

Possibilities of applying for a loan from the European Investment Bank (EIB)

1. What are the financing objectives of the EIB?

Within the EU the EIB has 6 priority objectives for its **lending activity**, which are set out in the Bank's business plan, the Corporate Operational Plan (COP).

- Cohesion and Convergence (supporting developments in the less favoured regions and in particular to meet the challenges of enlargement)
- Support for small and medium-sized enterprises (SMEs) (supporting investments by SMEs)
- Environmental sustainability
 - Improving the quality of life in the urban environment, particularly through urban renewal and sustainable urban transport projects
 - Addressing environmental and health issues (e.g. reduction of industrial pollution, provision of water and wastewater treatment)
 - Tackling climate change, including energy efficiency and renewable energy
 - Protecting nature and wildlife
 - Preserving natural resources and managing waste (including minimisation, recycling, re-use and disposal of domestic, commercial and industrial waste)
- Implementation of the Knowledge Economy
 - Improving access to quality Education and training
 - Supporting excellence in Research, Development and Innovation
 - Promoting the diffusion of Information and communications technology (ICT) networks, including audiovisual activities
- Development of Trans-European Networks of transport and energy (TENs) Facilitating:
 - The economic and social integration of the EU
 - Free movement of people and goods
 - The development of less favoured EU areas
- Sustainable, competitive and secure energy
 - Renewable energy
 - Energy efficiency
 - Research, development and innovation
 - Diversification and security of internal supply
 - External energy security and economic development

Examples of EIB supported projects:

- Construction and upgrading of transport infrastructure (rail, air, road connections and bridges)
- Energy production, transfer and distribution (power gas heat, etc.) as well as schemes for more efficient energy use and alternative energy supplies (wind power, etc.)
- Telecommunications infrastructure
- Natural and urban environment schemes (water, waste, cleaner air, urban transport, etc.)
- Investment in human capital (schools, universities, laboratories, research centres, hospitals, etc.)
- Industrial projects in manufacturing (motor vehicles, pharmaceuticals, aviation equipment, chemical, etc.)

2. What are the main benefits of an EIB loan?

- Fine interest rates – as EIB is a non profit-motivated institution and loans based on EIB's borrowing costs with a small margin to cover administrative expenses and other costs.
- Large loan amounts over long maturities and in all major currencies.
- Involvement of the EIB can act as a catalyst to encourage other banks, financial institutions and the private sector to participate in an investment. The EIB never finances more than 50% of the total project cost.

3. Who can benefit from an EIB loan?

The EIB's clients are public and private sector bodies and enterprises. The project promoted by the public or private client must be in line with the eligibility criteria of the EIB and be economically and financially sound.

4. What are the principal lending facilities of the EIB?

In general terms, the EIB has two main financing facilities:

- Individual Loans for capital spending programs or projects costing more than EUR 25 million.
- Intermediated Loans (Global Loans) consisting of loan facilities to banks and financial institutions to help them to provide finance to customers with eligible spending programs or projects costing less than EUR 25 million. Lending decision under this scheme remains with the clearing bank or finance house with access to EIB funds. Promoters interested in global loan financing should contact the banks and intermediaries involved directly.

5. What is the procedure for obtaining an EIB loan?

No special formalities are required to apply for EIB individual loans. Project promoters are required simply to provide the Bank's Operations Directorate with a detailed description of their capital investment together with the prospective financing arrangements.

Initial contacts to discuss a proposed project can be in any form, by telephone, fax, e-mail or letter. For such first contacts, the project promoter should provide sufficient information to allow verification of compliance of the investment with the eligibility criteria of the EIB and have a well-developed business plan.

6. How is a project evaluated and how long does it take?

The Bank will review the promoter's own comprehensive feasibility studies, and make a preliminary assessment of certain aspects (technical, environmental, economic, financial and legal) of the project. This is then followed up with a detailed appraisal by an EIB project team, consisting of an economist, an engineer and a loan or contact officer within the Bank. The EIB forms its own opinion on the basis of available data and documents.

An EIB appraisal procedure can take any period of time between 6 weeks to 18 months depending on the project scope, the degree of complication of an operation, and the efficiency of the appraisal process on the part of both the EIB and the project promoter.

7. What are the main conditions of EIB lending?

The EIB provides long-term loans, running from approximately 4 to 20 years (possibly more), depending on the economic life of the assets to be financed.

In addition to its usually advantageous lending rates, the EIB normally charges neither commitment fees nor non-utilisation fees, but fees for a project's appraisal and required legal services may be applicable in certain cases.

8. Whom to contact when applying for a loan from the EIB?

For further information on loan application, potential borrowers are invited to contact the EIB's Infodesk info@eib.org. Alternatively, a list of senior officials in the EIB Lending Operations Directorate can be found on the website (<http://www.eib.org>).

Promoters are asked to consult the directorate for Lending Operations in Europe or the directorate for Lending Operations outside Europe and contact the appropriate teams via the EIB switchboard +352 4379-1.

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