



EIB INFORMATION

3rd quarter 1996 · N° 89
ISSN 0250-3891

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

Annual Meeting of the Board of Governors

The European Investment Bank's Board of Governors held its annual meeting in Luxembourg on Monday 3 June 1996, under the chairmanship of the Governor for Austria, Viktor Klima, the Finance Minister. The Board, which is made up of the fifteen Finance Ministers of the European Union, expressed its appreciation for the Bank's commitment to the role of strengthening economic and social cohesion.

The Governors welcomed the significant achievement of the EIB in continuing to increase the level of its lending

ties in underpinning growth and employment.

They emphasised that the EIB should continue to give priority to supporting investment in the Union's less favoured regions and that it should maintain its focus on supporting the activities of small and medium-sized enterprises. They welcomed the considerable progress that had been made in financing projects to improve and develop the Trans-European Networks in the fields of transport and telecommunications, and the strong growth seen in the Bank's lending for projects helping to protect and improve the environment.

The Governors also congratulated the Bank for continuing to increase the level of its support for private-sector investment and noted that loans to public-sector institutions in the Member States

now represented only about 40% of its total financing.

The Governors approved the Bank's balance sheet and annual report for its 1995 activities, noting that during the year, total EIB lending had increased



in 1995 in support of European Union policies against an unsettled economic background in the Member States. They highlighted in particular the positive impact of the Bank's financing in furthering economic integration and the long-term importance of its activi-

Contents

- **Annual Meeting of the Board of Governors** 1
The Governors approve the EIB's Annual Report and balance sheet for 1995 and congratulate the EIB on its commitment to serving the Union's objectives, in particular closer economic and social cohesion
- **The EIB's decision-making bodies and structure** 8
- **A charter for the environment** 10
The EIB publishes its "Environmental policy statement" on the occasion of the Board of Governors' Annual Meeting
- **Multimedia communications at the EIB** 12
As from summer 1996, the Bank's communications strategy is being supplemented by a new range of electronic multimedia tools:
 - Internet server
 - Annual Report on CD-ROM
 - Interactive information terminal
- **EIB Forum 1996** 14
"The Mediterranean: Working in Partnership" is the theme of the second EIB Forum to be held in Madrid on 24-25 October 1996, bringing together some 250 experts from the banking sector, industry and local and central governments
- **New appointments at the EIB** 15
Francis Carpenter succeeds Thomas Oursin as Secretary General
- **1st half of 1996** 16
ECU 8.2bn in loans, including ECU 1bn for priority TENs

by 7.5% to ECU 21.4 billion, of which ECU 18.6 billion went for investment in the Member States, and ECU 2.8 billion to projects in non-member countries within the framework of the EU's external relations policies. The balance sheet total on 31 December 1996 amounted to ECU 108.7 billion.

The Board appointed to the Audit Committee Dr Emídio de Jesus Maria, Deputy General-Inspector, Inspecção-Geral de Finanças, Portugal, as successor to the outgoing member Juan Carlos Pérez Lozano, Inspector General of the Agency for International Co-operation, Ministry of Foreign Affairs, Madrid.

The following statement was made by Sir Brian Unwin KCB, EIB President and Chairman of the Board of Directors to the annual meeting:

Chairman,
Ladies and Gentlemen,

Thank you for your kind introduction. May I add to yours my own welcome to the new Governors with us today. Since my statement a year ago, the

Bank has had an extraordinarily active year. I will not try to cover it all, but I should like to highlight some key features. I believe this will show that the Bank has continued to make a significant contribution to furthering the Community's policies, both inside and outside the Union; that it is in sound financial health; and that we are vigorously addressing the challenges of the future.

BANK ACTIVITY IN 1995

Last year was a year of mixed results for the European economy. Although GDP growth was similar to, if a little lower than, that in 1994, there was a marked deceleration during the year, due to a number of factors such as the lagged effects of the long-term interest rate increases in 1994, and an erosion of confidence following the turmoil on the currency markets in the spring and the appreciation of the Deutsche Mark in the first part of the year. At the same time, investment decelerated during the year with the construction industry particularly badly hit by a scaling-back of public works. On the positive side, inflation and long-term interest rates

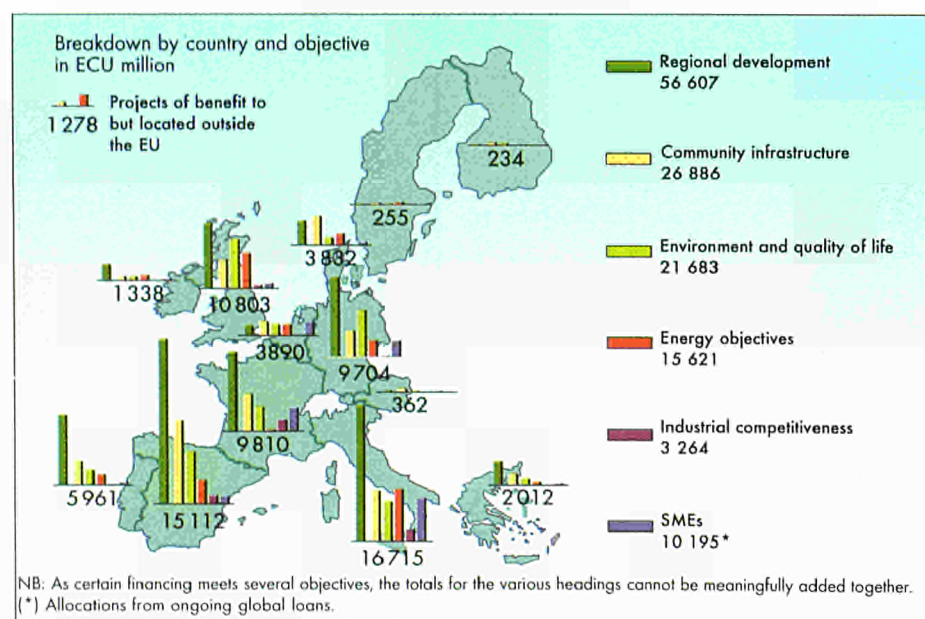
moved downwards; and general confidence in fiscal consolidation on the road to EMU saw the start of a process of convergence in bond yields for a number of countries.

