



# EIB INFORMATION

February 1995 • N° 83  
ISSN 0250-3891

BANQUE EUROPEENNE D'INVESTISSEMENT  
BANCA EUROPEA PER GLI INVESTIMENTI  
EUROPESE INVESTERINGSBANK  
BANCO EUROPEU DE INVESTIMENTO  
EUROOPAN INVESTOINTIPANKKI  
EUROPEISKA INVESTERINGSBANKEN

## Close on ECU 20 billion lent in 1994

The EIB expands support for the Europeans Union's growth initiative

Consolidating its 1993 achievements, the European Investment Bank lent nearly ECU 20 billion in 1994 for capital investment furthering the European Union's policies, particularly those promoting the European growth initiative.

- To finance its lending, the EIB borrowed over ECU 14 billion in 17 currencies on capital markets, confirming its position as the world's largest international borrower.

- In the Member States, the EIB's lending came to ECU 17.7 billion, despite the difficult economic climate and overall decline in levels of new investment. This helped to finance capital in-

vestment amounting to ECU 45 billion, accounting in all for 4.2% of gross fixed capital formation in the Union.

- Outside the European Union, as part of its co-operation with non-member countries, EIB financing totalled ECU 2.2 billion, some 11% of total lending.

- A major part of the EIB's 1994 activities was focused on enhancing the European Union's initiative to bolster economic growth, competitiveness and employment by:

- completing approvals of the ECU 7 billion of the Edinburgh lending facility for accelerating the financing of trans-European networks (TENs) in transport, telecommunications and energy;

- establishing a special lending «window», welcomed by the Essen European Council last December, to tailor its financing for infrastructure of European interest, in particular the priority TENs;

- launching the ECU 1 billion subsidised loan facility for job-creating investment by small and medium-sized enterprises (SMEs) operated >

## Contents

### EIB activity in 1994 1

Action underpinning the Community's policy objectives:

- support for the European growth initiative
- strengthening economic and social cohesion
- enlargement to include three new Member States
- sharp increase in financing in non-member countries

Borrowing to lend

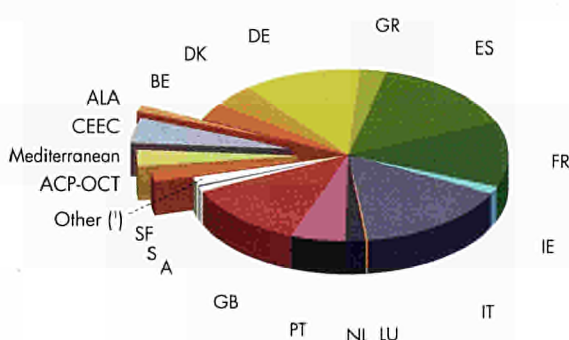
### Lending in the European Union 7

Review of financing in each of the Member States

### Operations in non-member countries 13

- ACP States: two-fold increase in financing
- the Mediterranean: emphasis on regional cooperation
- Central and Eastern Europe: paving the way for integration into the European Union
- Asia and Latin America: strong growth

Geographical breakdown of financing provided in 1994



(1) Financing provided for projects of benefit to the Community located outside the European Union.



in co-operation with banks and financial institutions in the Member States;

- setting up, as a joint shareholder with the European Commission and some 60 European Union banks, the new European Investment Fund (EIF) for provision of guarantees for the financing of European infrastructure and investment by small and medium-sized enterprises.

- The EIB increased lending in Central and Eastern Europe - some ECU 960 million - and more than doubled its financing in the African, Caribbean and Pacific (ACP) states and the Overseas Countries and Territories (to ECU 460 million) and in the EFTA states (to ECU 265 million), in particular in Austria, Finland and Sweden, now Members of the Union and the EIB, and Norway.

- The Bank took up new responsibilities inside and outside the European Union, with commitments to the recovery programme for Northern Ireland, development of the Palestinian Territories of Gaza/ West Bank and possible activity in South Africa.

Commenting on the 1994 activities, EIB President and Chairman of the Board, Sir Brian Unwin said:

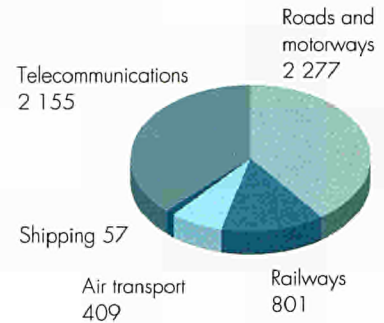
*«I am pleased that, in a difficult economic climate, we have been able in 1994 to maintain the overall level and quality of our financing and so continue to make a major contribution to European integration and the Union's recovery programme. The Bank has fulfilled the mandates from the 1992 and 1993 Edinburgh and Copenhagen European Councils; and in the coming year, with the support*

*of the December 1994 Essen Council, we shall give particular emphasis to helping to finance priority trans-European transportation, energy and telecommunications networks. We have also continued to give substantial support to the Union's external co-operation policies, not least in Central and Eastern Europe and in the Mediterranean».*

### THE EIB AND THE EUROPEAN GROWTH INITIATIVE

Within the framework of the lending facility, set up after the Edinburgh European Council, in December 1992, to accelerate the financing of trans-European networks in transport, telecommunications and energy (not confined to the EU's priority schemes) as well as for environmental protection, the EIB has approved the total amount of ECU 7 billion within two years and has so far signed loan contracts amounting to nearly ECU

**Communications infrastructure (1)  
ECU 5 698 million**



5 billion (ECU 2.5 billion in 1994) for nearly 140 projects or groups of projects.

### The EIB and financing for priority TENs

In 1994, the EIB advanced ECU 7.2 billion for financing investment in transport and energy TENs and committed itself to make further substantial resources available for the TENs projects on the priority list approved by the EU's Heads of State and Government at the European Council in Essen. During the year, the EIB actively participated in the Working Party of Representatives of the Heads of State and Government under the chairmanship of European Commission Vice-President Henning Christophersen, that identified priority



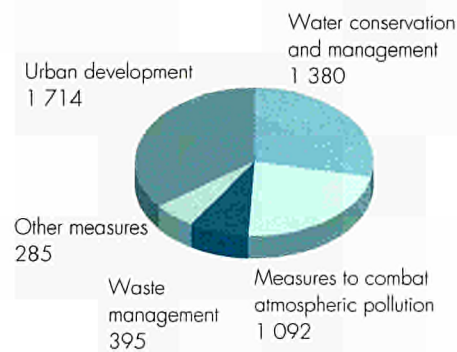
that identified priority



transport and energy TENs projects and their financing needs.

The Bank has already appraised the majority of the 14 priority transport TENs and approved lending of some ECU 4 billion for nine schemes, or elements in them, including the Verona-Innsbruck section of the High-Speed Rail Link from Verona to Berlin,

**Environment and quality of life (1)**  
**ECU 4 866 million**



the French and Belgian sections of the High-Speed Train (TGV) link between Paris-London-Brussels-Amsterdam-Cologne, the Cork-Dublin-Belfast-Larne-Stranraer rail link, the Milan/Malpensa Airport as well as sections of motorways in Spain, Greece, Portugal and Finland. Out of the ten priority energy projects, the EIB has already lent over ECU 1.6 billion for four: the Maghreb-Europe gasline (via the Strait of Gibraltar) and natural gas distribution networks in Spain, Greece and Portugal.

