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El papel del Banco Europeo de Inversiones - ¿Qué objetivos ha perseguido realmente desde los últimos años?

The role of the European Investment Bank - What objectives has it really pursued since the last years?

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ABSTRACT

Regarding a financial institution that represents the European Union, the answer is always the same; the European Investment Bank. Not only has it promoted economic integration at a European level, but also at a global level it is the largest lender among all the institutions. In turn, it is one of the financial institutions with the most lack of studies at all levels by scholars. The objective pursued by this work is to analyse a line of study with respect to the recent policies that this institution has carried out. The elaboration of the Juncker Plan in 2014 by the European Investment Bank, the European Commission and the National Banks for Development, seeks to enhance the objectives developed during the Lisbon Strategy, which aimed to foment a competitive Europe compared to the rest of the world. Thus, the way to encourage investment would be through the financing of public-private partnerships, which benefit both private and public sector. However, this generates some controversy since investments for this type of projects have increased considerably in recent years by the EIB, and, hence this can have different connotations depending on the angle from which it is analysed. This dissertation has focused on making a critique of, on the one hand, what these public-private partnerships really mean for the European Union in economic terms and, on the other hand, the role that the European Investment Bank has played with regarding its origins following the policies recently developed.

Keywords: European Investment Bank (EIB), International Financial Institution (IFI), European Union (EU), National Development Banks (NDB), European Commission (EC), Public-Private Partnership (PPP), loans.

RESUMEN

En cuanto a una institución financiera que represente la Unión Europea, la respuesta siempre es la misma; el Banco Europeo de Inversiones. No solo ha impulsado la integración económica a nivel europeo, sino que a nivel mundial es el mayor prestamista entre todas las instituciones. A su vez, es una de las instituciones financieras con mayor falta de estudios a todos los niveles por parte de académicos. El objetivo que persigue este trabajo es analizar una línea de estudio con respecto a las políticas recientes que ha llevado a cabo esta institución. La elaboración del Plan Juncker en 2014 por parte del Banco Europeo de inversiones, la Comisión Europea y los Bancos Nacionales para el Desarrollo, procura potenciar los objetivos elaborados durante la Estrategia de Lisboa, que pretendían fomentar una Europa competitiva frente al resto del mundo. Para ello, la manera de fomentar la inversión sería a través de la financiación de asociaciones público-privadas, las cuales benefician tanto al sector privado como al público. Sin embargo, esto genera cierta controversia puesto que las inversiones hacia este tipo proyectos han aumentado considerablemente en los últimos años por parte del EIB, y, por lo tanto, esto puede tener diferentes connotaciones dependiendo del ángulo desde el que se analiza. Este trabajo se ha centrado en realizar una crítica de, por una parte, lo que estas asociaciones público-privadas realmente suponen para la Unión Europea en términos económicos y, por otra parte, el papel que ha pasado a ocupar el Banco Europeo de Inversiones con respecto a sus orígenes tras las políticas elaboradas recientemente.

Palabras clave: Banco Europeo de Inversiones (BEI), Institución Financiera Internacional (IFI), Unión Europea (UE), Bancos Nacionales de Desarrollo (BND), Comisión Europea (CE), Asociación Público-Privada (APP), préstamos.

1. INTRODUCTION

The International Financial Institutions (IFIs) were born with the purpose of providing economic aid to boost development of the nations. The most important IFIs were created by multiple nations. Towards 1944, in Bretton Woods, it was decided to create the first IFI, the International Monetary Fund (IMF), with the aim of counteracting future crises such as the one of the 1930s. At the same time, as a result of the Second World War, the World Bank (WB) was born and, although by this time its objective was to restore the balance of European countries after the war, now is dedicated to help developing countries (Coppola 2006, p. 451). Over the years since then, more IFIs emerged, such as the regional development banks, whose scope is reduced to the regions where they operate. Within the group of IFIs, the most important multilateral lender is the European Investment Bank (EIB), whose current lending volume significantly exceeds its biggest competitor, the WB (Clifton et al. 2014).

On several occasions, these institutions have faced harsh criticism for not having combated poverty and inequalities in the least developed countries (Ocampo 2007). On the contrary, since they are political institutions, they have focused on responding to the interests of their shareholders. Such is the case of the IMF or the WB, since some research suggests to, have operated for the benefit of the United States, focusing on policies that support and evaluate privatization plans, such as public-private partnerships (Đonlagić et al. 2010; Faini et al. 2004). It is unquestionable the power these organisms have achieved within all levels of the economy, both private and public. The funding by the IFIs to the private sector has increased considerably since the 1990s. Although they defend this position as to be a trickle-down development model, where both private and public can come out benefited from it, some authors point out that this change of interest of these institutions indicates that they are prioritizing commercial returns over social returns (Tricarico 2012).

Even though numerous studies on IFIs have been developed in recent years with respect to their functioning and the objectives they pursue, most focus only on both the IMF and the WB, leaving the EIB as one of the least analysed by the scholars, even if it is the most important institution in the framework of the EU. Therefore, this dissertation aims to bring to light if any of the latest critics to the IFIs, referring to the deviation of these from the original objectives, can resemble the EIB.

The dissertation will be structed as followed. First of all, it has been elaborated an intensive analysis of the bank itself, focusing on the literature review written about the institution, the origins and the steps it has taken through the years, the internal organizational structure, the origin of its funding, as well as the methodology the banks follows when accepting or denying requests for loans. Furthermore, it is explained the main lending trends for the bank when allocating the loans for the period from 1959 to 2018, along with the existing correlation of these loans with the GDP per capita of each country. Afterwards, it is analysed the changing role of the EIB in the latter years due to the also changing relationships with the European Commission and the National Banks for Development. From this, it is analysed what the last plan of these three entities consists on, as well as the participation of PPP in Europe by the EIB. Last of all, the dissertation finishes with the conclusions of the main findings.

2. EUROPEAN INVESTMENT BANK

2.1. LITERATURE REVIEW

Although scarce in comparison to other financial institutions, as Fernandez (2012) refers in his work, the angles from which the European Investment Bank has been studied over these years are diverse.

For instance, the efficient role of the bank has been one of the main lines on which scholars have based their studies. Such is the case of Robinson (2009), who criticized the negligence of the institution on policy-making in the EU. Griffith-Jones & Tyson (2012) or Antonowicz-Cyglicka et al. (2016) led to the conclusions that the European Investment bank have not prioritized the most needed countries. However, other scholars have maintained a different position, as Clifton & Díaz-Fuentes (2017), who analysed the bank at a qualitative and quantitative level obtaining a correlated result between lending and development in the EU.

Some other authors have gotten into detail when analysing the policy functions that the bank has, highlighting its long experience, which has led to an improvement in the competition of the banking markets (Honohan 1995), and serving as an example for countries that are in development in order to follow in the footsteps of this bank (Griffith-Jones & Tyson 2013).

Finally, the line referring to the evolution through the history of the bank has had a big repercussion among the authors (Licari 1969; Bussière et al. 2008; Díaz-Fuentes et al. 2017).

2.2. CONTEXTUALITATION OF THE EIB

The European Investment Bank (EIB) is considered to be one of the principals, if not the main, financing institution within the European Union. Its origins are directly connected to the creation of the European Union. The purpose of this bank is to promote the European Regional Development through its contribution to a stable and balanced common market thanks to its financing in non-profit projects. Furthermore, it pursues economic integration, as well as economic and social cohesion and the implementation of cooperation for development operations (EIB 2016).

The commencement of the institution itself was March 25 of 1957; same year of the Treaty of Rome´s birth, where it was first established the European Economic Community (EEC). However, the idea of creating a European development bank was first defined during the framework of the Organization for European Economic Cooperation (OEEC)[1], although not developed (Bussière et al. 2008). Moreover, the realization of investment programs through the granting of loans to companies was proposed in the Treaty establishing the European Coal and Steel Community (ECSC)[2]. Later, during the Messina Conference, where the Foreign Ministers of the Six made the election of the High Authority and discussed about the targets pursued so as to promote the European integration, it was reached a compromise to create a *European Investment Fund,* idea which was accentuated in the Spaak Report, with the difference that in the

[1] The OEEC was created as a body with the objective of administering the aid of the Marshall Plan in 1948. The Europeans, like the Americans, believed that the unification of the continent was essential to ensure the peace and prosperity of Europe. The OEEC was the antecedent of ECSC, which truly founded the foundations of what would one day be the European Union. Therefore, it served as a model and field of evidence for the structures and bureaucracy that would later be used in the EEC (Griffiths 1997).

[2] *"The High Authority may facilitate the carrying out of investment programs by granting loans to enterprises or by giving its guarantee to loans which they may obtain elsewhere."* (ECSC 1951, Art. 54).

latter case the concept of *fund* changed because it referred to the establishment of a *bank* (Spaak Report 1956).

Moving on to 1957, the Treaty of Rome´s goal was "*establishing a common market to promote a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the State"* (EEC 1957, Art. 2). The pillar, in which Article 2 is subject, falls on the conclusions obtained after an analysis that showed that the liberation of trade and economic integration had a positive influence on the rapid growth of a nation. Nevertheless, there are asymmetries within each territory, which leads to a slower growth of the poorer regions. In addition, the analysis also concluded that large-scale projects took time to generate revenue and, therefore, no bank was willing then to assume the economic risk that it comprised (Griffith-Jones et al. 2013).

