



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30.8.2007  
SEC(2007) 1079

**COMMISSION STAFF WORKING DOCUMENT**

**ANNEX TO THE**

**REPORT FROM THE COMMISSION  
TO THE COUNCIL AND TO THE EUROPEAN PARLIAMENT  
ON THE BORROWING AND LENDING ACTIVITIES OF THE COMMUNITY IN  
2006**

{COM(2007)486 final}

## TABLE OF CONTENTS

1.	BORROWING ACTIVITIES IN 2006.....	3
1.1.	Trends in borrowing and lending.....	3
1.2.	Borrowing of the European Institutions: outstanding at the end of each period <sup>(1)</sup> .....	5
1.3.	Borrowing of the European Institutions in 2006 by currency.....	6
2.	LENDING IN NON-MEMBER STATES.....	7
2.1.	Lending in non-member States in 2006 – Overview.....	7
2.2.	Loan disbursements for macro-financial assistance to non-member States 2000-2006	8
2.3.	Signatures on EIB Own Resources in non-EU countries.....	9
2.3.1.	Signatures on EIB Own Resources in non-EU countries (excluding signatures on EIB own risk under Pre-Accession and Mediterranean Partnership facilities).....	9
2.3.2.	Breakdown by country and sector of EIB lending in 2006.....	10
a)	South-Eastern Neighbours.....	10
b)	Russia and Western Newly Independent States (WNIS).....	12
c)	In the Mediterranean Countries.....	12
d)	Asia and Latin America.....	14
e)	Republic of South Africa.....	15
2.3.3.	Co-financing in 2006 in the South-Eastern Europe.....	16
2.3.4.	Co-financing in 2006 in the Mediterranean countries.....	18
2.3.5.	Co-financing in 2006 in the countries of Asia and Latin America.....	19
2.3.6.	Loans signed in 2006 in the South-Eastern Neighbours.....	21
2.3.7.	Loans signed in 2006 in the Mediterranean countries.....	23
2.3.8.	Loans signed in 2006 in Asia and Latin America.....	24
2.3.9.	Loans signed in 2006 in the Republic of South Africa.....	25
2.4.	Breakdown by region and sector of EIB lending in 2006 in the ACP/OCT.....	26
2.5.	Interest subsidies paid under the various Community mechanisms from 1995 to 2006.....	28

## 1. BORROWING ACTIVITIES IN 2006

### 1.1. Trends in borrowing and lending

EUR million

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>I. Borrowing</b>											
ECSC <sup>(1)</sup>	298	474	-	-	-	-	-	-	-	-	-
European Community <sup>(2)</sup>	155	195	403	108	160	305	12	118	10	15	19
Euratom <sup>(3)</sup>	-	-	-	-	-	40	40	25	65	215	51
<b>Total Commission</b>	<b>453</b>	<b>669</b>	<b>403</b>	<b>108</b>	<b>160</b>	<b>345</b>	<b>52</b>	<b>143</b>	<b>75</b>	<b>230</b>	<b>70</b>
<b>EIB</b>	<b>17 553</b>	<b>23 026</b>	<b>30 098</b>	<b>28 355</b>	<b>29 038</b>	<b>32 172</b>	<b>38 016</b>	<b>41 911</b>	<b>49 865</b>	<b>49 807</b>	<b>48 050</b>
<b>Total Community</b>	<b>18 006</b>	<b>23 695</b>	<b>30 501</b>	<b>28 463</b>	<b>29 198</b>	<b>32 517</b>	<b>38 068</b>	<b>42 054</b>	<b>49 940</b>	<b>50 037</b>	<b>48 120</b>
<b>II. Lending</b>											
ECSC <sup>(1)</sup>	280	541	21	-	-	-	-				
European Community <sup>(2)</sup>	155	195	403	108	160	305	12	118	10	15	19
Euratom <sup>(3)</sup>	-	-	-	-	-	40	40	25	65	215	51
<b>Total Commission</b>	<b>435</b>	<b>736</b>	<b>424</b>	<b>108</b>	<b>160</b>	<b>345</b>	<b>52</b>	<b>143</b>	<b>75</b>	<b>230</b>	<b>70</b>
<b>EIB<sup>(4)</sup></b>	<b>20 946</b>	<b>22 958</b>	<b>25 116</b>	<b>27 765</b>	<b>30 644</b>	<b>31 184</b>	<b>33 443</b>	<b>34 187</b>	<b>39 661</b>	<b>42 276</b>	<b>39 850</b>
<b>Total Community</b>	<b>21 381</b>	<b>23 694</b>	<b>25 540</b>	<b>27 873</b>	<b>30 804</b>	<b>31 529</b>	<b>33 495</b>	<b>34 330</b>	<b>39 736</b>	<b>42 506</b>	<b>39 920</b>

Note: The differences between total borrowing and lending by the Commission are due to borrowing operations undertaken for refinancing purposes and to changes in the balance of loans not assigned by the end of the year.

