

EU Strategy for the Danube Region (EUSDR)

Second Stakeholder Seminar of the Water Quality (PA4) and the Environmental Risks (PA5) Priority Areas

"European funding opportunities in the water sector"

The EIB lending to the Water sector

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The EU bank



- Natural financing partner for the EU institutions since 1958
- Around 90% of lending is within the EU
- Shareholders: 28 EU Member States

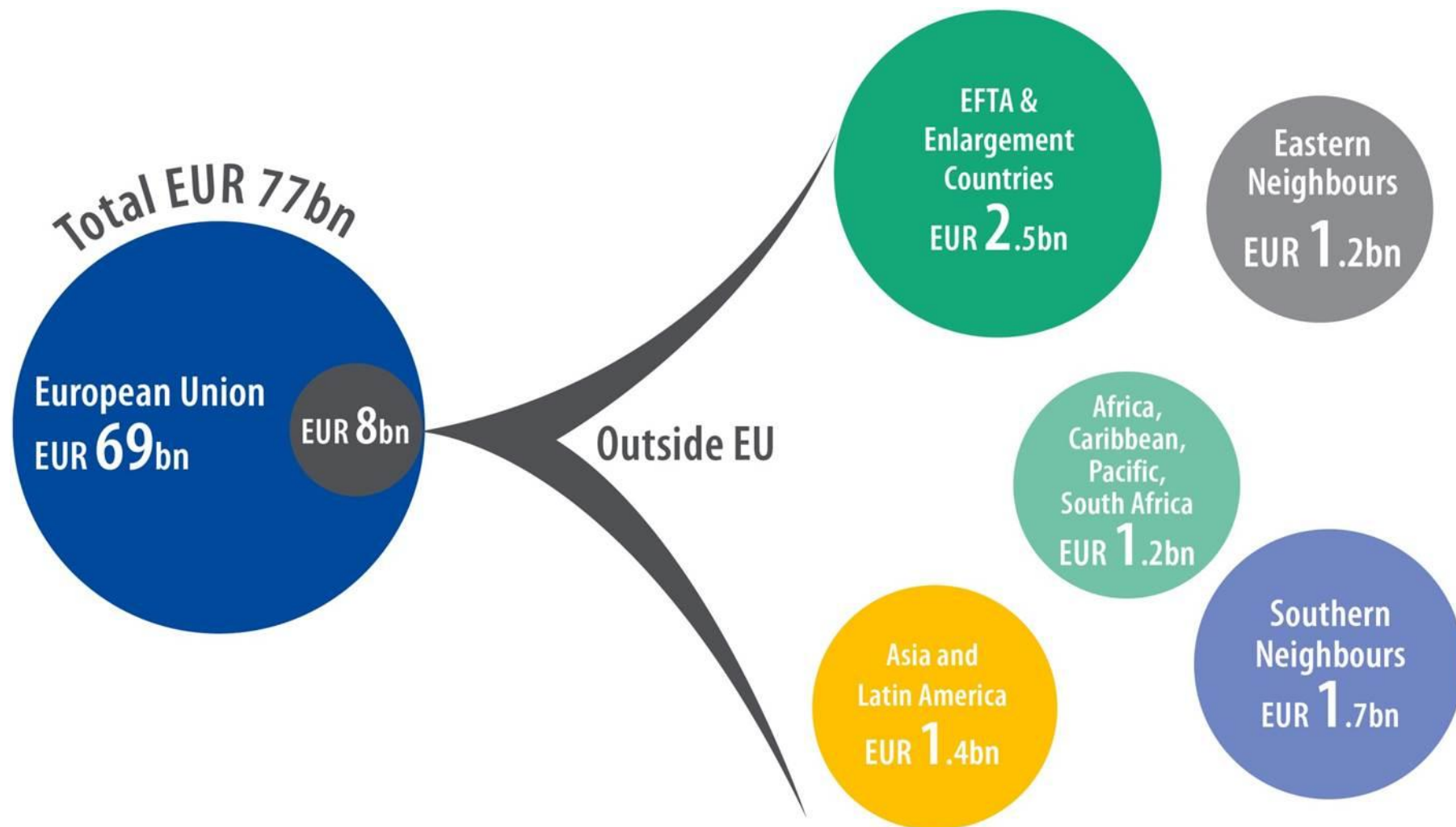
Investing in Europe's growth

The EIB at a glance

- Largest multilateral lender and borrower in the world
 - Raise our funds on the international capital markets
 - Pass on favourable borrowing conditions to clients
- Some 440 projects each year in over 160 countries
- Headquartered in Luxembourg and 30 local offices
- Around 2 400 staff:
 - Not only finance professionals, but also engineers, sector economists and socio-environmental experts
 - More than 50 years of experience in financing projects