**EIB special TENs lending window**

The Essen Summit endorsed the EIB's initiative to establish a special lending window (see box) to maintain the momentum of its financing for major European infrastructure projects. The win-

dow facility covers investments within the European Union as well as in neighbouring countries in Scandinavia, Central and Eastern Europe and the Mediterranean region.

Under the special window, the EIB will tailor terms and conditions to suit the particular needs of economically viable projects of European interest in transport, telecommunications and energy, especially the large-scale priority TENs. The EIB will in particular consider: deferred interest payment during construction, extended grace periods of repayment of principal, ex-

structures, and is also extending its lending criteria to include transport, telecommunications and energy projects easing access to TENs, irrespective of location in the European Union. Lastly, the Bank expects to devote up to a third of its activity on an annual basis to financing infrastructure projects of Union interest.

**European Investment Fund**

The EIB played a decisive part in establishing and launching the ►

**EIF**

The EIF is a new financial institution set up as part of the economic growth initiative adopted by the European Union's Heads of State and Government at the Edinburgh Summit in December 1992. It was formally established in June 1994 with an initial authorised capital of ECU 2 billion. Of this ECU 1.7 billion has been subscribed: ECU 800 million by the EIB, ECU 600 million by the European Commission, and ECU 300 million by some 60 public and private sector banks in EU Member Countries. The balance of ECU 300 million is available to further banking institutions, particularly in the new EU Member States. The Fund is concentrating on providing financial guarantees to banks to support medium to long-term investment in TENs and SMEs. Initially it is able to guarantee financing of over ECU 5 billion, and in the longer term up to ECU 16 billion. After its first two years, it may start to provide equity finance.



*In 1994, the EIB is making available ECU 1 billion in loans attracting interest subsidies for SMEs creating employment.*

tended maturities, refinancing and advance funding facilities. The EIB is ready to become involved in projects at the earliest stages to assist in setting up the most suitable financing

(1) The charts on pages 2 to 5 illustrate EIB financing in support of Community objectives. As some operations meet more than one objective, the totals for these headings cannot be meaningfully added together.

European Investment Fund (EIF) in June 1994 (see box). The EIF provides long-term guarantees to lenders and investors in TENs as well as to SMEs. It has already approved guarantee operations for loans of over ECU 700 million, supporting the financing of eight major infrastructure schemes, including two priority TENs, Malpensa Airport and the natural gas transmission grid in Portugal. Four operations went to help the financing of SMEs.

### Enhancing lending facilities for SMEs

As part of the Edinburgh economic recovery programme, the EIB launched

in mid-1994 a subsidised loan facility for SMEs creating new jobs. Under

#### Industrial objectives (1) ECU 1 791 million



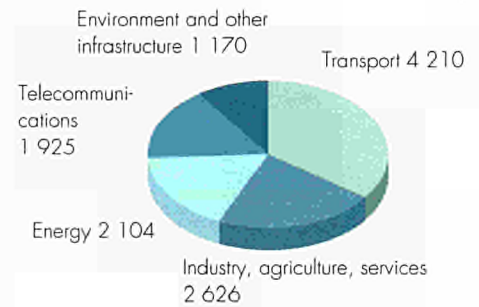
the scheme, ECU 1 billion of EIB loans for job-creating SME investments can benefit from a 2% interest subsidy over five years, drawn from the Community's budget. The facility

is made available through the EIB's global loans operated in co-operation with banks and financial institutions in the Member States.

### UNDERPINNING REGIONAL DEVELOPMENT

In 1994, the EIB continued to attach priority to financing regional develop-

#### Regional development (1) ECU 12 035 million



### Geographical breakdown of lending

	1994			1993		
	ecu million	%	%	ecu million	%	%
<b>Within the European Union</b>	<b>17 682</b>	<b>100</b>		<b>17 724</b>	<b>100</b>	
Belgium	615	3	89	372	2	90.8
Denmark	850	5		876	5	
Germany	2 408	14		2 097	12	
Greece	535	3		511	3	
Spain	3 011	17		4 005	23	
France	2 477	14		2 206	12	
Ireland	291	2		388	2	
Italy	3 100	18		3 362	19	
Luxembourg	5	-		-	-	
Netherlands	399	2		380	2	
Portugal	1 110	6		1 489	8	
United Kingdom	2 455	14		1 929	11	
Austria (1)	90	0.5		72	0.4	
Finland (1)	60	0.3		-	-	
Sweden (1)	15	0.1	-	-		
Other (2)	261	2	39	0.2		
<b>Outside the European Union</b>	<b>2 246</b>	<b>100</b>		<b>1 887</b>	<b>100</b>	
ACP States/OCT	462	20	11	226	12	9.2
of which "risk capital"	239			78		
Mediterranean Countries	607	27		681	36	
of which "risk capital"	28			2		
Central and Eastern Europe	957	43		882	47	
Asia/Latin America	220	10	99	5.2		
<b>GRAND TOTAL</b>	<b>19 928</b>		<b>100</b>	<b>19 611</b>		<b>100</b>

ment within the European Union, providing over ECU 12 billion in support of regions lagging behind in development or facing either industrial decline or rural conversion problems. Some 90% of this financing was located in regions qualifying for support under the European Union's Structural Funds: 48% in areas facing structural development problems (Objective 1) and 40% in regions confronted with industrial decline or redevelopment (Objective 2) and in rural areas in the process of conversion (Objective 5b). In the four Member States with the lowest per capita income and eligible for Cohesion Fund grants, EIB loans contributed to 15% of new capital investment in Portugal, 18% in Greece, 7% in Spain, and 9% in Ireland. The Bank closely co-operates with the European Commission to dovetail its lending activity with the grant aid

(1) New European Union and EIB Member State as from 1 January 1995.

(2) Projects located outside the Member States but, because of their benefit to the European Union, treated as equivalent to investment within the Union.

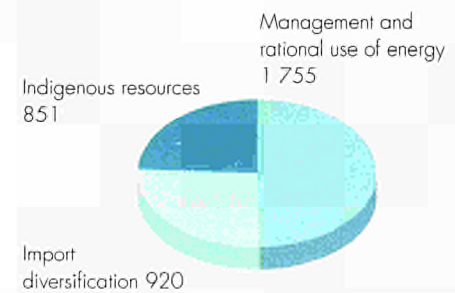


channelled through the Structural Funds and in the implementation of the Cohesion Fund.

The EIB's commitment to regional development is also underlined by its support for the modernization process in Eastern Germany where the Bank stepped up lending to ECU 1 515 million, representing 66% of total EIB funding in Germany. Projects financed by the EIB contribute to 4% of overall capital investment in the new Länder.

The Bank will take part in the EU's recovery programme for Northern Ireland and the border counties in the Republic of Ireland, in support of urban and rural regeneration, employment, cross-border development, social inclusion and investment promotion. The Bank plans to step up its financing operations in the region, with a GBP 300 million target over the next five years. EIB lending, which is supplementary to the sup-

**Energy objectives (1)**  
**ECU 3 526 million**



port measures announced by the Essen European Council (allocating GBP 230 million of grant aid), will focus on major economic infrastructure projects and on encouraging investment by SMEs.

(1) The charts on pages 2 to 5 illustrate EIB financing in support of Community objectives. As some operations meet more than one objective, the totals for these headings cannot be meaningfully added together.