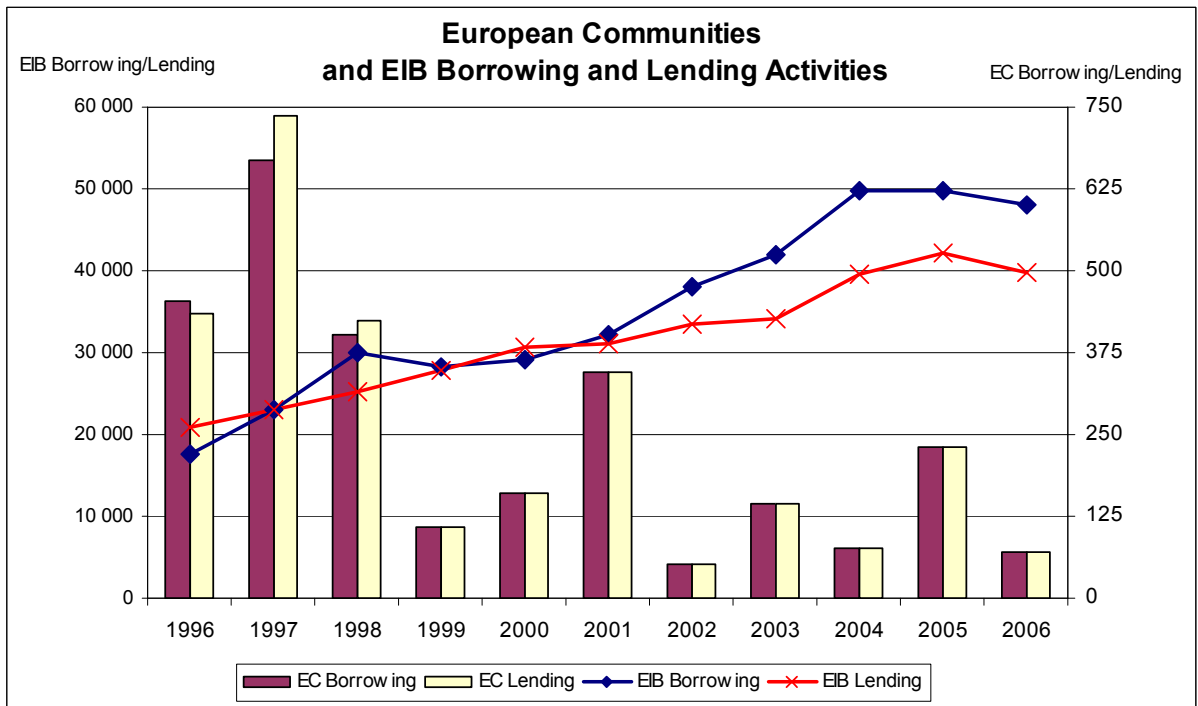
(1) The ECSC Treaty expired in 2002.

(2) Mechanism for providing Balance of Payments support for Member States and financial assistance for non-member States.

(3) The Euratom loans instrument is available for financings to Member States and certain non-Member States.

(4) Loans signed from own resources (with and without guarantees from the EU budget), no account being taken of the guarantees provided by the EIB to promoters.

**Graph: trends in borrowing and lending activities from 1996 (in EUR million)**



## 1.2. Borrowing of the European Institutions: outstanding at the end of each period <sup>(1)</sup>

EUR million

	ECSC	EC (NCI)	Euratom	European Community	Commission Sub-total	EIB <sup>(2)</sup>	Total borrowing
1982	6 178	1 747	1 272	591	9 788	16 570	26 358
1983	6 539	3 269	1 680	4 610	16 098	20 749	36 847
1984	7 119	4 432	1 892	4 932	18 375	25 007	43 382
1985	7 034	4 960	2 013	3 236	17 243	26 736	43 979
1986	6 761	5 202	2 168	1 890	16 021	30 271	46 292
1987	6 689	5 229	2 500	2 997	17 415	31 957	49 372
1988	6 825	5 514	2 164	2 459	16 962	36 928	53 890
1989	6 738	5 122	1 945	2 075	15 880	42 330	58 210
1990	6 673	4 542	1 687	<sup>(3)</sup> 2 045	14 947	48 459	63 406
1991	7 139	3 817	1 563	3 516	16 035	58 893	74 928
1992	7 327	3 326	1 338	4 026	16 017	67 784	83 801
1993	7 331	2 202	1 018	5 204	15 755	78 661	94 416
1994	6 548	1 570	779	7 697	16 594	83 673	100 267
1995	5 966	1 113	720	8 032	15 831	87 079	102 910
1996	4 677	748	572	6 666	12 663	96 649	109 312
1997	3 637	218	118	5 853	9 826	110 394	120 220
1998	2 806	168	28	4 166	7 168	123 767	130 935
1999	2 432	130	12	4 074	6 648	146 223	152 871
2000	2 039	90		1 566	3 695	159 860	163 555
2001	1 386	19	40	1 614	3 059	176 027	179 086
2002	713	18	80	1 361	2 172	181 167	183 339
2003	431	16	105	1 356	1 908	194 505	196 413
2004	423		170	1 214	1 807	214 825	216 632
2005	440		385	1 080	1 905	248 283	250 188
2006	436		436	969	1 841	246 576	248 417

<sup>(1)</sup> The conversion rates used are those of 31 December of each year. As the majority of borrowings are denominated in national currency, the difference between two year-ends reflects on the one hand changes in the valuation of existing stock due to exchange rates fluctuations and on the other the net volume of borrowings during the year.

Original amount of borrowings, plus or minus repayments of the principal, cancellations, annulments and exchange-rate adjustments.

<sup>(2)</sup> As from 1989, including short term.

<sup>(3)</sup> As from 1990, including macro-financial assistance for non-member States.

### 1.3. Borrowing of the European Institutions in 2006 by currency

EUR million (rounded)

	EIB		European Communities (EC, Euratom) <sup>(3)</sup>	Total borrowing		2006 %	
	(1)	(2)		(1)	(2)	(1)	(2)
<b>EUR</b>	17 113	30 144	70	17 183	30 214	37.9	66.7
<b>GBP</b>	6 769	2 549		6 769	2 549	14.9	5.6
<b>SEK</b>	309	309		309	309	0.7	0.7
<b>DKK</b>	235	235		235	235	0.5	0.5
<b>BGN<sup>(4)</sup></b>	102			102		0.2	0.0
<b>HUF</b>	97	97		97	97	0.2	0.2
<b>PLN</b>	32	32		32	32	0.1	0.1
<b>CZK</b>	18	18		18	18	0.0	0.0
<b>Total EU</b>	<b>24 674</b>	<b>33 383</b>	<b>70</b>	<b>24 745</b>	<b>33 453</b>	<b>54.6</b>	<b>73.9</b>
<b>USD</b>	13 789	11 675		13 789	11 675	30.4	25.7
<b>AUD</b>	1 813			1 813		4.0	0.0
<b>JPY</b>	1 205			1 205		2.7	0.0
<b>TRY</b>	943			943		2.1	0.0
<b>NZD</b>	875			875		1.9	0.0
<b>CHF</b>	703			703		1.6	0.0
<b>NOK</b>	424	88		424	88	0.9	0.2
<b>ISK</b>	420			420		0.9	0.0
<b>ZAR</b>	280	80		280	80	0.6	0.2
<b>HKD</b>	101			101		0.2	0.0
<b>Sub-total</b>	<b>20 552</b>	<b>11 843</b>		<b>20 552</b>	<b>11 843</b>	<b>45.4</b>	<b>26.1</b>
<b>TOTAL<sup>(5)</sup></b>	<b>45 226</b>	<b>45 226</b>	<b>70</b>	<b>45 296</b>	<b>45 296</b>	<b>100.0</b>	<b>100.0</b>
Fixed-rate	41 302	2 396		41 302	2 396	91.2	5.3
Variable-rate	3 924	42 830	70	3 994	42 900	8.8	94.5

<sup>(1)</sup> Figures before swaps.