Lending in 2014

(EIB signatures)

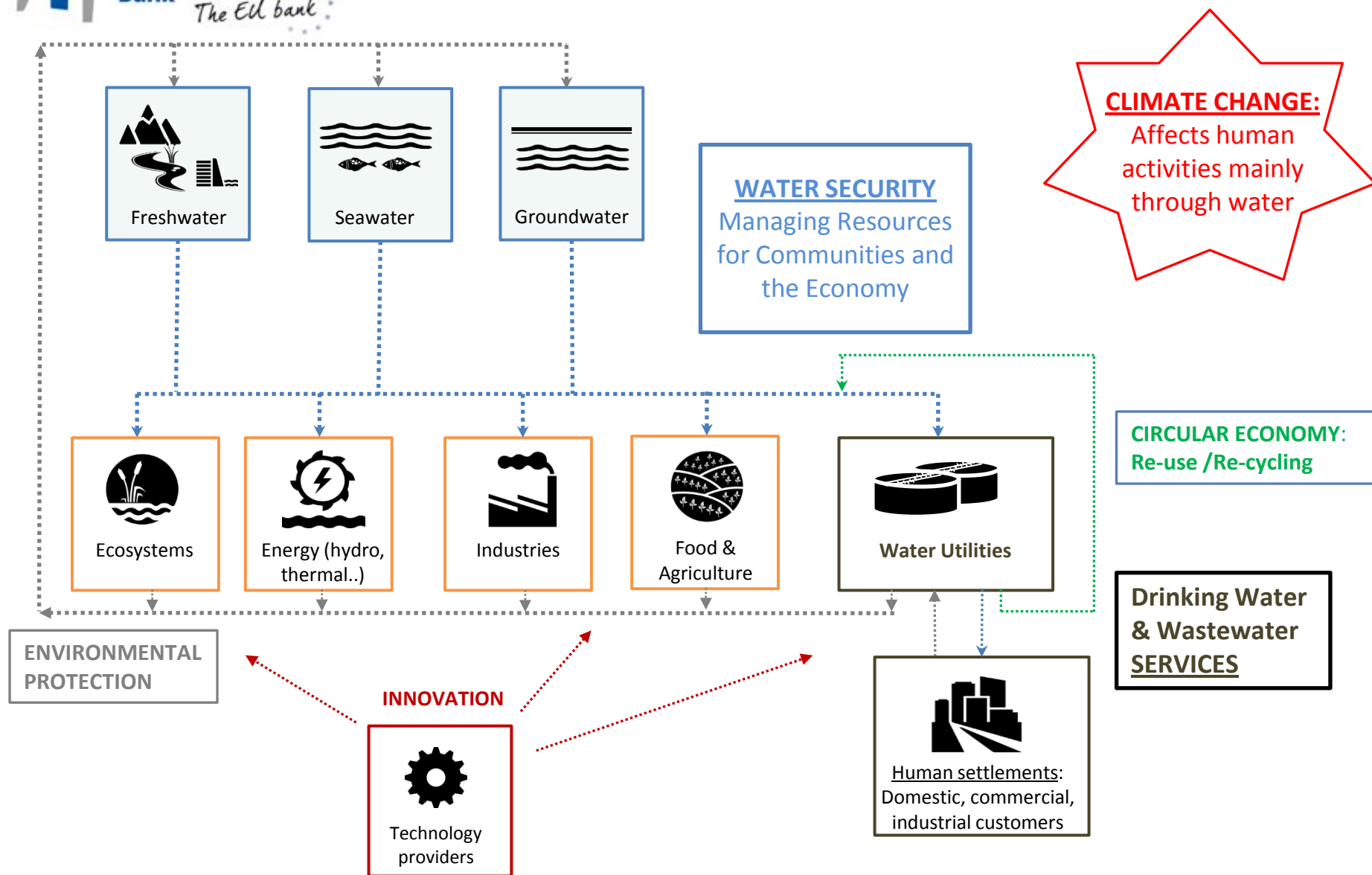


EIB Water Sector Activities: Broad Scope

- EIB supports the full water value chain:
 - water resources development, management, protection
 - provision of drinking water, wastewater collection and wastewater treatment services
 - sludge management, including nutrients recovery
- Enhance resilience to water-related climate hazards, including reconstruction and risk management programmes for water-related disasters
- Management of related natural resources (e.g. integrated land & water resources management in river basin plans)

