



The European Investment Bank in the Danube Region

The Danube Region is home to more than 115 million people. The Danube's catchment area is shared by nine EU Member States¹ and five non-EU countries². The part of the region located within the European Union makes up one fifth of the EU's territory and the region's economy, competitiveness and well-being are intricately linked to those of the Union as a whole. For these reasons, the European Union has developed a macro-economic strategy to strengthen cross-border cooperation in the Danube Region. The EIB is fully supporting this strategy.



Apollo Bridge in Bratislava, Slovakia

¹ Austria, Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Romania, Slovakia and Slovenia.

² Bosnia-Herzegovina, Montenegro, Serbia, Moldova and Ukraine.



The Chain Bridge in Budapest, Hungary

The European Investment Bank

The EIB is the bank of the European Union. As the world's largest multilateral borrower and lender, we provide finance and expertise for sound and sustainable investment projects, mostly in the EU. We are owned by the 28 EU Member States and the projects we support contribute to furthering EU policy objectives. Under its external mandates, the EIB helps to implement the financial pillar of the EU's foreign policy, operating mainly in the pre-accession countries of South-East Europe as well as in the neighbouring countries to the south and east.

The strategy has four key objectives

- **Connecting the Danube Region:** improving mobility and multimodality, which covers road, rail, air links and inland waterways; encouraging more sustainable, cleaner energy, and better energy infrastructure and markets; and promoting culture and tourism.
- **Protecting the environment in the Danube Region:** restoring and maintaining the air, landscape and water quality; managing environmental risks; and preserving biodiversity.
- **Building prosperity in the Danube Region:** supporting the Europe 2020 strategy by developing the knowledge society through research, education and information technologies; promoting the competitiveness of enterprises,

including cluster and network development; investing in people and skills.

- **Strengthening the Danube Region:** enhancing institutional capacity and cooperation; working together to promote the rule of law, transparency and democracy, as well as the market economy and political stability.

We are the most active multilateral financing institution in the region and between 2009 and 2013 we lent nearly EUR 49bn in all 14 countries of the Danube Region combined.

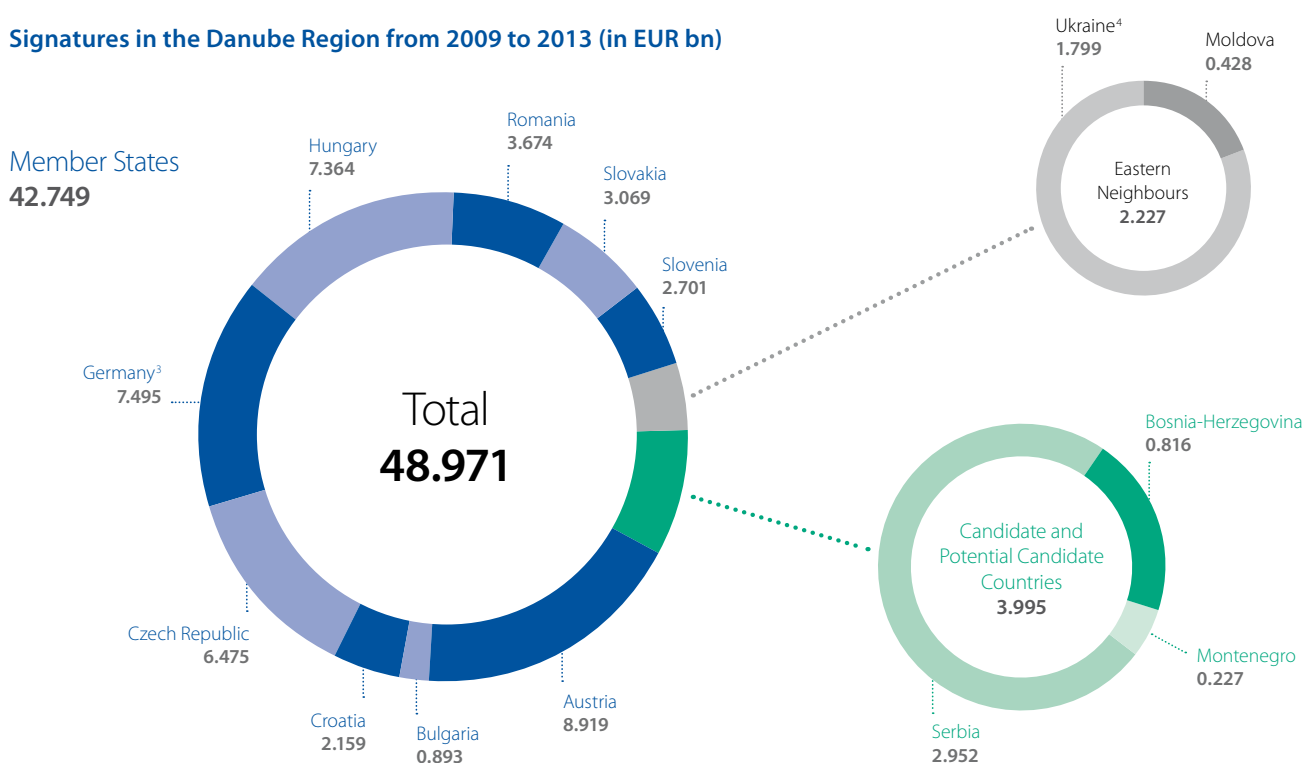
The Bank lends for investment in water networks and wastewater treatment plants, solid waste treatment facilities, high-priority transport projects, as well as major energy projects contributing to

the security of energy supplies, energy efficiency and renewable energy.

