initiative. The first loan agreements have been signed in Poland and Italy to tackle this pressing issue.



"Youth unemployment is one of the main challenges facing Europe"

www.eib.org/sme

These are just the first loans that have materialised, more are underway: investments of over EUR 9bn have been approved in total under the "Skills and Jobs – Investing for Youth" initiative, including EUR 4.5bn in loans to support and improve skills across Europe. The EIB's first ever lending programme specifically designed to support young people is focused on financing facilities for vocational training, student and apprentice mobility, and addressing the shortage of jobs for young people in smaller companies.

"Youth unemployment is one of the main challenges facing Europe", EIB Vice-President László Baranyay stressed at the signature of the first operation under the initiative, a EUR 50m loan to Europejski Fundusz Leasingowy S.A. (EFL). "To address the jobs crisis afflicting the EU's 15-24 year olds, the EIB facilitates access to finance for small

businesses – the drivers of job creation and growth." Around 27% of young people in Poland are currently without a job.

Benefits for companies and young employees

The new product offers loans at favourable interest rates and maturity terms to encourage local financial intermediaries to on-lend to smaller businesses, with the aim of improving youth employment.

"The burdens imposed on Polish organisations translate into difficulties that young people experience in the labour market" says Radosław Kuczyński, the CEO of EFL. "I believe that our initiative offers twofold benefits to companies, which will receive good financing plus an incentive to train valuable employees."

The new loans passed on by EFL especially target SMEs throughout Poland which have employed at least one additional young person, offer vocational training or internship programmes for young people or cooperate with a technical college/school/university to employ young people – for instance through summer internships.

Encouraging talented young people

This was swiftly followed by a series of loans in Italy, a country where youth unemployment is above 40%. A EUR 240m loan to Intesa Sanpaolo, targeting youth employment in SMEs, innovative start-ups and social projects, should help to foster the creation of new jobs and promote the development of a more innovation-friendly entrepreneurial culture in Italy.

"We aim to foster an innovative and dynamic economy that encourages talented young people to stay in our country, boosts productivity and restores profitability," says Carlo Messina, CEO of Intesa Sanpaolo.

A EUR 120m credit line for financing investment by SMEs in the health and education sectors as well as other investments eligible under urban regeneration programmes, is underway. Banca Prossima – the group's non-profit arm – will channel the EIB funds to businesses.

Another credit line to UBI Banca Group is providing EUR 50m for SMEs, midcaps, start-ups and youth employment. "Creating jobs for young people is one of the country's top priorities and it is right for us to contribute innovative solutions", says UBI Banca's CEO, Victor Massiah. "This agreement with the EIB will enable us to deploy dedicated instruments supporting bold business ventures that can nurture the green shoots of economic recovery." ■

GFI: Go-ahead For Innovation

What do a Belgian broadcast technology business and an Italian gauging solutions company have in common? The answer: research, development and innovation (RDI). As well as guaranteeing their position at the cutting edge of their respective industries, their focus on RDI has enabled them to become the first two companies to benefit from loans under the EU-EIB Growth Finance Initiative (GFI).

www.eib.org/innovation



search and development activities to ensure that its products integrate seamlessly with popular broadcast technology applications, which are in a constant state of development. With the dawn of the tablet and smart phone, videos from EVS's four key markets – sports, entertainment, news and media – are delivered continuously to hungry audiences. To maintain a client base of some 8 000 operators on all continents, innovation has become the company's bread and butter.

A EUR 12m loan under the GFI will go some way to financing EVS's latest RDI programme, which includes a research and development centre set to welcome hundreds of engineers and create highly skilled jobs for Europe.

Boosting technological innovation in Italy

Marposs products are embedded in hundreds of thousands of items of industrial equipment as well as consumer electronics. The world leader in precision equipment for measurement and control in the production environment, Marposs invests some 8% of its revenue in innovation activities to remain on the crest of the incessant waves of technological innovation that result in constant updates to manufacturing processes.

A EUR 25m loan to the Italian group will ensure that the company's RDI investments can continue at a time when capital is increasingly difficult to secure and bank financing is at a premium in the crisis-hit EU Member State.

