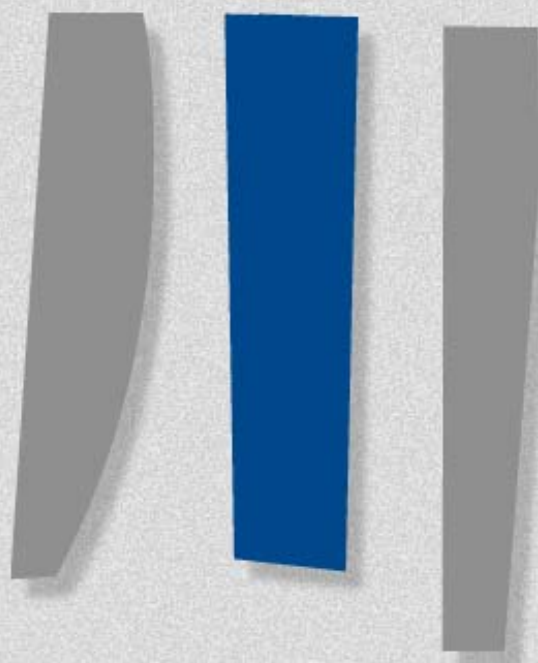


Waste Management in External Aid Programmes

Brussels, 5th December 2006



**European
Investment
Bank**

**Solid Waste Management Projects financed by
the EIB**

- ➡ What is the EIB?
- ➡ What resources can the EIB provide?
- ➡ How are projects selected?
- ➡ Financing plan
- ➡ EIB lending activities in the solid waste sector
- ➡ Questions from the floor

The European Union's financing institution

- Created by the Treaty of Rome in 1958, to provide long-term finance for projects promoting European integration
- Subscribed capital EUR 163.7 bn
- EIB shareholders: 25 Member States of the European Union
- Lending in 2005: EUR 47bn (EUR 43 bn in 2004)
- EUR 42 bn within the EU (EUR 40 bn in 2004)
- Borrowing in 2005: EUR 50 bn, through 330 bond issues in 15 currencies (EUR 50 bn in 2004)*

*The 2005 programme was completed as of 04.11.2005.














- ✓ Lending for projects in the Member States
- ✓ Lending for projects preparing the accession states' future membership
- ✓ Lending for projects outside the Union when and where authorised by its Board of Governors
- ✓ Based on a series of mandates given by the Union (Accession countries, Euro-Med, ACP, ALA, Balkans, Russia)