**The EIB - supporting water security for communities
and the economy**

EIB active across the Water Value Chain



EIB Water Sector Activities: Main Policy Drivers

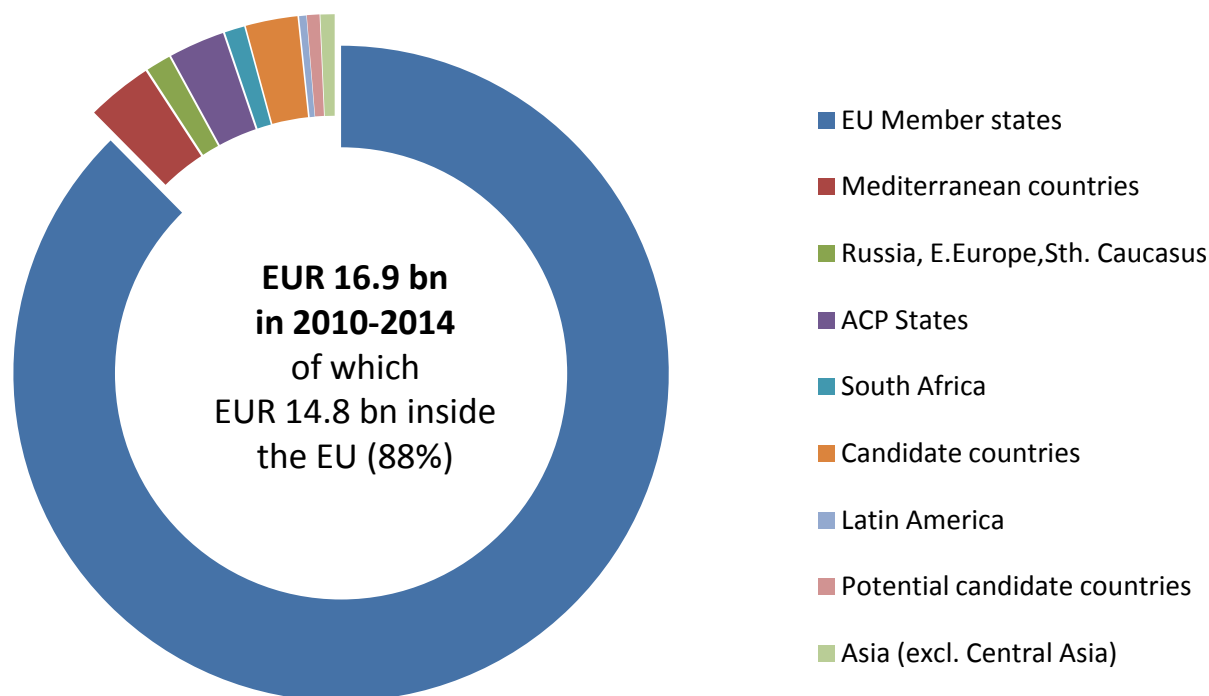
- **Environmental Protection:** Compliance with EU legislation
- **Resource Scarcity, Efficiency and Security:** land, water, waste as strategic assets for economic growth → Circular Economy
- **EU Territorial Policy & Macro-regional Strategies:** blend loans with EU Structural and Investment Funds to implement EU policies
- **Climate Action:** Adaptation & Mitigation

EIB Water Sector Activities: The EU “Water Bank”

- Largest source of loan financing to the sector → over EUR 17 bn loans 2010-14
- About 90% of lending goes to projects in the EU
- On average EIB lending represents 30% of the total investment cost of water projects → supported investment for EUR 56 bn in 2010-14 → high leverage effect, blending
- Flexibility: lends to national/local authorities, public or private companies, through intermediaries or directly (including project finance deals)

The EIB lending to the Water Sector in 2010-2014 - by region

EIB lending to the Water sector in 2010-2014



EIB role

EIB provides long-term finance for projects promoting European objectives

- to Member States, regions, utilities, private sector and other beneficiaries
- by developing financial engineering, blending grants with loans
- through programme oriented instruments (*Programme Loan, Framework Loan, Structural Programme Loan*)
- and through direct *Investment Loans* for large stand-alone projects

Bankable project

Some aspects of a bankable project/programme:

- compliance, including sector governance
- maturity
- climate vulnerability and risk assessment
- stakeholders engagement
- realistic timescales of implementation
- proper programme/project management structures in place
- promoter's capacity (could be enhanced by Technical Assistance)

EIB project cycle

We support sound and sustainable projects



Value added

Value added of the Bank's lending

- financing sound projects that meet EU objectives
- financial benefits of EIB funds
- matching EU funds
- upstream – project preparation JASPERS
- project implementation support



Contact

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The EIB lending to the Water Sector outside the EU (2010-2014)

