

Environmental lending at EIB: the general picture

**EIB'S ENVIRONMENTAL PROTECTION OBJECTIVES
2006 EUR 16.4bn NEW SIGNATURE REPRESENTING ABOUT 35%
OF TARGET INDIVIDUAL LOAN SIGNATURES FOR 2006**

EIB environmental investment focuses on:
tackling climate change
protecting and enhancing biodiversity
promoting the sustainable use of natural resources & waste management
improving the quality of life in the urban environment

**Preserve, protect and improve the environment,
EIB's "Environmental Statement" on the web**

ENVIRONMENTAL PROTECTION LOANS DURING 2001-2005

Total individual loans : EUR 49.7 bn

•Climate change	EUR 9519 m
	<i>(renewable energy EUR 2751 m)</i>
•Environment and Health	EUR 9535 m
•Urban Environment	EUR 28166 m
•Natural environment & Biodiversity	EUR 2624 m
•Natural resources & waste management	EUR 1614 m

A clear EIB priority

Characteristics of EIB environmental loan portfolio in Romania

- **Comprises**

- Energy efficiency,
- Solid waste
- Drinking water
- Sewerage

- **Dominance of water related projects....**

- **.....mirrors local priorities**

- **EIB supportive of water sector regionalisation process (SAMTID)**

- **Excellent cooperation with EU Commission on water sector investments ISPA & PHARE**

Portfolio summary I

- **6 water sector operations to date appraised**
- **Projects appraised amount beyond EUR 1bn**
- **Support to water related projects in Bucharest, Braila, Cluj, Craiova, Focsani, Pacsani, Buzau, Piatre Neamt, Satu mare, Baia mare, Bistrita, Drobeta Turnu Severin, Ramnicu Valcea, Pitesti, Constanta, Galati, Caras Severin and in the counties of Alba, Botosani, Hunedoara, Calarasi, Prahova, Suceava, Harghita, Mures**
- **Projects relate to drinking water production and service provision and sewerage disposal and treatment**
- **Projects mobilised EU grant support beyond EUR 550 million**

Portfolio summary II

- **3 operations relating to flood damage repair works appraised to date**
- **Projects appraised amount beyond EUR 1 bn**
- **Focus primarily on emergency reinstatement of transport infrastructure (roads, rail) promoted by Ministry of Transport**
- **Limited activities to date in flood prevention....**
- **....but appraisal for first flood prevention project starting**

Project Implementation Issues – some examples

- Project preparation weaknesses
- Lack of experience with EU rules
- Delays and issues during the procurement procedures
- Contract management weaknesses
- Insufficient local funding
- Creation of a viable regional operator structure is time consuming
- Need to enhance institutional structures and regulations

The Future

- Co-financing with EU Commission to continue (SOP Environment Co-financing facility)
- Consider EIB lending at municipal or operator level, where eligible
- Participate in PPP operations
- Continued support to sector reform (regionalisation)
- Further develop cooperation with local banking partners to increase EIB funding access for smaller projects
- Expand EIB operations from drinking water and sewerage also to flood prevention projects