The European Union's long term financing institution

EXTERNAL LENDING MANDATES

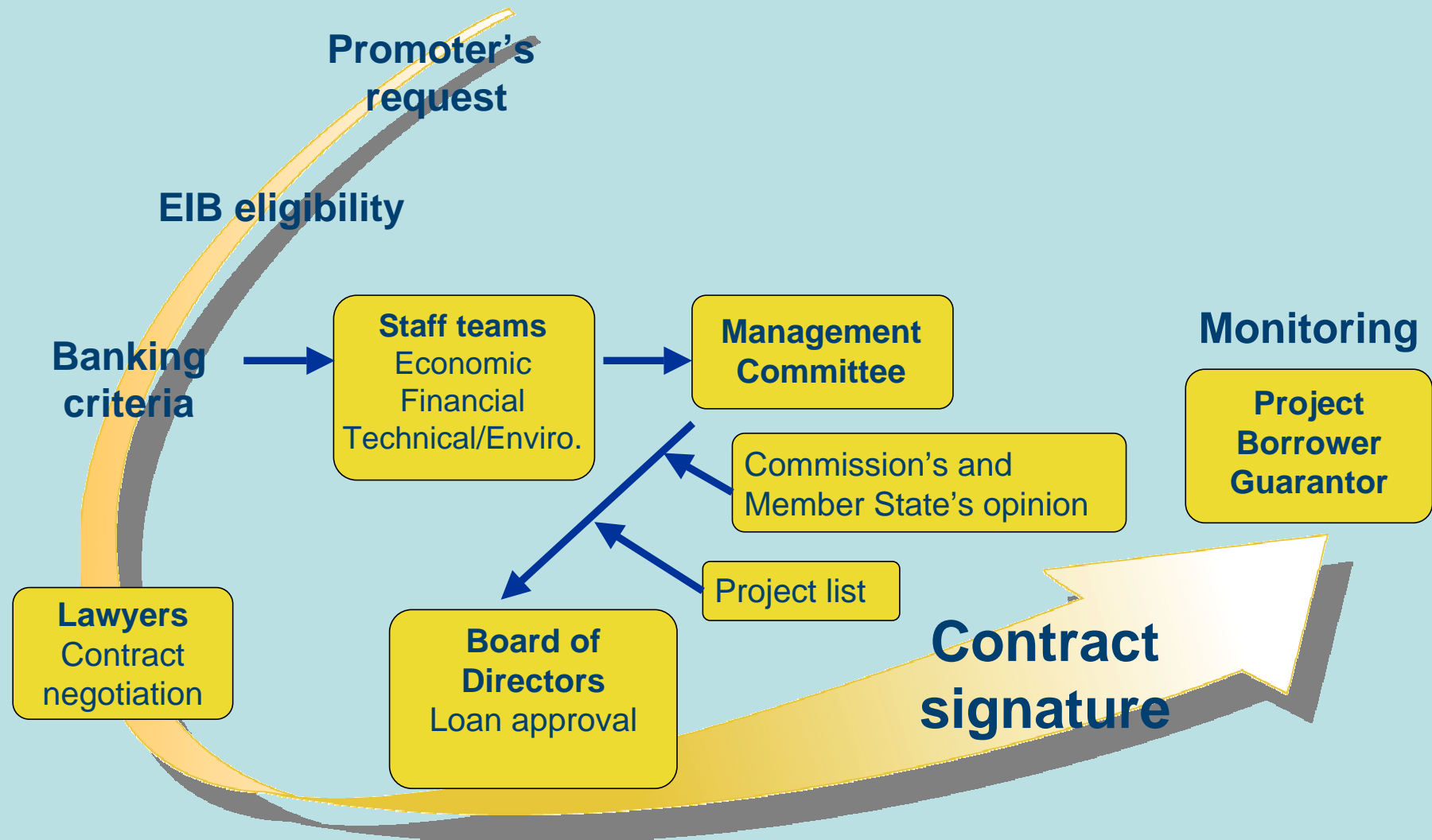


EUR m

	Pre-accession facility (EIB risk) (2000-2006)	14000
	Mediterranean Program (EU Guarantee) (2000-2006)	6520
	(excluding Turkey, which is counted under South-Eastern neighbours)	
	Mediterranean Partnership Facility (2001-2006)	1000
	Mediterranean Risk capital (2001-2005)	200
	Turkey special action program (2000-2006)	450
	South Eastern neighbours (2000-2006)	9185
	ACP countries (2003-2006)	2037
	Investment Facility	
	Own Funds lending	1700
	OCT	
	Own Funds lending: 20/Risk capital: 20	
	South Africa (2000-2006)	825
	Latin America and Asia (2000-2006)	2480
	Russia (2000-2004)	100
	Russia/WNIS (2004-2006)	500
	EFTA	800

A global economic development partner

THE PROJECT CYCLE AT THE EIB



An appropriate time-span for reaching a decision

Projects should be:

- ✓ Eligible for EIB finance under the mandate concerned;
- ✓ Technically and environmentally sound;
- ✓ Financially viable;
- ✓ Show an acceptable economic return;
- ✓ Comply with all relevant national and international legislation.

PROCUREMENT REQUIREMENTS:

Procurement needs to be:

- ✓ Open, transparent and competitive
- ✓ Accessible for companies from all countries
- ✓ In the project's interest

For further details see EIB Procurement Guide on:-

<http://www.eib.org/publications/thematic/publication.asp?publ=44>

The EU Official Journal and/or its web site is the required procurement billboard for EIB projects.