With a pipeline of projects established for financing in 2014, the GFI is gathering speed and helping the Bank to build a fruitful relationship with Europe's midcaps, a lesser served client to date. The pilot is revealing enormous potential to sustain and create jobs and to catalyse an innovation-driven economy for Europe's future. ■

EUR 25m

loan to Marposs will ensure that the company's RDI investments can continue

The GFI was jointly established by the EIB and the European Commission in 2013 to support innovative midcap companies (with up to 3 000 employees), which often face a shortage of debt and equity financing as a result of the inherent risk associated with RDI activities. The GFI will make available EUR 150m in the pilot phase to address the market failure to allocate sufficient resources to RDI.

The scheme enables the Bank to extend financing of between EUR 7.5m and EUR 25m to Europe's midcaps through a range of financing solutions, from senior secured debt to mezzanine finance.

A streamlined application and approval process has been established to ensure the Bank can react swiftly to companies' requests, channelling much-needed funding into European innovation projects. It is this streamlined process which facilitated the flow of finance to both Marposs in Italy and EVS in Belgium within a mere five months of the GFI's launch.

Creating high-skill jobs in Belgium

EVS was the first recipient of GFI finance. The Belgian broadcast production company assigns some 60% of its staff to re-

Vienna's cutting-edge campus opens up a new perspective



The Vienna University of Economics and Business (WU - Wirtschaftsuniversität Wien) formally opened its striking new campus last autumn, moving from drawing board to the finished article with surprising swiftness. Rector Christoph Badelt speaks to EIB INFO about the ideas and philosophy behind the project.



“This campus certainly gives WU a new identity”, says Christoph Badelt, Rector of the Vienna University of Economics and Business. “It has no fence around it. The university is open to society and open to the city, and should not hide behind huge walls. It should be integrated”. The idea of creating a new campus for the university originated in 2007. The EIB lent EUR 250m to support the EUR 492m final result. Education and urban infrastructure have long been priority areas for the Bank, and the WU campus, with its state-of-the-art teaching facilities, striking architecture and openness, both literal and figurative in nature, is an example of both.

The 115-year old university did not have a campus in the traditional sense before, being housed in one main building and then several others, or parts of them, across the 9th and 19th districts of Vienna. Now, it is all in one place in the second district. As Badelt points out, “the opportunity to design a university from scratch is a rare one, and a challenge.”

Six buildings, six designers

Why would you put this campus behind six fences? With a student body approaching 24 000, WU is the largest educational institution of its type in the EU, and the

only one in Austria to be recognised by EFMD Equis, a leading international accreditation for business schools, and listed in the Financial Times ranking for business schools in Europe.

The buildings may not all be to everyone's taste, but to judge it thus is to miss the point somewhat. Badelt believes that “a business university must be an international place. There has to be a diversity of thought, ideas and methods. We wanted a diverse architecture to go with that.” Thus, two architects from Spain, and one each from the United Kingdom, Germany and Japan, joined an Austrian studio to bring the six-building vision to reality.

At the heart is the Learning Centre, something Badelt is proud of: “the building is spectacular, it’s a monument and a vital feature, and it is at the centre. The administration building is on the west side of the campus, deliberately not in the centre. We wanted teaching and learning there. But my office is in the administration building and I love it for the joyful colours it has, the positive atmosphere.”

Cast against type

The ethos behind WU is one of integration, but its physical dissonance with the standard images and rhythms of Vienna renders it all the more notable. “This has brought value to the city,” says Badelt. “Vienna is famous for old things, the Habsburgs, the Schönbrunn Palace. It is also good to have a modern spot, a contrast to show that Vienna is also a modern city, and this way it is further enriched.”

It works on a practical level too, as urban feature as well as academic institution. “People from the local area come here on weekends. They go for walks, bring their kids, they walk their dogs and go to the restaurants we have on campus. I think eventually we will become fully part of the neighbourhood, and this is something we always planned.”

