



GUIDE TO FINANCE INSTRUMENTS FOR EUROPEAN AIRPORTS

This report is sponsored by

Preface

European airports act as engines of economic development, contributing to European growth and cohesion on a very large scale. It is with this role in mind that the “Guide to Finance Instruments for European Airports” is designed to assist airport operators in developing their infrastructure by identifying the main sources of assistance or support.

With this guide, ACI EUROPE intends to offer an overview of the instruments and mechanisms available, the type of assistance provided and the way in which these can be used by European airports.

By being better informed of the resources available to them, ACI EUROPE members will continue to play a significant role in ensuring adequate connectivity and boosting economic growth in their regions.



Swedavia owns, operates and improves 14 airports in Sweden, including the capital's Stockholm-Arlanda and Stockholm-Bromma. Swedavia - formerly LFV - is a State-owned company with 2,600 employees and annual revenue of SEK 5 billion. The first major Swedish company to become climate-neutral, Swedavia has reduced the CO2 emissions under its direct control by approximately 70 per cent in six years, and the remaining portion is carbon-offset. Several of Swedavia's airports have already become Airport Carbon Accredited at the 'Neutrality' level – the highest level possible. For more information on Swedavia, its network of airports and its traffic statistics, go to www.swedavia.se

Introduction

This guide intends to help ACI EUROPE's members to identify and understand the main instruments available in Europe to support airport development. This edition updates the 2003 guide, providing a practical handbook to airport managing bodies who are aiming to obtain funds for a wide range of development projects.

ACI EUROPE is aware of the difficulties arising from the complex nature of the various EU institutions and the international development banks, as well as the wide variety of instruments, mechanisms and funds available.

In order to guide members through the different instruments described, we provide a profile of each instrument and the ways in which they can help airports (project proposal and selection, financing and managing and monitoring). The timeline for the disbursement of the grants has been deliberately left aside since this generally, it depends on the different national management authorities in Member State or candidates countries.

Section 1 identifies the funding opportunities that exist to support airport development projects in the European Union Member States. The European Commission – mainly the Directorate-General for Mobility and Transport and the Directorate-General for Regional Policy – have provided invaluable aid and support in producing this section.¹

Section 2 refers to the common fund available for EU Candidate Countries (currently Croatia, Turkey, FYR Macedonia) and for the potential Candidate Countries (Albania, Bosnia and Herzegovina, Montenegro, Serbia, and Kosovo), the Instruments for Pre-Accession (IPA).

Section 3 deals with the Seventh Framework Programme for Research, Technological Development and Demonstrative Activities (FP7). Airports may benefit from this mechanism mainly through the Cooperation, Ideas, People and / or Capacities funding schemes.

Section 4 presents the international development banks. The financial resources of the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) and the World Bank provide additional, and often critical, support to the European Union's funding initiatives.

Contents

1.	FINANCING AIRPORT DEVELOPMENT IN EU MEMBER STATES	
1.1	General	page. 3
1.2	Structural funds	page. 5
1.3	Cohesion fund	page. 8
1.4	Trans-European Transport Networks (TEN-T)	page. 11
1.5	JASPERS	page. 15
2.	FINANCING AIRPORT DEVELOPMENT IN EU CANDIDATE AND POTENTIAL CANDIDATE COUNTRIES	
2.1	Instrument for Pre-Accession Assistance (IPA)	page.17
3.	FINANCING AIRPORT RESEARCH IN THE EUROPEAN UNION	
3.1	The Seventh Framework Programme for Research, Technological Development and Demonstrative Activities (FP7)	page. 21
4.	FINANCING AIRPORT DEVELOPMENT THROUGH FINANCIAL INSTITUTIONS	
4.1	The European Bank for Reconstruction and Development (EBRD)	page. 25
4.2	The European Investment Bank	page. 27
4.3	The World Bank	page. 29

¹Special thanks to Mr Giuseppe Rizzo at the Directorate-General for Mobility and Transport, Directorate E, Air Transport, Unit 4, Infrastructure and Airports; and Mr Patrick Bernard-Brunet at the Directorate-General for Regional Policy, Thematic Coordination, Innovation.

1 FINANCING AIRPORT DEVELOPMENT IN EU MEMBER STATES

1.1 General

The EU Cohesion Policy funds (including European Regional Development Fund – ERDF – the European Social Fund – ESF – and the Cohesion Fund) are allocated by the European Union for 3 related purposes: i) reducing the gap between the regions focusing on the less-developed ones, ii) helping the regions to meet the challenges of an increased globalised economy and iii) improving cooperation between regions. Support to infrastructure, in particular transport, is part of this policy.

Current programmes run from 1 January 2007 to 31 December 2013.

Objectives for 2007-13

1) Convergence Objective (Formerly Objective 1)

This objective covers regions where GDP per capita is below 75% of the EU average and aims at accelerating their economic development. It is financed by the ERDF, the ESF and the Cohesion fund (for the eligible countries). The priorities under this objective are human and physical capital, innovation, knowledge society, environment and administrative efficiency. The budget allocated to this instrument is €282.855 billion in current prices.

2) Regional Competitiveness and Employment Objective (Formerly Objective 2)

This objective covers all regions of the EU, except those already covered by the Convergence Objective. It aims at reinforcing the competitiveness, employment and attractiveness of these regions. Innovation, as well as the promotion of entrepreneurship and environment protection are the main themes of this objective. The funding – € 54,965 billion in current prices – comes from the ERDF and the ESF. An exception is Cyprus where the whole territory is eligible for the Cohesion Fund.

3) Territorial Cooperation Objective (Formerly Objective 3)

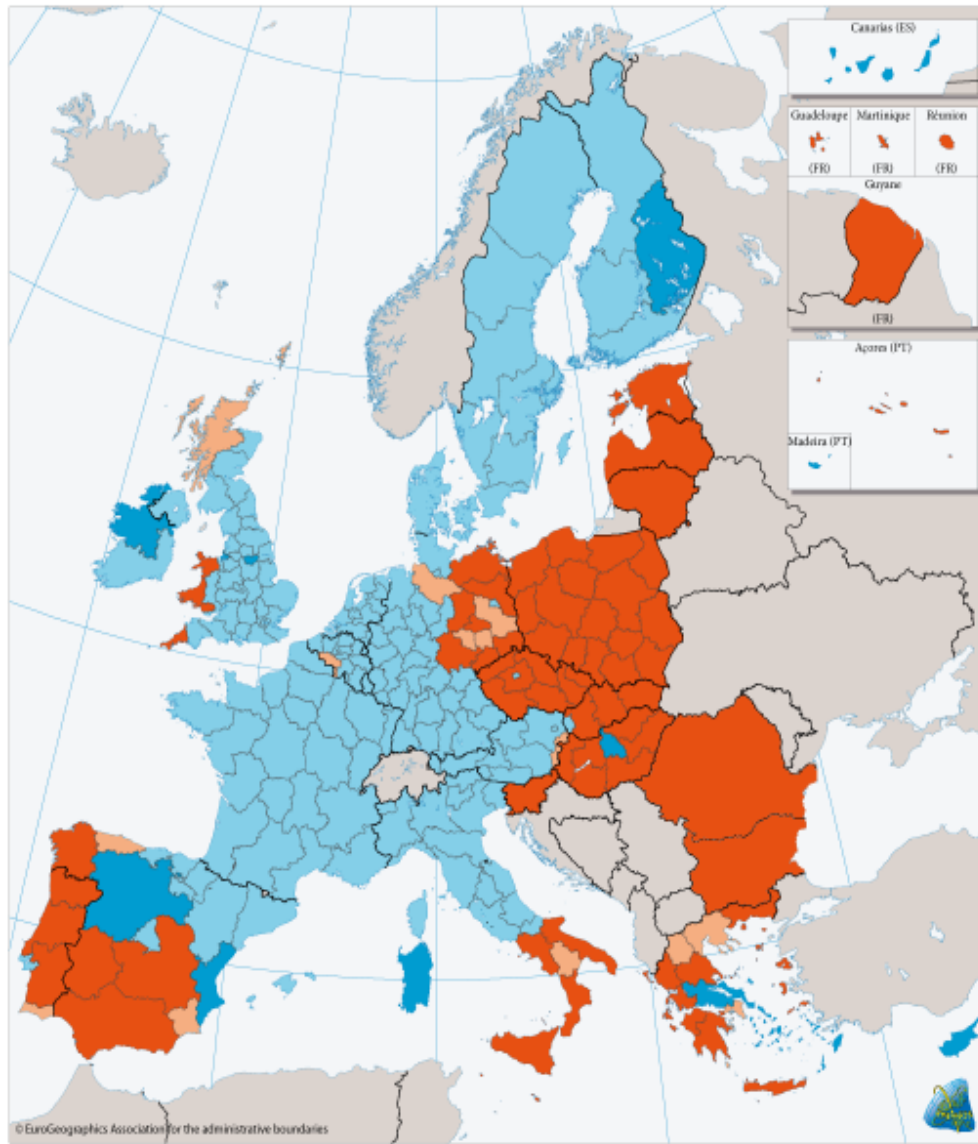
This objective builds upon the Interreg initiatives of the previous years, which were originally planned to be fully incorporated into the main objectives of the structural funds. Financed by the ERDF – € 7.75 billion euro – its aim is to promote cooperation between European regions, as well as the development of common solutions for issues such as urban, rural and coastal development, economic development and environment management. This objective is divided in 3 strands:

- cross-border cooperation
- transnational cooperation
- interregional cooperation.