All the latter, led to the approach of a very large public bank, the EIB, whose task was defined as "*the contribution… to the balanced and steady development of the internal market in the interest of the Union… giving guarantees which facilitate the financing of the following projects in all sectors of the economy: (a) projects for developing less-developed regions; (b) projects for modernising or converting undertakings or for developing fresh activities…; (c) projects of common interest to several Member States which are of such a size or nature that they cannot be entirely financed by the various means available in the individual Member States".* (EEC 1957, Art.130; TFEU Art. 309).

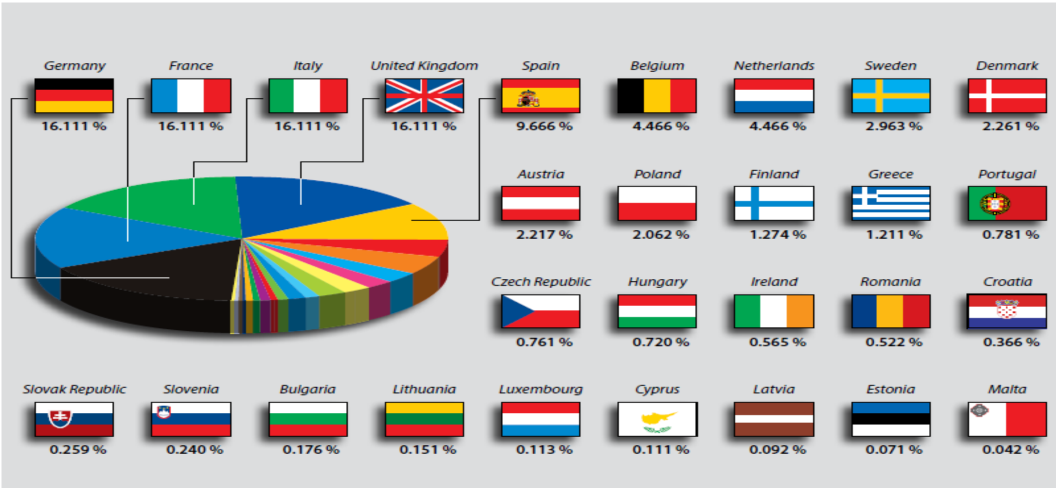
This Treaty marked the two main fundamental pillars on which the EIB is based. On one hand, the reduction of economic disparities between countries due to the difference in income level between regions, which was very significant in those years. Hence, this bank has pursued integration and convergence from the beginning of its existence. On the other hand, the financing of infrastructures has always been very important among the objectives of the bank, since, from a good communication between areas, a Single European Market could be achieved[3] (Griffith-Jones et al. 2013). Over the years, more objectives have been added to the EIB, but those mentioned continue to prevail as the most important ones. Funding is targeted towards the poorest countries of the EU, although this issue has been surrounded by disagreements between Member States since the beginning. Italy, even before the creation of the EEC, pressed for the function of the bank to be so. However, countries like Germany or the Benelux argued that the bank should finance only those projects with viability (Griffith-Jones et al., 2013; Díaz-Fuentes et al., 2017). This difference of opinions came from the fact that Italy received the double of money than its subscribed capital, unlike Germany (Clifton et al. 2017).

Eventually, the EIB was established with its own legal personality and financial autonomy, with the mission to contribute by lending, blending and advising in a wide range of projects that benefit not only Europe, but also the world. The main source of financing is through the capital subscribed by the Member States and the international capital markets. The fundamental difference with other multilateral credit institutions is the low interest rates linked to their loans. Nowadays the main funding comes from the capital markets, through which it obtains financial resources at a low interest rate, thanks to the credit rating that the bank has (AAA[4]) and thus, they can transfer these low financing costs to the projects it approves. On the other hand, the subscribed capital has changed throughout the years due to different reasons. In **ANNEX Table 6.1.**, it is

[3] The SEM began to be discussed in 1957, during the creation of the European Community and, thereafter, it was decided to build the road to this market through different stages. Free movement by the EU was not possible until 1993, when the Single Market came into force (European Parliament 2012).
[4] *Extremely strong capacity to meet financial commitments, Highest rating* (Standard and Poor's 2009).

showed the changing amount of capital subscribed by Member States during the seven enlargements in the European Union. At the beginning it was France and Germany the group ahead countries. However, Italy and UK wanted to increase its number of Board Members, so that they could have the same power of decision as the countries said. Consequently, these two countries decided to provide the same quantity of money from 1986. In relative terms, the contribution of these four Member States has been decreasing over the years, reaching almost half since its inception, and this is due to the expansion of the EU, starting from six countries in 1957 to twenty-eight in 2013. According to *Article 4.1* of the EIB Statute, the aggregate subscribed capital of the EIB have to sum 243 billion €. Nowadays, Spain is the country that most closely follows the ones mentioned, as **Figure 2.2.1.** shows.

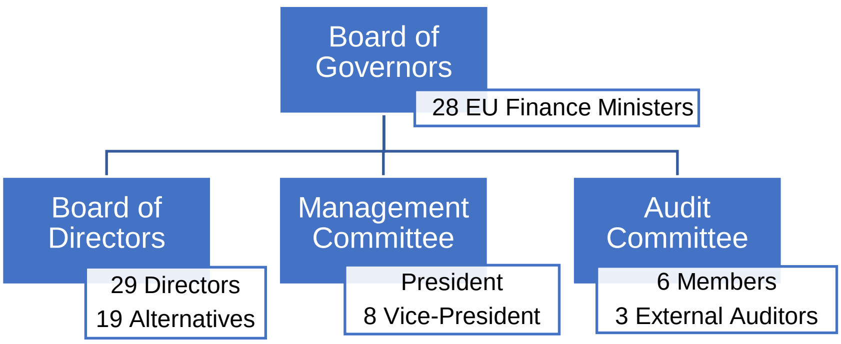
Figure 2.2.1. EIB's shareholders



Source: EIB Statutes 2016

Since the EIB is considered to be both an EU institution and a bank, its governance is under the principles of public and corporate governance[5]. The statutory bodies of the are compounded, as shown in **Figure 2.2.2.**, by three decision-making bodies (the Board of Governors, the Board of Directors and the Management Committee) and a control body (the Audit Committee). Since the beginning of the existence of the bank, this structure has not changed (Díaz-Fuentes et al. 2017).

Figure 2.2.2. Structure of the European Investment Bank



Source: Own Elaboration based on the EIB Group Corporate Report 2016

[5] *"The concept of corporate governance traditionally involves a set of relationships between a company's management, board, shareholders and other stakeholders"* (EIB Statute 2016).

The *Board of Governors* is responsible of setting the path for coming policies of the Bank, giving approval on both the report and the annual balance sheet and the profit and loss account, determining the financing beyond the European Union, and accepting capital subscribed enlargements. In addition, it also elects the members of the Board of Directors and the Management Committee. When taking decisions, a simple majority is achieved by members representing a minimum of the half of its subscribed capital, although to get a qualified majority, which is compulsory for certain areas where consensus is required, it is needed eighteen votes and 68% of the subscribed capital (EIB 2013, Art.7). The *Board of Directors* is the "centre of the decision-making within the bank" because it is responsible of the daily management of the bank (Robinson 2009). They decide on all the borrowing, lending and guarantee operations. The *Management Committee* is the permanent collegiate executive body of the Bank. As pointed in **Figure 2.2.2.,** it *consists of a President and eight Vice Presidents appointed for a period of six years by the Board of Governors on a proposal from the Board of Directors* (EIB 2013, Art. 11). In addition to advising the board and overseeing the implementation of policies, this body formally decides which loan requests the board deliberate (Robinson 2009). The *Audit Committee* is independent and not only checks that all movements and annual accounts of the bank have been carried out correctly, but also collaborates with the Court of Auditors for the EIB's external auditing (El-Agraa 2011).

It should be noted that the EIB belongs at the same time to the European Investment Bank Group, along with the European Investment Fund[6] (EIF). Founded in 2000, it is in charge of providing banking products, services and risky financing to Small and Medium-sized Enterprises (SMEs). They contribute to the achievement of the European Union objectives and, thanks to the operational cooperation of these two institutions, many loans of large quantities in the long term are possible, due to the affordable financing cost. Besides, since 2007, the EIB cooperates with the EC through different financial instruments, such as JEREMIE (Joint European Resources for Micro-Enterprises), JASPERS (Joint Assistance to Support Projects in the European Regions) or JESSICA (Joint European Support for Sustainable Investment in City Areas).

2.3. METHODOLOGY WITHIN LOANS

The projects that require of loans are able to apply for them through the Bank, the EC or Member State where the project will take place. After applying, there is a process to decide whether to finance or not and to follow the project´s development until the end (see **Figure 2.3.1.**).

Figure 2.3.1. The decision-making process

1. EIB STAFF: Project appraisal	• Concordance between the project and European policies. • Sustainability and contribution from an economic, financial, environmental, social or technical point of view. • The benefit that the project obtains for itself. • If the level of risk can be carried by the EIB. • Whether the proposed conditions imposed by the EIB are viable for the beneficiary or not.
2. MANAGMENT COMMITTEE	The EIB staff delivers a report to the Management Committee in order, for the latter, to approve the submission.

[6] "*The EIB is the majority EIF shareholder (60.5% of the capital), with the remaining equity held by the European Community (30%) and other European private and public bodies (9.5%)"* (EIB).