Backed up by technology

As a new educational facility planned from the foundations up, the WU campus is at the cutting edge when it comes to what it offers to support the students, lecturers and researchers. “You find the very latest in teaching technology, and you find it in every classroom,” explains Badelt. “It is technology to support the people who are physically present, as well as excellent classes available through the internet. The combination is what is important.”

The concept of teaching at WU goes beyond this. “Outside of the classroom, students at WU can book little project rooms where they can meet and work together in small groups. You hardly have this in other public universities in Europe. We invite students to stay here and make the campus an environment of learning outside of classes.”

The modern nature of the campus extends to its environmental credentials. “70% of our heating and cooling comes from geothermal energy,” Badelt says. “We were also afforded the opportunity to minimise life-cycle costs. The campus is constructed from long-lasting materials and all buildings are equipped with heat recovery systems with an efficiency rate, so I’m told,



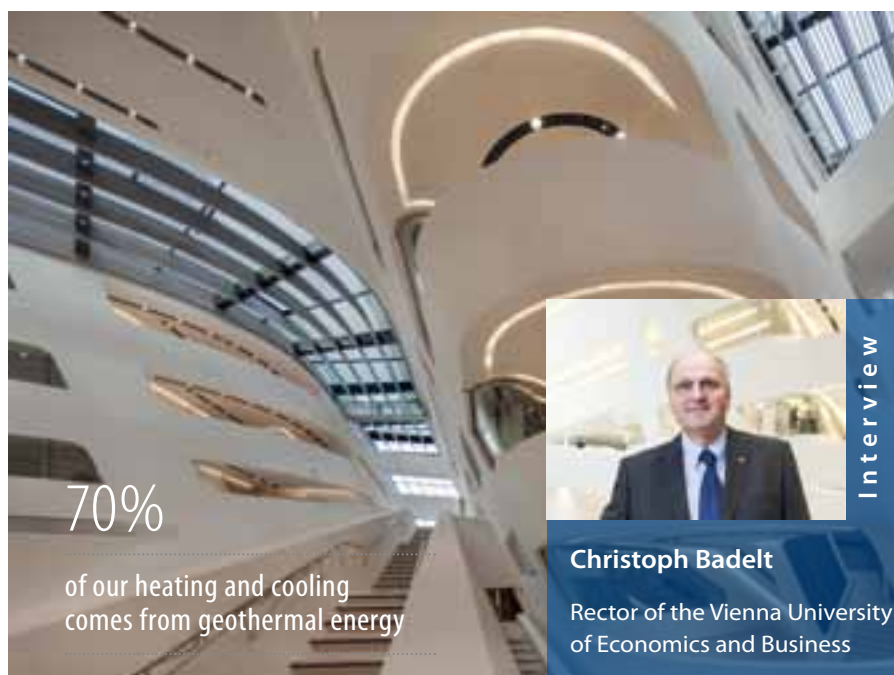
of 75%. In addition, the lights are on sensors and switch off when there is no one around, which further saves energy.”

Ecologically speaking, these are good credentials but sustainability goes beyond this into a social dimension. The campus also reaches the highest standards of accessibility for blind people and wheelchair users.

Tackling the big economic challenges

What does the future hold for WU? It is not necessarily about growing the student body. The university has expanded already over recent years and the campus is about quality, not size. “We have always strived to be a university with international recognition. We have a special responsibility to find answers to the big economic challenges and educate a new generation of leaders in society who will be able and willing to help solve the world’s economic and social problems.”

The open campus means that local people are discovering “a nice place to spend their leisure time, where each building has different characteristics, where you can enjoy fine dining, or just come for a beer.” You can just sit and take in the atmosphere. On many levels, WU’s new home makes it a good place to be, a place where anyone can ponder solutions to any given challenges. As it was meant to be. ■



70%

of our heating and cooling comes from geothermal energy

Christoph Badelt

Rector of the Vienna University of Economics and Business

Interview

Enhancing road safety



Over 1.2 million people die each year on the world's roads, while millions more suffer severe injuries. We are supporting a Swedish company's EUR 1m research and development programme, which aims to save 150 000 lives worldwide.