Regions

Phasing out regions: those regions situated in Member States that would have been eligible for the Cohesion Fund if the threshold had remained at 90% of the GNI average when the EU had 15 members.

Phasing in regions: those regions which recently came out of Objective 1 and will have easier access to funds allocated under the Competitiveness Objective.



- Objective**
- Convergence Regions
 - Phasing-out Regions
 - Phasing-in Regions
 - Competitiveness and Employment Regions

1.2 Structural Funds (ERDF and ESF)

A) Concept

Structural Funds are designed to help reduce disparities in the development of regions, and to promote economic and social cohesion within the European Union. The European Commission co-finances regional projects in the Member States. Nevertheless, direct aid to enterprises to co-finance their investments is only possible in the economically less developed regions ("convergence" regions). In other regions, priority has been given to actions having a high leverage effect (e.g. entrepreneurship training, support services, business incubators, technology transfer mechanisms, networking, etc.), as opposed to direct aid to individual enterprises.

The programmes are managed and the projects selected at national and/or regional level.

Structural funds are allocated directly to regions. The most important structural fund is the 'European regional development fund' (ERDF), awarded to all the EU regions.



European Regional Development Fund

The ERDF supports programmes addressing regional development, economic change, enhanced competitiveness and territorial co-operation throughout the EU. Funding priorities include research, innovation, environmental protection and risk prevention, while infrastructure investment retains an important role, especially in the least-developed regions.



The European Social Fund (ESF)

The ESF focuses on four key areas: increasing adaptability of workers and enterprises, enhancing access to employment and participation in the labour market, reinforcing social inclusion by combating discrimination and facilitating access to the labour market for disadvantaged people, and promoting partnership for reform in the fields of employment and inclusion.

Even though the ESF might have co-funded trainings in the field of air transport, the main EU support to airports development comes from the ERDF.

B) Type of assistance provided

Funding from the European Regional Development Fund (ERDF) and other Structural Funds comes in the form of non-reimbursable assistance.

Financial assistance is channelled through 7-year development programmes, which are packages of measures that are eligible for support.

As soon as an agreement on the programme has been reached by the European Commission and the Member State authorities, European money becomes available to meet the programme's aims.

At the EU Level the overarching priorities are established in the Community Strategic Guidelines (CSG) setting the framework for all actions that can be taken using the funds. Within this framework, each Member State has its own National Strategic Reference Framework (NSRF) which sets the priorities for the Member State ensuring linkages with their own national policies. Finally, the Operational Programmes for each region within the Member State are drawn up to reflect the needs of the regions restrained only by the NSRF.

EU Level: Community Strategic Guidelines

National Level: National Strategic Reference Framework for each Member State

Regional Level: Operational Programme for each region (for some Member States thematic Operational Programmes covering several regions have been adopted)

C) How can the structural funds help airports?

- **Project proposal and selection**

Once the programme has been approved, the Managing Authorities appointed by each Member State are responsible for informing potential project promoters of the assistance that is available through, for example, public calls for tender.

Airports can propose projects and apply to receive support from the Structural Funds. The selection of projects is carried out by the national or regional authorities competent for each programme, not by the European Commission.

All projects that receive EU financial assistance must also be co-financed from another source, whether this is from the public or private sector.

- **Financing: the process for allocating funds**

Financing of the programmes is based on a system of budgetary commitments and payments. The commitments correspond to a “financial contract” between the European Commission and the Member State, for the allocation of European funds to the programmes. At this stage, there is therefore no “physical movement” of funds. The commitments are paid in annual instalments, and the first instalment is made when the European Commission approves the assistance. Subsequent instalments are made, at the latest, on 30 April of each year.

Airports beneficiaries of assistance do not receive funds directly from the European Commission. They go through a “payment authority” designated by the national authorities. A three-tier system is therefore established, between the European Commission, the payment authority and the ultimate beneficiaries.

In practice, as soon as a programme is adopted, the European Commission makes a payment on account, amounting to 7% of the total contribution from the Funds, to the payment authority. This “advance payment” is designed to enable the programme to get under way (but must be repaid if no expenditure has been declared within 18 months). Subsequent payments are made in the form of a reimbursement of actual expenditure certified by invoices. In principle, the payment authority forwards the evidence of expenditure to the European Commission in batches, three times a year. The European Commission makes the corresponding payments within two months of the request being received.

Expenditure declarations to the European Commission must be submitted in Euro. In the countries outside the Euro zone, the amounts must therefore be converted by using the exchange rate on the day before the last working day of the month preceding that in which the expenditure was calculated by the payment authority.

- **Management and monitoring**

Although the Structural Funds are part of the Community budget, the way in which they are spent is based on a system of shared responsibility between the European Commission and Member State governments:

- the European Commission negotiates and approves the development programmes proposed by the Member States and allocates resources.
- the Member States and their regions manage the programmes, implement them by selecting projects, control and assess them.
- the European Commission is involved in programme monitoring. It also commits and pays out approved expenditure and verifies the control systems which have been put in place.

For an example, in January 2009, the European Commission approved a grant for Ostrava airport in the Czech Republic related to the acquisition of equipment.

The aid will be granted until the end of 2013 with a budget of approximately €11.15 million. The subsidized project consists of acquiring boarding bridges, self-propelled aircraft boarding stairs, a tractor for moving aircraft, a self-propelled baggage conveyer as well as a de-icing unit.

The project is financed both by means of the European Regional Development Fund (ERDF) and through the private resources of the airport operator. ERDF resources shall be granted by the National management authority.

For more information contact:

European Commission

Directorate General Regional Policy

Tel: +32 2 2960634

Fax: +32 2 2966034

Email: regio-info@ec.europa.eu

Website: www.ec.europa.eu/regional_policy/funds/prord/sf_en.htm

Structural funds regulations:

www.eur-lex.europa.eu

Managing authorities in each Member State:

www.ec.europa.eu/regional_policy/manage/authority/authority_en.cfm

1.3 Cohesion Fund

A) Concept

The Cohesion Fund is an instrument that helps eligible Member States to reduce economic and social disparities and to stabilise their economies. It finances up to 85% of eligible expenditure of major projects involving the environment and transport infrastructure. This strengthens cohesion and solidarity within the EU. Only the least prosperous Member States whose gross national product (GNP) per capita is below 90% of the EU-average are eligible (**Greece, Portugal, Spain, Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia**).

Cohesion Fund support is conditional. The funding granted to a Member State can be suspended if the country fails to comply with its convergence programme for economic and monetary union (stability and growth pact).

Previously managed project by project, the Cohesion Fund is now integrated in the Operational Programmes together with the ERDF.

B) Type of assistance provided

The total percentage of the EU assistance cannot exceed 85% of public or equivalent expenditure and depends on the type of operation to be carried out. For projects which generate revenue, the support is calculated taking into account the forecasted revenue. The polluter-pays principle (the entity that causes pollution should pay for it) has an impact on the amount of support granted. For projects to be carried out over a period of less than two years or where Community assistance is less than €50 million, an initial commitment of 80% of assistance may be made when the European Commission adopts the decision to grant Community assistance. **The combined assistance of the Fund and other Community aid for a project shall not exceed 90% of the total expenditure relating to that project. Exceptionally, the European Commission may finance 100% of the total cost of preliminary studies and technical support measures** – in view of the limited budget available for such levels of support this is restricted to EU wide technical assistance. This flexibility is not applied to transport projects.

C) How can the Cohesion Fund help airports?

- Project proposal and selection

To be eligible, projects must belong to one of two categories:

- a) **Environment projects** helping to achieve the objectives of the EC treaty and in particular projects in line with the priorities conferred on Community Environmental policy by the relevant Environment and Sustainable Development action plans.
- b) **Transport infrastructure projects** establishing or developing transport infrastructure as identified in the Trans-European Transport Network (TEN) guidelines.

The European Commission analyses whether all financing conditions are met, including:

- the economic and social benefits generated by the project in the medium term, as demonstrated by a cost-benefit analysis,
- the project's contribution to achieving Community objectives for the environment and/or the Trans-European Transport Network,
- compliance with the priorities set by the Member State,
- the project's compatibility with other Community policies and consistency with operations undertaken by the Structural Funds.

For example, within the resources that became available to Estonia during the period 2004-2006 the European Commission approved the financing of two projects from the Cohesion Fund at Tallinn airport: "Reconstruction of the air traffic area of Tallinn airport" and "Development of the passenger terminal of Tallinn airport". Construction works were completed in September 2008.

- **Financing: the process for allocating funds**

Airports can submit applications for financing to the national Managing Authorities. The latter submit the applications to the European Commission for the major projects (those with a budget goes beyond €50 million), which generally decides on funding within three months. Proposals must include key elements explaining what and is being proposed, and why the feasibility and financing of the project and the impact it will have in socio-economic and environmental terms. All projects must comply with Community legislation in force, in particular competition rules, the environment and public procurement.

- **Management and monitoring**

Member States are responsible for implementing the projects, managing the funds, meeting the timetable, complying with the financing plan and, in the first instance, ensuring financial control. The European Commission makes regular checks and all projects are subject to regular monitoring.