FINANCING PLAN:

Cost elements must match available financing sources:

☐ PREPARATORY STUDIES

☐ LAND

☐ CIVIL WORKS

☐ EQUIPMENT

☐ WORKING CAPITAL

= BASE COST

☐ TECHNICAL CONTINGENCIES

☐ PRICE CONTINGENCIES

☐ INTEREST DURING CONSTRUCTION

= OUT-TURN COST



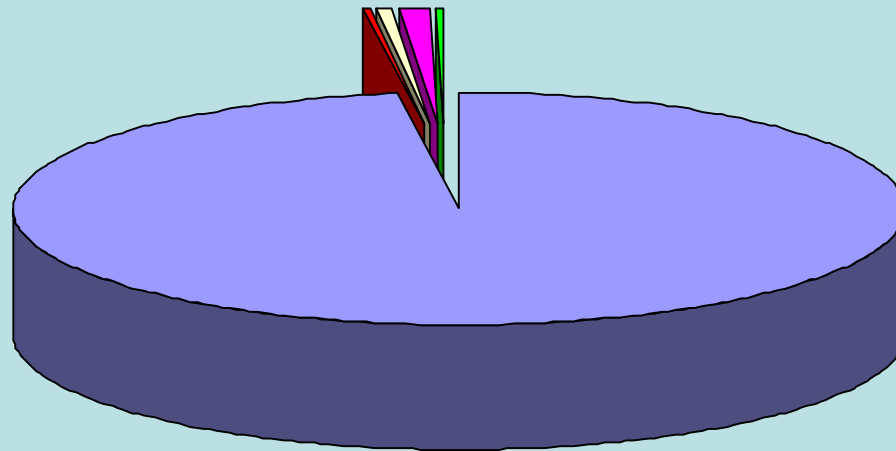
☐ OWN FUNDS

☐ LONG TERM DEBT

☐ OTHER LOANS

☐ SUBSIDIES/GRANTS

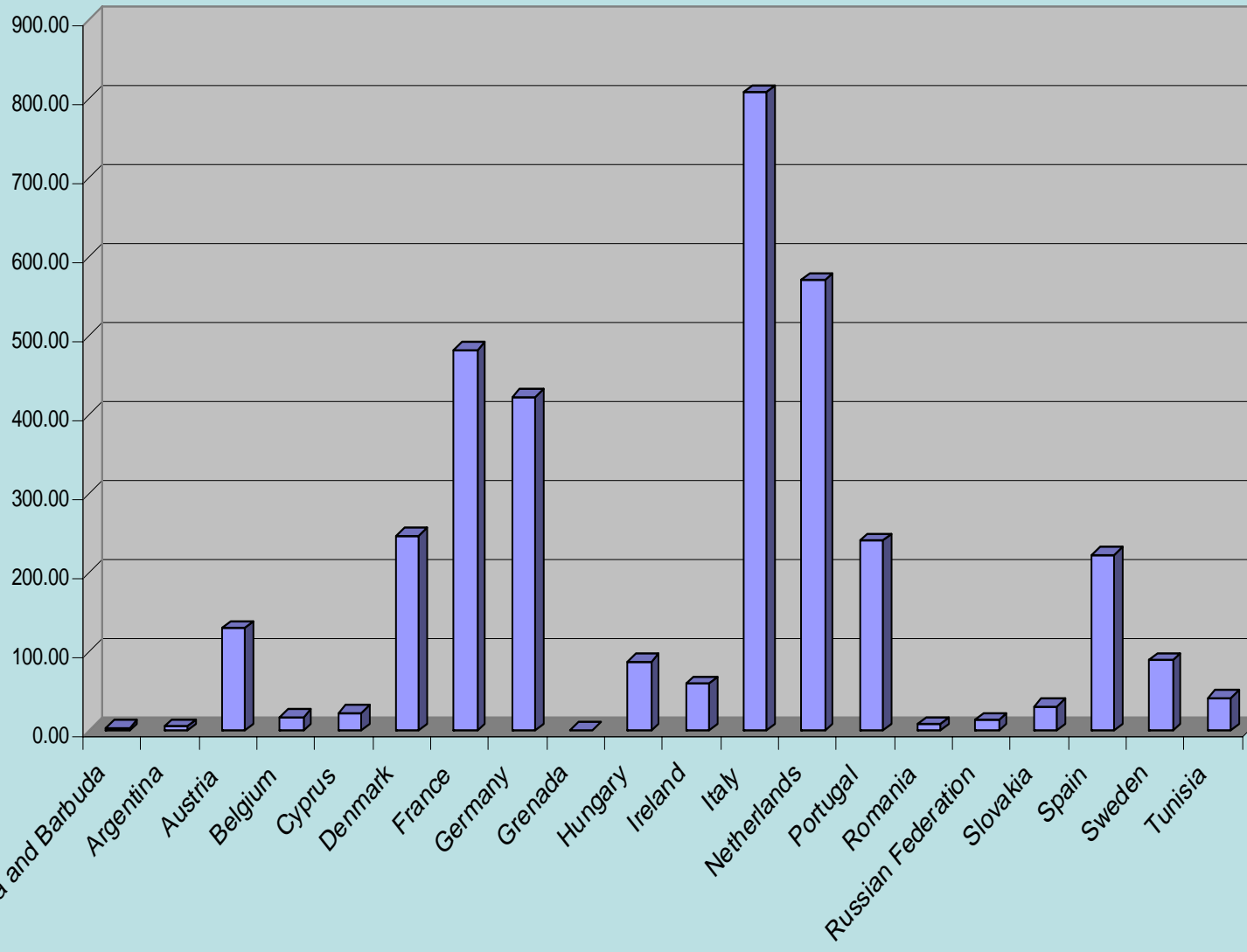
Lending for waste management projects, 1990-2005, by region