To accelerate the development and the adoption of low cost active safety systems, the EIB has signed two loans, in 2009 and 2013, for a total amount of EUR 425m with Sweden's Autoliv, one of the leading suppliers of automotive safety systems.

Autoliv has 4 600 staff involved in R&D activities worldwide, out of a total workforce of 55 000, including joint ventures. Current research projects, carried out in a number of facilities across Europe, are based on an integrated approach recognising the role of the driver (alcohol and speed), infrastructure and vehicles.

"We are happy to have the EIB as a key partner for the financing of our R&D programme", says Dan Persson, President of Autoliv Sverige AB. "Through this programme, we plan to move from active and passive safety systems to integrated safety systems, a concept in line with the European Commission's CARS 2020 Action Plan and the Policy Orientations on Road Safety 2011-2020."

Protecting vulnerable road users

Roughly 40% of those who die in road traffic accidents are vulnerable road users such as pedestrians, cyclists and users of motorised two-wheelers. They also account for 68% of the fatalities in urban areas. The main cause for fatalities is head injuries.

Vehicle manufacturers have, in the past, mainly addressed head injuries by creating sufficient clearance between the bonnet and structures in the engine compartment to allow the bonnet to act as a cushion. Several studies suggest that this is not enough, since adult head injuries occur even more frequently near the frames of the windscreen.

Together with car manufacturer Volvo, Autoliv have tried to solve the problem by developing the world's first outside airbag to protect pedestrians if their heads hit the windscreen area. Those airbags can reduce head injuries and deaths by more than a third in frontal pedestrian collisions,

and thereby save thousands of lives every year. The company is now working on the development of a second generation of outside pedestrian airbags and a bonnet lifter that will reduce the deployment time for an increased airbag volume.

Fighting drink driving

To fight drink driving, the European Commission is recommending that the fitting of "alcolocks" to all new types of commercial passenger and goods transport vehicles be made part of upcoming European legislation.

"Research in alcohol sensing is a top priority for Autoliv," stresses Dan Persson. "We are trying to reduce the size of existing alcolock systems but also to better integrate them within the vehicle and to develop an unobtrusive sensor located in the compartment, which will be able to detect the origin of the alcohol source."

Autoliv is also working on improving night vision through infrared, radar and camera-based systems as well as developing a new generation of seatbelts that will substantially reduce the load on small occupants while some incorporated airbags will reduce the risk of thoracic injury.

Together with its joint ventures, Autoliv has ten technical centres in nine countries around the world, with 21 test tracks, more than any other automotive safety supplier. ■

"We are happy to have the EIB as a key partner for the financing of our R&D programme"





The Florence-Bologna motorway: a few world records along the way

Crossing the Italian Tuscan-Emilian Apennines between Florence and Bologna has always been a challenging task. Thanks to EUR 500m of EIB financing, a new road between these two cities will improve traffic fluidity and road safety.

The A1 motorway between Florence and Bologna was built in the 1960s. It uses principles that were modern at that time but obsolete now, including sharp bends that make this stretch particularly dangerous to drive. Today, this section of the road has more than twice the traffic that it was originally designed for, and one of the highest accident rates in Italy, with over 2 000 incidents in the last decade.

A EUR 500m EIB loan is helping Autostrade per l'Italia to increase the capacity of Italy's main motorway on Corridor I of the trans-European transport networks. Once completed in 2019, the new motorway will shorten the journey time from Bologna to Florence to less than 50 minutes. Today, it takes an hour and a half.

The new road will be part of an innovative and safer motorway system that can accommodate traffic volumes up to four times those of the current A1, with lower vertical gradients, steep curves and modern systems for traffic control and road safety. It will be located approximately 225 metres below the level of the existing A1 and will cross the heart of the mountains, passing through 44 tunnels and over more than 40 viaducts and bridges.

A battle against the forces of nature

The new highway crosses one of the most complex geological areas in Europe, with land containing explosive gases as well as surface and ground water in an area with

high seismic risk. The zone has also the highest risk of landslides in Italy. In these areas, the bridges will have foundations up to 30 metres deep. All the viaducts will be equipped with special seismic isolators to minimise structural movement in the event of earthquakes. But the most challenging part of the project is the excavation of the tunnels and galleries.