For more information contact:

European Commission

Directorate General Regional Policy

Tel: 32 2 2960634

Fax: 32 2 2966034

Email: regio-info@ec.europa.eu

Website: http://ec.europa.eu/regional_policy/funds/procf/cf_en.htm

Community strategic guidelines on cohesion:














http://ec.europa.eu/regional_policy/sources/docoffic/official/orient_en.htm

National Managing authorities for the Cohesion fund:

http://ec.europa.eu/regional_policy/manage/contact_en.htm

Table 2

**Available amounts (ERDF & Cohesion Fund)
for airport development 2007-2013.
Breakdown by country**

Total EU 		
Code	Description	Community amount
29	Airports	€ 1,851,056,049
Czech Republic 		
Code	Description	Community amount
29	Airports	€ 105,614,420
Germany 		
Code	Description	Community amount
29	Airports	€ 500,000
Estonia 		
Code	Description	Community amount
29	Airports	€ 12,526,683
Greece 		
Code	Description	Community amount
29	Airports	€ 202,400,000
Spain 		
Code	Description	Community amount
29	Airports	€ 274,957,021
EU-Cross border cooperation 		
Code	Description	Community amount
29	Airports	€ 1,851,056,049
France 		
Code	Description	Community amount
29	Airports	€ 22,286,599
Italy 		
Code	Description	Community amount
29	Airports	€ 19,075,000
Latvia 		
Code	Description	Community amount
29	Airports	€ 142,704,584
Poland 		
Code	Description	Community amount
29	Airports	€ 78,500,000
Portugal 		
Code	Description	Community amount
29	Airports	€ 628,269,947
Romania 		
Code	Description	Community amount
29	Airports	€ 41,061,301

Slovenia



Code	Description	Community amount
29	Airports	€ 30,580,000

Sweden



Code	Description	Community amount
29	Airports	€ 3,347,149

United Kingdom



Code	Description	Community amount
29	Airports	€ 23,000,000

Source: European Commission DG Regional Policy Last update: 29/05/2009

These amounts are indicative and may be raised or lowered following a modification of the programmes according to Region's decisions. Member States not included on the list have decided NOT to finance airports through the ERDF and the Cohesion Fund.

Table 3

Major investors in Airports (and % of investments in Transport):

Member State	Total Transport	Airports	%
 Portugal	€ 2.8 billion	€ 218 million	7.8%
 Greece	€ 5.2 billion	€ 202 million	3.9%
 Spain	€ 7.4 billion	€ 275 million	3.7%
 Italy	€ 3.8 billion	€ 143 million	3.7%
 Poland	€ 22.7 billion	€ 628 million	2.7%
 Czech Republic	€ 7.5 billion	€ 106 million	1.4%

1.4 Trans-European Transport Networks

A) Concept

The **Trans-European Transport Networks** are a planned set of road, rail, air and water transport networks designed to serve the Community territory. The TEN-T networks are the main part of a wider system of Trans-European Networks (TENs), including an energy network (TEN-E) and a proposed telecommunications network (eTEN).



B) Type of assistance provided

TEN-T envisages coordinated improvements to primary roads, railways, inland waterways, airports, seaports, inland ports and traffic management systems, so as to provide integrated and intermodal long-distance high-speed routes for the movement of people and freight throughout Europe.

For the period 2007-2013, the TEN-T budget equals €8 billion.

List of Trans-European Transport networks

- Trans-European Rail network,
- Trans-European Road network,
- Trans-European Inland Waterway network and inland ports,
- Trans-European Seaport network,
- Motorways of the Sea,
- **Trans-European Airport network,**
- Trans-European Combined Transport network,
- Trans-European Shipping Management and Information network,
- **Trans-European Air Traffic Management network, which includes the Single European Sky and SESAR concepts,**
- Trans-European Positioning and Navigation network (including Galileo).

C) How can the Trans-European Networks help airports?

According to Community Guidelines for the Development of the Trans-European Transport Networks (art 13):

1. The trans-European airport network shall comprise airports situated within the territory of the Community which are open to commercial air traffic and which comply with the criteria set out in Annex II. These airports shall be classified differently according to the volume and type of traffic they handle and according to their function within the network. They shall permit the development of air links and the interconnection of air transport and other modes of transport.
2. The international connecting points and the Community connecting points shall constitute the core of the trans-European airport network. Links between the Community and the rest of the world shall be mainly via the international connecting points. The Community connecting points shall essentially provide links within the Community, with extra-Community services still accounting for a small proportion of their business. Regional connecting points and accessibility points shall facilitate access to the core of the network or help to open up peripheral and isolated regions.
3. International and Community connecting points shall be gradually linked to the high-speed lines of the rail network, where appropriate. The network shall include the infrastructures and the facilities which permit the integration of air and rail transport services and, where appropriate, maritime transport services.

As a whole, TEN-T projects aim to:

- Establish and develop the key links and interconnections needed to eliminate existing bottlenecks to mobility.
- Fill in missing sections and complete the main routes – especially their cross-border sections.
- Cross natural barriers.
- Improve interoperability on major routes.

Project proposal and selection

- One or (jointly) several Member States.
- **One or (jointly) several public or private undertakings or bodies with the agreement of the Member State(s) directly concerned by the project in question. Therefore, airports - whatever their ownership - are entitled to apply for the TEN-T funds.**
- One or (jointly) international organisations with the agreement of all Member States directly concerned by the project.
- A joint undertaking with the agreement of all Member States directly concerned by the project in question.
- Non-Member States cannot receive Community funding, although they can be part of the project.

Financing: the process for allocating funds

Airports desiring to apply for these funds must complete a proposal on-line at the TEN-T Agency's website.

The TEN-T guidelines, the calls for proposals, the TENtec submission tool, and the Guide for applicants can be found online on:

http://ec.europa.eu/transport/infrastructure/grants/2008_06_20_2007-2013_en.htm

We recommend to carefully read the Guide for applicants and to consult the FAQ list at the TEN-T Executive Agency website, which is regularly updated.

Applicants should submit:

- Application form Part A: essential information (electronic submission)
- Application form Part B1: administrative information on compliance with EC Law (word document)
- Application Form Part B2: technical and financial information (word document)
- Annexes

First, Application Form Part A must be submitted electronically via e-mail (using the TENtec tool).

Then, the complete proposal (including a non-rewritable CD ROM or DVD-R disc) must be sent via mail, private courier, or hand delivery.

Evaluation and selection:

The TEN-T Executive Agency is responsible for checking the eligibility of the proposals and conducting the external evaluation.

The European Commission Directorate General for Mobility and Transport (DG MOVE) is responsible for the final selection of proposals, consultations with other EC services, Member States and the European Parliament.

Communication on the status of proposals:

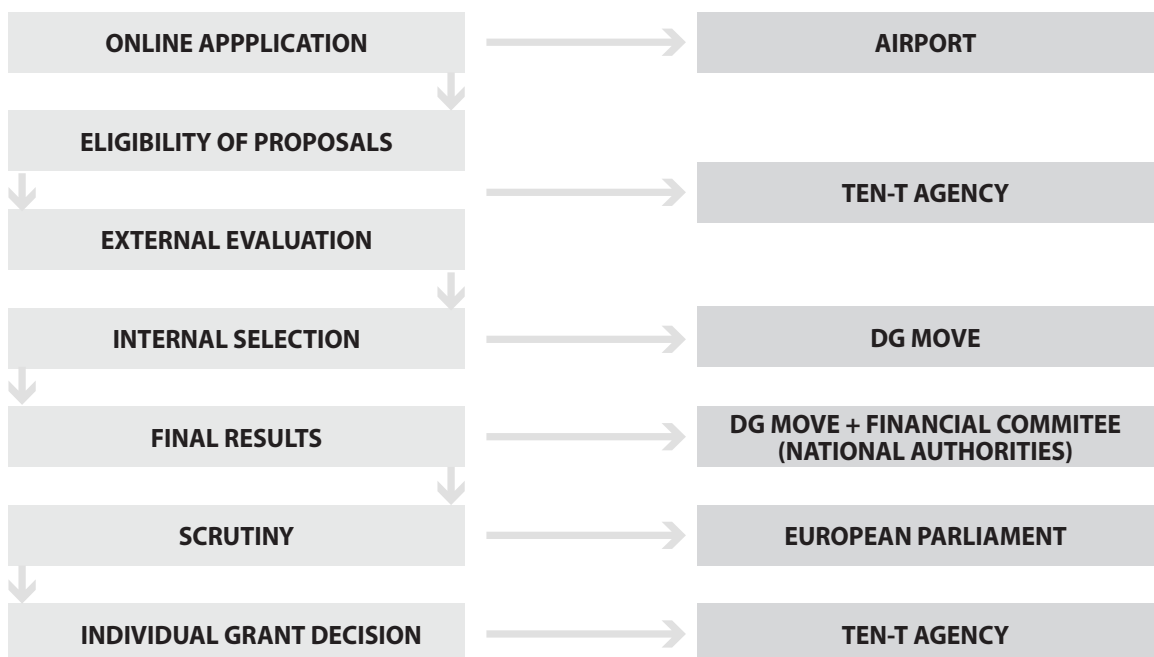
After the eligibility check, applicants whose proposals have not met the eligibility and selection criteria will be officially informed.

