Promoting Transport Connectivity and Regional Integration

TEM Steering Committee Meeting

Sarajevo 8 November 2017
Transport at a glance

- **EUR 14.7 billion** invested
- Total project value: **EUR 56.4 billion**
- **290 projects**
- **33** of the EBRD’s countries of operation

1. Data at end January 2017
EBRD’s Role in the Transport Sector of BiH

• Invested more than EUR 900 million in 20 projects: reconstruction of roads and railways, construction of motorways (Sarajevo Bypass, Banja Luka - Gradiska, Banja - Luka Doboj, Corridor Vc) and development of air traffic control system).

• Fostered efficiency, competitiveness and financial sustainability (establishment of public companies and agencies, introduction of fuel levies and tolls, access to en-route charges etc.) .

• Keeps promoting development of private sector for services and increasing private sector participation in transport infrastructure, for example through PPPs.

• Most recently focusing on road safety, climate change resilience etc.
Importance of transport corridors development* in:

- Supporting national and regional integration
- Integrating Pre-Accession countries into the EU market
- Developing sustainable transport networks which balance economic, environmental and social sustainability
- Acting as a catalyst for economic growth
- Promoting interoperable transport systems to facilitate trade across border
- Reducing transportation costs in order to increase the competitiveness of products in the regional market and beyond

* At least until we become able to beam ourselves from Sarajevo to Podgorica
Ongoing Transport Projects in BiH

Signed projects:

- FBH Main Roads Modernisation (€65m)
- Port of Brcko modernisation (€10m)
- Corridor Vc 2 plus Extension motorway (€156m)

Projects in preparation:

- Corridor Vc in RS motorway– Part 1 (€70m)
- Corridor Vc in FBH motorway– Part 3 (€180m)
EBRD Financing of Public Sector

Sovereign / Sovereign Guaranteed Loans:

• Concessional financing with a tenor of max 15 years include grace; Fixed pricing including margin of 6 M EURIBOR plus 1%

• Typically used for transport (roads, highways, or railway investment projects) or municipal infrastructure (water supply projects, urban transport, waste water treatment)

Corporate:

• Unsecured loans to public companies (eg energy utilities for power generation of power distribution)

• Pricing on commercial terms (but possible EBRD can provide a longer maturity than commercial banks)
EBRD Financing of Private Sector

Equity

- Common stock or preferred
- Minority position only (up to 35%)
- Mezzanine
- Other
  - guarantees
  - currency swaps

Loans

- Senior, subordinated, convertible
- LT (up to 10y or more) or ST revolving
- Floating/ Fixed rates
- Choice of currencies (€, US$, PLN, TRY etc.)