3. BOARD OF DIRECTORS	The Management Committee, if project is approved, lets the authorisation of the operation to the Board of Directors.
4. LOAN APPROVED	• Negotiation between the EIB and the project members. • Contract singed. • Disbursement. • Physical and Financial monitoring (the Operations Evaluation Division of the Bank elaborates ex post evaluations of projects). • Repayment

Source: Own elaboration extracted from the EIB Governance Report

It is interesting to analyse in more detail the work of the EIB staff when deciding the projects to be financed, since the economic viability of each project differs depending on the sector where it will be settled.

When it comes to providing loans to a project, the EIB pursues beyond the personal economic benefits it could obtain. On the contrary, they focus on analysing the socio-economic desirability of the project because a financial feasibility does not automatically offer consistent estimations of a project´s worth from a "social" or “European” standpoint. In order to quantify this attractiveness, the financial institution, as many others, elaborates a counterfactual scenario to reach, by this simulation, a comparison of the benefits, costs and incremental benefits between the *status quo* (where there is no project implemented) and the situation where it is accomplished (Boardman, Anthony E. et al. 2017).

Therefore, the EIB moves among three possible counterfactual scenarios to choose:

a) “Do nothing” (*status quo*): it is supposed that any kind of investment would be applied in default of project studied. The scenario fits, for instance, if a project pursues the renewing of the capacity rehabilitation.
b) “Do minimum”: this scenario assumes there is enough investment to handle the project through the years. However, it is focused on enhancing an existent project or expand it.
c) “Do something (else)”: the aim of this is a simulation with an existing project. It seeks to make an analysis in the midst of a project abiding and the new one to be examined. It is applicable to the assumptions in which the obsolete technology can be changed, moving from the current location, etc.

Once this scenario has been established, the Bank uses a standard economic appraisal technique in order to create a scenario where the project applied will take place, and both results from the different situations are compared. Policy choices are usually between a project and several plausible policy alternatives, not only one. The EIB is able to manage three different economic appraisals, depending on the degree to which the outcome variables can be measured and monetised without difficulty and the number of output variables available: Cost-Benefit Analysis (CBA), Cost-Effectiveness Analysis (CEA), and Multi-Criteria Analysis (MCA) (see **ANNEX Table 6.2.** for the explicit use of each appraisal).

The result of the economic analysis leads us to an economic profitability rate (ERR) and the net economic present value (ENPV). The ERR is the ability of the assets of a project to generate benefits. The outcome resulting from the ERR is compared to a social discount rate (SDR), as the breach to calculate if the project is feasible economically or not. The social time preference rate (STPR) is the most accurate parameter to measure the SDR (EIB 2013).

$$If\ ERR \geq STPR\ \rightarrow Project\ economically\ justified$$

The ENPV is calculated by subtracting the costs and external costs to the benefits, given a discount rate. That is, it consists of quantifying all the money that we expect to obtain from an investment and transferring those benefits to today's values to decide whether the investment is worth or not.

$$If\ ENPV\ > 0 \rightarrow Project\ acepted$$

The decision to choose one appraisal is different depending on the kind of project, as explained in in **ANNEX Table 6.2**. If we disaggregate these appraisals per sector, the most common situations it could be found are the ones represented in **Figure 2.3.2**.

Figure 2.3.2. Methodology used across sectors

CBA	Agro-Industry, Energy, Manufacturing, Telecommunications, Tourism, Transport, Water and wastewater.
CEA	Energy, Solid waste management, Water and wastewater.
MCA	Education, Health, Urban and Regional development.

Source: Own elaboration from the Economic Appraisal EIB´s Report

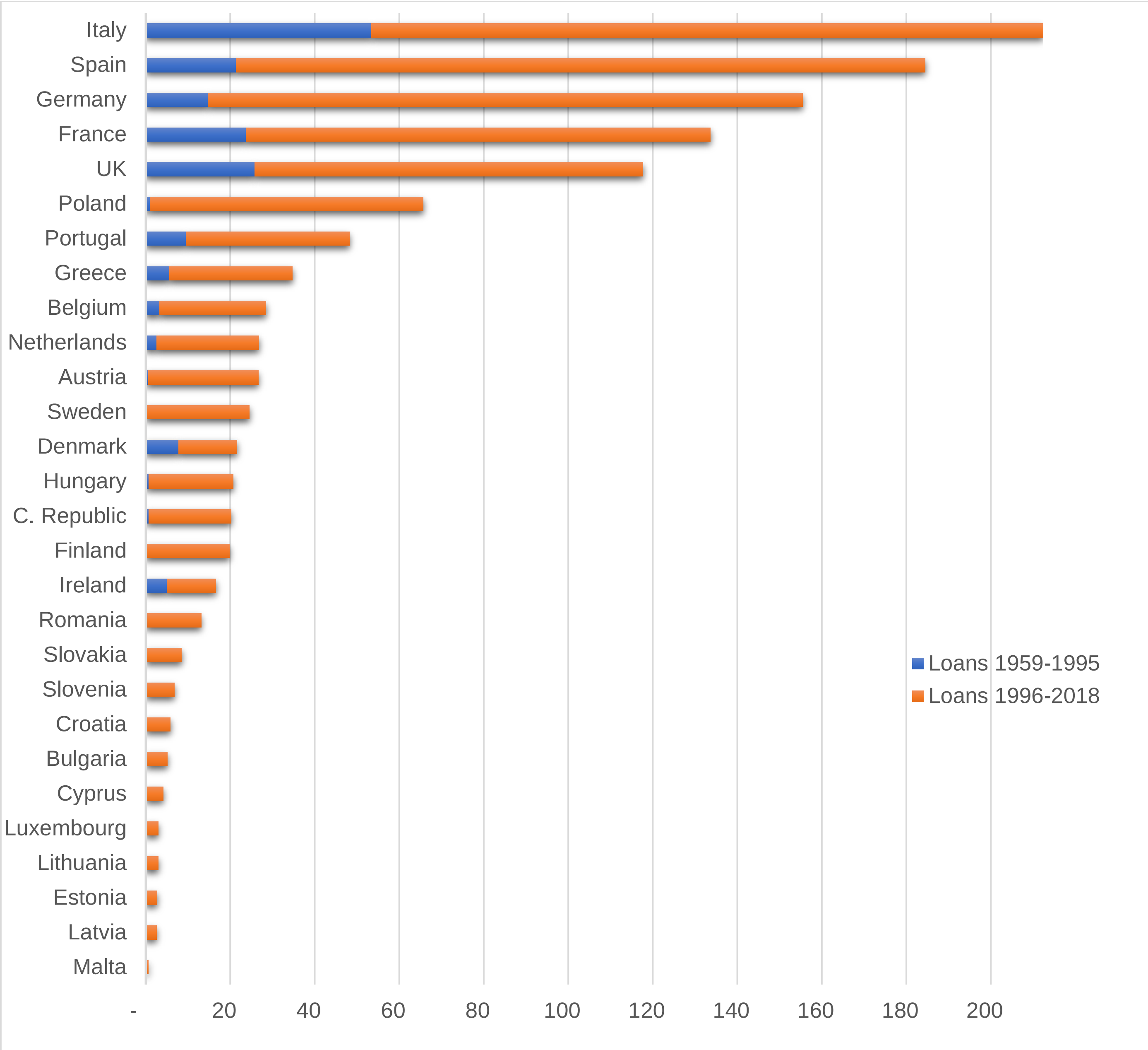
Most of the sectors uses a CBA method in order to appraisal a project.

2.4. CORRELATION BETWEEN GDP PER CAPITA AND LOANS

The EIB has been questioned many times due to its lack of objectivity. Although it is supposed to follow a certain methodology when providing loans to its beneficiaries, as explained before, there exist other variables that might influence the final decision of the bank concerning different categories of risk, both political and economic as well as financial (Howell 2011). In the end, even though it is a financial body, it is nonetheless a bank, which worries about the capacity of each country to pay a loan. Those variables measuring the risk can be either qualitative or quantitative. For instance, the Gross Domestic Product (GDP) per capita has had significant implications when referring to the economic risk since it is an important indicator of the economic performance of a country. Later on, it is analysed if the allocation of loans has had any correlation within the GDP per capita.

As shown in **Graph 2.4.1.**, Italy is the country that has gotten the biggest amount of money granted over the years, borrowing a 17.5% of the total, followed by Spain, Germany and France (see **ANNEX Table 6.3.** for disaggregated amounts of loans provided to each Member State). The data to study has been separated into two significant periods of the EU´s history according to the enlargements occurred, being the first one from 1959 to 1995, and the second one from then until 2018, coinciding with the entry to the EU of Eastern European countries. In the chart, it should be noted that those Member States receiving the majority of the loans remained during the second period as the biggest beneficiaries of the loans.

Graph 2.4.1. EIB loans 1959-2018 (in thousands of millions € at constant prices)[7]



Source: Own elaboration from the EIB projects financed

1st period: from 1959 to 1995.

During these years, the first period of enlargements in the EU occurred. At the beginning, the European Economic Community (EEC) was shaped by the founding Members: Belgium, France, Germany, Italy, Luxembourg and Netherlands. As the main target of the EIB was the most backward regions, Italy became the biggest granted country among all of the EEC. In concrete, they received up to 59.59 % of the loans[8]. On the contrary,

[7] In **ANNEX Table 6.4,** the loans granted by the EIB have been calculated in terms of loans per capita. The results are quite different depending on the year and country analysed because the population varies a lot between the Member States.