**THE EIB'S  
NEW MEMBER STATES**

Austria, Finland and Sweden, at the same time as joining the European Union, have become members of the EIB. The new members have subscribed to the EIB's capital bringing it from ECU 57.6 billion to ECU 62 billion, thus raising the ceiling on EIB loans (250% of the subscribed capital) from ECU 144 billion to ECU 155 billion. They each have a representative on the EIB's Board of Governors. Following nomination by each of the new Member States, the Board of Governors has appointed three Directors, as well as one Alternate nominated by common accord.



The three new Directors are Messrs Thomas WIESER (Director, Ministry of Finance, Vienna), Veikko KANTOLA (Cabinet Counsellor, Ministry of Finance, Helsinki) and Leif PAGROTSKY (Under-Secretary of State, Ministry of Finance, Stockholm). Mr Herbert LUST (Director, Ministry of Finance, Vienna) has been appointed Alternate Director.

The Board of Governors has also decided to enlarge the Bank's Management Committee by one Vice-President post.

**THE EFTA COUNTRIES**

In April 1994 the EIB was authorised by its Board of Governors to extend lending activity in the EFTA Member States. As part of the European Union-EFTA Joint Growth Initiative, the first

objective was to support TENs. EIB financing in EFTA increased to ECU 265 million, including major schemes such as the improvement of the telecommunications network in Austria, the Baltic electricity cable link between Sweden and Germany and the E18 motorway in the south of Finland. Three loans concerned Norway: the Skagerrak power cable linking the Norwegian and Danish electricity grids, the electricity transmission network between Northern and Southern Norway and a hydro-electric investment project in the north of the country.

**STRONG GROWTH IN  
FINANCING OUTSIDE THE  
EUROPEAN UNION**

Financing outside the European Union, as part of the EU's co-operation policy with non-member states, totalled over ECU 2.2 billion. Main highlights were the doubling of lending in the ACP states and the Overseas Countries and Territories (OCT), rising from ECU 226 million (1993) to over 460 million on the eve of a new mandate under the Lomé Convention (mid-1995), and the upturn of operations in Central and Eastern Europe (ECU 960 million). After having provided ECU 1.7 billion for investment in Central and Eastern European states between 1990 and 1993, the EIB has approval to lend up to another ECU 3 billion for the years 1994-1996. The Bank's financing supports investment to further the development of market economies in these countries, most of which are in a pre-accession stage for European Union membership, and to link their economies more closely to the Union. A con- ➤



siderable part of lending (nearly ECU 400 million) was focused on transport infrastructure, in particular extending TENs such as the Berlin-Warsaw and the Berlin-Prague-Vienna railway lines and a number of motorways in Slovakia, Romania, Bulgaria and Poland.

In the non-member Mediterranean countries EIB funding totalled ECU 607 million, with a special focus on enhancing regional co-operation projects, environment-related investment as well as joint ventures with European Union firms.

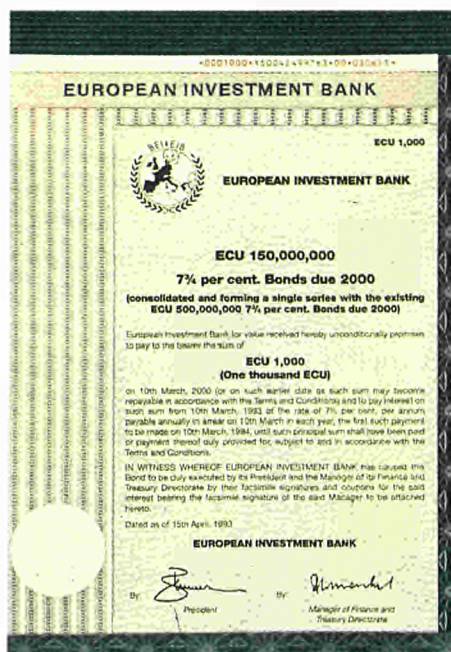
### New responsibilities

The EIB's most significant new commitment is to support development in the Palestinian Territories of Gaza/West Bank. EIB operations, for which ECU 250 million is earmarked in the years up to 1998, will take place within the framework of the horizontal financial co-operation facility of the European Union's Redirected Mediterranean Policy. The Bank may also become active in South Africa following the Co-operation Agreement between the European Union and the Republic of South Africa in October 1994.

### BORROWINGS

On capital markets, the EIB borrowed over ECU 14.1 billion (after swaps) in 17 currencies to support its lending activities<sup>(1)</sup>. As last year,

(1) The EIB raises its resources on capital markets worldwide. Since its bond issues consistently enjoy the best (AAA) credit rating, the Bank is in a position to mobilise a significant volume of funds on the finest terms. Operating on a non-profit basis, it passes on the benefits to project promoters.



four fifths of funds were denominated in European Union currencies. To tailor resources to lending operations, the EIB raised ECU 10.6 billion at fixed rate and increased its floating-rate funds to 3.5 billion. 90% of the funds were raised in public bond issues.

As the European Union's financing institution, the EIB promotes the development and integration of the capital markets in the Union's Member States by influencing capital flows as a whole contributing to the creation of a more integrated European financial area. This was particularly highlighted in 1994 by the opening up of the Greek drachma market for foreign issuers through the launching of the Bank's first Greek drachma («Marathon») bond issue in February. With the first drachma-denominated bond by a non-resident issuer, the EIB helped the internationalisation of the domestic Greek capital market and its integration into the European financial markets. Since 1985 the Bank has been a pioneer on non-resident markets for successively the

Danish Kroner, the Irish Pound, Peseta and Escudo.

### Outstanding lending

The balance sheet total at 31.12.94 was ECU 102.8 billion. Total outstanding commitments, including undisbursed loans, at the end of the year amounted to ECU 106.5 billion. As of 1 January 1995, outstanding commitments were equivalent to 172% of subscribed capital. Since the maximum level of outstandings laid down in the Bank's Statute is 250% of subscribed capital (155 billion), there is substantial headroom for future activity. ■

#### Breakdown of currencies borrowed, in ECU million (after swaps)

	1994	%	1993	%
1. ITL	2 560	18.1	2 039	14.3
2. DEM	2 051	14.5	1 948	13.7
3. USD	1 659	11.7	1 502	10.6
4. GBP	1 518	10.7	2 639	18.6
5. FRF	1 153	8.1	1 811	12.7
6. ESP	948	6.7	1 241	8.7
7. CHF	856	6.0	453	3.2
8. BEF	752	5.3		
9. NLG	661	4.7	227	1.6
10. PTE	584	4.1	243	1.7
11. JPY	580	4.1	657	4.6
12. ECU	300	2.1	960	6.8
13. LUF	201	1.4	100	0.7
14. IEP	177	1.2	125	0.9
15. ATS	59	0.4		
16. DKK	53	0.4		
17. GRD	36	0.3		
CAD			278	2.0
<b>Total</b>	<b>14 148</b>	<b>100</b>	<b>14 224</b>	<b>100</b>



# Financing within the European Union

The sectoral distribution of lending within the European Union was: transport ECU 5.3 billion (30%); telecommunications 2.2bn (12%); environmental protection, urban renewal and other infrastructure 1.3bn (7%); energy 3.3bn (19%); industry and services, including small and medium-sized enterprises 1.8bn (10%). Lending through global loans amounted to 4 billion (22%).

## BELGIUM

ECU 615.3 million  
(BEF 24 343 million) (1)

Loans for environmental protection (ECU 170 million) accounted for over one fourth of EIB lending, supporting extension of sewage treatment installations in Flanders and the industrial waste treatment system in the area of the port of Antwerp.

