

Investment Plan for Europe: safer, smoother travel for Europeans as the EIB lends €90 million for expansion of the Karavanke Tunnel in Slovenia

- The EIB is investing €90 million on the Slovenian side of the new Karavanke tunnel, a key road connection between Austria and Slovenia.
- The new 8 km-long tunnel tube will increase safety and reduce queues on the TEN-T corridor between the Baltics, Adriatic and Mediterranean.
- Millions of passengers will benefit from a better road connection between Austria and Slovenia.
- The EIB loan is provided under the Investment Plan for Europe.

Millions of passengers on the Trans-European Transport Network (TEN-T) will benefit from a safer, faster and more convenient road connection between Austria and Slovenia, as the European Investment Bank (EIB) and Družba za avtoceste v Republiki Sloveniji (DARS) have agreed on a €90 million loan to extend and upgrade the safety of the Karavanke tunnel.

The EIB loan received guarantees from the Investment Plan for Europe as it addresses a cross border bottleneck, a strategic objective of Investment Plan for Europe in which the EIB and the European Commission are strategic partners.

Karavanke is a key tunnel link on a motorway between Slovenia and Austria, as well as Central and South-Eastern Europe. The project was developed in cooperation with Austrian motorway operator ASFINAG.

With EIB support, DARS will expand the tunnel with a new tube and renovate the existing tube to comply with the European Union's safety regulations for tunnels along the TEN-T corridor. A separate €95 million loan from the EIB will provide financing to Austrian motorway operator ASFINAG to connect the existing highway in the country to the new, 8 km-long tunnel.

The Karavanke tunnel extension is a priority project for Slovenia and the EU alike, as it connects the Baltic, Adriatic and Mediterranean core TEN-T corridors.

Lilyana Pavlova, Vice-President of the EIB, said: *"The EIB's support for the Karavanke Tunnel expansion and safety improvements continues our long tradition of investing in transport networks for Europeans. The tunnel will create new business opportunities in this part of the EU, improve road safety and reduce traveling time for millions of people, especially during the summer holidays. Today's signature is just the latest in a series, and it builds on a long-established and successful partnership with DARS."*

Tomaž Vidic, CEO of DARS, commented: *"With today's €90 million agreement, we*

are closing the financial structure for the eastern tube of the Karavanke tunnel, in order to eliminate the bottleneck in road traffic between Slovenia and Austria. It will significantly improve traffic flow and the safety of this cross-border tunnel, which is also the longest road tunnel in Slovenia. The project is also significant for the development of the comprehensive European road network, and improvement of the direct connection of two corridors of the TEN-T core network. I would like to thank my colleagues who worked on the project, and the European Investment Bank, who recognised the importance of this infrastructure project for Slovenia, and Europe as a whole."

Paolo Gentiloni, European Commissioner for the Economy, added: *"Fewer accidents, reduced carbon emissions and shorter journeys: these are the benefits to Europeans of the €90 million EU financing to expand the Karavanke Tunnel. This investment will strengthen a strategic section of Europe's transport network, further proof of the EU's commitment to sustainable mobility."*

Once expanded, the Karavanke tunnel will reduce the likelihood of traffic accidents and kilometres-long vehicle queues on both sides of the tunnel, enabling easier movement of goods, services and people along one of Europe's key transit corridors. The project will also have a positive impact on the environment and reduce carbon dioxide (CO₂) and pollutant levels (nitrogen oxide (NO_x) hydrocarbons and dust) emitted today by queuing vehicles.

It is the second loan from the EU bank to DARS to benefit from Investment Plan for Europe guarantees, following the successful introduction of the free-flow tolling system for heavy vehicles.

About the EIB in Slovenia:

Total EIB lending commitments in Slovenia since the start of EU bank's operations in the country have reached €6.99 billion. The EIB has invested in key sectors of the Slovenian economy, including transport, the environment, energy infrastructure, manufacturing and services. A key component of the EU bank's activity in Slovenia is promoting small and medium-sized enterprises by increasing their access to long-term financing through local financial institutions. To date, the EU bank has supported more than 5 000 Slovenian SMEs, safeguarding more than 44 000 jobs in the process.

About DARS:

With over 1 200 employees, DARS is one of the largest companies owned by the Republic of Slovenia. Its main tasks are the organisation of motorway construction and all related activities, management and maintenance of existing motorways in the country, and toll collection. DARS takes various measures to guarantee road safety and ensure an uninterrupted traffic flow on the motorway network. Special emphasis is given to informing users about the traffic conditions with the help of the Traffic Information Centre.