[8] The region of *Mezzogiorno* was the one receiving the majority of the money (91.98%) in order to renew the sector of transport, since it was understood as a requirement for the good development of that region (Bussière et al. 2008).

Benelux were the least benefited, reaching only a 4.46 % of the money borrowed (Clifton et al. 2017).

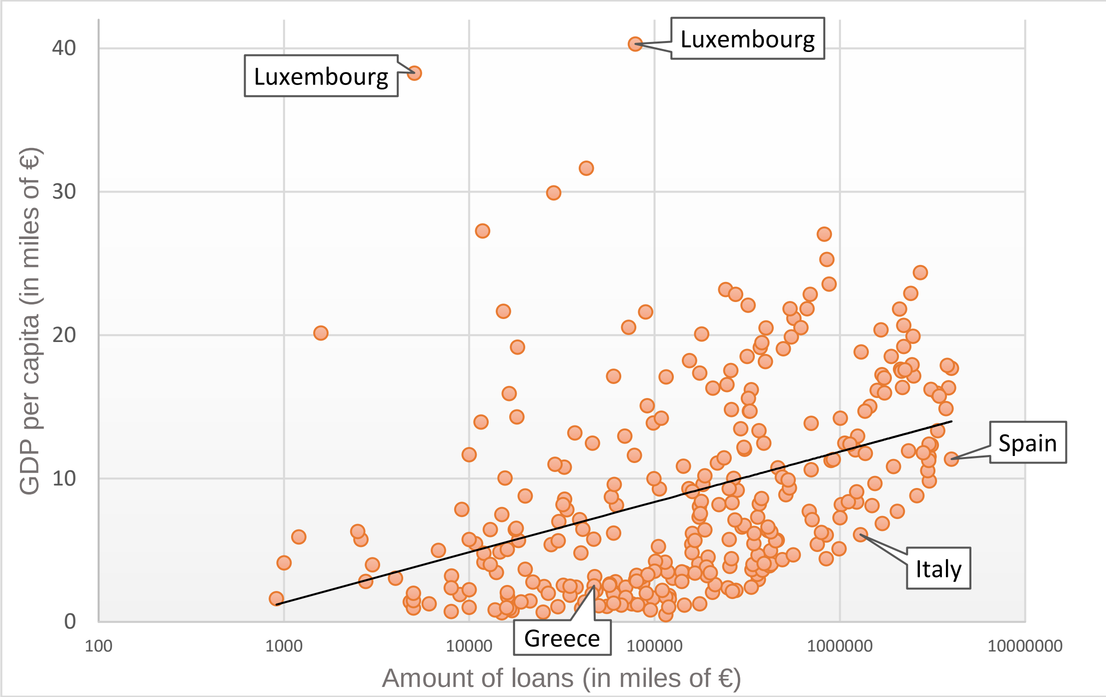
As of 1973, Denmark, Ireland, United Kingdom (accession date in 1973) and Greece (1981) joined the Community. The entry of the UK meant a significant change in the capital of the bank, since this country went on to contribute up to 19.2 $ of the subscribed capital (see **ANNEX Table 6.1**). If before the loans were mainly focused on improving the infrastructures, the oil crisis in 1973 caused that some of the loans were channelled to the energy sector. What´s more, Greece was the first country to receive money from the EIB before its entry into the EEC, since this institution has been used also as a European policy instrument such as the neighbourhood and membership policies of future members. New members during this stage received large amounts of loans, being UK the most (Clifton et al. 2017). However, Italy remained (48.3 %) as the largest beneficiary, despite of its loss of dominance over previous years.

The EIB had to pursue more intensively a EU´s cohesion in order to promote the European Single Market (SEM)[9] after the adhesion of Portugal and Spain in 1986, since by that time they were, compared to the other members, among the least developed countries. In 1995, it was the turn of a northern's enlargement, since Austria, Finland, Sweden united. By this time, the EIB chased a policy based on the liberalization of both goods, services and capitals.

During this period, it was Italy (29.98%), UK (14.44%), France (13.31%) and Spain (11.9%) the countries receiving more quantity of loans (see **ANNEX Table 6.3** for the percentage of loans that countries received in the EU). The **Graph 2.4.2.** shows the correlation between the GDP per capita of all the EU countries and the loans that these countries respectively received from 1960 to 1995. There exists a positive linear correlation, i.e. the higher GDP per capita, the bigger amount of loans they received. Some good examples that follow this positive correlation are Spain, Italy or Greece. The first two countries had high levels of GDP per capita and received big amounts of loans during the years studied, while Greece represents one of the countries with the lowest GDP per capita (6900€ per head of population) as well as a low perception of funds (3.12%). On the contrary, there exist exceptions not following this trend. For instance, Luxembourg, which had the highest GDP per capita on average among the EU Member States, only received a 0.12% out of the total amount of loans (see **ANNEX Table 6.4** for the evolution and average of the GDP per capita in the EU).

[9] The Single European Market becomes one of the priority in the EU, as it was taken into account in both Single European Act (1987) and the Maastricht Treaty (1992).

Graph 2.4.2. Relation between GDP per capita and EIB loans (1960-1995)



Source: Own elaboration from AMECO and the EIB projects financed database

2nd period: from 1996 to 2018:

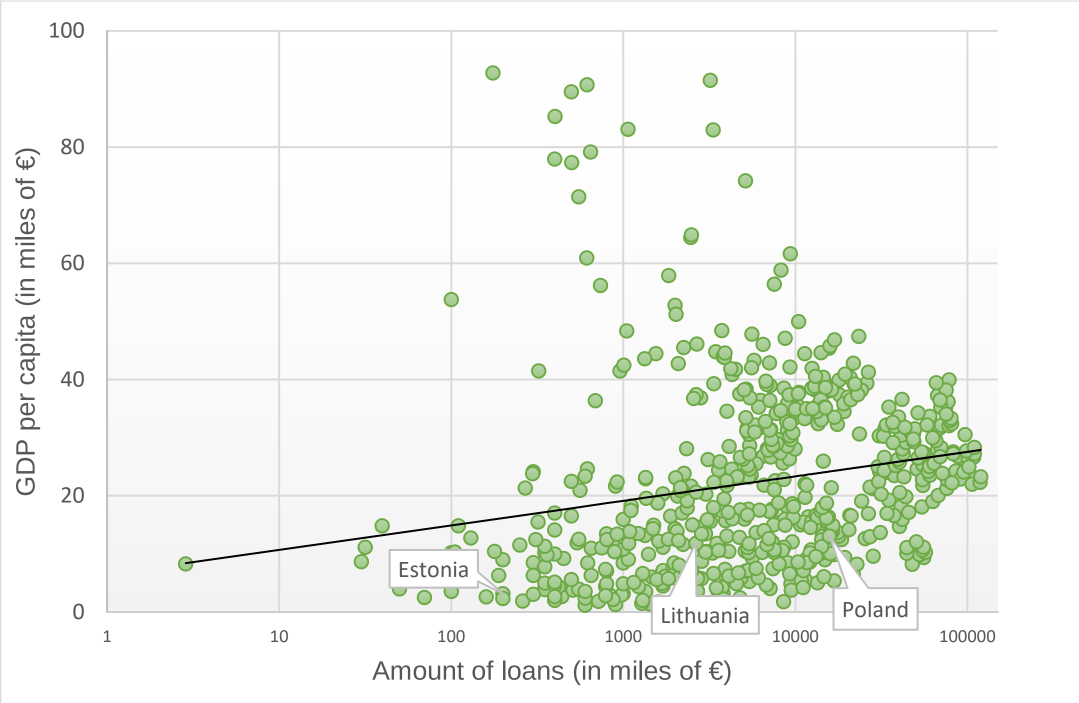
This epoch is characterized by the access of the Central and Eastern Europe Countries (CEEC)[10], although the EIB already provided them loans since 1990 in favour of the transport and telecommunications infrastructures. The majority of the money borrowed by the CEEC was focused on creating channels between these neighbouring regions and the rest of the EU (Ilkin 2005). It should be noted that, despite of losing strength, the countries that have relatively received the most loans from 1996 to the present are France, Germany, Italy, Spain or the United Kingdom, meaning that the criterion to distribute those loans are highly linked to the capital subscribed that these countries contributed to the bank (Clifton et al. 2017).

Nonetheless, this allocation of loans for some countries, as well as the capital subscribed, could change in the near future. Referring to the relationship between the EIB and UK, there is some uncertainty in so far as the Brexit. If they want to keep accessing to the loans provided by this financial institution, the decision falls on all the Member States Parliaments (Hadfield 2018).

As well as before, the **Graph 2.4.2.** shows the correlation between the GDP per capita of all the EU countries and the loans that these countries respectively from 1996 to 2018. During this period, Spain becomes the most benefited, reaching the 15.71% of the loans, followed by Italy (15.44%) and Germany (13.64%). The GDP per capita increased considerably along all Europe (see **ANNEX Table 6.4).** The new Member States, like Poland, Estonia or Lithuania, also followed the positive correlation that happened in the previous one, as it is indicated in the chart.

[10] Accession dates: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia in 2004; Bulgaria, Romania in 2007; Croatia in 2013.