For energy, loans totalling ECU 142 million were provided for construction of gas-fired combined heat and power plants near Brussels and Liège.

A sum of ECU 51 million contributed to construction of a new motor vehicle paint shop in Ghent and a further 25 million funded construction of a new container terminal in the port of Antwerp.

Over one third of lending (ECU 228 million) was advanced in the form of global loans to finance small and medium-scale ventures. Allocations

totalling ECU 116 million were made from ongoing global loans for 176 ventures promoted by SMEs, of which one third in assisted areas.

## DENMARK

ECU 849.7 million  
(DKK 6 408 million)

Over 85% of lending (ECU 724 million) centred on transport infrastructure, in particular the development of trans-European networks. The EIB continued to finance the construction of a fixed road and rail



link across the Great Belt, advancing some ECU 343 million for the 7 km eastern section between Sjælland and the isle of Sprogø. ECU 150 million helped finance sections of the Århus-Ålborg and Vejle-Horsens motorway (Northern Jutland) and the Ringsted-Skovse section of the motorway linking Copenhagen to the Great Belt. A further 182 million was committed for electrification of the Danish state railways main lines and purchase of new rolling stock. ECU 50 million contributed to extension and modernisation of the telephone network in Sjælland and Bornholm.

Loans for energy projects included ECU 37 million for extension and

modernisation of natural gas distribution facilities in Jutland and 5.5 million for a high-voltage cable for electricity exchanges between Denmark and Norway across the Skagerrak.

A loan of over ECU 9 million supported the wastewater treatment system serving Grindsted and the surrounding area.

ECU 73.5 million were advanced in the form of global loans to finance small and medium-scale ventures. Allocations totalling ECU 43 million were made from ongoing global loans for 286 ventures promoted by SMEs.

## GERMANY

ECU 2 407.9 million  
(DEM 4 636.7 million)

About two thirds were provided for capital projects in Eastern Germany, a large proportion in the industrial sector (about 40% of the total amount of ECU 1 515 million).

Transport projects accounted for ECU 826 million, including 52 ▶

(1) The rates for converting ECUs into national currencies are those obtaining at contract signature dates.



million for a new terminal building at Frankfurt Airport and another 52 million for construction of the new Munich international airport. ECU 67 million were advanced for an inner-city road tunnel in Düsseldorf and a sum of 135 million went towards construction of a warehousing, logistics and distribution centre in Leipzig. In the telecommunications sector 521 million were committed for improvement of the telecommunications network in eastern Germany.

A total of ECU 266 million was devoted to energy and refinery projects, including 207 million for modernisation of inter-regional natural gas transmission and distribution systems throughout eastern Germany and regional grids, particularly in Berlin, reunifying two gas systems, and Saxony. A sum of 25 million was provided for the laying of a high-voltage power cable between



Germany and Sweden linking the electricity grids of the two countries. Modernisation of a refinery in Gelsenkirchen to produce light petroleum products attracted 24 million and construction of a combined cycle power plant in Leuna (Saxony-Anhalt) received 20 million.

Individual loans for industrial projects ran to ECU 307 million, covering construction of two plants producing newsprint from de-inked recycled paper in Saxony and Brandenburg, a production unit at a motor vehicle engine plant in Dillingen (Saar), construction of warehouses for a mail-order company in Haldensleben (Saxony-Anhalt), a board packaging factory in Wittenberg (Saxony-Anhalt) as well as a motor vehicle tyre shop in Breuberg (Bavaria).

In all, ECU 183 million was provided for environmental investment schemes, in particular construction and renovation of sewerage and wastewater collection and treatment systems in eastern Germany: in Wittenberg, the Bitterfeld and Bernburg areas (Saxony-Anhalt), Rudolfstadt and Saalfeld (Thuringia) as well as for purification facilities at a water treatment plant in Hebringhausen, near Wuppertal. The EIB also funded construction of a wastewater unit in a papermill in Stockstadt (Bavaria), a refuse dumping site for Bielefeld and Herford (North-Rhine Westphalia) and a toxic waste incineration facility north of Munich.

In all, ECU 800 million were advanced in the form of global loans to finance small and medium-scale ventures. Allocations totalling ECU 353 million were made from ongoing global loans for 372 ventures, of which 140 in Eastern Germany. ECU 341 million went to 169 smaller public infrastructural schemes, 45 of these in the new Länder.

## GREECE

ECU 534.7 million  
(GRD 154.5 billion)

Transport and telecommunications projects attracted ECU 463.5 mil-



lion, accounting for over 85% of total lending. The Bank advanced 105 million to improve the Athens-Corinth motorway and another 37.5 million for works on the Athens-Katerini motorway. ECU 54 million helped modernise the main railway line between Athens and Idomeni on the northern border. Extension and modernisation of the telecommunications network attracted 165 million, development of mobile telephone networks 72 million. Another 30 million in the form of a global loan will help finance small infrastructure projects.

In the energy sector, financing ran to ECU 40 million, including 10.5 million for construction of a small hydroelectric power plant on the Arakthos river, 20 million for conversion of a gas-fired power plant near Athens to produce heat and electricity and a global loan for financing several small-scale projects in the power sector.

ECU 14 million was lent to improve local and regional wastewater col-



lection and treatment systems in Heraklion (Crete), Larissa (Thessaly), Corfu and Khios as well as the drinking water system in Heraklion.

ECU 17 million was advanced in the form of global loans to finance small and medium-scale ventures in the industrial, tourism and service sectors as well as environmental-protection and energy-saving schemes. Allocations totalling ECU 17 million were made from ongoing global loans for 18 ventures promoted by SMEs and ECU 10 million for small-scale projects in the electricity sector. More than 3 000 very little public infrastructural schemes were financed.

#### SPAIN

ECU 3 011.5 million  
(ESP 477 077.8 million)

About 60% of total financing went to investment in transport projects (ECU 1 659 million). Loans helping to finance road and motorway schemes ran to 875 million, including works improving national road systems throughout the country (473 million) as well as projects upgrading regional and provincial roads and motorways in Cataluña, Andalucía, Guipuzcoa, Vizcaya and the Balearic Islands. Finance advanced for railway links and metro lines totalled ECU 804 million, a large proportion devoted to modernisation of the railway and metro infrastructures of Madrid, Barcelona, Valencia and Bilbao. The EIB also financed extension of the port of Valencia and modernisation and extension of the port of Barcelona.

Loans for energy and refinery projects amounted to ECU 500 million. Most lending (ECU 340 million) was devoted to extension and modernisation of electricity transmission and supply networks in numerous parts of the country, for instance in Madrid, Galicia, Castilla y León, Castilla la Mancha, the Basque Country, Valencia and Murcia and another 159 million funded construction of hydro-desulphurisation installations in oil refineries in Puertollano and La Coruña.

In the environmental field, some ECU 273 million contributed towards a number of drinking water supply and wastewater treatment projects in the Canary Islands, Cataluña, Extremadura as well as in the district of Valencia, and towards rural infrastructures and afforestation in Galicia.

ECU 220 million helped equipping a new production line at a car engine plant near Valencia for the production of a new model of small,



fuel-efficient and environment-friendly engine.

ECU 5.5 million supported purchase and operation of two telecommunications and television satellites.