Building the "Galleria Sparvo" will require the help of Martina, the biggest tunnel boring machine ever built in Europe. Bigger than a 5-floor building, longer than a football field and heavier than nine Boeing 747 aeroplanes, Martina can reach the remarkable speed of 22 metres per day, compared to 80-90 centimetres per day for traditional excavation methods.

Yet the Sparvo is just one of the 44 galleries in the project and this record is not going to last long. A new tunnel will be built in the final section of the highway near Florence using the same technique: the 7.7 kilometre-long "Santa Lucia" gallery, three times longer than the Sparvo. ■

Manchester: a city united in innovation

Synonymous with the industrial revolution, football and music, Manchester has thoroughly reinvented itself as a vibrant and modern city for business, research and innovation. The EIB is supporting two projects, Soapworks and Citylabs, in the city under the JESSICA initiative, which will further boost and diversify the local economy.



Faced with dwindling activity from the 1970s onwards, Manchester Docks, at the end of the Manchester Ship Canal, closed in 1982. A once thriving hive of activity was left as an acre upon acre of brownfield land.

Fast forward 32 years, the waterside district has been renamed Salford Quays, and is unrecognisable. The BBC's headquarters are now located in MediaCityUK. The Lowry Arts Centre and Imperial War Museum North, modern and polished, opened in the early part of the last decade.

Creating jobs

Further developments in Manchester, both in the docklands and elsewhere, are being supported by the North West Evergreen Fund ("Evergreen"), which was created under the terms of JESSICA, a joint initiative between the EIB and European Commission. JESSICA, Joint European Support for Sustainable Investment in City Areas, complements the Bank's direct lending and assists with the allocation of EU

structural funds to projects in sustainable urban development and regeneration.

Evergreen is an Urban Development Fund which targets the remediation of brownfield sites and has several priority goals, notably the creation of a high-employment region in the Manchester area, investment in science, research and innovation and the promotion of a wider, stronger and more sustainable industrial base.

A versatile and modern home

It is thus entirely fitting that the fund has invested in the Soapworks project in Salford. The project will refurbish a former soap factory and local landmark with over a century of history itself, and in over three separate phases redevelop it into 72 000 m² of business floor space. Once completed, the Soapworks development will be flexible. The Boilerhouse (pictured) is the oldest standing part of the factory, and will be able to accommodate small businesses in units of 140m², but floor plates

of over 3 700m² will also be available in the development, which is expected to achieve at least a "very good" BREEAM rating and an energy performance certificate B grade, both of which give it environmental credentials too.

There are social benefits to Soapworks as well. The Ordsall district, located between Media City and the city centre, is one of the most deprived in the Greater Manchester area, with a "job seekers allowance" claimant rate around 40% above the regional average. By providing complementary office space for Media City, a good location for other businesses and the auxiliary services that go alongside these, Soapworks will potentially create almost 4 000 jobs, and 1 350 in the Evergreen part-funded first phase alone, which will help with the redevelopment of the area as a whole.

Founded 1812

Manchester is a world renowned biomedical centre of excellence, and around 55 000 people work in the field, largely clustered

ute to the original date the medical facility was conceived.

Strong interest

The Citylabs' Medical Technology Development Centre will house small and medium-sized enterprises involved in the development of medical devices. Clinical trial and R&D laboratories on the third and fourth floors are flexible enough to allow other SMEs in those domains to work autonomously but keep within the collective spirit of Citylabs and the Manchester Corridor as a whole.

Interest in Citylabs as a space has been strong. Pre-letting agreements have been signed with the Central Manchester University Hospitals NHS Foundation Trust, Manchester College, TRUSTECH and ICON Development Solutions, a global provider of outsourced development services to the biotech, pharmaceutical and medical device industries. ICON's 3 700 m² letting in Citylabs is earmarked to supplement its clinical pharmacology services.