Graph 2.4.3. Relation between GDP per capita and EIB loans (1996-2018)



Source: Own elaboration from AMECO and the EIB projects financed database

3. THE CHANGE OF DIRECTION OF THE EIB AIMS?

In recent times, many scholars have analysed the growing role of the EIB with respect to the European integration, defending the countercyclical role it has played through the crisis. This response of the bank consisted on being more flexible when providing loans by increasing its capital, as has been previously shown in this dissertation, in order to repair the short-term economic issues, which had appeared. For instance, according to Griffith-jones et al. (2013), not having happened this, the impact of the crisis would have been even more severe. However, few scholars have come into question whether this type of response contained a double-sided, as Mertens et al. (2017) or Tricarico (2012).

During and after the financial crisis, the investment levels in the EU declined considerably. Therefore, an action plan was required to rise up the tendency. In 2014 it was released a plan, the so-called Junker Plan, aiming to promote both private and public investment in Europe through 315 billion euros for the following years, whose goals were: delete investment's difficulties, contribute with technical support to these projects and properly use financial resources (EC 2015). Although the main partners in this plan were both the European Commission (EC) and the EIB, the presence of the national banks for development (NBD), also known as promotional banks, was necessary to achieve a greater impact in all senses because they acted as go-between of the bank and companies in projects of small capacity. However, from another point of view, this plan means that, since the EIB is one of the main executors of the plan, funds from the EU budget have actually been mobilized to finance private investment pursuing its self-interest (Mertens et al., 2017).

On the other hand, on several occasions, the legitimacy of the loans provided by the EIB outside of the EU has been questioned since, although these are projects are supposedly favourable to regional development, they do not respect European development policies. Furthermore, these projects tend to be at large scale and benefit European private sector companies rather than the local community's needs (Tricarico 2012).

3.1. THE RELATIONSHIP BETWEEN NATIONAL BANKS FOR DEVELOPMENT, THE EIB AND THE EUROPEAN COMMISSION

The political economy in Europe has varied considerably throughout the existence of the EIB. At first, the relationship of the bank was not excessive with the EC, since its objective was simply to satisfy its shareholders by focusing on being an investment bank to improve the infrastructures of both former member states and future ones (Bussière et al. 2008). After the oil crisis in 1973, as in 2008, there was a stagnation of investments in Europe. That is why, the New Community Instrument, similar to the Investment Plan for Europe, was created in 1977, which led to the first cooperation between the EC and the EIB. (El-Agraa 2008). In addition to this initiative to promote investment, there were already some Member States who had funded development banks at a regional level, such as the KfW that focused on strengthening the East German economy or the Cassa per il Mezzogiorno for the Italian region of the said name. These banks obtained their funds from the same places as the EIB, the subscribed capital of their shareholders and capital markets, turning them into rivals between them to compete for obtaining the largest amount of money for the projects they covered, each time of greater intensity (Mertens et al., 2017).

In the 1990s, it occurred a series of crisis, which led the EIB to play an anticyclical role within loans, although its capital increased considerably. Conversely, thanks to a new European growth initiative and the European Council of Edinburg[11], relations between

[11] The European Council met in Edinburgh in 1992, in order to discuss the main problems of the Community, arriving at solutions on a number of issues essential for progress in Europe and

the EIB and the EC increased. Here is where the European Investment Fund (EIF) comes into scene. It was also created in 1994 and its shareholders were the EIB, the EC and various European financial bodies (mainly NDB). The objective of this financial instrument is to convert EU resources into loans to achieve the established objectives of European policies. Due to this, the EIB increased its importance considerably comparing to Structural Funds.

The principle of subsidiarity allowed the role of NBDs to grow and they were considered as financial instruments to face the crisis, so that other countries decided to found their owns[12]. The NBDs were pressured by their own national governments to get access to the funds of Europe, and the best way was cooperating with these kinds of instruments as the EIB or EIF. Therefore, their relationship between the latter and the promotional banks suffered a transformation from competitiveness to cooperation, unlike years before.

Below, it is explained one of the last EU projects to promote investment, in which the national development banks have been the main actors to carry it out. The justification of the EIB to give them such importance is that public institutions are better trained than private institutions to combat market failures and, in addition, can provide additional information on companies, local investors or country policies (EC 2015).

3.2. THE JUNKER PLAN

The Investment Plan for Europe, also known as the Juncker Plan and proposed in 2014, pursues an EU initiative to increase investments across the EU and boost long-term economic growth since, in recent years, the objectives of the Lisbon Strategy of 2000, which aimed to make the EU economy the most competitive in the world, have not been met yet (Nicolas 2016). The main pillar of the plan is the European Fund for Strategic Investments (EFSI), which was created by the EIB Group and the EC, and supported by NBDs among other institutions, to reverse the investment deficit by activating private financing for strategic projects concerning transport, energy, the digital economy, environment and efficiency in the use of resources, human capital, culture and health, research, development and innovation or support for SMEs and medium capitalization companies (EC 2015). The EFSI is a fund that follows the same procedures and steps as the loans offered by the EIB (see **Section 2.3**). That is, when a project adapts to the requirements, it is valued by an Investment Committee that decides if the project can receive the desired loan or not. With all this is intended to accelerate the financing of projects in the EU (EIB 2018).

Since the EFSI allowed the NDBs the opportunity to expand their functions, this motivated them to participate in the contribution of the EU Investment Plan, so that they could increase activities such as project financing, public-private partnerships (PPP) for infrastructure projects and an increase in securitization participation. Loans for this type of activity are usually carried out through commercial banks, which allows the private sector to also benefit from these loans because the NBDs contribute to maintaining equal conditions of competition in the market where they operate. The priority of the EIB is not exactly to promote private projects but through NBDs, they are investing indirectly in private funds. The Juncker Plan justifies and support these relations with national

restoring confidence for the project of European construction, which will contribute to the recovery of Europe's economy. (EC 2018).

[12] Eastern countries such as Slovakia, Slovenia or Croatia founded their public financial institutions for development, connected with European development banks such as the EIB (Mertens et al., 2017).

development banks because in this way all agents of the real economy have advantages (EC 2015).

3.3. WHAT IS A PRIVATE-PUBLIC PARTNERSHIP?

As previously mentioned, the 1990s suffered a series of economic crises, which affected investments to a large extent. The Stability and Growth Pact[13] then referenced different fiscal constraints that made reference to balanced budgets with the aim of reactivating investment throughout the Union, which led to shape the role of the EIB in some aspects. Later, at the Lisbon Strategy[14], it was specified that the strategies that would be used to achieve the objective would be based on private sector funds and public-private partnerships (PPP) (Mertens et al., 2017). It is for this reason that in recent years these types of project plans have been promoted. The goal pursued with PPPs is to accomplish more efficiency in public services and, in some cases, give a breath to the balance sheets of governments (EC 2009).

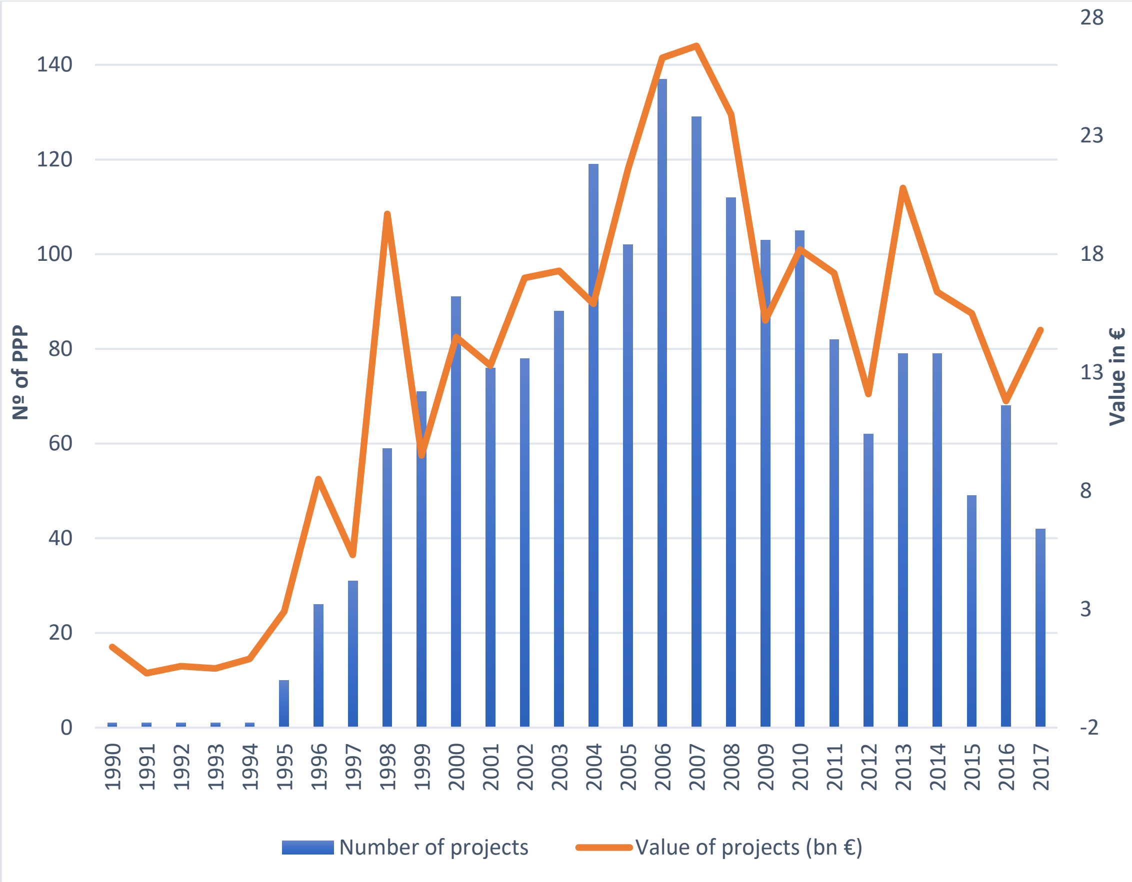
The definition of PPPs has received many connotations depending on the context in which they are analysed, such as long-term contracts for the provision of a public asset and its services in exchange for paying the company for its availability (Eurostat 2016), or that they are innovative mechanisms managed by public authorities in order to finance, design, implement and operate public works and services (UN 2008). Actually, according to the EIB, it all boils down to the fact that they are based on collaboration between the public sector and the private sector with the aim of accessing private resources to offer public services in a way that shares both risks and benefits that public good (Liebe 2017). In the European Union, PPPs have participated in sectors such as energy (promoting alternative energy sources as well as their efficiency), transport, health, research or industry. PPPs can take a wide range of arrangements (see **ANNEX Figure 6.1** and **Table 6.4** for the explanation of the different projects delivered) hence, many authors have tried to classify these contracts depending on the extent of participation or risk that is taken by the private party, such as Zhao et al. (2011).