After the external evaluation and the internal selection, the final results will be submitted to and agreed with the Financial Assistance Committee (Member States).

After the European Parliament Scrutiny, successful candidates will be invited to enter into negotiations with the TEN-T Agency to finalise the individual Grant Decisions.

Between 1995 and 2008, 89 European Commission Decisions allocating TEN-T grants to airports have been adopted, and 48 different airports in 18 Member States have benefited from TEN-T funding. About one third of these projects concerned intermodality at airports, totalling over €150 million. Airports should take into account, however, that the amounts of TEN-T funds available for airports are modest in comparison to the ERDF for instance.

Table 4



- **Management and monitoring**

Priority projects

30 priority Projects and other horizontal priorities have been established to concentrate on pan - European integration and development. The European Commission is currently analysing stakeholders' contributions in order to update the TEN-T guidelines.

Apart from special categories of TEN-T projects like Galileo, there are mainly two types of programs within the TEN-T: the Multiannual (MAP) and the Annual. The MAP accounts for most of the TEN-T budget (roughly 80%) and is reserved to priority projects. These are some large infrastructure projects which are part of a specific list agreed with Member States. Examples: the Öresund bridge, the new Brenner tunnel, the Lyon-Turin High Speed Railway line... Only very few airports are included in the MAP category: Malpensa (now concluded) and Portuguese airports (notably the new Lisbon airport). Multiannual programs receive a pre-established funding for a number of subsequent years, as long as they are performing well (spending, works advancement stage).

All other airports can submit requests within the more flexible Annual work plan. In a typical year, three to five airport projects may be supported, each receiving between one and four € million.

Projects can also be divided between works and studies. Works can be supported up to 10% of the total eligible cost, while studies can be supported up to 50% of the total eligible cost.

Eligibility criteria may evolve in time. For airports, a priority is given presently to projects aimed at making better use of existing capacity, intermodal projects linking the airport to other transport modes, notably rail, as well as projects aiming at lowering the environmental footprint of the airport. Projects which are considered “self sustainable” like car parks and airport retail surfaces are not eligible.

Projects are evaluated on the basis of their relevance, maturity, socio economic and environmental impact as well as quality, including the quality of the technical proposal. Submitted data must be as clear and exhaustive as possible in order to help external experts assess on all aspects of the proposals.

For more information:

Trans-European Transport Network Executive Agency
Rue de la Loi 200
B-1049 Brussels
Belgium

Tel: +32 2 295 42 61

Fax: +32 2 297 37 27

Email: tent-agency@ec.europa.eu

Website: <http://ec.europa.eu/tentea>

1.5 JASPERS

A) Concept

JASPERS, 'Joint Assistance in Supporting Projects in European Regions', seeks to develop cooperation in order to pool expertise and resources and to organise them in a more systematic way to assist Member States in the implementation of the cohesion policy.

B) Type of assistance provided

The aim of JASPERS is to offer a service to the Member States, targeting regions covered by the new Convergence Objective for the period 2007-2013. The service will help the authorities in the preparation of major projects for submission to the Commission. In this way, the service will help to improve the quantity, quality and rapidity of projects coming forward for approval, for the benefit not only of the Member States and regions directly concerned but also for growth and convergence in the Union as a whole.

Technical assistance is offered from the early stages of project development. JASPERS provides comprehensive assistance for all stages of the project cycle from the initial identification of a project through to the Commission decision to grant assistance.

C) How can JASPERS help airports?

JASPERS involves a partnership between the **European Commission** (Regional Policy DG), the **European Investment Bank** and the **European Bank for Reconstruction and Development** offering technical assistance to the beneficiary Member States at no cost. Its main objective is to assist Member States in the task of preparing quality projects so that they can be approved for EU support faster by the services of the Commission.

For airport projects, JASPERS can help in:

- Project Screening: Assist airports with project screening to assess their viability and suitability for EU-grant finance;
- Project development: Support airports from project pre-feasibility and feasibility stages through to final grant application;
- Project appraisal: Undertake final assessment of projects and relevant documents prior to submission of the grant application to DG-REGIO;
- Horizontal Support: Provide guidance on horizontal issues including State Aid, CBA and funding gap methodology;
- Training and capacity development: Provide workshops on key project and horizontal issues for project stakeholders, active participation at conferences organised by Ministries of beneficiary countries.

Number of JASPERS assignments in the railways, airports and ports sector

Between 1 January and 31 December 2009, 23 projects were completed, including 10 major projects for which grant applications were submitted to the European Commission. In 2009 JASPERS was active on 125 assignments, for an estimated investment cost of about €25 billion. The precise ratio of these assignments across the transport sector has not been released for 2009, but in 2008, the breakdown was as follows: 41% went to rail projects, 45% to road projects, 7% to port projects and 7% to airport projects. We estimate that these ratios did not change much for 2009's assignments.

The largest number of projects in the Transport sector were located in Poland (27) and Romania (23), followed by the Czech Republic (16), Slovakia (11), Bulgaria (9) Hungary (8), Lithuania (4) and Slovenia (4). Last year JASPERS also supported projects in Latvia (4) and Slovenia (4).

The highest number of completions was recorded in the Czech Republic (5) and in Slovakia (4).

Project proposal and selection

JASPERS focuses its action on large projects supported by the EU funds (costing more than €25 million for environment projects and more than €50 million in transport and other fields). In the smaller countries where there will not be many projects of this size, JASPERS concentrates on the largest projects. While JASPERS can be expected to make a major contribution to the quantity, quality and rapidity of projects coming forward, the respective legal responsibilities of the national authorities and the European Commission remain unchanged.

Management and monitoring

There is no obligation for the Member States to use JASPERS nor is there an obligation for a Member State which makes use of assistance from JASPERS to borrow funds from the EIB or the EBRD, although they may do so if they wish. The work of JASPERS will be closely coordinated with the Member States, and in order to ensure proper planning and co-ordination, this work will be organised each year according to an annual action plan specific to each country.

For more information contact:

JASPERS Office Luxembourg
Mr. Agustin Auria
Head of JASPERS
100, boulevard Konrad Adenauer
L-2950 Luxembourg

Tel: +352 4379 87778

Fax: +352 4379 67790

Email: jaspers@eib.org

Website: <http://www.jaspers.europa.eu> or <http://www.jaspers-europa-info.org/>

2 FINANCING AIRPORT DEVELOPMENT IN EU CANDIDATE AND POTENTIAL CANDIDATE COUNTRIES

2.1 Instrument for Pre-Accession Assistance (IPA)

A) Concept

The EU provides focused pre-accession financial aid to the candidate countries (currently: Croatia, Turkey and the Former Yugoslav Republic of Macedonia) and to the potential candidate countries (Albania, Bosnia and Herzegovina, Montenegro, Serbia, Kosovo under UN Security Council Resolution 1244). This financial assistance is intended to help these countries to introduce the necessary political, economic and institutional reforms in line with EU standards.

B) Type of assistance provided

The reform necessary for EU membership also serves to improve the lives of citizens in the beneficiary countries. A key focus of assistance is to support political reform, in particular institution building, strengthening the rule of law, human rights, protection of minorities and the development of civil society.

Before joining the EU, a country must have a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the EU; assistance is therefore provided to support economic reform, leading to economic growth and better employment prospects.

Assistance in the adoption of the *acquis communautaire* (obligations related to membership) improves quality of life as candidates and potential candidates align to and gradually adopt EU rules, for example, concerning the protection of the environment or illegal immigration. Furthermore, pre-accession aid encourages regional co-operation and contributes to sustainable development and poverty reduction.

EU funding aims at medium to long-term changes in society and the economy as a whole. The pace of reform and that of the accession process are closely related.

Since 2007, EU pre-accession funding is channeled through a single, unified instrument designed to deliver focused support to both candidate and potential candidate countries. The legal basis for this assistance is Council Regulation 1085/2006, adopted on 17 July 2006. More detailed implementing rules are laid down in Commission Regulation 718/2007 of 12 June 2007. The total pre-accession funding for the current financial framework (2007-2013) is € 11.5 billion.

C) How can the Instrument for Pre-Accession Assistance (IPA) help airports?

Currently there are no airport projects financed by the IPA. The EU assistance, however, has provided the necessary platform for launching major investments in transport infrastructure (road and rail) in Montenegro.

Airports looking to receive grants from the Instrument for Pre-Accession Assistance are advised to address their request to the European Commission's delegation in each beneficiary country and to regularly monitor the tenders and calls for proposals (see below).

- **Project proposal and selection**

The financial assistance under IPA is accession driven and actions stem from priorities identified in the European and Accession Partnerships for each country and in the enlargement strategy paper and progress reports that form the enlargement package published each autumn.

The latest European and Accession partnerships documents, the strategy paper, and the latest progress reports are available on the latest "Enlargement package", available at:

http://ec.europa.eu/enlargement/press_corner/key-ocuments/reports_nov_2007_en.htm

The enlargement package is accompanied by the IPA multi-annual indicative financial framework (MIFF). The MIFF is designed to provide information on the European Commission's intentions in terms of indicative financial allocations by country and by component. This financial matrix forms the link between the political framework and the budgetary process. It is revised annually, on a rolling three year basis. The latest published MIFF is for 2009-11. Figures for 2007 and 2008 are also given. The table below shows a summary by country in million €.