EU	ACP
Central and Eastern Europe	Mediterranean
Latin America	

- Average lending of 220 M EUR per year
- More than 95 % of lending inside the EU

Lending for waste management projects, 1990-2005, by country (M EUR)



- 60 projects in total, of which 12 outside the EU
- 38 municipal incinerators, accounting for 80% of lending
- 12 municipal landfill projects
- 6 industrial waste facilities

Hungary

Framework loan for environment and infrastructure

Borrower : Municipality of Budapest

- 110 M EUR for various transport, environment and infrastructure schemes
- Rehabilitation of Budapest incinerator
- Construction of new landfill

Environment Sector Framework Loans (I and II)

Borrower : Ministry of Finance

- 130 M EUR for solid waste and wastewater treatment
- 12 regional solid waste management schemes
- Implemented by Ministry of Environment
- Co-financing with DG-Regio/ISPA

Environment Sector Loans - SOLID WASTE SECTOR - Hungary



Romania

Constantza Port Environment and Infrastructure

Borrower : Constantza Port Authority

- 14 M EUR for improving solid and liquid waste reception facilities

Environment Sector Framework Loan (under appraisal)

- Up to 6 regional solid waste management schemes
- Co-financing with DG-Regio/ISPA

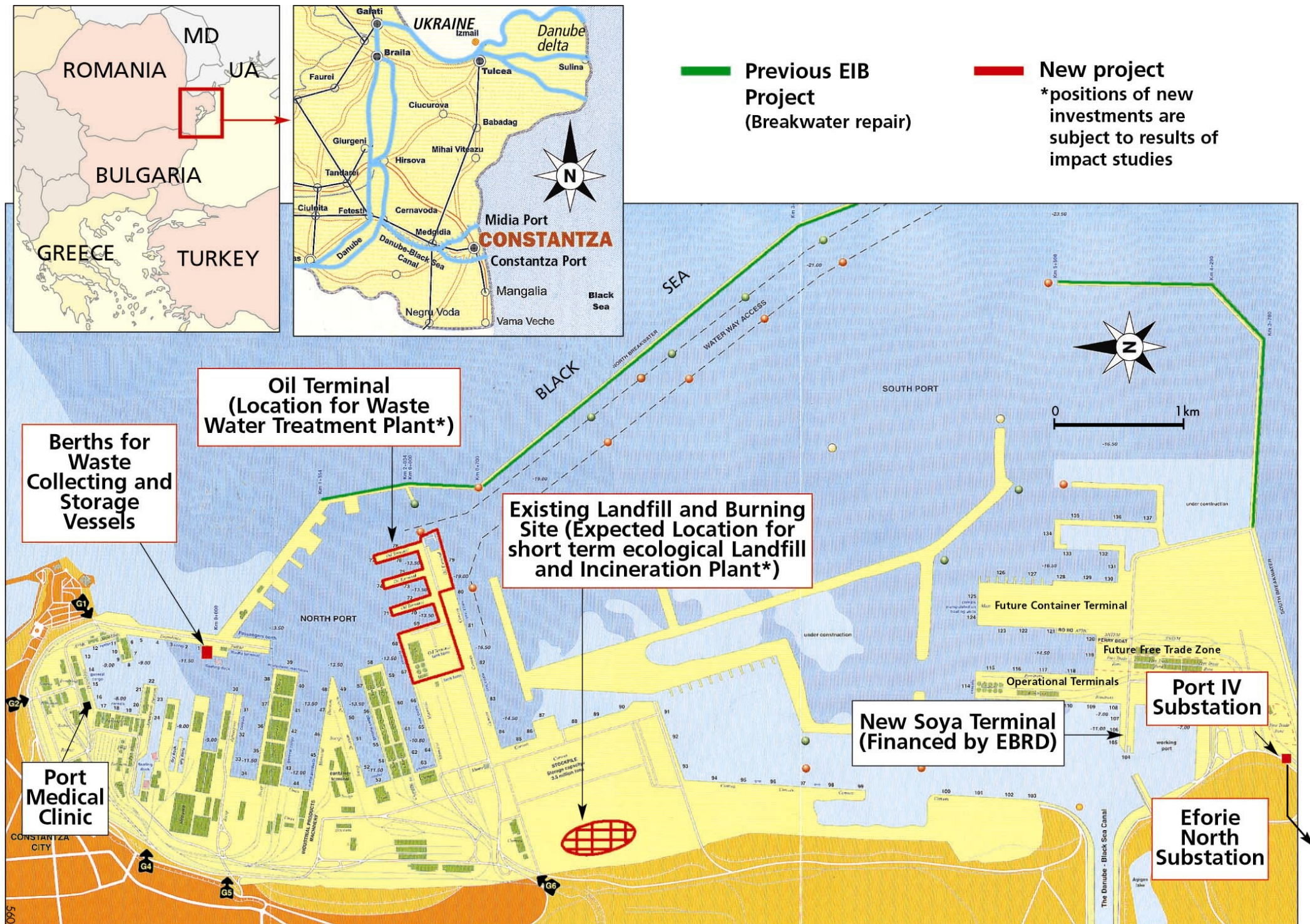
Slovenia

ZIROVSKI Vrh, uranium mine decommissioning

Borrower : Government of Slovenia

- 20 M EUR for decommissioning of former uranium mine
- Includes rehabilitation of mine waste stockpile and tailings disposal site

CONSTANTZA PORT ENVIRONMENT & INFRASTRUCTURE - Romania



Tunisia

Dechets Solides Tunisie

Borrower : ANPE (Agence Nationale de Protection de l'Environnement)

- 25 M EUR for 9 regional municipal waste schemes based on landfills
- Co-financing with KfW
- EIB loan also used to finance project preparation, including extensive studies by international expert consultants

