

EIB SUPPORT FOR “SUSTAINABLE COMMUNITIES”

Presentation by Peter Sedgwick – EIB Vice President

**MINISTERIAL INFORMAL MEETING ON
SUSTAINABLE COMMUNITIES IN EUROPE**

6th and 7th DECEMBER, 2005



- ✓ **Created by the Treaty of Rome in 1958**
- ✓ **Shareholders: 25 Member States of the European Union**
- ✓ **Subscribed capital of EUR 250 billion and annual lending volume in excess of EUR 40 billion**
- ✓ **Refinancing through the capital markets - EUR 50 billion raised in 2004.**
- ✓ **Operating on sound banking principles**

The European Union's financing institution

HOW DOES EIB ADD VALUE?

- **Passing on wholesale, capital market funding from a AAA-rated, not-for-profit institution.**
- **Long-term commitment, providing a source of stability and confidence.**
- **Sharing and applying EU-wide experiences at a regional level.**
- **Adding financial capacity to markets in priority sectors.**
- **Channeling finances and policy support towards key sectors in collaboration with government and public authorities.**

WHERE DOES THE URBAN AGENDA FIT IN?

Economic and social cohesion

“i2i” Initiative, promoting international competitiveness and human capital

Environmental protection and improvement

Development of Trans European and Access Networks

Support of EU Development and Cooperation Policies with Partner countries

SME financing and competitiveness

Projects promoting European Union objectives

➤ Today, more than 50% of the world's population lives in cities.

➤ Rates of urbanisation are accelerating and fast approaching 3% per annum, implying a global urban population of more than 70% by 2020.

➤ About 80% of the EU's population lives and works in urban areas.

➤ Cities are therefore critical actors in the social and economic life of the EU

HOW DOES EIB CONTRIBUTE TO SUSTAINABLE COMMUNITIES?

 An integrative approach, covering:

 - urban renewal;

infrastructure & environmental

social housing

cultural heritage

- urban transport;

- related public services infrastructure (health, education, water & wastewater, utilities); and

- energy efficiency.

Protecting or improving the urban environment

EIB REQUIREMENTS FOR URBAN RENEWAL PROJECTS

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- ✓ **an integral part of a local or regional strategy**
 - urban renewal/regeneration plan for social housing
 - sectoral (integrated) plan for transport, water, etc.;
 - ✓ **supported by clear demand and economic prospects; and**
 - ✓ **promoting the sustainability of local communities**

HOW DOES EIB DELIVER?

 By our traditional direct support for individual projects, particularly where these are seen as pivotal or catalytic in supporting broader-based urban renewal/regeneration initiatives.

For example, in Spain, the Bank has financed the reconstruction of the Liceu, the opera house located in the Ramblas, in support of the renewal strategy for the old city of Barcelona (Ciutat Vella). Similarly, the construction of the imposing World Trade Centre, in a redundant quay, supports the regeneration of the City's old port.

HOW DOES EIB DELIVER?

 By supporting sector specific investment programmes such as housing, urban transport, water and waste management, etc, where these contribute to the urban strategy.

For example, in the UK, the Bank is supporting the Glasgow Housing Association's GBP 1.7 billion programme to regenerate deprived neighbourhoods through major rehabilitation of the social housing stock and the reconfiguration of problem estates, with a loan of GBP 150 million. Another project which EIB has supported, with a GBP 105 million loan, is the Glasgow Schools PPP project concerning designing and building 29 schools.