Table 5

Country	2007	2008	2009	2010	2011	2012
Croatia	141.2	146.0	151.2	154.2	157.2	160,4
Former Yugoslav Republic of Macedonia	58.5	70.2	81.8	92.3	98.7	105,8
Turkey	497.2	538.7	566.4	653.7	781.9	899,5
Albania	61.0	70.7	81.2	93.2	95.0	96,9
Bosnia & Herzegovina	62.1	74.8	89.1	106.0	108.1	110,2
Montenegro	31.4	32.6	33..3	34.0	34.7	35,4
Serbia	189.7	190.9	194.8	198.7	202.7	206,8
Kosovo (under UNSCR 1244)	68.3	124.7	66.1	67.3	68.7	70,0
Multi-Beneficiary Programme	109.0	140.7	160.0	157.7	160.8	164,2

Based on the allocations in the MIFF, and on the priorities identified within the political framework, multi-annual indicative planning documents (MIPD) for each country (plus one for all multi-beneficiary programmes) are prepared, through which the specific objectives and choices for pre-accession aid are presented by the Commission. These also cover a three-year period. The latest published MIPDs cover the years 2008-2010.

Assistance under IPA can take, inter alia, the following forms:

- Investment, procurement, contract or subsidies;
- Action by the Community acting in the interest of the beneficiary country;
- Measures to support the implementation process and management of the programmes;
- Budget support (granted exceptionally and subject to supervision).

- **Financing: the process for allocating funds**

The EU regularly publishes invitations to tender and calls for proposals. These are organised either by the European Commission services in Brussels (for centralised programmes); by the European Commission Delegation in a given beneficiary country (under de-concentration); or by the relevant contracting authority within the beneficiary country's public administration (under decentralisation).

Grants decided and globally committed by the European Commission in the field of external aid are subject to an annual work programme adopted by the European Commission which contains a list of all the grant schemes planned under all the IPA programmes for a given year.

Information on invitations to tender and calls for proposals can be found in the following places:

The European Commission's specialised database:

<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

The page dedicated to low value tenders run by DG Enlargement;

The supplement S of the Official Journal of the European Communities, available online on the Tenders Electronic Daily (TED) database:

http://ted.europa.eu/Exec?Template=TED/editorial_page.htm&DataFlow=ShowPage.dfl&StatLang=EN

The websites of the European Commission Delegations in the beneficiary countries:

Candidate countries: Croatia, the former Yugoslav Republic of Macedonia, Turkey;

Potential candidate countries: Albania, Bosnia and Herzegovina, Montenegro, Serbia, Kosovo under UNSCR 1244 (EC Liaison Office).

The rules and procedures applicable to the European Commission's external aid contracts within the pre-accession assistance (under centralised and decentralised management) are published on the EuropeAid website:

http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

- **Management and monitoring**

In order to achieve each country's objectives in the most efficient way, IPA consists of the following five components:

1. Transition Assistance and Institution building,
2. Cross-Border Co-operation (with EU Member States and other countries eligible for IPA),
3. Regional Development (transport, environment and economic development),
4. Human Resources Development (strengthening human capital and combating exclusion),
5. Rural development.

Components I and II are open to all beneficiary countries.

Component I falls under the responsibility of the European Commission's Directorate-General for Enlargement, which is also responsible for the overall co-ordination of pre-accession assistance. It involves institution building measures and associated investment, as well as transition and stabilization measures still necessary in the Western Balkans. It is delivered through annual national and multi-beneficiary programmes.

Component II supports cross-border cooperation at borders between candidate/potential candidate countries and between them and the EU countries. It may also fund participation of beneficiary countries in Structural Funds' trans-national co-operation programmes and Sea Basins programmes under the **European Neighbourhood and Partnership Instrument (ENPI)**, as appropriate. The Directorate General for Enlargement and the Directorate-General for Regional Development are jointly responsible for the implementation of component II.

Components III, IV and V are open to candidate countries only, and are designed to mirror structural, cohesion and rural development funds in preparation for the management of such funds upon accession. They therefore require the relevant management structures to be in place. Potential candidates can benefit from similar measures implemented through component I.

Within the European Commission, the **Directorate-General for Regional Policy** is responsible for Component III, which finances investments and associated technical assistance in areas such as transport, environment and economic development (i.e. measures similar to the European Regional Development Fund and the Cohesion Fund). Component IV is managed by the **Directorate-General for Employment, Social Affairs and Equal Opportunities**; it is designed to strengthen human capital and help combat exclusion (similar to the European Social Fund).

3 FINANCING AIRPORT RESEARCH IN THE EUROPEAN UNION

3.1 The Seventh Framework Programme for Research, Technological Development and Demonstrative Activities (FP7)



A) Concept

The programme has a total budget of over €52.52 billion (for the financial period 2007 to 2013) for grants to research actors all over Europe and beyond, in order to co-finance research, technological development and demonstration projects. Grants are determined on the basis of calls for proposals and a peer review process, which are highly competitive.

In order to complement national research programmes, activities funded from FP7 must have a "European added value". One key aspect of the European added value is the transnationality of many actions: research projects are carried out by consortia which include participants from different European (and other) countries; fellowships in FP7 require mobility over national borders.

But in FP7 there is also a new action for "individual teams" with no obligation for transnational cooperation. In this case, the "European added value" lies in raising the competition between scientists in fundamental "frontier" research from the national to the European level.

The Framework Programmes for Research have two main strategic objectives:

- to strengthen the scientific and technological base of European industry;
- to encourage its international competitiveness, while promoting research that supports EU policies.

In all EU Member States, in the countries associated with FP7 and in several other countries (see below), National Contact Points ("NCPs") have been set up to give personalized help and advice to researchers and organisations intending to participate. National Contact Points can be found on www.cordis.europa.eu/fp7/get-support_en.html

B) Type of assistance provided

• Beneficiary countries

As a general principle, FP7 is open to participation from any country in the world. The procedures for participation and funding possibilities vary for different groups of countries.

Naturally, EU Member States enjoy the broadest rights and access to funding. The same conditions apply to Member States and to countries associated to FP7 (countries paying a share to the overall budget of FP7). In FP6 these countries included EEA countries (Iceland, Norway, Lichtenstein), candidate countries (e.g. Turkey, Croatia), as well as Israel and Switzerland.

Participants from the International Cooperation Partner Countries (e.g. Russia and other Eastern European and Central Asian states, developing countries, Mediterranean partner countries, Western Balkan countries) are entitled to funding under the same conditions as EU Member States. The only restriction for them is that consortia must first have the required minimum number of participants from Member States or associated countries.

Participation from industrialised high-income countries is also possible on a self-financing basis, with EU funding granted only in exceptional cases.

Who can apply?

Cooperation with “third countries” is explicitly encouraged in FP7. Two key objectives apply here:

- to support European competitiveness in selected fields through strategic partnerships with third countries, and initiatives that encourage the best third-country scientists to work in and with Europe;
- to address specific problems that either have a global character or are commonly faced by third countries, on the basis of mutual interest and mutual benefit.

Finally, with respect to third countries, FP7 also provides for international outgoing and incoming fellowships to foster collaboration with research groups outside Europe.

FP7 Specific programmes

Airports may benefit from four out of the five programmes available:

Cooperation

The core of FP7, representing two thirds of the overall budget. It fosters collaborative research across Europe and other partner countries through projects by transnational consortia of industry and academia. Research will be carried out in thematic areas including transport and aeronautics, security and environment.

Ideas

The Ideas programme will support “frontier research” solely on the basis of scientific excellence. Research may be carried out in any area of science or technology, including engineering, socio-economic sciences and the humanities. In contrast with the Cooperation programme, there is no obligation for cross-border partnerships. Projects are implemented by “individual teams” around a “principal investigator”. The programme is implemented via the new European Research Council (ERC). For more information, see www.erc.europa.eu

People

The People programme provides support for researcher mobility and career development, both for researchers inside the European Union and internationally.

Capacities

The Capacities programme strengthens the research capacities that Europe needs if it is to become a thriving knowledge-based economy. Research in infrastructure is included. It covers the following activities:

- **Funding schemes**

“Funding schemes” are the types of projects, by which FP7 is implemented. They are the following:

- Collaborative projects
- Networks of excellence
- Coordination and support actions
- Individual projects
- Support for training and career development of researchers
- Research for the benefit of specific groups – in particular SMEs

C) How can FP7 help airports?

- Project proposal and selection

Airports desiring to submit a proposal may do so at any time after a Call opens, until the deadline. The Guide for Applicants (also published on CORDIS) provides guidance through the process, and points out other useful documents. A Web based electronic online tool called EPSS (Electronic Proposal Submission Service) is the obligatory channel for submission of proposals.

Proposals are evaluated by a panel of independent evaluators, who are recognised specialists in the relevant fields. The panel will check the proposals against a published set of criteria to assess whether the quality of research proposed is worthy of funding.

The key criteria used for this evaluation are explained in the Guide for Applicants.

For successful proposals, the European Commission enters into financial and scientific/technical negotiations with the consortium on the details of the project. Finally, a grant agreement between each participant and the European Commission is drawn up. This sets out the rights and obligations of the beneficiaries and the European Community, including the EU's financial contribution to research costs.

