SESSION 2 – FINANCING THE INFRASTRUCTURE

KEY POINTS FOR DISCUSSION

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SUB-SESSION 1 – POINT OF VIEW OF COUNTRIES

1. PRIORITISATION OF TRANSPORT INFRASTRUCTURE INVESTMENT

Major transport infrastructures are planned and programmed by the public sector. How should they be compared, in Acceding and neighbouring countries, with alternative investment requirements (education, health)? Is it appropriate to give priority to basic networks and links with EU central markets or should investment concentrate on simpler rehabilitation projects of more local interest or even on improving service conditions provided with existing assets?

2. MACROECONOMIC CONSTRAINTS

What are the macroeconomic constraints (i.e. on public debt and budget deficits) preventing the required increase in national funds for the development of the corridors? Could dedicated funds be an acceptable solution to raise financing for major transport infrastructure projects?

3. SHARING EXPERIENCES

Are experiences from EU countries having benefited from Structural and Cohesion Funds and from Acceding countries receiving EU funds (Phare, ISPA, Interreg, etc.) applicable to the construction of future Pan-European corridors? Could experience with Special Purpose Vehicles (SPV) and PPPs be transferred to neighbouring countries?

4. IMPLEMENTATION CAPABILITIES

Have Acceding and neighbouring countries the capacity to properly deal with the complex technical, administrative and financial problems of developing the corridors? How EU-sponsored technical assistance could contribute to solve absorption capacity?

SUB-SESSION 2 – POINT OF VIEW OF INTERNATIONAL FINANCIAL INSTITUTIONS

5. POSSIBLE SOURCES OF FINANCING

Transport infrastructure is paid back either by users and/or taxpayers. Users pay it through tolls, as a component of the price for transport services (e.g. rail, airport) or specific taxes that could feed the general budget or dedicated funds. How much can users contribute? Which are the possibilities applicable to future pan-European corridors? Is it necessary to have similar approaches for the whole corridor? How should network and continuity effects be taken into account: should countries indirectly benefiting from the investment have to contribute to its financing? What should be the European contribution to the development of the corridors outside the EU? What role for the International Financial Institutions?
6. CONTRIBUTION OF INTERNATIONAL FINANCIERS AND DONORS

In view of the huge investment needs and the relative scarcity of funding possibilities, IFIs and international donors will have a critical role in the implementation of projects in Acceding and neighbouring countries. What are the funding sources and their potential contribution to the development of the corridors? Are their current strong requirements (including on economic reform) adequate to ensure proper use of scarce resources? Should coordination of the various instruments be improved? Would dedicated agencies improve financing opportunities?

7. PRIVATE FINANCE OPTIONS

Is it possible to conceive PPPs adapted to projects in the Pan-European corridors? Are countries ready to eliminate the legal and administrative barriers to PPPs? Are public administrations in Acceding and neighbouring countries prepared to handle such complex dossiers? Is it possible to create dedicated multilateral agencies, with power conceded by the various governments, to manage and finance the project and establish concessions with private partners?