Huge potential

The projects in Manchester fit very tightly with the ambitions of the JESSICA initiative. The city is primed for further progress. In addition to the businesses based in Media City, there are 280 biomedical companies in the North West, while 80 FTSE listed companies and over 40 international banks are present and operating in the city.

A workforce of 7.2 million people live within an 80 km radius of the city centre, and the area as a whole has enjoyed the fastest population growth of any region in the United Kingdom outside of London over the course of the past decade. University graduates are staying on in the area as positions are being created, but the continued development and improvement of the city as a hub for research, innovation, media and medical sciences are attracting others to look in.

The city was forged in industry. Its industriousness keeps it evolving and diversifying. ■



www.eib.org/jessica

in the Corridor Manchester campus, on the city's Oxford Road. Notable domains in which the area has a very good reputation include healthcare, biotechnology and pharmaceuticals. It is home to the University Hospitals, Manchester University and the Metropolitan University of Manchester. All taken together, it is the largest clinical academic campus in Europe.

The former Royal Eye Hospital, in the middle of the Corridor, is a grade II listed building, with a history going back two centuries, and is of special significance for its architecture and history. The Evergreen fund was active in transforming the Victorian red brick building into a state-of-the-art biomedical facility named Citylabs. The original building has been maintained and then linked to a new one behind it. These are connected by a glass atrium to create 8 750 m² of research, laboratory and education space. The atrium serves as a meeting place for the Corridor's larger workforce. An exhibition centre, cafés and meeting rooms will allow them to vibe off each other and informally share experiences, while a small stone near the entrance reads "Founded 1812", a trib-

Soapworks will potentially create almost 4 000 jobs, and 1 350 in the Evergreen part-funded first phase alone, which will help with the redevelopment of the area as a whole.



A fresh re-start

for the Emscher river ecosystem

The EIB is co-financing one of Europe's largest environmental infrastructure projects with two loans worth some EUR 900m to support the restructuring of the wastewater system of the Emscher River in the German Ruhr Region.

“With a total cost of EUR 4.5bn and 350 kilometres of water courses, the Emscher rehabilitation project represents Europe's biggest attempt to restore an entire river and its surroundings and is a driver of structural change”, says Jochen Stemplewski, CEO of Emschergenossenschaft the regional wastewater association in charge of this mega project. “We are giving the people of the region their river back and improving their quality of life.”

With more than five million inhabitants, the Ruhr area is Germany's largest conurbation and also its main heavy industry hub. Mining has had a decisive economic influence on the region, but not without significant repercussions on the landscape. Over a century ago this sparsely populated

landscape of water meadows was transformed into an industrial conurbation, and the untamed river turned into a man-made system of open waste waterways. The Emscher and its tributaries have been used for almost 100 years as an open sewerage system. With the decline in the mining industry a further structural change began, with traditional heavy industry giving way to the services and high-tech industries.

Building the world's most modern wastewater system

In future, wastewater will be channelled into closed conduits, enabling the river and its tributaries to be converted back into natural waterways and reversing the degradation of the natural habitat. The new Em-



“we are helping the river regain its natural character with clear blue streams and green banks to show along its waterways”

scherser sewage canal is being built along the stretch of river from Dortmund-Deusen to the confluence with the Rhine near Dinslaken, a gigantic construction 51 kilometres long and reaching depths of 40 metres, with the aim of creating the world's most modern wastewater system by 2017.

“The Emscher rehabilitation project demonstrates how a region marked by industry over many decades can be transformed into a pleasant, nature-oriented landscape,” says EIB President Werner Hoyer. “I am extremely proud of our involvement, which highlights the vital role that the EU bank plays in such crucial long-term development initiatives.”

“The EIB loan is backing our goals by giving us peace of mind on important planning and financial aspects that are crucial to the realisation of our project,” Mr Stemplewski of the Emschergenossenschaft explains.