<sup>(2)</sup> Figures after swaps.

<sup>(3)</sup> Macro-financial assistance to non-member States and Euratom lending.

<sup>(4)</sup> EU currency as of 01.01.2007.

<sup>(5)</sup> Difference before/after SWAP due to exchange-rate fluctuations.

## 2. LENDING IN NON-MEMBER STATES

### 2.1. Lending in non-member States in 2006 – Overview

EUR million

	European Communities		EIB <sup>(2)</sup>		TOTAL
	Euratom <sup>(1)</sup>	EC Macro-financial assistance <sup>(1)</sup>	Budget and EDF resources <sup>(3)</sup>	Own resources	
SEN - South Eastern Neighbours <sup>(4)</sup>	51 <sup>(5)</sup>	19 <sup>(6)</sup>		1 336	1 406
MED - Mediterranean basin				905	905
ALA - Latin America and Asia				483	483
RSA - South Africa				80	80
ACP-OCT countries <sup>(7)</sup>			578	167	745
Russia				0	0
<b>Total</b>	<b>51</b>	<b>19</b>	<b>578</b>	<b>2 971</b>	<b>6 619</b>

(1) Disbursements.

(2) Signatures, excluding lending at own risk of the EIB.

(3) Granted and administered by the EIB out of the budgetary resources of the EC or the European Development Fund (EDF).

(4) This new grouping follows Council Decision 2005/47/EC.

(5) Bulgaria and Romania.

(6) Albania and Bosnia and Herzegovina.

(7) Africa, Caribbean, Pacific / Overseas Countries and Territories.

## 2.2. Loan disbursements for macro-financial assistance to non-member States 2000-2006

EUR million

	2000	2001	2002	2003	2004	2005	2006	Total
Bulgaria	60							60
Romania	100			50				150
<b>Subtotal "Enlargement" countries (Member States as of 01.01.2007)</b>	<b>160</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>210</b>
Albania <sup>(1)</sup>							9	9
Bosnia and Herzegovina <sup>(2)</sup>		10			10		10	30
fYRoM <sup>(3)</sup>		10	12	28				50
Serbia and Montenegro <sup>(4)</sup>		225		40		15		280
<b>Subtotal Other Western Balkans<sup>(5)</sup></b>	<b>0</b>	<b>245</b>	<b>12</b>	<b>68</b>	<b>10</b>	<b>15</b>	<b>19</b>	<b>369</b>
Armenia <sup>(6)</sup>								0
Georgia <sup>(6)</sup>								0
Tajikistan <sup>(7)</sup>		60						60
Ukraine								0
<b>Subtotal NIS</b>	<b>0</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60</b>
<b>Grand Total</b>	<b>160</b>	<b>305</b>	<b>12</b>	<b>118</b>	<b>10</b>	<b>15</b>	<b>19</b>	<b>639</b>

- (1) A grant of EUR 3 million was disbursed to Albania in 2005 and a further grant of EUR 13 million in 2006.
- (2) Disbursement of the loan was accompanied by disbursements of grants of EUR 10 million in 2000. A further grant of EUR 15 million was paid in 2001 and of EUR 25 million in 2003. In 2005 EUR 15 million grants were disbursed.
- (3) Former Yugoslav Republic of Macedonia. Grants totalling EUR 20 million were disbursed in 2000, followed by a further grant of EUR 10 million in 2001, one of EUR 10 million in 2002 and another one of EUR 18 million in 2003.
- (4) One grant of EUR 115 million was paid to Serbia and Montenegro in 2002, one of EUR 35 million in 2003, one of EUR 10 million in 2004 and another one of EUR 25 million in 2005.
- (5) Grants of EUR 35 million and EUR 7 million were disbursed to Kosovo and Montenegro respectively in 2000. In 2001 EUR 35 million were disbursed to Kosovo and EUR 13 million to Montenegro, granted in the form of budgetary support. In the same year a further grant of EUR 15 million was disbursed to Kosovo, followed by another one of EUR 15 million in 2002.
- (6) Exceptional financial assistance. These loan disbursements to Armenia and Georgia were supplemented by the disbursement of grants totalling respectively, EUR 8 million and EUR 10 million in 1998 and EUR 4 million and EUR 9 million in 1999. A further grant of EUR 6 million was made to Georgia in 2001. A grant of EUR 11 million was paid to Armenia in 2002. Further grants to Armenia EUR 5.5 million and Georgia EUR 6.5 million were paid in 2004. In 2005 1.5 million grants was paid to Armenia. In 2006, Georgia received two grants of EUR 11 million each.
- (7) This loan was accompanied by the disbursement of grants totalling EUR 14 million. A further grant of EUR 7 million was paid in 2003 (although decided in 2002), in 2005 for the same amount as well as in 2006.