A total of ECU 354 million was advanced in the form of global loans to finance small and medium-scale ventures. Allocations totalling ECU 92 million were made from ongoing global loans for 329 ventures promoted by 388 SMEs and for four smaller public infrastructural schemes.

#### FRANCE

ECU 2 477.4 million  
(FRF 16 291.9 million)

Transport projects attracted ECU 1 012 million, mostly for two



trans-European railway infrastructure schemes, the Channel Tunnel (137 million) and the "TGV-Nord" high-speed rail link between Paris, Lille, the Channel Tunnel and the Belgian border (286 million). ECU 322.5 million went towards motorway works, part of trans-European links: dualling the Chamoise Tunnel and the Nantua and Neyrolles viaducts on the A40, the L'Isle-Adam-Amiens section of the A16, construction of a connection between Dijon and Bourg-en-Bresse on the A39, the Nantes-Montaigu (A83) and Le Havre-Yvetot (A29) sections and construction of a new motorway link between Lyon and Turin (A43). As part of its action to enhance the ➤



urban environment the EIB funded 156 million for the A14 (La Défense-Nanterre) motorway as well as the urban road system of Lyon. In the field of air transport, the EIB provided 106.5 million for partial replacement of a fleet of aircraft and associated ground facilities and for construction of a new runway at the St-Denis-Gillot airport on La Réunion Island.

Individual loans for industrial investment projects came to ECU 416 million, including works to improve the quality of production and its environmental impact in six chemical factories (114 million), construction of new effluent treatment facilities in a plant producing dyes at Calais (37 million), construction of a new motor vehicle paint shop at Poissy, west of Paris (91 million), development and production in the Nord region of a new V-6 engine for the car industry (76 million) and industrial modernisation and restructuring schemes in steel mills in Meurthe-et-Moselle (50 million). Other funding (47 million) was provided for construction of an ice-cream factory near Arras and for development and production of the propulsion unit for the Ariane 5 satellite rocket.

A total of ECU 1 049 million was advanced in the form of global loans to finance small and medium-scale ventures promoted both by public authorities (570 million) and SMEs (479.5 million). Allocations totalling ECU 354 million were made from ongoing global loans for 3 942 ventures in industry and services promoted essentially by SMEs, and ECU 416 million for 564 smaller public infrastructural

schemes in the transport and water sectors.

#### IRELAND

ECU 291.1 million  
(IEP 232.1 million)

Transport projects accounted for ECU 180 million of overall lending. A variety of improvement schemes in the national primary and secondary road networks were supported throughout the country. Funds were also allocated for improvement of the Dublin Western Ring Road including construction of the Northern Cross Section, modernisation of Irish Rail's rolling stock and the Dun Laoghaire Ferry Terminal. The Bank also funded modernisation and extension of technical education institutions and colleges and, through an ECU 31.5 million loan, modernisation and extension of the telecommunications network.

In the environmental field, water supply projects and sewage treatment works were funded (ECU 32 million).

In the energy sector, ECU 62 million helped to improve the electricity transmission and supply network.

In the industrial and tourism sectors, ECU 101 million were advanced in the form of global loans to finance

small and medium-scale ventures. Allocations totalling ECU 47 million were made from ongoing global loans for 247 ventures.

#### ITALY

ECU 3 099.5 million  
(ITL 5 908.135 billion)

ECU 975 million supported industrial investment of which 137 million in the form of individual loans covering



among other things the extension and modernisation of a factory producing domestic electrical appliances as well as water heaters, of a cement-works, two papermills, four

breweries and a meat and tuna canning factory. Funding for small and medium-scale ventures in industry, in the form of global loans, undertaken mostly by SMEs, totalled ECU 838 million.

A large proportion of EIB lending centred on energy projects (ECU 940 million). The EIB continued to finance the laying of a second gas pipeline between Algeria, Tunisia and Italy (259 million). ECU 213 million supported development of offshore and onshore gas and oil fields and another 186 million extension of natural gas transmission and distribution facilities in many parts of the country, including the provinces of Naples and Caserta and major cities like Bologna and Milan. Loans totalling 150 million went to con-

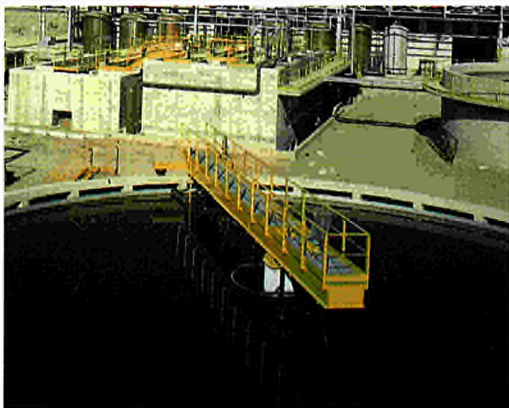


struction schemes of multi-fuel and combined cycle power plants in Brindisi (Puglia), Castelmassa (Veneto), Spinetta Marengo, Biella and Settimo Torinese, near Turin (Piemonte). Another 132 million helped the modernisation of two refineries in Lombardy and Taranto (Puglia).

Loans for environmental projects came to ECU 426 million, including several schemes to improve drinking water supplies and extend wastewater collection and treatment networks as well as solid waste storage, incineration, recycling and composting facilities. Finance was also provided for reafforestation and projects to prevent soil erosion and flooding. The EIB advanced 312 million for the construction of facilities to reduce noxious emissions from four thermal power plants in Piacenza, in Savona, near Rome and near Venice.

ECU 628 million went towards improvement of telecommunications networks, including the modernisation and extension of ground stations for satellite communications.

In the transport sector, the Bank provided ECU 104 million for upgrading Malpensa Airport in Milan, one of the European priority TENs, and another 27 million helped the automation of the toll system on parts of the motorway network and urban infrastructure works.



Investment by SMEs was supported with a total of ECU 663 million made available from ongoing global loans.

### LUXEMBOURG

In Luxembourg, the EIB advanced its first global loan of ECU 5 million (LUF 200 million) to promote investment by SMEs in the craft and industrial sectors and associated services.

### THE NETHERLANDS

ECU 399.5 million (NLG 862 million)

A large proportion of lending was made available for projects improving the environment (ECU 232 million). A sum of 138.5 million was provided for construction of a municipal waste incineration plant producing energy in Alkmaar, 52 million served to finance several water treatment projects by the city of Amsterdam and a further 46.5 million contributed to extension of a municipal waste incineration plant near Nijmegen.

In the energy sector, ECU 51 million went towards the integrated coal gasification combined cycle power plant in Buggenum, Limburg.

ECU 116 million were advanced in the form of global loans to finance small and medium-scale ventures. Allocations totalling ECU 47 million

were made from ongoing global loans for 16 ventures promoted by SMEs and over 2 million for an environmental scheme.

### PORTUGAL

ECU 1 109.7 million (PTE 218 080 million)

Nearly two thirds of total finance went towards transport projects



(ECU 695 million), in particular to road and motorway schemes. Major loans were provided for construction works on the national A4, A6 and A8 motorways (135 million) as well as for other reconstruction works on the road network (86 million) and the first section of the inner ring road west of Lisbon (87 million). In the field of urban transport, extension and upgrading of the Lisbon metro received 317 million. On Madeira the EIB supported a range of infrastructure works (71 million).

In the energy sector, loans supported power transmission and distribution (ECU 172 million) and the natural gas supply and distribution network in the west of the country (153 million).