After the crisis of 2008 in the UE, Member States had it more difficult to receive funding for long-term projects of high intensity. However, PPPs attracted more loans from financial institutions such as the Structural Funds or the EIB (EC 2009). Historically, in contrast, private loans were the predominant PPPs financing tool in Europe (Inderst 2013). **Graph 3.3.1** shows the evolution of the PPP´s participation in Europe from 1990 to 2017.

[13] The Stability and Growth Pact, which entered into force on January 1, 1999, encompasses an agreement between EU member states regarding fiscal policy, focusing on the third phase of the Economic and Monetary Union (EMU) for Ensure that the Member States of the EMU maintain fiscal discipline after the introduction of the single currency (Brunila et al. 2001).

[14] In 2000, a strategy was developed to transform the Union's economy into the most competitive and dynamic knowledge economy in the world, before 2010, capable of lasting economic growth accompanied by a quantitative and qualitative improvement in employment and a greater social cohesion (Consejo Europeo 2000).

Graph 3.3.1. Evolution of the PPP market by year in Europe (1990-2017)



Source: Own elaboration from EPEC database

It can be seen the significant increase in both number of projects and their value. During the 90s these types of projects were promoted through European policies[15] in order to overcome financial needs, public sector demands, search for efficiency gains, innovation and the introduction of competition in the public sector (Liebe 2017). According to the EPEC (2018), the sector that has hosted the most projects over the years has been education, with a total of 435 projects, but if it is analysed the projects with the greatest value, the transport sector has stood out before the rest of sectors with a total value of projects of 204,83 billion €. The UK has been the country that has hosted the most PPP over the years, although its share decreased after the crisis, like the rest of the EU countries. Until 2009, more than 1300 PPP contracts were produced in the EU, which reached a value of € 250 billion. After the financial crisis of 2008, the PPP number was contracted, as well as the value of the projects because there was a tendency towards smaller projects (Kappeler 2010).

The role of European financial institutions or national governments has increasingly increased in importance over the years and many PPP projects have been made possible through their financing. Among some of them, the EFSI, the European Bank for Reconstruction and Development or the EIB are example of organizations that have participated (EPEC 2017). Since the object of study of this dissertation is the EIB, it has

[15] There are many examples of policies from different fields that have been carried out, which have promoted PPPs in one way or another, starting with the Trans-European Networks (TEN), and continuing with other policy areas such as research and development (R&D), energy policy, regional, development policy, budget policy or the European Monetary Union (EMU) project (Liebe 2017).

been calculated the percentage of PPP projects that have been financed by this bank from 1990 to the present in **Table 3.3.2**.

Table 3.3.2. Participation of the EIB on PPP financed in Europe (1990-2017)

	TOTAL PPP	PPP financed by EIB	%		TOTAL PPP	PPP financed by EIB	%
1990	1	1	100	**2004**	119	8	6,72
1991	1	0	0	**2005**	102	6	5,88
1992	1	1	100	**2006**	137	8	5,84
1993	1	1	100	**2007**	129	9	6,98
1994	1	1	100	**2008**	112	11	9,82
1995	10	3	30	**2009**	103	7	6,80
1996	26	3	11,54	**2010**	105	9	8,57
1997	31	2	6,45	**2011**	82	7	8,54
1998	59	3	5,08	**2012**	62	6	9,68
1999	71	5	7,04	**2013**	79	8	10,13
2000	91	5	5,49	**2014**	79	8	10,13
2001	76	6	7,89	**2015**	49	6	12,24
2002	78	4	5,13	**2016**	68	7	10,29
2003	88	5	5,68	**2017**	42	7	16,67

Source: Own elaboration from EPEC database and the EIB projects financed

According to the EC (2009), the EIB has provided loans to PPP since the 80s, most of which went to transport sector. At the beginning, PPP were not a trend in Europe, therefore the projects were few. However, the EIB was in charge of financing the majority of those projects. At the end of the 20th century, there was a considerable increase in PPPs, as well as a less pronounced increase in the bank's share. However, the trend of financed projects follows a positive tendency as the years go by, reaching up to 11 projects in 2008. From this year, participation of the EIB is reduced and, although the total number of PPPs at the level European Union decreases considerably, the EIB maintains a more or less stable stance to the total number of projects financed. In 2017, it reached its highest share with 16.67% of PPPs financed.

It is worth mentioning that, although it does not seem to be a large participation, PPPs that have been financed from the EFSI or the NDB are not considered in this analysis. Therefore, if the data of all the PPPs that have been financed thanks to the Junker Plan were available, the count of participation of the EIB within PPP would be higher.

3.4. THE HIDDEN OBJECTIVE OF THE EIB

After this brief descriptive analysis on the European political decisions that have been made in recent years with regard to investments, it can be seen that there are hidden motives on the part of the institutions that execute these plans. One of the most recent political decision, the Juncker Plan, prepared by the EC with the help of the EIB and the NBDs, has focused on strengthening PPPs, which are still projects that benefit the private sector. The EIB, EFSI or NBDs are the agencies that execute the loans and, although in principle they are banks and funds that promote the development of the member states, the effects that they really pursue remain somewhat unseen.

On the one hand, the EC has sought to obtain, through its relations with the EIB, a greater fiscal impact than it can really have since, despite years of trying to achieve it, there is a scarce fiscal capacity at a supranational level (Mertens et al. al., 2017). On the other hand, although it has not been previously mentioned, it must be borne in mind that many times the EFSI grants loans to the Managing Authorities (each Member State has its own) for them to evaluate and place those loans in other funds or financial intermediaries, which, these last, end up financing projects, that attracts both public and private investors, with the condition that they pursue the objectives of European policies (EC 2016). One of the benefits that is extracted from these chains of operations is the financial leverage effect, since it can be obtained more money at the end than what you really had at the beginning. This, in addition to the proliferation of PPPs, supposes a minor government expenditure that can cover the debt that many countries hold, arising an increment of the debt from the private market, as has happened with the case of Greece, Ireland, Portugal or Spain.

In summary, the course of the EIB in recent years has holed to become a political tool at the hands of the EC, being at first a development bank focused on improving the Member States at all levels of sectors and transforming towards a promotional bank little by little aiming to pursue its own interests. Therefore, it has even been suggested that the EU lives under a technocratic government controlled by those who elaborate the plans of investment; such is the EC, the EIB and the NDB (Mertens et al., 2017).

4. CONCLUSIONS

After the Second War World, it arose the need to have certain tools in order to preserve and to boost an economic equilibrium among nations all over the world. It is then when the concept of the International Financial Institutions (IFI) was born. At the beginning, it was the IMF and WB the most relevant ones. Nevertheless, during the latter years, the European Investment Bank (EIB) has been gaining importance because it has become the largest lender within the IFIs. It was founded in 1958 aiming to contribute to the balanced and steady development of the internal market in the interest of the Union and giving guarantees, which facilitate the financing of projects.

Although the EIB has not been subject to study as often as other IFIs, it is still curious to find an important lack of dissertations by scholars regarding the legitimacy that the bank contains. As well as the rest of organizations like this one, it has been questioned many times whether it follows objectivity providing loans or not. During both different periods studied, it has been found a positive correlation between the loans each country received and the GDP per capita they held, leading to the interpretation that the bank cares about its own interests, since, at a higher level of GDP per capita, it is assumed that a country will have greater capacity to repay the awarded loan. Notwithstanding existing some exceptions to this tendency, it can be considered as a general predisposition for the EIB to give loans to the countries holding a better GDP per capita.