## 2.3. Signatures on EIB Own Resources in non-EU countries

### 2.3.1. Signatures on EIB Own Resources in non-EU countries (excluding signatures on EIB own risk under Pre-Accession and Mediterranean Partnership facilities)

EUR million

	2002	2003	2004	2005	1 <sup>st</sup> half 2006	2 <sup>nd</sup> half 2006	Total 2002- 2006
<b>SEN (2000-2007)</b>	1 200	1 169	865	2 107	624	712	6 677
<b>Russia</b>	0	25	0	60	0	0	85
<b>MED (Partenariat 2000-2007)</b>	1 000	1 322	1 436	1 102	115	790	5 765
<b>Turkey Terra</b>	0	150	0	0	0	0	150
<b>Turkey – Special Action</b>	130	100	220	0	0	0	450
<b>ALA (2000-2007)</b>	174	348	233	256	213	270	1 494
<b>RSA (2000-2007)</b>	50	260	100	145	0	80	635
<b>COTONOU (2003-2007)</b>	0	0	68	151	0	167	386
<b>TOTAL</b>	<b>2 554</b>	<b>3 374</b>	<b>2 922</b>	<b>3 821</b>	<b>952</b>	<b>2 019</b>	<b>15 642</b>

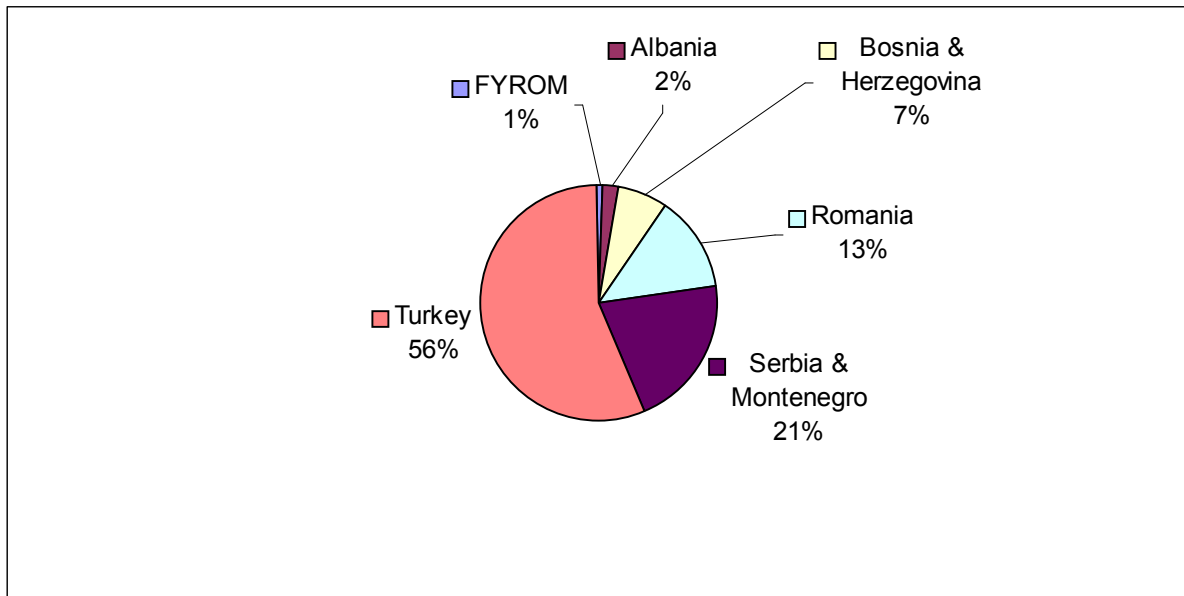
2.3.2. Breakdown by country and sector of EIB lending in 2006

a) South-Eastern Neighbours

EUR million

Country	Number of loans	Total loan signatures	Water Management/ Infrastructure	Transport/ Communications	Education/ Health	Global and Investment loans	Energy
Turkey	6	753		603	50		100
		100%		80%	7%		13%
Serbia and Montenegro	6	277	5	102	80	90	
		100%	2%	37%	29%	32%	
Romania	5	171	108	63			
		100%	63%	37%			
Bosnia and Herzegovina	4	95		40		55	
		100%		42%		58%	
Albania	2	31		18	13		
		100%		59%	41%		
FYROM	1	10				10	
		100%				100%	
Total	24	1 337	113	826	143	155	100
		100%	8%	62%	11%	12%	7%

In 2006, the Bank signed 24 loan contracts for an aggregate amount of EUR 1,337 million in 6 South East European countries. The majority (56%) of loans was absorbed by Turkey. The overall geographical distribution of the lending activity in the region is illustrated below:



- In terms of sectoral distribution, **transport and communications sector** remained the main focus of EIB lending in South Eastern Europe with loans signed for EUR 826 million, representing 62% of total lending. Regional integration was fostered i.e. by improving road, rail, ferry and port infrastructure. The largest projects in Turkey include the construction of a high-speed railway between Istanbul and Ankara as well as the purchase of rolling stock to be used on the rail track connecting the European side of Istanbul with suburban Gedze on the Asian side in a tunnel under the Bosphorus. Loans were also made for the rehabilitation of sections of the Serbian rail network, for the repair of roads and bridges in Serbia and Montenegro, for the modernisation of the metro in Bucharest and for the construction of a new passenger ferry terminal for the Port of Durrës in Albania.
- **Global loans** in support of small and medium scale ventures totalling EUR 155 million accounted for 12% of lending activity, including loans of EUR 90 million to Serbia and Montenegro, EUR 55 million to Bosnia and Herzegovina and EUR 10 million to the former Yugoslav Republic of Macedonia (fYRoM).
- **Health and education** accounted for 11% of total lending (EUR 143million) and consisted of education development in Turkey and Albania, as well as upgrading of four tertiary care hospitals in Serbia and Montenegro.
- **Water management and related infrastructure**, with loans for EUR 113 million represented 8% of total lending and consisted of four projects in Romania and one in Serbia and Montenegro.
- Finally, financing to the **energy** sector consisted of the extension and upgrading of electricity distribution networks in Turkey (EUR 100 million or 7% of total lending in the region).

*b) Russia and Western Newly Independent States (WNIS)<sup>1</sup>*

No new loans were signed in this region in 2006 but a first loan of EUR 200million was approved for Ukraine in favour of rehabilitation of M-06 motorway between Kiev and Brody. This project will be co-financed with the EBRD.