The Emscher rehabilitation project is safeguarding and creating some 1 400 jobs each year.



economy. These water management infrastructure measures alone are creating or securing several thousand jobs every year. A recent study by the North Rhine-Westphalia Institute for Economic Re-

life and work and with it great opportunities to sustainably improve the Ruhr area's attractiveness. Thus, it will influence positively the decisions of innovation-oriented companies considering moving or starting up here. Moreover, the Emscher conversion offers the chance to breathe new life into a hitherto unloved river while at the same time giving the entire region between Holzwickede and Dinslaken a new face. "Once a neglected backyard of the coal-mining district, now the Emscher region's face is changing," says Jochen Stemplewski. "Step by step we are helping the river regain its natural character with clear blue streams and green banks to show along its waterways".

The project is accompanied by the environmental reconstruction of the river landscape, which is due to be completed by 2020. Natural and recreational areas are being created in the densely populated region, which have already substantially improved the quality of life of the local inhabitants. The newly restored Emscher valley is becoming an increasingly attractive location for people to live. Within a short period of time, property prices have increased.

"Its positive effects can already be felt in many places. The upper stretch of the Emscher near Dortmund has been cleared of sewage water and largely rehabilitated. Some 110 of the total 350 kilometres of landscape along the Emscher and its tributaries have already been restored in harmony with nature and their adjacent urban areas along the river banks have seen a significant upgrade," Stemplewski adds.

The conversion of the Emscher system is a task of extraordinary dimensions, technically and financially. Not only does it consist of the restoration of waterways to their natural state, but it also includes many projects in adjoining areas. Following an initial financing operation in 2011, another EUR 450m loan was agreed in 2013. In addition to the large loan amounts, the EIB was able to offer highly attractive lending terms with a maturity of 45 years and a fixed interest rate.

Among Europe's largest infrastructure projects

The Emscher conversion is a unique planning and technical challenge, even on a European scale. Investments of this size have a noticeable impact on a region's

search confirms that the overall project is not only having a positive ecological impact, but also an important economic effect on the whole region. According to the research, the Emscher rehabilitation project is safeguarding and creating some 1 400 jobs each year. The successful conversion of such a large river system also sends a positive signal for similar large-scale water management and urban development projects throughout Europe.

Giving the river region back to the people

However, the conversion project's significance extends well beyond its direct effects on employment. Upgrading the Emscher region will provide a new quality of

Keeping floods at bay

The project also increases the climate resilience of the Emscher River basin against floods. Flood protection is being continually improved as part of the river basin management along the Emscher, the Lippe and their tributaries. These otherwise quiet waterways can rise dangerously during floods and extreme weather events. Whereas in the past the region's prosperity took its ecological toll, the Emscher rehabilitation benefits both the environment and the economy in the region. ■

Boosting sustainable energy investment in Slovenia

The EIB and the Slovene Export and Development Bank (SID banka) are together set to energise sustainable investment. This will help deliver both economic and environmental benefits through some 70 000 MWh of energy savings and reduced CO₂ emissions.



“With the energy efficiency and renewable energies loan we will complement and upgrade existing measures in order to boost investment in this field,” SID banka’s President and CEO Sibil Svilar says. Such investments tend to pay out in the future, but also need to be affordable today. The EIB is providing EUR 50m to SID banka to help unlock much-needed funding for energy efficiency – particularly in buildings and for SMEs – and small-scale renewable energy in Slovenia.

The majority of funds will be used to finance energy investments in buildings, which typically consume around 40% of overall energy in EU countries. Up to 8 500 buildings are expected to be refurbished to improve their energy efficiency, leading to an estimated reduction of 70 000 MWh of energy consumption. Using energy in better and more efficient ways also helps to cut CO₂ emissions and reduce dependence on energy imports.

Financial backing for renewable energy pioneers

The loan builds on the established partnership between the EIB and SID banka, which has already successfully intermediated some EUR 1bn of funding for SMEs, as well as for projects in the automotive, knowledge economy, infrastructure and environment sectors.

Among the beneficiaries of EIB funding channelled through SID banka is Sonel Ltd., one of Slovenia’s pioneers in the field of renewable energies. Its core business is photovoltaic energy generation, but it is also active in other fields, such as photothermics, heat pumps and energy-efficient renovation of buildings. Sonel also shares its knowledge in the area of green investment and offers international business counselling and training.