Therefore, this dissertation has tried to shed light to the criticism that have been around the bank during the last years. One possible way to arrive to the point of assuring or denying subjectivity from this IFI is by studying the politics that have been created in the recent past. The relationship that has handle with the European Commission and the National Developments Banks has increased over the years, being practically non-existent at the beginning of the history of the bank and ending up working with all of them hand to hand deciding the destination of loans in Europe. The best example to confirm this tendency is the Juncker Plan, created in 2014 with the objective of boosting long-term economic growth by increasing the investments across Europe. This plan also allows the private sector to benefit from loans when collaborating with the public sector, by financing public-private partnerships (PPP) projects. There has been a significant growth of this form of projects since the 90s in the UE, having increased not only the number but also the value of them and, a considerable part of these PPPs, have been financed directly by the EIB. However, many other of these projects have been financed by the EFSI, a fund created thanks to the Junker Plan and that largely lends to PPPs. That is why this work is intended to demonstrate the lack transparency of the EIB, since all these projects of the private sector are not accounted by the EIB for having been financed by themselves, although in some way they did. The controversy within PPPs is that they are a costly and inefficient way to finance infrastructure, since they conceal public debt while providing long-term state guarantees for private companies to obtain benefits.

The findings attained to this study carried show that the EIB´s aims have changed of direction since its creation. At the beginning it pursued a European integration although, later, its aims changed in order to make Europe more competitive in comparison to the rest of world, for which it was needed a change in the investment of projects. In other words, it has transformed into a tool of huge power that implements the economic politics that countries of the EU need to follow. Instead of this, the EIB should keep focusing on the essence for which it was born, adapting to the EU needs in terms of integration because there is still a long way until it is accomplished the perfect equilibrium among all the Member States.

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6. ANNEX

	1957		1973		1981		1986		1995		2004		2007		2013	
Belgium	86,5	8,65	118,5	7,5	829,5	5,1	1527	5,3	3054	4,9	7387,1	4,5	7387,1	4,5	10864,8	4,5
France	300	30	450	28,5	3150	19,2	5508,7	19,1	11017,5	17,8	26649,5	16,3	26649,5	16,2	39195	16,1
Germany	300	30	450	28,5	3150	19,2	5508,7	19,1	11017,5	17,8	26649,5	16,3	26649,5	16,2	39195	16,1
Italy	240	24	360	22,8	2520	15,4	5508,7	19,1	11017,5	17,8	26649,5	16,3	26649,5	16,2	39195	16,1
Luxembourg	2	0,2	3	0,2	21	0,1	38,7	0,1	77,3	0,1	187	0,1	187	0,1	275,1	0,1
Netherlands	71,5	7,15	118,5	7,5	829,5	5,1	1527	5,3	3054	4,9	7387,1	4,5	7387,1	4,5	10864,8	4,5
Denmark			60	3,8	420	2,6	773,2	2,7	1546,3	2,5	3740,3	2,3	3740,3	2,3	5501,1	2,3
Ireland			15	1	105	0,6	193,3	0,7	386,9	0,6	935,1	0,6	935,1	0,6	1375,3	0,6
UK			3	0,2	3150	19,2	5508,7	19,1	11017,5	17,8	26649,5	16,3	26649,5	16,2	39195	16,1
Greece					225	1,4	414,2	1,4	828,4	1,3	2003,7	1,2	2003,7	1,2	2947	1,2
Portugal							266,9	0,9	533,8	0,9	1291,3	0,8	1291,3	0,8	1899,2	0,8
Spain							2024,9	7	4049,9	6,5	15989,7	9,8	15989,7	9,7	23517	9,7
Austria									1516	2,4	3667	2,2	3667	2,2	5393,2	2,2
Finland									871	1,4	2106,8	1,3	2106,8	1,3	3098,6	1,3
Sweden									2026	3,3	4900,6	3	4900,6	3	7207,6	3
Cyprus											183,4	0,1	183,4	0,1	269,7	0,1
Czech Rep.											1258,8	0,8	1258,8	0,8	1851,4	0,8
Estonia											117,6	0,1	117,6	0,1	173	0,1
Hungary											1190,9	0,7	1190,9	0,7	1751,5	0,7
Latvia											152,3	0,1	152,3	0,1	224	0,1
Lithuania											249,6	0,2	249,6	0,2	367,1	0,2
Malta											69,8	0	69,8	0	102,7	0
Poland											3411,3	2,1	3411,3	2,1	5017,1	2,1
Slovokia											428,5	0,3	428,5	0,3	630,2	0,3
Solvenia											397,8	0,2	397,8	0,2	585,1	0,2
Bulgaria													290,9	0,2	427,9	0,2
Romania													863,5	0,5	1270	0,5
Croatia															891,2	0,4
	1.000	100	1.578	100	16.381	100	28800	100	62013	100	163.653,70	100	164808,1	100	243.284,60	100

Table 6.1. Subscribed capital by Member States 1957-2013

Source: EIB Statutes (EIB 1957; EIB 1973; EIB 1981; EIB 1986; EIB 1995; EIB 2004; EIB 2007; EIB 2013)

Table 6.2. Different appraisals driven by the EIB

	Choice among methodology	Definition process
Cost-Benefit Analysis	Feasible projects	The Bank uses to compare the "do something" scenario with a "do minimum" scenario.
Cost-Effectiveness Analysis	The project focuses on the choice of technology	The appraisal focuses on the cost required to achieve an objective. When there is a possibility to select several alternatives, the analysis can compare two scenarios of "do something".
Multi-Criteria Analysis	The other methods are considered impractical. It consists on ranking a bunch of alternatives in order to identify the best project	Similar to the CBA, in this case, two alternatives are considered as possible projects, where a scenario of "do something" versus "do something (more)" will take place.

Source: Own elaboration extracted from the EIB Governance Report

Table 6.3. EIB loans 1959-2018 (€ in thousands of millions at constant prices)

	Loans 1959-1995		Loans 1996-2018		Total Average 1959-2018	
		%		%		%
Austria	637.844.223	0,36%	26.102.092.569	2,51%	26.739.936.792	2,20%
Belgium	3.293.946.981	1,85%	25.099.503.532	2,42%	28.393.450.513	2,33%
Bulgaria	286.000.000	0,16%	4.827.684.672	0,46%	5.113.684.672	0,42%
C. Republic	201.745.690	0,11%	5.633.330.831	0,54%	5.835.076.521	0,48%
Croatia	117.000.000	0,07%	4.060.336.278	0,39%	4.177.336.278	0,34%
Cyprus	737.000.000	0,41%	19.485.643.038	1,88%	20.222.643.038	1,66%
Denmark	7.734.190.496	4,34%	13.920.203.399	1,34%	21.654.393.895	1,78%
Estonia	52.000.000	0,03%	2.630.368.460	0,25%	2.682.368.460	0,22%
Finland	239.315.597	0,13%	19.895.610.815	1,91%	20.134.926.412	1,65%
France	23.733.662.984	13,31%	110.674.045.644	10,65%	134.407.708.628	11,04%
Germany	14.745.766.938	8,27%	141.776.010.030	13,64%	156.521.776.968	12,86%
Greece	5.554.630.427	3,12%	29.337.494.301	2,82%	34.892.124.728	2,87%
Hungary	737.000.000	0,41%	19.931.963.981	1,92%	20.668.963.981	1,70%
Ireland	5.036.795.987	2,82%	11.620.721.301	1,12%	16.657.517.288	1,37%
Italy	53.448.354.558	29,98%	160.415.569.500	15,44%	213.863.924.058	17,57%
Latvia	5.000.000	0,00%	2.536.326.247	0,24%	2.541.326.247	0,21%
Lithuania	29.000.000	0,02%	3.207.820.704	0,31%	3.236.820.704	0,27%
Luxembourg	212.214.257	0,12%	2.729.209.435	0,26%	2.941.423.693	0,24%
Malta	80.500.000	0,05%	519.700.000	0,05%	600.200.000	0,05%
Poland	1.026.000.000	0,58%	65.214.269.757	6,28%	66.240.269.757	5,44%
Portugal	9.478.523.002	5,32%	38.775.760.352	3,73%	48.254.283.354	3,96%
Romania	385.000.000	0,22%	12.726.705.125	1,22%	13.111.705.125	1,08%
Slovakia	253.000.000	0,14%	8.237.613.821	0,79%	8.490.613.821	0,70%
Slovenia	320.406.412	0,18%	6.478.000.000	0,62%	6.798.406.412	0,56%
Spain	21.368.914.641	11,99%	163.260.459.507	15,71%	184.629.374.148	15,17%
Sweden	288.698.631	0,16%	24.485.108.472	2,36%	24.773.807.104	2,03%
The Netherlands	2.539.531.354	1,42%	24.215.588.441	2,33%	26.755.119.795	2,20%
UK	25.752.328.813	14,44%	91.315.252.599	8,79%	117.067.581.413	9,62%

Source: Own elaboration from the database of the EIB projects financed

Table 6.4. Evolution of loans per capita between 1960 and 2017 (in thousands of € at constant prices)