*c) In the Mediterranean Countries*

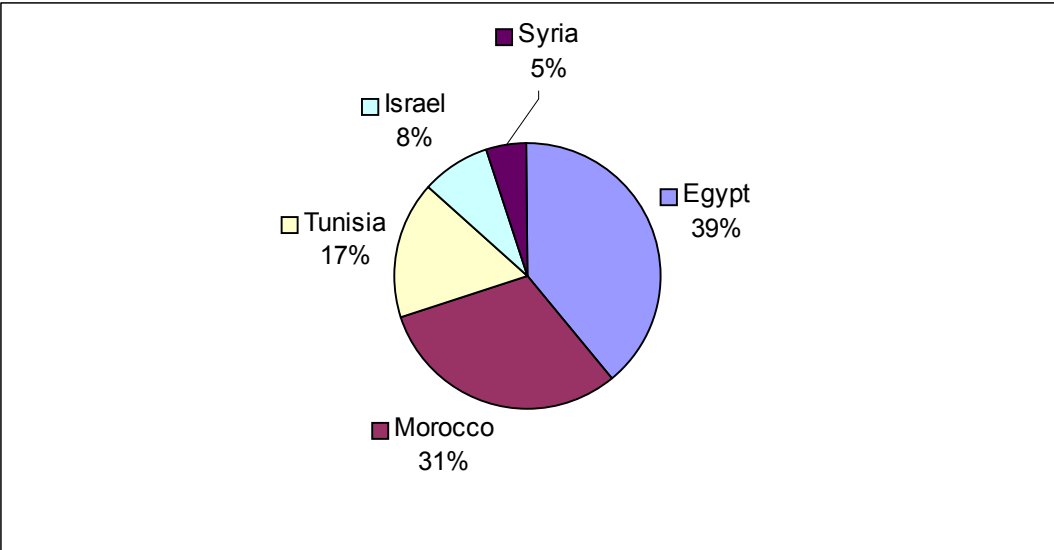
**EUR million**

Country	No. of loans	Total loan signatures	Energy	Water & Infrastructure	Industry & Services	Health & Education	Global Loans
Egypt	4	351	180		131		40
		100%	51%		37%		11%
Morocco	3	280	170	40		70	
		100%	61%	14%		25%	
Tunisia	2	154	114	40			
		100%	74%	26%			
Israel	1	75					75
		100%					100%
Syria	1	45		45			
		100%		100%			
Total	11	905	464	125	131	70	115
		100%	51%	14%	14%	8%	13%

By the end of 2006, the Bank had fully committed the EuroMed II mandate. During 2006, loans amounting to EUR 905 million were signed in favour of 11 projects in five countries.

<sup>1</sup> Ukraine, Moldova, Belarus.

Lending was well spread within the region, as illustrated below:



- In line with EU priorities for sustainable energy development, competitiveness and security of energy supply, the bulk of EIB lending in the Mediterranean was directed towards the **energy sector**. EUR 464 million (51% of total financing) contributed to the construction of gas and dual-fired power plants in Egypt and Tunisia, a gas transmission line in Egypt and a rural electrification programme in Morocco;
- 14% of total lending went to the **industry sector**, for the financing of a methanol plant in Egypt. The EUR 131 million loan provided under the EuroMed II mandate was complemented by a loan from EIB’s own resources without budgetary guarantee under the Mediterranean Partnership Facility;
- **Water management and sundry infrastructure sector**, with loans for EUR 125 million represented also 14% of total lending and consisted of wastewater collection and treatment projects in Morocco and Tunisia as well as rural water and sanitation project in Syria;
- **Global loans** of EUR 115 million (13% of total financing) were made in support of small and medium-scale ventures in Israel and Egypt - the former resuming EIB activity in Israel after ten years of absence, and the latter being specifically targeted to the financing of industrial pollution abatement schemes;
- Finally, a loan of EUR 70 million was extended for the renovation and modernisation of healthcare facilities in Morocco representing 8% of total financing in the **health and education sector**.

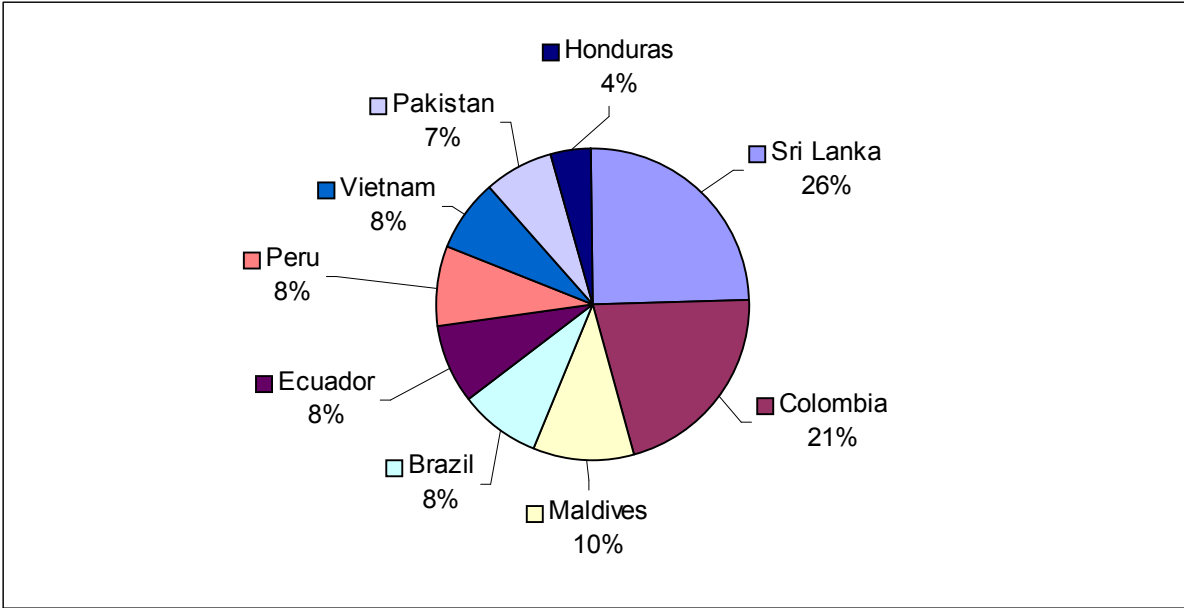
*d) Asia and Latin America*

**EUR million**

<b>Country</b>	<b>No. of loans</b>	<b>Total loan signatures</b>	<b>Communications</b>	<b>Industries&amp; Services</b>	<b>Global loans</b>
Sri Lanka	2	120			120
		100%			100%
Colombia	1	100	100		
		100%	100%		
Maldives	1	50			50
		100%			100%
Brazil	1	40		40	
		100%		100%	
Ecuador	1	40	40		
		100%	100%		
Peru	1	40	40		
		100%	100%		
Vietnam	1	38		38	
		100%		100%	
Pakistan	1	35		35	
		100%		100%	
Honduras	1	20	20		
		100%	100%		
<b>Total</b>	<b>10</b>	<b>483</b>	<b>200</b>	<b>113</b>	<b>170</b>
		100%	41%	23%	35%

The Bank signed 10 loan contracts for an amount of EUR 483 million in 9 countries. This represents almost a doubling of the lending volume as compared with the previous year (EUR 256 million signed in 2005).