In the environmental field, a scheme to construct a multi-purpose water catchment and supply system in the Eastern Algarve attracted ECU 25.5 million and extension of the drinking water supply network in the central Tagus valley, 15 million.

Direct loans for industrial projects (ECU 23 million) supported construction of a production unit in a motor vehicle components plant near Setúbal and modernisation of three food and detergents factories.

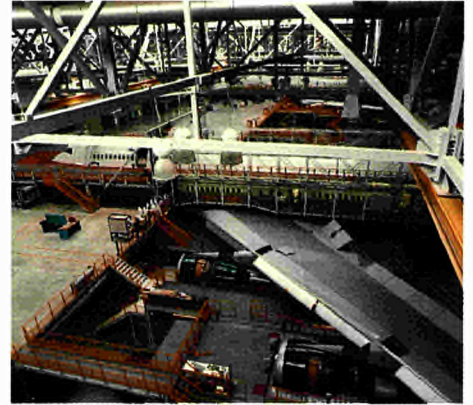
A total of ECU 25.5 million was advanced in the form of global loans to finance small and medium-scale ventures. Allocations totalling ECU 15.5 million were made from ongoing global loans for 62 ventures promoted by SMEs and over ECU 27 million for 84 smaller public infrastructural schemes.

**UNITED KINGDOM**

ECU 2 454.7 million  
(GBP 1 920 million)

A major share went to the transport sector, in particular for the Channel Tunnel (142 million) and construction of the Supertram light rail transit system in Sheffield (127 million). Road works and industrial estates in Northumberland, South Glamorgan (including the Cardiff Peripheral Distributor Road, plus an aerospace engineering training centre – also in Cardiff) and Strathclyde, accounted for 152 million. A sum of 95.5 million was provided for extension of a terminal at Heathrow Airport and another 13 million for a fixed link between the Scottish mainland and the Isle of Skye. ECU 270 million went to major road schemes in Kent, the Blackwater Valley route in Hampshire and Surrey and the Black Country route near Walsall.

Modernisation of the national and international telecommunications network claimed ECU 608 million.

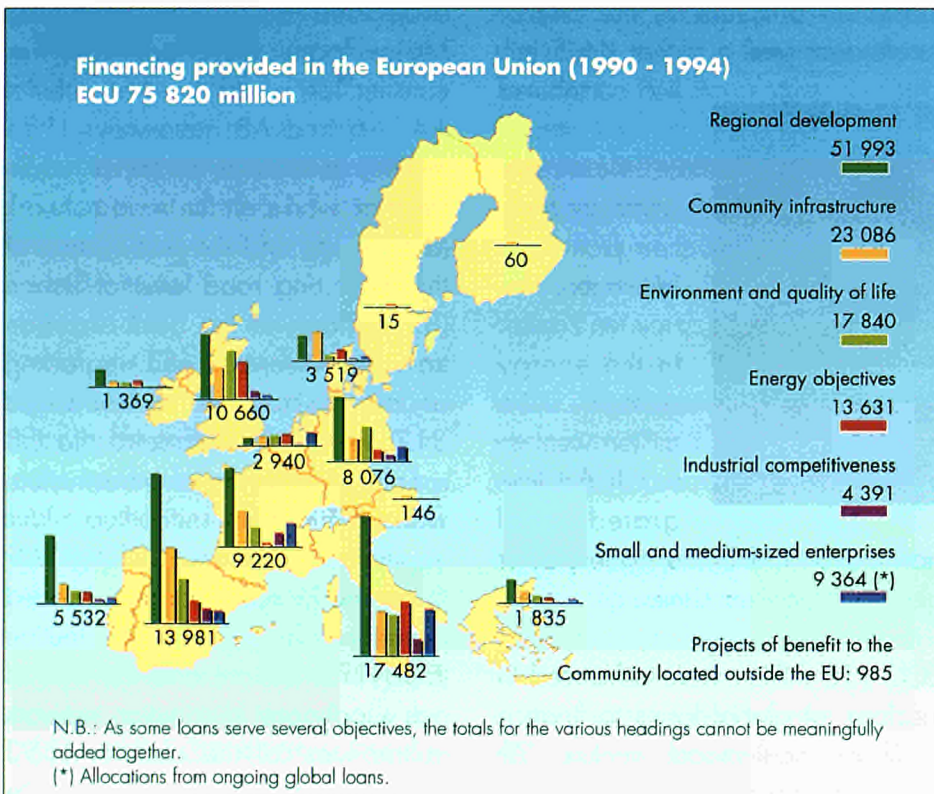


In the energy sector, ECU 351 million were provided for a complex of four offshore oil and gas fields in the Liverpool Bay area of the Irish Sea and 331 million for two new gas-fired power stations on the Isle of Grain, Kent, and at Rye House, Hertfordshire.

In the environmental field, loans totalling ECU 98 million were advanced for projects to upgrade and extend wastewater collection and treatment works in Northumbria (19 million) and Wales (60 million). ECU 19 million were granted for the construction of an oil refinery hydro-desulphurisation unit.

In industry, ECU 116 million were provided for the expansion and modernisation of a newsprint plant using recycled waste paper in Aylesford, Kent.

A total of ECU 159 million was advanced in the form of global loans to finance small and medium-scale ventures. Allocations totalling ECU 51 million were made from ongoing global loans for 142 ventures. ■





## FINANCING IN THE EFTA COUNTRIES

### AUSTRIA

ECU 74 million were advanced for improving the telecommunications network and another 15.5 million in the form of global loans for small and medium-scale ventures in the business and service sectors.

### FINLAND

Improvements to two sections of the E18 motorway in the south of the country connecting Finland to the

west with Sweden, Norway and Denmark and to the east with the St Petersburg region in Russia, were supported with ECU 60 million.

### SWEDEN

A loan of ECU 15 million was provided for the construction of a high-voltage power cable between Sweden and Germany across the Baltic linking the electricity grids of these countries.

### NORWAY

ECU 65 million supported the con-

struction of two dams to extend the capacity of the hydroelectric power station in Svartisen in the north and 30 million went for investment to increase transmission capacity from Northern to Southern Norway.

The Bank also funded a project helping to meet the European Union's energy needs through a loan of ECU 4.5 million towards construction of a high-voltage cable for electricity exchanges between Norway and Denmark across the Skagerrak.

## EIB Operations outside the European Union

■ EIB financing outside the European Union as part of the Union's development co-operation policy towards non-member States amounted to ECU 2 246 million, comprising 1 978.5 million from the EIB's own resources and 267 million from the budgetary resources of the Member States (European Development Fund) or the Union. Lending in 54 countries broke down as to ECU 462 million in the African, Caribbean and Pacific (ACP) States and Overseas Countries and Territories (OCT), 607 million in the Mediterranean Countries, 957 million in Central and Eastern Europe and 220 million in Asia and Latin America.