For additional information on all issues related to Calls (including step-by-step advice on how to submit a proposal, eligibility criteria, evaluations, Intellectual Property issues, etc.), refer to the Guide for Applicants, available from CORDIS at www.cordis.europa.eu/fp7/

For example, FP7 finances the ASSET (Aeronautic Study on Seamless Transport).

- Project cost: € 3.64 million
- Project funding: € 2.29 million
- Participating airport: Athens

Airport ground processes still conceal a considerable potential for improvement of time efficiency. Recent studies from the Eurocontrol Performance Review Commission prove that insufficient punctuality in air transport results mainly from variance in off-block times. This leads to poor predictability and sizeable inefficiencies throughout the whole air transport system. The aim of the project is to develop and assess solutions for airport process improvement in terms of time efficiency regarding both passenger process and aircraft turnaround in an integrated approach.

Therefore, representatives of nearly all directly or indirectly involved stakeholders (airports, airlines, aircraft manufacturers, technological suppliers, security service providers etc.) gathered to work jointly on this project. The elaboration of potential solutions will comprise a compilation of currently discussed solution approaches (e.g. CDM, Total Airport Management etc.) as well as the development of new opportunities focussing on three main process chains:

- passenger processes
- baggage processes
- aircraft turnaround processes

Emphasis is placed on identifying those solutions achieving the most promising target contribution instead of going into details of a certain approach.

Each solution seeks to tackle the specific problem as well as to provide a more general approach to these kinds of problems (i.e. "provide integrated solution scenarios" in the European Commission's own words). These two solutions are assessed by simulating characteristic traffic scenario into two generic airport reference models. These airport models are assigned to represent a hub airport (with a substantial part of connecting passengers) and a medium-sized airport (point-to-point and low-cost traffic). The outcome will be a ranking list specifying the most promising solutions as a basis for future development, reference models and a systematic scheme for future airport assessments.

- **Financing: the process for allocating funds**

The basic principle of funding in FP7 is **co-financing**. The European Commission therefore gives grants to projects contributing a certain percentage to the overall costs.

The maximum reimbursement rates to the costs of a project depend on the funding scheme, the legal status of the participants and the type of activity. The standard reimbursement rate for research and technological development activities is 50%. Certain legal entities can receive up to 75% (non-profit public bodies, SMEs, research organisations, higher education establishments). For demonstration activities², the reimbursement rate may reach 50%. For other activities (consortium management, networking, training, coordination, dissemination etc.), the reimbursement can be up to 100% of the eligible costs.

- **Management and monitoring**

The concrete plans for implementing the Specific Programmes (see above) are announced by the European Commission in annual 'Work Programmes'. These work programmes include the schedule of 'Calls for Proposals', commonly known just as 'Calls', to be published during the year. Each Call usually covers specific research areas.

All Calls are announced in the EU's Official Journal. The annual work programmes and the full texts of the Calls are published on the FP7 section of CORDIS, the website dedicated to EU-supported research: www.cordis.europa.eu/fp7

For more information contact:

European Commission
Directorate General for Research
SDME 2/2
B-1049 Brussels – Belgium

The EU National Contact Point (NCP) provides advice to potential applicants. NCPs, each knowledgeable about the various aspects of FP7, are established in every Member State and in countries associated with FP7. See the list of NCP addresses at www.cordis.europa.eu/fp7/get-support_en.html

- For particular Calls, first check the detailed Guide for Applicants, which is included in the Call documentation.
- Consult the FP7 web site on CORDIS at www.cordis.europa.eu/fp7/ . This site contains information about FP7, including updates, the calendar of Calls for proposals, the text of the Calls and frequently-asked questions (FAQs).
- Visit the FP7 section of the European Commission's Research web site, at www.ec.europa.eu/research/fp7/ . This site contains downloadable fact sheets explaining FP7 in 23 different languages.
- Contact the dedicated Research Enquiry Service, which will assist those new to participation in EU Framework Programmes, at www.ec.europa.eu/research/enquiries

Websites for more information on FP7 and the European Research Area:

www.ec.europa.eu/research/fp7/
www.ec.europa.eu/research/enquiries
www.cordis.europa.eu/fp7/
www.erc.europa.eu

4 FINANCING AIRPORT DEVELOPMENT THROUGH FINANCIAL INSTITUTIONS

4.1 European Bank for Reconstruction and Development (EBRD)



A) Concept

The EBRD uses the tools of investment to help build market economies and democracies in 27 countries from central Europe to central Asia. Despite its public sector shareholders, it invests mainly in private enterprises, usually together with commercial partners.

Countries of operations: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, Mongolia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan.

Financing members: Australia, Austria, Belgium, Canada, Cyprus, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Malta, Mexico, Morocco, Netherlands, New Zealand, Norway, Portugal, South Korea, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America.

Two European Union institutions are also financing members: the European Commission and the European Investment Bank.

In 2006 the organisation stated that it would cease spending in the Baltic and central European nations by 2010, and funding would be shifted to Russia, Ukraine, Armenia, Kazakhstan and Uzbekistan.

B) Type of assistance provided

EBRD provides project financing for banks, industries and businesses, both new ventures and investments in existing companies. It also works with publicly owned companies to support privatisation, restructuring state-owned firms and improvement of municipal services. Airports are entitled to EBRD funds.

The EBRD's mandate stipulates that it must only work in countries that are committed to democratic principles. The EBRD is directed by its founding agreement to promote, in the full range of its activities, environmentally sound and sustainable development.

C) How can the EBRD help airports?

- **Project proposal and selection**

The EBRD fosters transition of the transport sector by financing economically viable infrastructure and transport projects. The EBRD's policy aims to build efficient, reliable and secure transport systems in the transport business, including aviation, road transport, and logistics.

To be eligible for EBRD funding, the project must:

- be located in an EBRD country of operations,
- have strong commercial prospects,
- involve significant equity contributions in-cash or in-kind from the project sponsor,
- benefit the local economy and help develop the private sector,
- satisfy banking and environmental standards.

For example, in 2008, the European Bank for Reconstruction and Development lent €21 million to Tirana Airport Partners Sh.p.k., concessionaire of the Mother Teresa International Airport, to modernise the airport. The project included the construction of a new passenger terminal, cargo centre, other ancillary facilities and a new access road. The EBRD's financing package included a €12 million loan for the modernisation of the airport and a €9 million sovereign-guaranteed loan for the construction of a new access road from the capital.

- **Financing : the process for allocating funds**

EBRD financing for private sector projects generally ranges from €5 million to €250 million, in the form of loans or equity. The average EBRD investment is €25 million.

Smaller projects may be financed through financial intermediaries or through special programmes for smaller direct investments in the less advanced countries.

- **Management and monitoring**

The EBRD tailors each project to the needs of the client and to the specific situation of the country, region and sector. The EBRD typically funds up to 35% of the total project cost for a greenfield project or 35% of the long-term capitalisation of the project company. The Bank requires significant equity contributions from the sponsors, which must equal or be greater than the EBRD's investment.

There must be additional funding from the sponsors, other co-financiers or generated through the EBRD's syndications programme.

For more information contact :

EBRD
One Exchange Square
London EC2A 2JN
United Kingdom

Switchboard: +44 20 7338 6000

Central fax: +44 20 7338 6100

Website: www.ebrd.com

4.2 The European Investment Bank (EIB)



A) Concept

The European Investment Bank is a key player in financing the European transport sector, including Airports and Air Traffic Management projects.

B) Type of assistance provided

A number of EU policies provide the basis for the Bank's transport lending: the development of the trans-European transport networks (TENs), cohesion policy, sustainable transport development as well as support to Research Development and Innovation (RDI). In all cases the Bank's lending policy for this sector is multi-dimensional and integrates environmental concerns in all stages of the Bank's due diligence.

C) How can the EIB help airports?

- **Project proposal and selection**

In line with these criteria, the EIB supports projects that, among other things:

- are TENs,
- are located in Convergence regions and contribute to regional development,
- are supporting a local economy, highly dependent on air transport services,
- demonstrate high economic value,
- contribute to improved safety,
- contribute to reduced congestion or result in time savings for travellers,
- contribute to airport operating efficiency and innovation.

Moreover, as with all other EIB projects, those developed in the aviation sector also have to comply with the EIB's financial, environmental, social and further relevant criteria in order to be considered eligible for financing.

The consequence of the EIB transport lending policy is that projects which may be only marginally worthwhile are discarded. Such situations might arise through poor demand projections, because there are alternative airports nearby, or because costs are excessively high. Likewise, projects that do not have a sound Environmental Impact Assessment at planning stage will also be rejected. Outside the EU, where planning and approval procedures may be less demanding, the Bank will apply to projects the same evaluation standards as projects within the Union.

For example, the EIB has financed more than 220 airport related projects since the 70s. Since the adoption of the transport lending policy in September 2007, and on the basis of the above mentioned criteria, three projects have been approved to date by the Bank in this sector, aiming at:

- developing new pier and associated works at Dublin Airport
- expanding and upgrading Berlin Schönefeld airport, which is to become Berlin Brandenburg International Airport (BBI), in combination with a shutdown of two existing airports
- building a second runway in Malaga Airport

- **Financing: the process for allocating funds**

EIB Airport and Air Traffic Management projects must be in conformity with the Bank's new transport lending policy. The policy was renewed on 27 September 2007 and sets the guiding principles and selection criteria that reinforce the Bank's contribution to this sector, in particular taking into account climate change concerns.