The new signatures were equally spread between Asia and Latin America, each representing 50% of the total. The detailed geographical distribution of loans signed in 2006 is illustrated below:



- In Latin America, a large part of financing went to the design and upgrading of digital mobile phone networks in Colombia, Ecuador and Peru. With a further loan for the construction of the Honduran road corridor connecting the Atlantic with the Pacific Coast, total financing to the **communications sector** represented 41% (EUR 200 million).
- In Asia, the EIB contributed to international and EU efforts to alleviate the impact of natural disasters in the region, notably through **global loans** (EUR 170 million accounting for 35% of total lending), with two dedicated to finance post-tsunami reconstruction in the Maldives and Sri Lanka.
- A further contribution to the reconstruction efforts in Asia was a loan in favour of the construction of a cement plant in earthquake-hit Pakistan. Together with financing for wholesale stores in Vietnam and tyre manufacturing in Brazil, loans in favour of the **industry and services sector** accounted for 23% of total financing (EUR 113 million).

*e) Republic of South Africa*

Constrained by the imminent expiry of the mandate and the resulting limited availability of funds in 2006, the Bank signed one new loan of EUR 80 million to support South Africa’s state-owned electricity utility in the construction of a new high voltage power transmission interconnection between Johannesburg and Cape Town.

### 2.3.3. Co-financing in 2006 in the South-Eastern Europe

<b>EUR million</b>							
<b>Country</b>	<b>Description</b>	<b>Cost</b>	<b>EIB loan signed</b>	<b>Further EIB financing foreseen</b>	<b>Community Programmes<sup>(1)</sup></b>	<b>Multi-/Bilateral institutions</b>	<b>Other<sup>(2)</sup></b>
Albania	First phase of national plan for improving quality of educational results, expanding secondary education coverage and preparing for tertiary education reform	62	13			25	24
	Construction of new passenger ferry terminal and ancillary facilities at Port of Durrës	40	18		2	14	6
Bosnia and Herzegovina	Rehabilitation of 55 sections of road with total length of around 1 105 km in Republika Srpska	80	40			38	2
Romania	Construction of wastewater treatment plant in Bucharest	108	25		70	10	3
	Infrastructure development programme for small and medium-sized towns (2nd phase)	58	29		22	0	7
	Rehabilitation and expansion of sewerage systems in six municipalities	182	42		131		9
	Priority improvement schemes in the water sector (water supply and wastewater infrastructure) and in the waste management sector	50	12		37		1
Serbia and Montenegro	Rehabilitation and construction of municipal water and sanitation infrastructure	114	5	x	2	36	71
	Rehabilitation of railway lines on Corridor X and upgrading of rolling stock	160	80		2	61	17
	Modernisation, redevelopment and extension of four tertiary care hospitals in Serbia (Belgrade, Niš, Novi Sad and Kragujevac)	430	80		39	26	286
Turkey	Purchase of trains to operate commuter services on Bosphorus tunnel and commuter rail system in metropolitan area of Istanbul	930	400			450	80
	Extension of Istanbul's mass transport system through expansion of ferry fleet	83	18	x		42	23

(1) PHARE, ISPA, CARDS, EAR.

(2) Including further EIB financing to be signed, funds of states, promoters and commercial banks.



**EUR million**

<b>Country</b>	<b>Description</b>	<b>Cost</b>	<b>EIB loan signed</b>	<b>Further EIB financing foreseen</b>	<b>Community Programmes<sup>(1)</sup></b>	<b>Multi-/Bilateral institutions</b>	<b>Other<sup>(2)</sup></b>
	Creation of 6800 IT classrooms in some 5100 primary schools throughout Turkey	263	50	x		120	93
	Upgrading and extension of national electricity distribution networks	650	100			205	345
	Construction of high-speed railway line between Istanbul and Ankara	2 566	120	x		322	2 124
		<b>5 776</b>	<b>1 032</b>		<b>304</b>	<b>1 349</b>	<b>3 090</b>

<sup>(1)</sup> PHARE, ISPA, CARDS, EAR.

<sup>(2)</sup> Including further EIB financing to be signed, funds of states, promoters and commercial banks.

### 2.3.4. Co-financing in 2006 in the Mediterranean countries

Country	Project	Cost	EIB	Interest subsidy	Multilateral institutions	Bilateral institutions	Other <sup>(1)</sup>
Egypt	Financing of industrial pollution abatement schemes, mainly in Greater Alexandria and Greater Cairo	145	40	x	16	73	16
	Construction of two natural gas-fired combined-cycle power generation units in El Atf and Sidi Krir <sup>(2)</sup>	753	130		81	79	463
Morocco	Construction of wastewater collection and treatment facilities	87	40	x	25	10	12
	Phase II of final part of rural electrification programme in Morocco	701	170		48	125	358
Tunisia	Upgrading and extension of wastewater collection networks and treatment plants in various cities	123	40	x		83	
	Construction and operation of dual-fired combined-cycle power plant in Ghannouch	228	114		70		44
Syria	Water and sanitation networks in 14 municipalities	90	45	x	8		37
	<b>Total</b>	<b>2 127</b>	<b>579</b>		<b>248</b>	<b>370</b>	<b>930</b>

(1) Including funds of states, promoters and commercial banks.

(2) Further EIB financing of EUR 130 million foreseen.