### ACP STATES/OCT

Of the ECU 462 million provided in the ACP States/OCT, 406 million, including 199 million from budget-

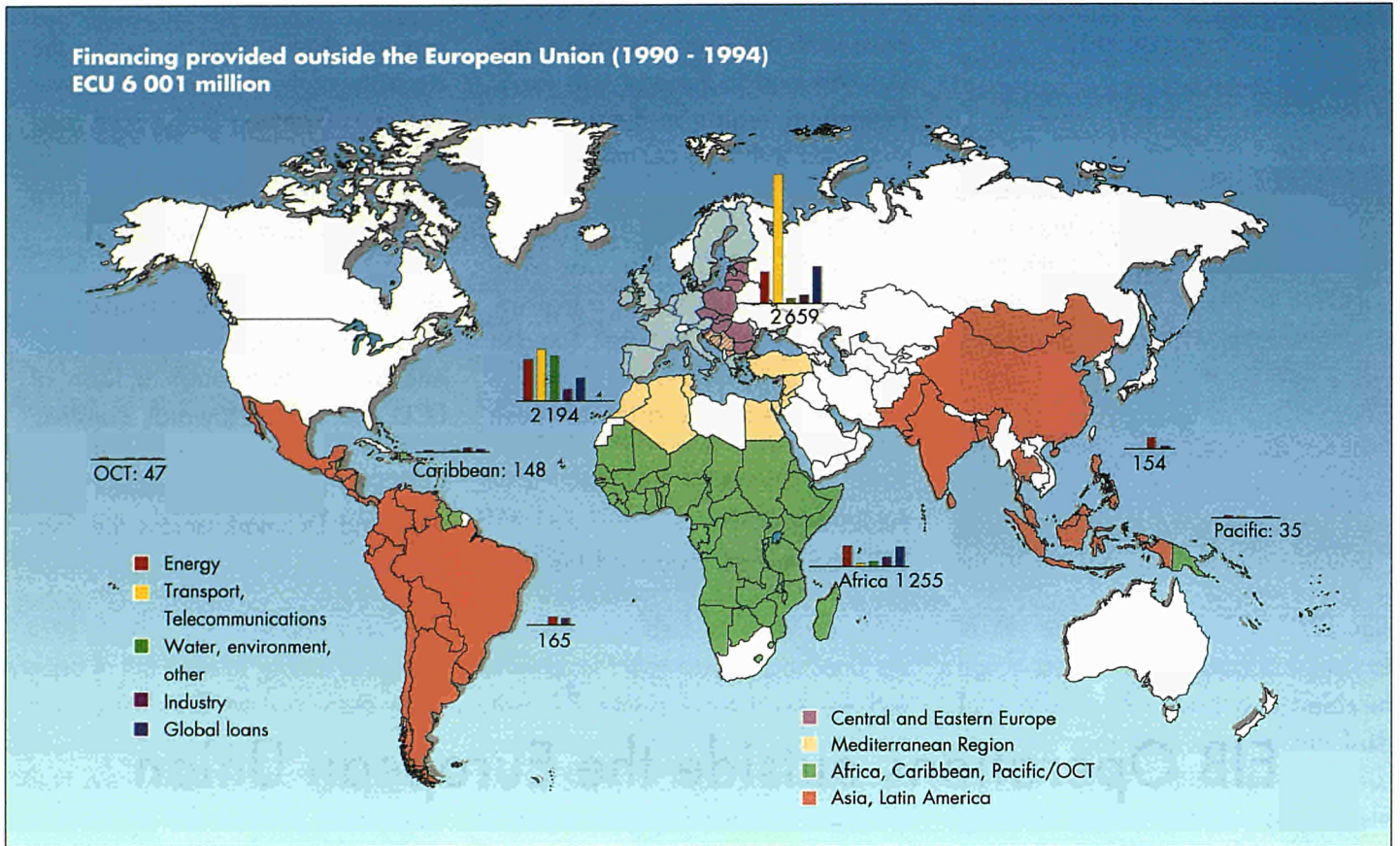
ary resources, went towards investment projects in Africa.

In **West Africa**, a total of ECU 70 million, including 33 million from budgetary resources, was allocated for the following projects: in Benin, a global loan for investment by SMEs in industry, agro-industry, fisheries and tourism; in Cape Verde, the construction of an anchovy processing and packing plant at Mindelo; in Côte d'Ivoire, the drilling of an oil-field confirmation well and a technical study for this project; in Ghana, investment in milk production; in Guinea, the privatisation and renovation of an international hotel at Conakry and agro-industrial units; in Mali, modernisation and extension of a cottonseed oil mill and refinery, development of a small-scale gold mine as well as support for SME ventures.

In **East Africa**, ECU 90 million, including 75 million from budgetary resources, was used to fund the following projects: in Djibouti, Ethiopia as well as Eritrea, upgrading of the telecommunications networks, their interconnection and linking up with the international network; in Kenya, rehabilitation of an oil pipeline from Mombasa to Nairobi as well as global loan finance for small and medium-scale ventures in a wide range of sectors; in the Seychelles, global loan finance for small-scale ventures in agro-industry, fisheries and transport; in Tanzania, construction of a hydroelectric plant on the Kihansi river.

In **Southern Africa**, ECU 173 million, including 88 million from budgetary resources, were advanced for the following purposes: in Botswana, construction of a new water pipe- ➤





line, reservoirs and pumping stations to provide water for Lobatse, modernisation of a slaughterhouse in Lobatse and a global loan for investment projects by SMEs in industry, agro-industry, transport and tourism; in Lesotho, construction of a hydroelectric plant at Muela; in Madagascar, global loans for investment by SMEs in industry, agro-industry, tourism, transport and mining; in Mauritius, development of the telecommunications network; in Mozambique, repairing and renovating a shrimp-fishing fleet as well as reconstruction of the high-voltage transmission lines linking Cahora Bassa hydroelectric plant to the South African grid; in **Namibia**, upgrading of the drinking water supply system and other basic infrastructure facilities in the Windhoek area; in Zambia, purchase of capital equipment to develop cultivation of roses in glasshouses

and rehabilitation of the Tazama crude oil pipeline; in Zimbabwe, construction of a high voltage transmission line linking Cahora Bassa hydroelectric plant in Mozambique to the Zimbabwe grid, global loan finance for SME equity participations, and a copper mine as well as a coal-bed methane feasibility study.

In the **Caribbean**, ECU 46 million, including 35 million from budgetary resources, were allocated to the following projects: in Belize, improvements to the electricity network; in the Dominican Republic, upgrading of the electricity network; in Jamaica, global loans for projects by SMEs in industry, agro-industry, tourism and mining; in Saint Lucia, projects in the industrial, agro-industrial and tourism sectors as well as feasibility studies; in Saint Vincent and the Grenadines, development

of the port of Kingstown; in Trinidad and Tobago, construction of a plant to manufacture petrol additives, a feasibility study on improvements to the drinking water supply system as well as a global loan for small and medium-scale ventures in industry, agro-industry, tourism and mining. In addition, a loan was made for the development of a new regional aircraft company.

In the **Pacific**, ECU 5.5 million, including 1.5 million from budgetary resources, were provided in the form of global loans for projects undertaken by SMEs in Papua New Guinea and in Western Samoa.

In the **OCT**, ECU 4.4 million, including 2.9 million from budgetary resources, were made available for global loans to support projects by SMEs in the British Virgin



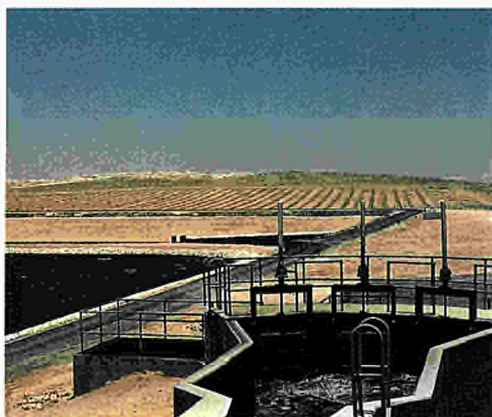
Islands and in New Caledonia as well as for a pilot wind farm in the Turks and Caicos Islands.