- **Management and monitoring**

The EIB supports airport projects when they demonstrate high economic value and contribute to improved safety and reduced congestion as well as time savings for travelers. Appraisal of these projects therefore takes into account potential future adjustments to demand including those occurring when the emission burden is carried over to consumer prices (e.g. through inclusion of airlines in the EU Emission Trading Scheme). Furthermore, the economic life of airport investments is measured in decades, encouraging a long-term view of technological developments.

Air Traffic Control (ATC) investments may also provide opportunities to improve traffic management with positive side-effects on greenhouse gas (GHG) emissions, an area which the Bank follows closely due to the important developments based on the EU SES (Single European Sky) legislation and the recently agreed European ATM (Air Traffic Management) master plan.

For more information, contact:

EIB
Information Desk
Communication Department

Tel: (+352) 43 79 - 22000

Fax: (+352) 43 79 - 62000

Email: info@eib.org

4.3 The World Bank



A) Concept

The World Bank is a source of financial and technical assistance to developing countries around the world. It is made up of two unique development institutions owned by 186 member countries:

- the International Bank for Reconstruction and Development (IBRD)
- and the International Development Association (IDA).

Each institution plays a different but collaborative role to advance the vision of an inclusive and sustainable globalisation. The IBRD focuses on middle income and creditworthy poor countries, while IDA focuses on the poorest countries in the world.

Together they provide low-interest loans, interest-free credits and grants to developing countries for a wide array of purposes that include investments in education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management.

B) Type of assistance provided

The World Bank's projects and operations are designed to support low-income and middle-income countries' poverty reduction strategies. Countries develop strategies around a range of reforms and investments likely to improve people's lives. In parallel, the Bank strives to align its assistance with the country's priorities and harmonise its aid programme with other agencies to boost aid effectiveness.

The World Bank also strives to tackle global challenges from international trade to climate change and debt relief. It does so within each country's specific socio-economic context, adapting programmes to country capacity and needs.

C) How can the World Bank help airports?

Air transport infrastructure, regulatory framework, and safety and security oversight systems fall under the competences of the Bank. To assist clients in establishing a safe, secure, cost efficient, available and reliable air transport network, the Transport Division established a thematic group called PRAL (Ports, Railroads, Air Transport, and Logistics). The Air Transport office is mandated to provide the following services:

- Operations work and support on transport related projects of the Bank;
- Economic sector work and support on air transport related matters;
- Bank internal knowledge dissemination and capacity building;
- External relations with international air transport related organizations;
- Definition of priorities and policy advice on air transport of the Bank.

For example, In Armenia, the Poverty Reduction Support Credit-IV was designed to build on the progress achieved under PRSC-I, II and III that were extended in November 2004, January 2006 and March 2007, respectively. The programme of poverty reduction support credits is anchored on an ambitious Poverty Reduction Strategy Paper (PRSP), published by the Armenian authorities in late 2003, laying out a comprehensive programme stretched over a decade for sustaining high rates of growth and directing public resources sharply towards fighting poverty. Central to this strategy are improvements in core public sector functions and higher investments in human capital and infrastructure, whilst maintaining macroeconomic stability. 14% of USD 19,660,800.00 was devoted to aviation.

- **Financing: the process for allocating funds**

For investment operations, funds are disbursed against specific foreign or local expenditures related to the investment project, including pre-identified equipment, materials, civil works, technical and consulting services, studies, and incremental recurrent costs. Procurement of these goods, works, and services is an important aspect of project implementation. To ensure satisfactory performance, the loan or credit agreement may include conditions of disbursement for specific project components.

For development policies operations, funds are disbursed in one or more stages (tranches). Tranches are released upon a satisfactory assessment of performance against a set of indicators in the form of institutional or policy reform measures or outcome indicators that reflect progress in implementing a country-owned reform programme.

- **Management and monitoring:**

Implementation Completion Reports

When a project is completed and closed at the end of the loan disbursement period (a process that can take anywhere from 1-10 years) the World Bank and the borrower government document the results achieved; the problems encountered; the lessons learned; and the knowledge gained from carrying out the project. A World Bank operations team compiles this information and data in an Implementation Completion and Results Report, using input from the implementing government agency, co-financiers, and other partners/stakeholders.

The report, prepared by Bank operational staff, is submitted to the Bank's Board of Executive Directors for information purposes. The knowledge gained from this results measurement process is intended to benefit similar projects in the future.

Evaluation

The Independent Evaluation Group (IEG) - an independent unit within the World Bank Group - provides an objective basis for assessing the results of the Bank's work. The Project Performance reports measure outcomes against the original objectives, sustainability of results and institutional development impact. From time to time, IEG also produces Impact Evaluation reports to assess the economic worth of projects and the long-term effects on people and the environment against an explicit counter-factual.

The Quality Assurance Group (QAG) evaluates the operations work of Bank staff in developing countries, providing feedback that can help rectify project design and improve project supervision. QAG publishes an Annual Report on Portfolio Performance which gives the Bank's Board of Directors and Senior Management a strategic overview of the size, composition and quality of the Bank's lending portfolio and analytical research programme.

For more information, contact:

Mike Jones
Junior Professional Associate
The World Bank
Europe and Central Asia Region, Washington DC

Tel: 1 202 473-2588









Fax: 1 202 522 3362

Email: mjones2@worldbank.org








Website: <http://www.worldbank.org>



For Specific Country Info:

Country	Contact	International Finance Corporation
 ALBANIA Deshmoret e 4 Shkurtit 34 Tirana	<p>Ms. Ana Gjokutaj Communications Officer & NGO Liasion</p> <p>Tel: (355-4)2280-650/1 Fax: (355-4) 2240-590 Email: Agjokutaj@worldbank.org</p> <p>Ms. Kozeta Haxhiaj Public Information Assistant</p> <p>Tel: (355-4) 228-0650/1 Fax: (355-4) 224-0590 Email: khaxhiaj@worldbank.org</p>	c/o World Bank Deshmoret 3 4 Shkurtit 34 Tirana
 ARMENIA 9 Grigor Lousavorich St., 6th floor Yerevan 0015, Armenia	<p>Mr. Vigen Sargsyan External Affairs Officer & NGO Liasion</p> <p>Tel: (374-10) 52-48-84 Fax: (374-10) 52-17-87 Email: vsargsyan@worldbank.org</p> <p>Ms. Tatevik Mnatsakanyan Public Information Assistant</p> <p>Tel: (374-10) 52-09-92 Fax: (374-10) 52-17-87 Email: mnatsakanyan@worldbank.org</p>	c/o World Bank 9 Grigor Lousavorich St., 6th floor Yerevan 0015, Armenia Tel: (374-10) 52-48-84, 52-09-92 Fax: (374-10) 52-17-87
 AZERBAIJAN 90A Nizami Street, The Landmark III Baku AZ1010, Azerbaijan	<p>Ms. Saida Bagirli External Affairs Officer and NGO Liaison</p> <p>Tel: (994-12) 492-19-41 (ext 247) Fax: (994-12) 492-68-73 Email: sbagirli@worldbank.org</p> <p>Nigar Sadikhova Information Assistant/Civil Society Fund Program Liaison</p> <p>Tel: (994-12) 492-19-41 (ext 240) Fax: (994-12) 492-68-73 Email: nsadikhova@worldbank.org</p>	c/o World Bank 90A Nizami Street, The Landmark III Baku AZ1010, Azerbaijan Tel: (994-12) 492-19-41 Fax: (994-12) 492-68-73
 BELARUS 2A Gertsena Str. 220030 Minsk	<p>Ms. Irina Oleinik Communications Officer, Managing Civil Society Fund</p> <p>Tel: (375-17) 226-52-84 Fax: (375-17) 211-03-14 Email: binfo@worldbank.org</p>	
 BOSNIA & HERZEGOVINA Fra Adjela Zvizdovica 1/17/B Tower 71000 Sarajevo	<p>Ms. Jasminka Hadzic Communications Assistant</p> <p>Tel: (387-33) 251-502 Fax: (387-33) 440-108 Email: jhadzic@worldbank.org</p>	PEPSE Office c/o World Bank Hamdije Kresevljakovica 19 71000 Sarajevo Tel: (387-33) 251-555 Fax: (387-33) 217-762