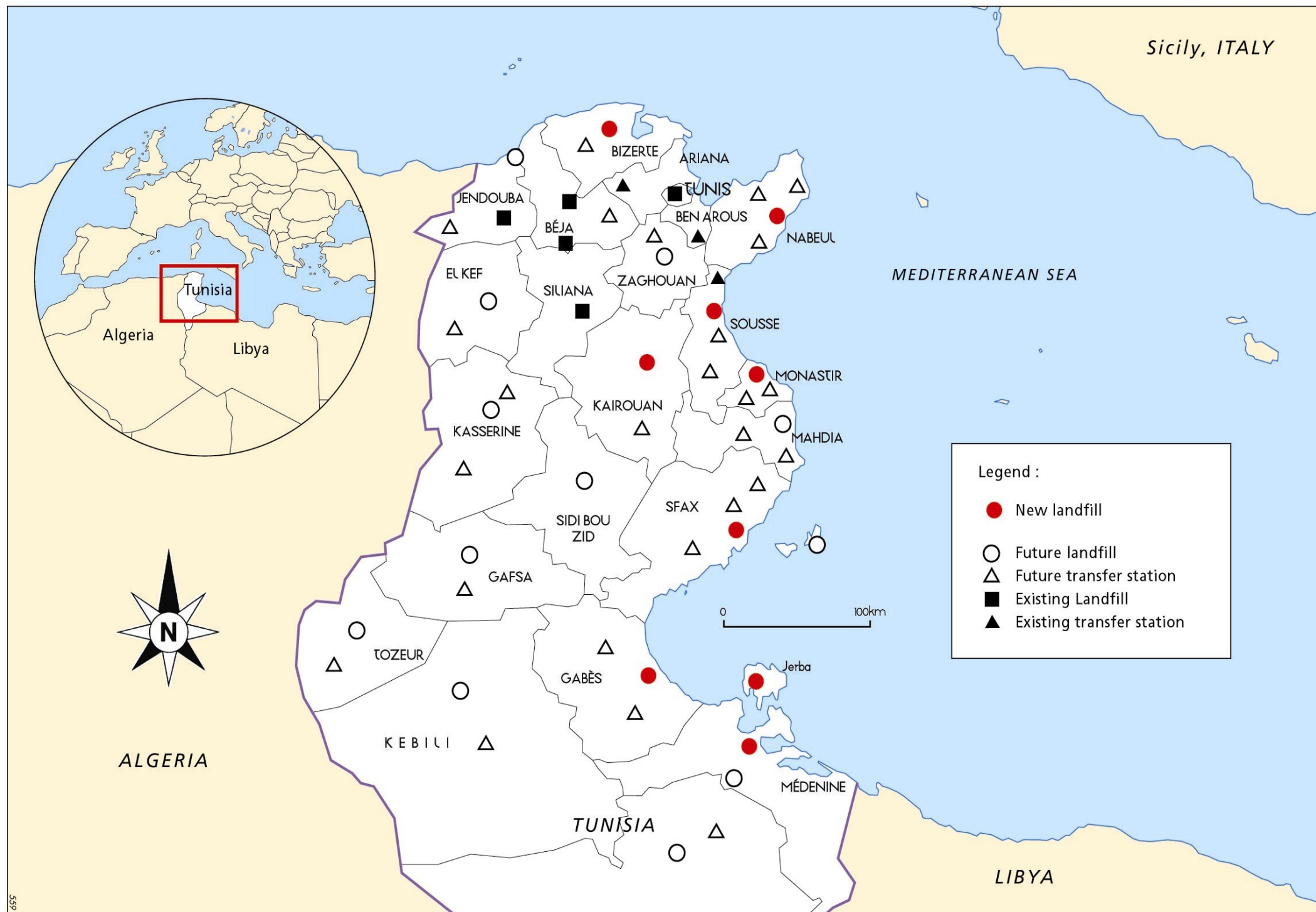
Argentina

Ailinco

Borrower : INVAP SE (a publicly-owned Argentinian company)

- 6 M EUR for an industrial hazardous waste treatment centre
- Joint-venture with Kommunekemi (Danish hazardous waste treatment company)
- Co-financed with Danish Industrialisation Fund for Developing Countries (IFU).

SOLID WASTE SCHEMES - TUNISIA



Planning

Municipal Association agreements

- Geographical/demographic scope, compliance with national/regional master plan
- Financial commitment to support project
- Responsibilities for waste collection and delivery

Site selection and permitting

- Environmental impact assessment (i.a.w. 97/11/EC) with Public acceptance
- Transport issues/transfer stations

Design

- “Appropriate” technical solution, complying with national/EU standards
- Phased approach over lifetime of project
- Provision for hazwaste, clinical waste disposal
- Rehabilitation of existing dump sites

Implementation

Cost control

- Accurate cost estimates, with adequate contingencies
- Benefits of transparent competitive procurement
- Expert assistance with tendering and contract supervision

Operating contracts

- Public versus Private
- Open tendering
- Responsibility for re-investing

Cost recovery

- “Polluter pays” principle and the affordability of waste tariffs
- Role of central government
- Reserve fund for investing in future phases of the development



CONCLUSION AND CONTACT DETAILS

- **EIB to provide continued support for solid waste investments both inside and outside the EU**
 - ✓ Technical support available under JASPERS for New Member States
 - ✓ Increased focus on Mediterranean partner countries, with significant scope for technical assistance
 - ✓ Investment facility provides new opportunity for lending in ACP
- **Projects to meet technical, economic and financial criteria**
 - ✓ Design to meet EU technical and environmental standards, optimising material recycling and energy recovery,
 - ✓ Open transparent procurement of supply, works and services contracts
 - ✓ Tariffs to respect polluter pays principle
 - ✓ Operating contracts to be awarded by open competition

- **Address**

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