EIB loans have gone to bridges, tunnels, port facilities and railway links. Key research, development and innovation (RDI) projects in the Danube Region have also been supported. In addition, small and medium-sized enterprises (SMEs) have received EIB funding through credit lines to local intermediaries that on-lend the money for small-scale capital investment and working capital requirements.

The European Investment Fund (EIF), the EIB Group's risk-financing arm, supports small businesses in the Danube Region via equity instruments, SME guarantees and financial engineering products.

Signatures in the Danube Region from 2009 to 2013 (in EUR bn)



³ In the German Bundesländer included in the Danube Region (Baden-Württemberg and Bavaria). The figure includes allocations under credit loans in these regions.

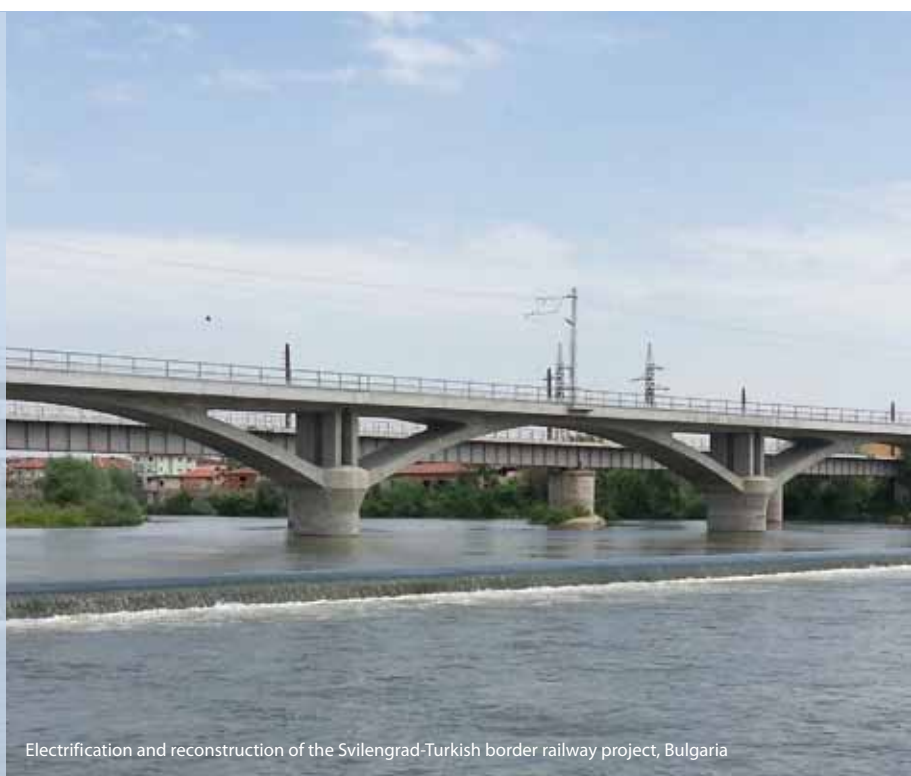
⁴ The lending volumes for Ukraine include all lending to the country, although strictly speaking only the southern part of the country is considered to be located within the Danube Region as defined by the EUSDR.



EIB products and instruments

The EIB offers a variety of financial products, the most frequently used being investment loans, framework loans and credit lines.

- **Investment loans** are provided for individual projects normally costing more than EUR 25 million.
- **Framework loans** are loans to a single borrower that are used to finance a programme or a series of investment projects in a single sector or number of sectors.
- **Credit lines** are made available to banks and financial institutions to assist them in providing finance to small and medium-sized enterprises or for small infrastructure schemes.



Electrification and reconstruction of the Svilengrad-Turkish border railway project, Bulgaria

Partnering with the EIB in the Danube Region

The EU Strategy for the Danube Region (EUSDR) coordinates action involving EU Member States, the European Commission, pan-Danube bodies (such as the International Commission for the Protection of the Danube River), financing institutions and non-governmental organisations to promote a more balanced development of the region. Implementation of the strategy is financed mainly through EU funds for the area, the Member States and loans from the EIB and other multilateral financing institutions.

The EIB also works together with the EBRD, the World Bank Group, the Council of Europe Development Bank and the Black Sea Trade and Development Bank to finance projects involving energy, transport, telecommunications and environmental infrastructure in the Danube Region.



Improving the environment in Sofia, Bulgaria

In 2013 the Bank provided EUR 18m to finance an integrated system for the treatment of municipal solid waste in the Municipality of Sofia. The facilities include a sanitary landfill, a mechanical/biological treatment installation, a biowaste composting plant and a green waste composting plant to improve municipal solid waste disposal practices in Sofia. This loan increased the total amount of EIB funding for this project to EUR 33m.