 BULGARIA INTERPRED The World Trade Center 36, Dragan Tsankov Blvd. 1057 Sofia	Ms. Ivelina Taushanova Communications Officer Tel: (359-2) 9697 239 Fax: (359-2) 971-20-45 Email: itaushanova@worldbank.org	c/o World Bank The World Trade Center 36 Dragan Tsankov Blvd. 1057 Sofia Tel: (359-2) 918-142-25 Fax: (359-2) 918-143-33
 CROATIA Radnicka cesta 80/IX 10000 Zagreb	Ms. Vanja Frajtic Junior Communications Associate Tel: (385-1) 2357 297 Fax: (385-1) 2357 200 Email: vfrajtic@worldbank.org	c/o World Bank Trg. J.F. Kennedyya 6b, III Floor 10 000 Zagreb Tel: (385-1) 23-57-222 Fax: (385-1) 23-57-200
 CZECH REPUBLIC	Ms. Toni Koleva Operations Analyst Tel: (202) 473-7423 Email: akoleva@worldbank.org	
 ESTONIA	Contact the World Bank's Regional Office for Central Europe and the Baltic States in <u>Warsaw, Poland</u> .	
 GEORGIA 5A, Ist Drive, Chavchavadze Ave. Tbilisi, 380 079	Ms. Inga Paichadze External Affairs Officer & NGO Liaison Tel: (995 32) 91-30-96 or 91-26-89 Fax: (995 32) 91-34-78 Email: ipaichadze@worldbank.org	
 HUNGARY	Ms. Penny Williams Senior Country Officer Tel: (202) 458-5342 Email: pwilliams4@worldbank.org	
 KAZAKHSTAN Almaty 41A Kazibeck bi Street, 4th floor 050010 Almaty Astana Samal 12, 14th floor 010000 Astana	Almaty Ms. Elena Karaban External Affairs Officer & NGO Liaison Tel: (7-727) 2980-580 Fax: (7-727) 2980-581 Email: ekaraban@worldbank.org Astana Ms. Oxana Miller Public Information Assistant Tel: 7 (7-172) 580-555 ext.225 Fax: 7 (7-172) 580-342 Email: Omiller@worldbank.org , astana_office@worldbank.org	c/o World Bank 41A Kazibeck bi Street, 1st Floor 050010 Almaty Tel: (7-727) 2980-580 Fax: (7-727) 2980-581
 KOSOVO Mujo Ulqinaku Nr.3 10000 Prishtina, Kosovo Tel: 381-38-249-459 Fax: 381-38-249-780	Mr. Ranjit Nayak World Bank's Representative in Kosovo Tel: 5282+111, 381-38-249-459 Email: rnayak@worldbank.org Mr. Lundrim Aliu Communications Associate Tel: 5282+107, 381-38-249-459 Email: laliu1@worldbank.org	

 KYRGYZ REPUBLIC 214 Moskovskaya St. Bishkek, 720010	<p>Ms. Jyldyz Djakypova External Affairs Officer Tel: (996-312) 454-040 Fax: (996-312) 352-994 Email: jdjakypova@worldbank.org</p> <p>Ms. Natalya Iosipenko Public Information Assistant Tel: (996-312) 454-040 Fax: (996-312) 352-994 Email: niosipenko@worldbank.org</p>	
 LATVIA	Contact the World Bank's Regional Office for Central Europe and the Baltic States in Warsaw, Poland .	
 LITHUANIA	Contact the World Bank's Regional Office for Central Europe and the Baltic States in Warsaw, Poland .	
 FYR of MACEDONIA 34 Leninova St. 1000, Skopje	<p>Mr. Denis Boskovski External Affairs Officer & NGO Liaison</p> <p>Tel: (389-2) 3 11-71-59 Fax: (389-2) 3 11-76-27 Email: dboskovski@worldbank.org</p>	<p>c/o World Bank 34, Leninova Street 91000 Skopje</p> <p>Tel: (389-2) 3 11-71-59 Fax: (389-2) 3 11-76-27</p>
 MOLDOVA 20/1, Pushkin St. Chisinau MD-2012	<p>Mr. Victor Neagu Communications Associate</p> <p>Tel: (373-22) 200-706, ext. 242 Fax: (373-22) 237-053 Email: moldova_contact@worldbank.org</p>	
 MONTENEGRO Bulevar Svetog Petra Cetinjskog 7 8600 Podgorica	<p>Ms. Vesna Kostic External Affairs Serbia</p> <p>Tel: 381-11-3023-723 Email: vkostic@worldbank.org</p>	
 POLAND Warsaw Financial Center, 9th floor 53 Emilii Plater St. 00-113 Warsaw	<p>Ms. Anna Kowalczyk Communications Associate</p> <p>Mobile: 48-605-282-998 Email: akowalczyk@worldbank.org</p> <p>Ms. Malgorzata Dworzynska NGO and Small Grants Liaison</p> <p>Tel: (48-22) 520-80-00 Fax: (48-22) 520-80-01 Email: mdworzynska@worldbank.org</p>	<p>53 Emilii Plater St. Warsaw Financial Center, 9th floor 00-113 Warsaw</p> <p>Tel: (48-22) 520-61-00 Fax: (48-22) 520-61-01</p>
 ROMANIA Millenium Business Center 2-4 Armand Calinescu St., Sector 2 Bucharest	<p>Ms. Iolanda Staniloiu Communications Officer</p> <p>Tel: (40-21) 201-03-24 Fax: (40-21) 201-03-38 Email: istaniloiu@worldbank.org</p>	<p>c/o World Bank Millenium Business Center 2-4 Armand Calinescu St., Sector 2 Bucharest</p> <p>Tel: (40-21) 201-03-65 Fax: (40-21) 318-28-10</p>

 RUSSIAN FEDERATION Bolshaya Molchanovka, 36-1 121069 Moscow	Ms. Marina Vasilieva Senior External Affairs Officer and NGO Liaison Tel: (7-495) 745-70-00 Fax: (7-495) 745-70-02 Email: mvasilieva@worldbank.org	Bolshaya Molchanovka, 36-1 121069 Moscow Tel: (7-495) 411-75-55 Fax: (7-495) 411-75-56
 SERBIA Bulevar Kralja Aleksandra 86-90 Belgrade	Ms. Vesna Kostic External Affairs Officer Tel: (381-11) 302-37-00 Fax: (381-11) 302-37-32 Email: vkostic@worldbank.org	In KOSOVO Str. Mujo Ulqinaku, no.3 10000 Prishtina Mr Lundrim Aliu , Communications Associate Tel: (381-38) 249-459 Fax : (381-38) 249-780 Email: laliu1@worldbank.org
 SLOVAK REPUBLIC	Ms. Toni Koleva Operations Analyst Tel: (202) 473-7423 Email: akoleva@worldbank.org	
 SLOVENIA	Ms. Toni Koleva Operations Analyst Tel: (202) 473-7423 Email: akoleva@worldbank.org	
 TAJIKISTAN 91-10, Shevchenko St. Dushanbe	Ms. Dilya Zoirova Communications Associate Tel: (992) 372 21-03-81, 21-07-56 Fax: (992) 372 51-00-42 Email: dzoirova@worldbank.org Ms. Mukaddas Kurbanova Public Information Assistant Tel: (992) 372 21-03-81, 21-07-56 Fax: (992) 372 51-00-42 Email: mkurbanova@worldbank.org	
 TURKEY Ugur Mumcu Caddesi 88, 2nd Floor (Kat 2), 06700 - Gaziosmanpasa, Ankara	Ms. Tunya Celasin External Affairs Officer and NGO Liaison Tel: (90-312) 459-83-00 Fax: (90-312) 446-24-42 Email: tcelasin@worldbank.org Ms. Pelin Arslan Public Information Assistant Tel:(90-312) 459-83-00 Fax: (90-312) 446-24-42 email: parslan@worldbank.org	c/o World Bank Buyukdere Cad. No: 185 Kanyon Ofis Blogu Kat 10 Levent, 34394 Istanbul, Turkey Tel: (90-212) 385-30-00 Fax: (90-212) 385-30-01
 TURKMENISTAN World Bank Liaison Office United Nations Building Atabaev St., 40 Ashgabat 744000	Mr. Serdar Jepbarov Liaison Officer & NGO Liaison Tel: (993-12) 350-477 Fax: (993-12) 351-693 Email: sdjepbarov@worldbank Mr. Oraz Sultanov Operations Analysts Email: osultanov@worldbank.org	

 UKRAINE 1 Dniproviskiy Uzviz Kyiv 01010	Mr. Dmytro Derkach External Affairs Officer Tel: (380-44) 490-66-71/2/3 Fax: (380-44) 490-66-70 Email: dderkatch@worldbank.org	c/o World Bank 30A, Spaska Street, Podil Plaza, Block 2, 6th Floor 04070 Kyiv Tel: (380-44) 490-64-00 Fax: (380-44) 490-64-20
 UZBEKISTAN The World Bank International Business Center 15th Floor, 107B Amir Timur St. Tashkent, 100084 Uzbekistan	Ms. Matluba Mukhamedova Communications Officer Tel: (998-71) 238-59-50 Fax: (998-71) 238-59-51 (52) Email: mmukhamedova@worldbank.org Ms. Irina Tsoy Public Information Associate & NGO Liaison Tel: (998-71) 238-59-50 Fax: (998-71) 238-59-51 (52) Email: itsoy@worldbank.org	

FINAL REMARKS

Over the past 20 years, European Airports have become much more than infrastructure providers, turning into complex and sophisticated businesses, increasingly independent and efficient, setting the agenda for local economies and communities, spreading their influence and impact on global markets.

The current economic and financial situation means that ACI EUROPE's members face a series of challenges for the years to come.

In order to address the capacity, connectivity, environmental and security challenges, European Airports need to be aware of the different instruments and mechanisms available to provide them with the support needed to face these challenges.

ACI EUROPE hopes this guide will provide you, the reader, with practical up-to-date information that you will hopefully find useful in obtaining the financial instrument/s that could better fulfil your needs.

Federico BONAUDI

Policy Manager

ACI EUROPE (Airports Council International)
 6 square de Meeûs, 1000 Brussels, Belgium
 tel: +32 (0)2 552 09 76 - fax: +32 (0)2 502 56 37
 e-mail: federico.bonaudi@aci-europe.org

website: www.aci-europe.org
 Brussels, October 2010.