	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005	2010	2015	2017
Austria					4.450			35.070	89.971	135.576	176.831	207.960	142.344
Belgium			2.278	11.856	15.534	49.290	20.700	90.885	51.517	103.126	155.195	187.073	131.962
Bulgaria								7.716	19.583	44.511	15.264	9.055	35.193
Croatia						4.769	8.688	20.628		31.562	118.995	85.089	129.889
Cyprus				5.949		18.811		38.672		65.942	554.584	253.639	391.249
Czech Republic								5.235	37.479	5.675	156.904	48.080	92.264
Denmark				1.105	19.371	7.892	109.862	65.631	184.355	69.186	69.767	98.355	180.972
Estonia								39.705	29.972	32.194	56.251	24.366	84.362
Finland								3.453	95.674	211	186.598	296.668	237.929
France	130	1.614	1.183	5.214	5.059	42.646	28.932	49.726	53.868	81.457	74.780	119.231	112.003
Germany	33	179	591	2.943	181	22.019	10.877	37.088	73.331	66.186	87.948	82.138	79.870
Greece					10.474		17.287		158.454	14.387	283.283	124.547	196.766
Hungary						9.976	11.567	122.832	23.504	150.810	168.184	144.658	71.698
Ireland					106.180	55.771	62.092	15.365	108.300	230.184	56.181	162.660	194.700
Italy	339		3.812	3.498	22.863	65.026	67.979	157.732	96.547	61.849	147.612	180.921	181.571
Latvia								16.091	4.224	140.943	47.681	106.205	56.232
Lithuania						4.159		71.009	2.858	174.065	34.546	163.172	3.898
Luxembourg			2.794				30.873	30.431	457.687	117.746	127.281	561.995	29.314
Malta							27.769	30.973		91.019	241.272	60.628	63.767
Poland							2.498	3.658	24.597	56.855	144.571	144.185	131.655
Portugal					7.167		79.601	7.138	180.019	3.876	322.767	136.415	146.943
Romania									38.021	95.524	20.250	10.653	66.966
Slovakia		1.447		6.473		52.624		60.426	44.809	109.875	261.972	225.899	58.905
Slovenia							12.512	192.400	32.673	529.395	357.767	386.759	27.110
Spain							49.964	25.168	103.148	120.892	200.345	257.132	218.978
Sweden		49				1.177		33.392	70.004	86.552	278.072	162.237	232.589
The Netherlands			212				16.410	14.916	14.659	42.369	93.664	122.776	127.001
United Kingdom					12.112		38.000	19.363	52.232	147.486	77.785	120.411	22.672

Source: Own elaboration from the database of the EIB projects financed and AMECO

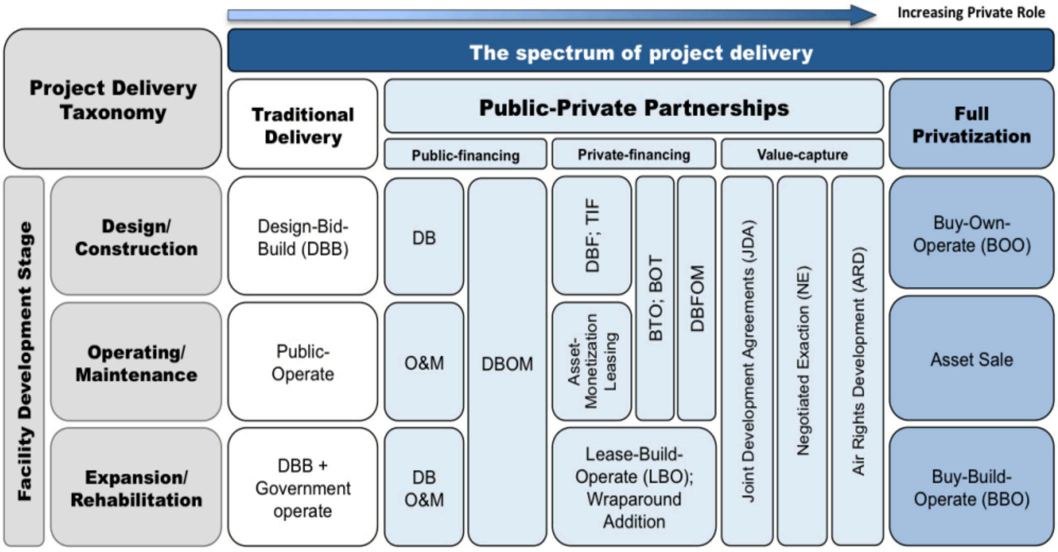
Table 6.5. Evolution of GDP[16] per capita during the period 1980-2018

	1980	1985	1990	1995	2000	2005	2010	2015	Average 1980-1995	Average 1996-2018
Austria	7,83	12,13	17,07	23,19	26,66	30,89	35,39	39,92	14,89	32,96
Belgium	9,32	11,63	16,31	21,84	25,19	29,72	33,51	36,52	14,30	30,83
Bulgaria			1,27	1,31	1,75	3,08	5,07	6,31	0,98	4,04
Croatia				3,85	5,33	8,47	10,50	10,60	2,88	8,69
Cyprus	3,62	5,67	8,49	11,67	15,57	20,36	23,27	20,93	7,30	19,54
Czech Republic			2,42	4,43	6,51	10,71	14,90	15,98	3,19	11,95
Denmark	9,99	16,19	21,19	27,04	33,35	39,27	43,84	47,83	18,37	40,37
Estonia				2,00	4,40	8,29	11,04	15,49	1,46	9,97
Finland	8,10	15,06	22,35	20,10	26,32	31,34	34,88	38,25	15,88	32,40
France	9,18	12,96	17,25	20,70	24,40	28,07	30,76	32,95	14,92	28,70
Germany				24,38	25,98	28,29	32,14	37,26	21,67	30,93
Greece	4,23	6,29	7,56	9,91	13,23	18,13	20,32	16,29	6,90	16,59
Hungary	1,64	4,53	1,60	3,43	5,03	9,02	9,88	11,25	2,41	8,63
Ireland	4,65	8,05	11,09	14,70	28,49	40,91	36,75	56,45	9,38	38,97
Italy	6,10	10,55	16,34	15,75	21,76	25,60	26,82	27,21	12,62	25,00
Latvia				1,66	3,64	6,13	8,48	12,30	1,14	7,91
Lithuania				1,41	3,57	6,32	9,05	12,88	0,88	8,07
Luxembourg	12,32	17,09	27,29	40,31	52,82	64,49	79,16	91,50	23,45	70,06
Malta	3,08	3,83	5,76	7,49	11,27	12,73	15,92	21,37	5,09	14,97
Poland	1,21	4,50	0,84	2,84	4,87	6,45	9,39	11,18	1,88	7,78
Portugal	2,44	3,55	6,25	9,08	12,48	15,11	17,02	17,36	5,25	15,11
Romania	1,25	5,02	0,85	1,27	1,82	3,76	6,21	8,09	1,80	5,04
Slovakia				2,85	4,14	7,30	12,45	14,55	2,52	9,49
Slovenia				8,19	11,02	14,61	17,69	18,82	6,12	15,47
Spain	4,45	6,17	10,84	11,80	15,94	21,31	23,21	23,27	8,29	20,47
Sweden	11,96	17,62	23,53	22,87	31,77	34,69	39,36	45,82	19,08	37,08
The Netherlands	9,81	12,97	16,56	22,09	28,14	33,44	38,02	40,36	15,09	34,50
United Kingdom	7,71	12,47	16,35	17,59	30,35	33,56	29,35	39,97	13,75	31,37

Source: Own elaboration from the database of AMECO

[16] GDP at current prices per head of population in miles of €.

Figure 6.1. A General Framework of Infrastructure Delivery Options



Source: Zhao et al.,2011

Table 6.6. The Taxonomy of Public-Private Partnerships

	Type of Contract	Features
Traditional Delivery Options	DBB: Design-Bid-Build	The design and construction are awarded separately.
	Public-Operate	Project operation and maintenance are conducted directly through government departments or by public authorities.
PPP PPP	DB: Design-Build	It combines the design and construction phases into a single contract.
	O&M: Operation & Maintenance	A private partner operates and maintains a publicly owned facility under a management contract.
	DBOM: Design-Build-Operate-Management	A private contractor designs, constructs, operates, and maintains the facility for a specific period of time meeting specific performance requirement.
	DBF: Design-Build-Finance	It can be seen as an extension of DB when the private sector also assumes financial responsibilities
	Asset-monetization Leasing	Publicly financed existing facilities are leased to private sector concessionaires for specific time periods
	DBFOM: Design-Build-Finance-Operate-Maintenance	It is an extension of DBOM in which the private sector provides some or all of the project financing
	BTO: Build-Transfer-Operate	A private developer finances and builds a facility and transfers legal ownership to the sponsoring government agency.
	BOT or BOOT: Build (-Own)-Operate-Transfer	A private developer is awarded a franchise to finance, build, own, and operate a facility, and to collect user fees for a specific period.
	LBO: Lease-Build-Operate	A private contractor is given a long-term lease of a facility, operates it under a concession, and expands or rehabilitates it with its own funding.

	WAA: Wraparound Addition	Unlike LBO, the private developer may own the expansion part of facility.
	JDA: Joint Development Agreement	The public-sector sponsor and the private contract team share responsibilities for developing, financing, operating, and preserving an infrastructure facility
	NE: Negotiated Exactions	Private owners may be willing to donate public a portion of adjacent property so they can expedite infrastructure development.
	ARD: Air Rights Development	Governments may lease air rights above existing transportation facilities for private development to generate public revenue
Full Privatizatione	BOO: Buy-Own-Operate	A private developer finances, builds, owns, and operates a facility.
	BBO: Buy-Build-Operate	An existing public facility is sold to a private partner who renovates or expands it and operates it in perpetuity under a franchise.
	Asset Sale	Public entity fully transfers ownership of publicly financed facilities to the private sector.

Source: Own elaboration from Zhao et al.,2011