Support for innovation in Hungary

In 2013 the EIB lent EUR 50m loan to improve the efficiency and quality of public administration in Hungary. This project focuses on modernising the operation, procedures and processes of electronic public services via staff development and the utilisation of advanced ICT technologies. Up-to-date e-government services will accelerate modernisation and generate efficiency gains in public administration. This will further develop and facilitate the use of public services and also have positive implications for the labour market in Hungary.

Another 100m EIB loan is supporting Hungary's Student Loan Centre (Diákhitel Központ). The funds are on-lent to undergraduate and postgraduate students pursuing degree courses at Hungarian higher education institutions. This financing makes higher education accessible to a wider group of students and will help to increase the proportion of Hungary's population that completes higher education studies.

The DABLAS (Danube and Black Sea) Task Force ensures that there is a strategic focus on the use of available financing and coordinated action between all financial institutions operating in the region.

In the Danube Region, Bulgaria, the Czech Republic, Hungary, Slovakia and Slovenia are convergence regions⁵ and therefore have access to grant resources from the EU's **Structural and Cohesion Funds**. More than EUR 100bn in grants has been available for investment programmes between 2007 and 2013. However, the EU funds are only granted if local authorities are

able to commit their own funds first. At a time of austerity this has proved difficult for some Member States, putting at risk the implementation of investments that could increase their growth potential. The EIB's structural programme loans help to finance part of the national budget's contribution to investment in a wide range of priority projects in most of the eligible Member States in the Danube Region.

By the end of 2013, more than EUR 7bn in EIB loans had helped to generate EUR 80bn of investment.

⁵ Convergence regions are those regions having a per capita gross domestic product (GDP) of less than 75% of the average GDP of the EU-25 (Commission Decision C(2006) 3475 of 4 August 2006 and Commission Decision C(2007) 1283 of 26 March 2007 amending Decision 2006/595/EC as concerns Bulgaria and Romania).

Supporting energy efficiency in Austria

In 2013 the EIB lent EUR 120m to the Viennese firm Stadt Wien - Wiener Wohnen to improve the thermal energy efficiency of municipal housing. The funds will help modernise and upgrade the urban housing stock to significantly reduce the energy consumption of rental apartments.



Improving the quality of life in Moldova

In the Municipality of Chisinau, Moldova's capital, a EUR 10.3m EIB loan is helping to upgrade urban infrastructure. Six major streets are being overhauled, with new public lighting, traffic signals, parking facilities and water drainage being installed. The project is co-financed with the EBRD and technical assistance funds. Underpinning the EU Strategy for the Danube Region, the project follows on from the successful completion of the scheme to modernise the city's trolleybuses, which is also being financed by the EIB and the EBRD.



Chisinau Trolleybuses, Moldavia

Optimising railways in the Czech Republic

A EUR 78.9m EIB loan is supporting the optimisation and modernisation of a double-track section with a total length of 45.3 km, located on Railway Corridor III, west of Prague, between Beroun and Rokycany.



Railway infrastructure rehabilitation, Hungary

Better schools for Serbia

A EUR 50m EIB loan supporting Serbia's schools modernisation programme is helping to upgrade facilities and make Serbia's educational infrastructure fit for the future. It is also providing strategic assistance for the further development of Serbia's education system. The lack of teaching facilities forces many schools in Serbia to operate in two or even three shifts to accommodate pupils. This is a strain for both teachers and children. To meet the most urgent needs, the EIB's investments are directed at upgrading ten primary and two secondary schools so that they no longer have to work in three shifts.

Initiatives that add value

Special initiatives that the EIB has helped to develop are of particular relevance for the Danube Region: JASPERS (Joint Assistance to Support Projects in European Regions), JESSICA (Joint European Support for Sustainable Investment in City Areas), JEREMIE (Joint European Resources for Micro to Medium Enterprises) and EPEC (the European PPP Expertise Centre).

JASPERS is a partnership between the EIB, the European Commission, the EBRD and KfW Bankengruppe (KfW). It supported the implementation of cohesion policy during the programming period 2007-2013 by helping the 12 countries that joined the EU between 2004 and 2007⁶ to prepare projects to be submitted for grant financing from the Structural and Cohesion Funds. JASPERS has also been working in Croatia to help build up a pipeline of projects with a view to the country's accession to the EU. For more information, go to www.eib.org/jaspers.

JESSICA is a joint initiative of the EIB, the European Commission and the Council of Europe Development Bank to use 2007-2013 Structural Funds allocations as loans, guarantees or equity rather than grants for urban development projects. For more information, go to www.eib.org/jessica.

JEREMIE is a partnership between the EIF and the European Commission. It offers the opportunity to EU Member States, through their national or regional Managing Authorities, to use part of their EU Structural Fund allocations to finance micro to medium-sized enterprises by means of equity, loans or guarantees. For more information go to www.eib.org/jeremie.

EPEC is an EIB and European Commission initiative. The Centre strengthens the organisational capacity of the public sector to engage in public-private partnership (PPP) transactions. For more information, go to www.eib.org/epec.

⁶ Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.



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