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The European Investment Bank and Healthcare Funding

With a balance sheet of 289 billion Euros at the end of 2006, the European Investment Bank (EIB) is no minnow. And yet, few outside the inner corridors of the EU and the world of Big Finance are aware of its reach, influence and impact.

The Luxembourg-based EIB was created by the EU's founding Treaty of Rome in 1958. Its shareholders are EU Member States, whose Finance Ministers constitute the Bank's Board of Governors. Officially, the EIB's mission is to "further the objectives of the European Union by making long-term finance available for sound investment."

The EIB achieves this through own lending, coupled to its Triple-A rated blue-chip credentials which enable it to attract other secondary financing. Its widespread borrowing activity has also been a catalyst for the broader development of Europe's capital markets. Crucially, the EIB is neither dependent on the EU budget or on European taxpayers.

Funding Eligibility

To receive EIB money, projects must be viable in four contexts: business/economic, technical, environmental and financial, and also contribute to "furthering the policies" of the EU. The EIB concentrates on long-term lending (+/- 30 years) to both private and public sectors in five priority areas: economic and social cohesion; research, development and innovation; trans-European transport, telecommunications and energy networks; environmental protection; and support for SMEs. It also participates outside the Union in the implementation of development aid and cooperation policies – with a recent focus on candidate countries – above all, in the Balkans (where it coordinates lending with the World Bank and the European Bank for Reconstruction and Development).

The EIB and Healthcare

As it happens, the EIB is very much an influential player in Europe's healthcare agenda, especially since the 1997

Amsterdam European Council highlighted the need for an intensification of investment in human capital (health and knowledge) as a key driver of economic growth. Such a stance was boosted further by the Lisbon Strategy in 2000, which targets a competitive knowledge/innovation-based EU economy by the end of the decade.

Since January 1997, the EIB has lent over 10 billion Euros to the healthcare sector. The bulk of this lending has been for building new hospitals, and modernising older ones (not least for overhauling equipment and IT systems). The Bank also has a soft but crucial mandate to bring poorer parts of Europe up to speed in the interests of "economic and social cohesion." Consequently, the financing of health infrastructure in less developed regions of the EU has been one of its priorities (including new Member States such as Hungary, Poland, Romania, the Czech Republic and Cyprus).

The Bank prefers public-private partnerships (PPP) as a means to both achieve increased efficiency in facilities management and transfer design and construction risk to the private sector.

An overview of its activity in the healthcare sector over the past two years is provided below.

Spain: Toledo and Asturias

In March 2007, the EIB granted a 205 million Euro, 30-year loan for the construction and equipping of a new general

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