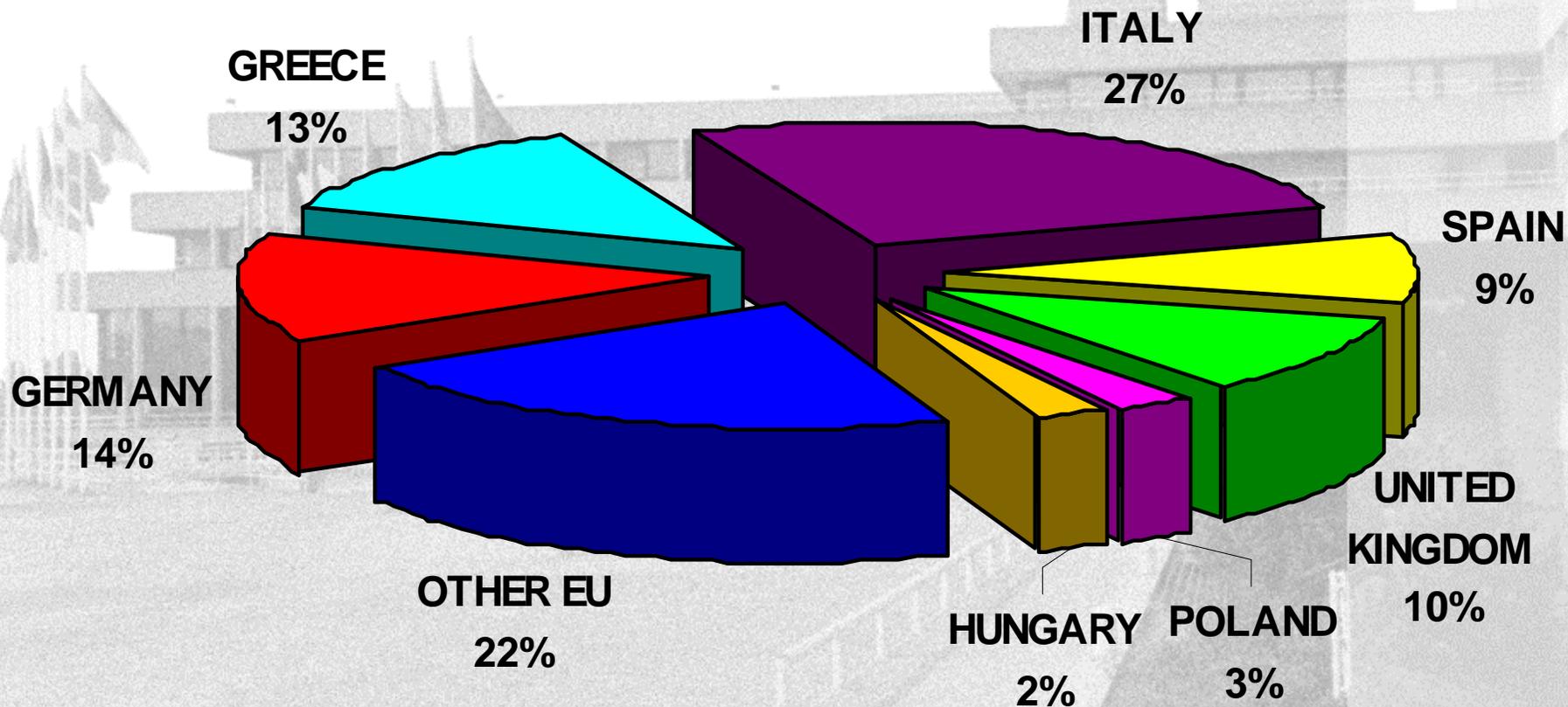
HOW DOES EIB DELIVER?



By supporting multi-sector investment programmes, designed to foster a more integrated approach in pursuit of urban renewal/regeneration objectives. Programme loans of this kind facilitate the funding of smaller-scale projects by the Bank.

For example, in Poland, the Bank is supporting the City of Warsaw's multi-sector capital investment programme with two loans in the amounts of EUR 45 million (2003) and EUR 125 million (2005). The first loan is for 230 individual small-scale projects, whereas the second supports 30 larger schemes.

URBAN RENEWAL PROJECTS IN THE EU (2000 - 2004)



in excess of EUR 15 billion
(excluding urban transport)

FURTHER OPPORTUNITIES FOR EIB INVOLVEMENT



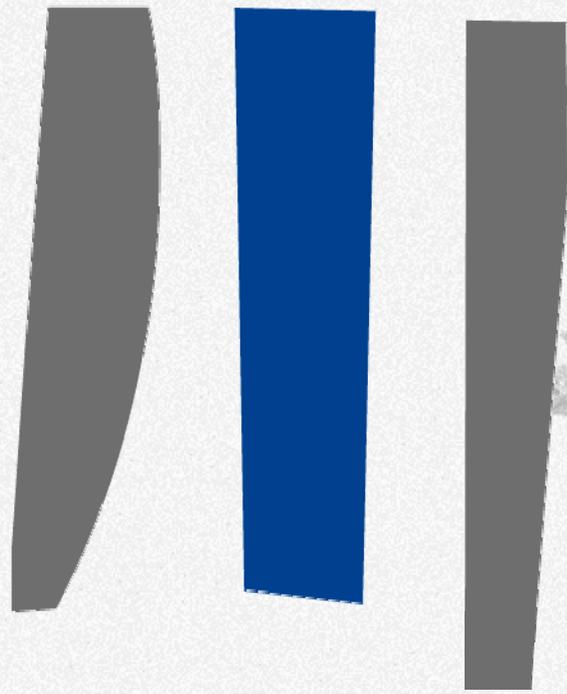
- **Jointly with EU Commission and member states.**
- **Aim is to foster an enhanced EIB role in sustainable communities projects, by...**
- **...focusing on project preparation and knowledge sharing between member states, possibly leveraging/complementing EU structural funds.**
- **Quick results focused - final report submitted to German Ministerial Informal in May 2007.**

UK Presidency expert working group proposal

FURTHER OPPORTUNITIES FOR EIB INVOLVEMENT



- **More flexible interpretation of prevailing eligibility criteria to fill gaps and complement Cohesion policy.**
- ***JASPERS* initiative should augment EIB's advisory role, particularly in the new Member states.**
- **Other EIB/EU Commission joint initiatives, including "National Operational Programmes" ...**
- **... and jointly with other IFIs, including social housing projects with the Council of Europe Development Bank.**
- **Promoting financial structuring best practice and, where appropriate, leveraging in private sector investment.**



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