2.3.5. *Co-financing in 2006 in the countries of Asia and Latin America*

EUR million

Country	Project	Cost	EIB	Multilateral institutions	Bilateral institutions	Other
Honduras	Construction, extension and repair of Honduran Logistical Corridor	103	20	8	17	58
	Total	103	20	8	17	58

**Table 2.3.5 (a) Mutual interest of projects in the countries of Asia and Latin America**

Country	Project	Mutual interest
Sri Lanka	Financing of small and medium-scale private sector ventures in industrial, tourism and other service sectors affected by the Tsunami	waived (reconstruction)
	Financing for small and medium-scale ventures	The global loan contributes to the economic development of Sri Lanka through the provision of long-term loan finance to profitable companies with EU mutual interest.
Colombia	Design and upgrading of digital mobile communications network in Colombia	Apart from promoting local economic development, the project will transfer economic and technological knowledge by supporting a well-established European company diversifying through FDI into Latin America. By migrating the local subscriber base to GSM, the project will also support the EU policy goal of promoting interoperable technologies.
Maldives	Financing of projects in regions affected by Tsunami	waived (reconstruction)
Brazil	Extension and upgrading of two existing tyre plants	The project assists a European company with significant presence worldwide to successfully expand its operations and reinforce its market position and profitability in the Brazilian market. Also, the investment is expected to have a sizeable impact on regional development: it is estimated to generate about 180 direct jobs in the region, which has an official unemployment rate of roughly 8% and very low social cohesion.
Ecuador	Design and upgrading of digital mobile communications network in Ecuador	see above (Colombia)
Peru	Design and upgrading of digital mobile communications network in Peru	see above (Colombia)

Vietnam	Construction of five 'junior' self-service wholesale stores in Can Tho, Ho Chi Minh City, Hanoi, Haiphong and Da Nang	The project supports a leading EU company to grow outside its home market. It will also provide technical assistance for the improvement of the quality of local fresh food production, distribution, transport and storage as well as training in quality, hygienic standards; an important cooperation programme is being implemented jointly by Metro and 'Deutsche Investitions und Entwicklungsgesellschaft' (DEG) (Germany). Job opportunities will be created for the local labour market in the retail/wholesale sector.
Pakistan	Construction and operation of cement plant on greenfield site in Chakwal (centre)	The loan supports a long-term partnership between a EU technology provider and an Asian company, which includes <i>inter alia</i> transfer of expertise with regard to operation and maintenance, staff training and the introduction of high international environmental standards. It contributes directly to the industrial development of the country and the economic diversification of a particularly poor rural region.
Honduras	Construction, extension and repair of Honduran Logistical Corridor	The project involves construction and consultancy performed by European companies. Furthermore, the project forms part of Plan Puebla Panama corridors fostering regional integration.

2.3.6. *Loans signed in 2006 in the South-Eastern Neighbours*

Country	Description	Loan (EUR million)	Risk sharing
Turkey	Purchase of trains to operate commuter services on Bosphorus tunnel and commuter rail system in metropolitan area of Istanbul	400.00	No
	Extension of Istanbul's mass transport system through expansion of ferry fleet	17.83	Yes
	Implementation of first line of rail-based rapid transit system in conurbation of Samsun on Black Sea	65.00	No
	Creation of 6800 IT classrooms in some 5100 primary schools throughout Turkey	50.00	No
	Upgrading and extension of national electricity distribution networks	100.00	No
	Construction of high-speed railway line between Istanbul and Ankara	120.00	No
	<b>Total</b>	<b>752.83</b>	
Serbia and Montenegro	Rehabilitation and construction of municipal water and sanitation infrastructure	5.00	No
	Financing for small and medium-scale ventures	40.00	Yes
	Rehabilitation of roads and bridges throughout country	22.00	No
	Financing for small and medium-scale infrastructure schemes	50.00	Yes
	Rehabilitation of railway lines on Corridor X and upgrading of rolling stock	80.00	No
	Modernisation, redevelopment and extension of four tertiary care hospitals in Serbia (Belgrade, Niš, Novi Sad and Kragujevac)	80.00	No
	<b>Total</b>	<b>277.00</b>	
Romania	Construction of wastewater treatment plant in Bucharest	25.00	No
	Infrastructure development programme for small and medium-sized towns	29.45	No
	Upgrading of rolling stock and improvement of Bucharest metro's infrastructure	63.00	No
	Rehabilitation and expansion of sewerage systems in six municipalities	41.50	No
	Priority improvement schemes in the water sector (water supply and wastewater infrastructure) and in the waste management sector	12.23	No

	<b>Total</b>	<b>171.18</b>	
Bosnia-Herzegovina	Financing of small and medium-scale infrastructure schemes	20.00	Yes
	Financing for small and medium-scale ventures	25.00	Yes
	Rehabilitation of 55 sections of road with total length of around 1 105 km in Republika Srpska	40.00	No
	Financing for small and medium-scale ventures	10.00	Yes
	<b>Total</b>	<b>95.00</b>	
Albania	First phase of national plan for improving quality of educational results, expanding secondary education coverage and preparing for tertiary education reform	12.50	
	Construction of new passenger ferry terminal and ancillary facilities at Port of Durrës	18.00	
	<b>Total</b>	<b>30.50</b>	
fYRoM	Financing for small and medium-scale ventures	10.00	
	<b>Total</b>	<b>10.00</b>	
	<b>Grand total</b>	<b>1 336.51</b>	

2.3.7. *Loans signed in 2006 in the Mediterranean countries*

Country	Description	Loan (EUR million)	Risk sharing
Egypt	Financing of industrial pollution abatement schemes, mainly in Greater Alexandria and Greater Cairo	40.00	No
	Construction of two natural gas-fired combined-cycle power generation units in El Atf and Sidi Krir	130.00	No
	Construction of gas transmission pipeline between Abu Qurqas and Asyut in south of Egypt	50.00	No
	Design, construction and commissioning of world-scale methanol plant, located on greenfield site in industrial port of Damietta on Mediterranean coast	131.00	Yes
	<b>Total</b>	<b>351.00</b>	
Morocco	Renovation and modernisation of healthcare facilities and medical equipment	70.00	No
	Construction of wastewater collection and treatment facilities	40.00	No
	Phase II of final part of rural electrification programme in Morocco	170.00	No
	<b>Total</b>	<b>280.00</b>	
Tunisia	Upgrading and extension of wastewater collection networks and treatment plants in various cities	40.00	No
	Construction and operation of dual-fired combined-cycle power plant in Ghannouch	114.00	No
	<b>Total</b>	<b>154.00</b>	
Israel	Financing for small and medium-scale venture	75.00	Yes
	<b>Total</b>	<b>75.00</b>	
Syria	Water sanitation networks in 14 municipalities	45.00	No
	<b>Total</b>	<b>45.00</b>	
	<b>Grand total</b>	<b>905.00</b>	