A total of ECU 70 million was granted in the form of global loans for small and medium-scale ventures in all ACP States and another 4 million on a regional scale in Africa.

### MEDITERRANEAN COUNTRIES

A total of ECU 607 million was made available in the Mediterranean countries, including 28 million from budgetary resources. ECU 210 million were advanced under non-protocol, "horizontal" financial arrangements for inter-regional cooperation and environmental projects.

In **Morocco**, ECU 80 million were advanced for a submarine electricity cable across the Strait of Gibraltar interconnecting the Moroccan and EU grids as well as for upgrading the power system serving the main areas of consumption in the country itself. ECU 40 million were made available for drinking water supply improvements in six coastal towns and 20 million in the form of global loan finance for the development of EU-Morocco joint industrial ventures.



In **Egypt**, ECU 55 million were provided for the extension and modernisation of the power supply grid and 40 million for increasing the production capacity of an integrated steel plant in Alexandria. ECU 30 million were

granted to develop small and medium-scale projects in industry and tourism and another 6 million to finance EU-Egypt joint ventures.

In **Lebanon**, ECU 35 million were advanced for the rebuilding and extension of the Port of Beirut and a further 80 million for reconstruction of the international airport.

In **Algeria**, ECU 80 million were devoted to building a new section of the East-West motorway, south east of Algiers.

In **Tunisia**, ECU 25 million were granted for construction of two wastewater treatment plants at Tunis and Medenine as well as for expansion of the sewerage networks in several coastal towns. ECU 23 million were provided for improvements to the urban highway network in Greater Tunis. ECU 15 million went to the development of two industrial estates near Tunis and Sfax.

In **Jordan**, ECU 25 million were granted for upgrading international telecommunications links and 12 million for improving water supply and treatment facilities in the town of Salt. A total of ECU 12 million was provided for small and medium-scale firms in the manufacturing and tourism industries.

In **Cyprus**, ECU 17 million went towards expanding and upgrading the drinking water supply systems serving

Nicosia and Larnaca and another 12 million in the form of global loan finance to small and medium-scale investments in the industrial, tourism and service sectors.

The Bank also financed a project helping to meet the European Union's energy requirements, advancing a loan of ECU 161 million for construction of the **Maghreb-Europe** gasline, bringing natural gas from Algeria to Spain, across Morocco and the Strait of Gibraltar.

### CENTRAL AND EASTERN EUROPEAN COUNTRIES

In Central and Eastern Europe loans totalling ECU 957 million were made available.

In **Poland**, ECU 150 million went towards improving the telecommunications network and 125 million towards rehabilitation and upgrading of two motorway sections that are an essential part of the trans-European A4 motorway, connecting inter alia the industrial areas of southern Poland with the European Union. Another 13 million was provided in the form of global loan finance for predominantly small and medium-scale projects in industry and tourism. ECU 45 million was lent for a new sewage treatment plant in Warsaw.

In the **Czech Republic**, modernisation of the Czech section of the Berlin-Prague-Vienna railway line attracted ECU 125 million. An ECU 100 million loan helped finance the Czech portion of a new oil pipeline between Kralupy, near Prague, and Ingolstadt (Germany), linking up the "Druzba" pipeline supplying Russian oil with the Trans-Alpine oil transportation system coming from Italy, and 30 million were advan-



ced for modernisation and expansion of the telecommunications network.



In **Hungary**, an ECU 100 million loan helped towards expanding and modernising the national telecommunications system, while 40 million in the form of global loan finance supported municipal infrastructure schemes in various sectors.

In **Romania**, ECU 50 million were advanced for modernising the national gas transmission and distribution system and another 16 million for upgrading the air traffic control system.

In **Estonia**, ECU 20 million supported improvement of the air traffic control system, 15 million went towards the construction of a new bulk terminal in the deep-sea port of Muuga, near Tallinn, and another 7 million were lent to modernise and upgrade the district heating system of Pärnu on the Baltic Sea Coast.

In **Slovenia**, ECU 28 million helped to improve the eastern Ljubljana bypass system and the Ljubljana-Celje west-east corridor. 13 million were provided for upgrading the main international rail links.

In the **Slovak Republic**, ECU 20 million were advanced for the telecommunications network and another 15

million went towards upgrading the country's air traffic control system.

In **Bulgaria**, ECU 30 million contributed to the improvement of the air traffic control system.

In **Lithuania**, ECU 10 million were provided for the modernisation and upgrading of Vilnius International Airport.

In **Latvia**, ECU 5 million were granted in the form of global loan finance for SMEs in industry, tourism and services related to industry as well as for energy-saving and environmental protection schemes.

## ASIA AND LATIN AMERICA

In Asia and Latin America lending amounted to ECU 220 million.

In **Chile**, ECU 75 million helped to modernise and expand the telecommunications network.

In **Argentina**, ECU 46 million were advanced for the modernisation and extension of the natural gas distribution network in the northern part of Buenos Aires province.

In **Thailand**, ECU 40 million were provided for construction of a new gas pipeline from the Erawan gasfield in the Gulf of Thailand to the grid of Bang Pakong, near Bangkok.

In **Pakistan**, ECU 36 million went towards extension of the power transmission system in Karachi.

In the **Philippines**, ECU 23 million were advanced for extension of a cement plant in Davao on the island of Mindanao. ■

## ECU

Below are the ECU values in national currencies, as at 31 December 1994; these rates are applied for the first quarter of 1995 in preparing financial statements and operational statistics of the EIB:

DEM	1.90533	BEF	39.1614
FRF	6.57579	LUF	39.1614
GBP	0.787074	ITL	1997.45
NLG	2.13424	ESP	162.070
DKK	7.48233	PTE	195.884
IEP	0.795061	GRD	295.480
SEK	9.17793	ATS	13.4074
FIM	5.82915	USD	1.23004

**EIB-Information** is published periodically by the European Investment Bank in eleven languages (Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish and Swedish).

Material which appears in EIB-Information may be freely reproduced; an acknowledgement and a clipping of any article published would be appreciated.

100, bd Konrad Adenauer  
L-2950 Luxembourg  
tel. 4379-1 - telex 3530 bnkeu lu  
fax 437704

Department for Italy:  
Via Sardegna, 38 - I-00187 Rome:  
tel. 4719-1 - telex 611130 bankeu i  
fax 4873438

Athens Office:  
Amalias, 12 - GR-10557 Athens  
tel. 3220773/774/775  
telex 222126 bkeu gr  
fax 3220776

Lisbon Office:  
Avenida da Liberdade, 144-156, 8º  
P-1250 Lisbon  
tel. 3428989 or 3428848  
fax 3470487

London Office:  
68, Pall Mall - London SW1Y 5ES  
tel. 071-8393351  
fax 071-9309929

Madrid Office:  
Calle José Ortega y Gasset, 29  
E-28006 Madrid  
tel. 4311340 - fax 4311383

Representative Office in Brussels:  
Rue de la Loi 227 - B-1040 Brussels  
tel. 2309890 - fax 2305827

Design by MEINBACH-DESIGN  
Photos: EIB photographic library  
Printed in Germany on chlorine-free paper  
IX-AA-95-001-EN-C