When the company sought to build a new solar power plant in Odranci, it was granted a long-term loan, benefiting from funding made available thanks to the SID-EIB cooperation. Today, the solar power plant, with a peak capacity of around 50 kW, produces an estimated 50 000 kWh each year, helping to reap CO₂ savings in the order of 36 tonnes. This is only a small-scale plant, but it is nevertheless able to cater for the electricity demands of around 13 households on a year-round base in Slovenia.

70 000 MWh

Up to 8 500 buildings are expected to be refurbished to improve their energy efficiency, leading to an estimated reduction of 70 000 MWh of energy consumption.

“The solar power plant in Odranci was connected to the grid in December 2012. In 2013, its power production already exceeded expectations. This is something we are very pleased about,” says Andreja Knez, manager at Sonel.

It is businesses like these that the EIB is seeking to support with the new funding. The Bank has given particular technical assistance to SID banka, for which financing individual households or housing associations involved in these schemes is a new area. The EIB provided expert consultant support to SID in the preparation of a list of eligible investments for smaller schemes and the related reporting procedures, as well as application guidelines for its employees.

“In its cooperation with SID banka, the EIB ensures that the benefits of it providing loans on favourable terms reach eligible promoters,” says EIB Vice-President László Baranyay.

These investments will support Slovenia’s National Energy Efficiency Action Plan and EU-wide objectives of cutting energy consumption by one fifth by 2020. In the framework of the Joint IFI Action Plan for Growth in Central and South Eastern Europe, the Bank has stepped up its lending in the region to improve access to long-term finance and mitigate the effects of the financial crisis. ■

Pier Luigi Gilibert new Chief Executive of the EIF



The Board of Directors of the European Investment Fund (EIF) has appointed Pier Luigi Gilibert as Chief Executive of the EIF. He succeeds Richard Pelly, who has headed the EIF for the past six years. Previously, Pier Luigi Gilibert was Director General at the EIB, responsible for operations in the EU and Candidate Countries.



People@EIF



Klaus Trömel

has been appointed
Director General,
Head of Operations.



Jean-Christophe Laloux

has been appointed
Director General, Deputy
Head of Operations.



Alain Godard

has been appointed
Director General
of the Risk
Management Directorate.



Cheryl Fisher

has been appointed
Deputy Director
General, Head of the
Personnel Department.



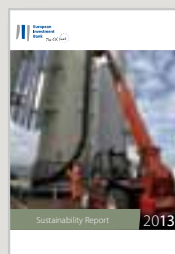
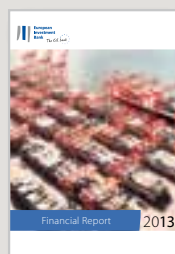
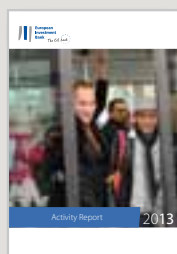
Francesco Mantegazza

has been appointed
Director in the
Compliance Directorate.

Publications

- Activity, Statistical and Financial Reports 2013
- 2013 EIB Group Sustainability Report
- Operational Plan 2014-2016
- EIB Statute – update
- The EIB Trade Finance Facility for Greece – flyer
- CESEE Bank Lending Survey H2 – 2013

More @ www.eib.org/publications



Agenda

- **11-13/04/2014**
International Monetary Fund and World Bank Spring Meetings, Washington D.C.
- **14/04/2014**
European Investment Fund Annual General Meeting, Luxembourg
- **22/04/2014**
Assises européennes du financement des PME, Lyon
- **5-6/05/2014**
OECD Forum, Resilient Economies for Inclusive Societies, Paris
- **7-9/05/2014**
European Economic Congress, Katowice
- **12/05/2014**
Supporting investment in innovation in the UK, London

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Please consult the Bank's website for the updated list of existing offices and their contact details.



Tamsyn Barton

will become Resident Member of the EBRD's Board of Directors in London as of June.

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