2.3.8. *Loans signed in 2006 in Asia and Latin America*

Country	Description	Loan (EUR million)	Risk sharing
Sri Lanka	Financing of small and medium-scale private sector ventures in industrial, tourism and other service sectors affected by the Tsunami	70.00	No
	Financing for small and medium-scale ventures	50.00	No
	<b>Total</b>	<b>120.00</b>	
Colombia	Design and upgrading of digital mobile communications network in Colombia	100.00	Yes
	<b>Total</b>	<b>100.00</b>	
Maldives	Financing of projects in regions affected by Tsunami	50.00	No
	<b>Total</b>	<b>50.00</b>	
Brazil	Extension and upgrading of two existing plants, one producing truck and bus tyres in Campo Grande and the other steel cord for use in tyres in Itatiaia (near Resende) (State of Rio de Janeiro)	40.00	Yes
	<b>Total</b>	<b>40.00</b>	
Ecuador	Design and upgrading of digital mobile communications network in Ecuador	40.00	Yes
	<b>Total</b>	<b>40.00</b>	
Peru	Design and upgrading of digital mobile communications network in Peru	40.00	Yes
	<b>Total</b>	<b>40.00</b>	
Vietnam	Construction of five 'junior' self-service wholesale stores in Can Tho, Ho Chi Minh City, Hanoi, Haiphong and Da Nang	38.00	Yes
	<b>Total</b>	<b>38.00</b>	
Pakistan	Construction and operation of cement plant on greenfield site in Chakwal (centre)	35.00	Yes
	<b>Total</b>	<b>35.00</b>	
Honduras	Construction, extension and repair of Honduran Logistical Corridor	20.00	No
	<b>Total</b>	<b>20.00</b>	
	<b>Grand total</b>	<b>483.00</b>	



2.3.9. *Loans signed in 2006 in the Republic of South Africa*

<b>Country</b>	<b>Description</b>	<b>Loan (EUR million)</b>	<b>Risk sharing</b>
RSA	Construction of high voltage power transmission interconnection between Johannesburg and Cape Town	80.00	No
	<b>Total</b>	<b>80.00</b>	

## 2.4. Breakdown by region and sector of EIB lending in 2006 in the ACP/OCT

### 2.4.1. Breakdown by region

EUR million

	Own Resources	EDF resources	Total
<b>ACP/OCT<sup>(1)</sup></b>	<b>167</b>	<b>578</b>	<b>745</b>
<b>Africa</b>	<b>133</b>	<b>431</b>	<b>564</b>
<i>Regional</i>	<i>0</i>	<i>43</i>	<i>43</i>
<i>West</i>	<i>115</i>	<i>103</i>	<i>218</i>
<i>Southern and Indian Ocean</i>	<i>18</i>	<i>128</i>	<i>146</i>
<i>East</i>	<i>0</i>	<i>56</i>	<i>56</i>
<i>Central &amp; Equatorial</i>	<i>0</i>	<i>101</i>	<i>101</i>
<b>Caribbean</b>	<b>10</b>	<b>31</b>	<b>41</b>
<b>Pacific</b>	<b>24</b>	<b>13</b>	<b>37</b>
<b>OCT</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Regional ACP</b>	<b>0</b>	<b>104</b>	<b>104</b>

<sup>(1)</sup> Africa, Caribbean, Pacific / Overseas Countries and Territories.

## 2.4.2. Breakdown by sector

	Energy	Communi- cations	Water- management & Agriculture	Industry & Services	Global Loans	Total
<b>ACP/OCT<sup>(1)</sup></b>	<b>132</b>	<b>79</b>	<b>51</b>	<b>266</b>	<b>217</b>	<b>745</b>
<b>Africa</b>	<b>98</b>	<b>75</b>	<b>48</b>	<b>222</b>	<b>121</b>	<b>564</b>
<i>Regional</i>				<i>43</i>		<i>43</i>
<i>West</i>	<i>33</i>	<i>75</i>		<i>55</i>	<i>55</i>	<i>218</i>
<i>Southern and Indian Ocean</i>			<i>31</i>	<i>102</i>	<i>13</i>	<i>146</i>
<i>East</i>			<i>17</i>	<i>4</i>	<i>35</i>	<i>56</i>
<i>Central &amp; Equatorial</i>	<i>65</i>			<i>18</i>	<i>18</i>	<i>101</i>
<b>Caribbean</b>	<b>10</b>	<b>4</b>		<b>21</b>	<b>6</b>	<b>41</b>
<b>Pacific</b>	<b>24</b>		<b>4</b>	<b>9</b>		<b>37</b>
<b>OCT</b>						<b>0</b>
<b>Regional ACP</b>				<b>13</b>	<b>90</b>	<b>104</b>

<sup>(1)</sup> Africa, Caribbean, Pacific / Overseas Countries and Territories.

**2.5. Interest subsidies paid under the various Community mechanisms from 1995 to 2006**

**ECU/EUR million**

Financial year	EC-subsidies		EIB-subsidies			
	Natural disasters	Trans-European Networks	EDF	MEDA	BOSNIA	FYROM
1995	6.1	25.0	28.1	15.2		
1996	4.3	18.0	28.6	22.4		
1997	4.0	37.0	56.9	48.2		
1998	2.8	20.0	24.5	30.3		2.7
1999	2.2	71.0	27.1	29.2		4.0
2000	1.7	54.0	18.7	17.4		1.1
2001	1.3	15.0	14.5	26.6		2.3
2002	0.9	14.3	19.9	19.1	1.0	2.5
2003	0.6	4.0	7.75	29.65		
2004	0.3	13.26 <sup>(1)</sup>	9.0	23.98	2.76	1.31
2005	0.2		0.39	21.95	5.5	
2006	0.1		2.45	20.80	0.63	

<sup>(1)</sup> Revised figure.