Against this mixed background, the Bank performed strongly. Total lending in terms of loan signatures increased by 7½% to some ECU 21½ billion. Disbursements – the funds actually passed on to our investors – increased by even more. This represented a major contribution to the Union's economic objectives, above all to the promotion of economic integration.

OPERATIONS WITHIN THE EUROPEAN UNION

Our lending within the Union amounted to over ECU 18½ billion, with regional development, which remains the Bank's primary objective, accounting for two thirds of the total. To put recent years in perspective, the total volume of capital investment which the Bank has helped to finance in the Union between 1991 and 1995 amounts to over ECU 250 billion, or some 5% of gross fixed capital formation within the EU. The share is much higher in the Cohesion countries.

Financing provided within the European Union (1991 - 1995)
ECU 81 307 million



Besides regional development, the Bank also made a large contribution to other European Union policy goals, such as the development of TENs, protection of the environment (over ECU 6 billion of loans in 1995), and the improvement of industrial competitiveness. Lending to industry, not least private industry, grew strongly last year, with more individual loans to larger industrial companies but also a strong increase in global loans to SMEs through intermediary banking institutions. This amounted to some ECU 3 billion in 1995, part of which completed the subsidised "SME Facility" created by the 1993 Copenhagen summit.

Some of the Bank's activities within the Union in 1995 deserve a special mention.

NEW MEMBER STATES

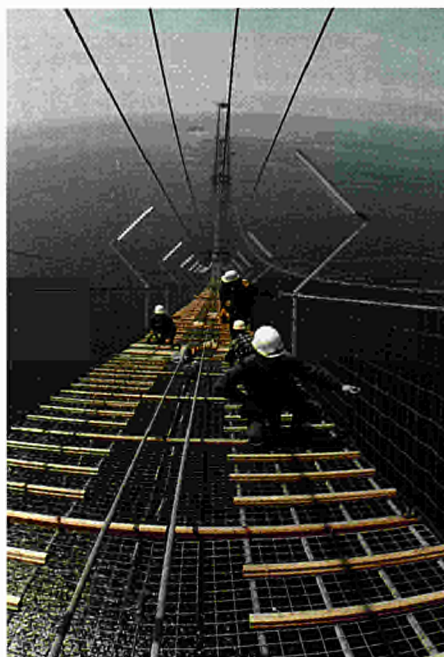
Last year was the first year in which the full scope of our lending became available to Austria, Finland and Sweden. Loan signatures totalled about ECU 700 million, involving infrastructure as well as industry, including global loans in all three countries. In Finland the financing included priority road and rail TEN links. With the cooperation of governments, to which we are most grateful, promoters and the banking sector in the new Member States, we have made a very active start and I expect a further increase and diversification of our lending in the Member Countries in the future.

TRANS-EUROPEAN NETWORKS (TENs)

This continues to be a high priority for the Bank. We have already assessed *all* the 24 priority Essen Council TENs and the Board of Directors has approved loans for 13 of them. This amounts to loan approvals of over ECU 8 billion: ECU 6 billion for the priority transport projects and ECU 2 billion for the corresponding energy projects. But EIB financing of TENs goes well beyond the priority projects. Total loan approvals under the Bank's "TENs Window" now amount to some ECU 20 billion - representing some ECU 60 billion of TENs investment.

This represents a major and resource-intensive effort by the Bank to support a whole variety of projects ranging from TGV systems in Northern Europe and Italy, to the great Öresund Link between Denmark and Sweden, the new Spata Airport in Greece (it is hoped that contract signature will take

place in the near future), and gas pipelines between North Africa and Spain and Portugal, and so on. The main conclusions I draw are briefly as follows. Despite some concern to the contrary, there *is* substantial progress on the TENs, to the extent that the schemes concern well-defined and



thought-through projects or project phases.

If some projects are not advancing as quickly as hoped, the underlying reason is *not* a lack of finance - certainly not loan finance - but rather a combination of technical, administrative and/or political reasons. Only when these are sufficiently overcome can financing questions move to the foreground and, provided the financial and economic viability of the schemes is ensured - and this may require public support and subsidies - adequate financing be established.

COOPERATION WITH THE PRIVATE SECTOR

The Bank's involvement in the private sector is exemplified in financing

TENs, a good illustration of the continuing shift in Bank financing from the public to the private sector. Ten years ago, when I was a member of the Board of Directors, loans granted to, or guaranteed by, Member States, public institutions and regional authorities accounted for around 80% of total lending. The figure is now around 40%. Over the past 5 years, outstanding loans on corporate guarantees or other security have more than doubled; and our exposure to the banking sector has increased even faster. This is happening within a banking sector in rapid evolution, characterised by internationalism and deregulation, and which in the next few years will also have to adjust to changes brought about by Economic and Monetary Union.

The Bank is increasingly involved in financing projects with a high private-sector involvement. Support for road and rail projects under the Private Finance Initiative in the United Kingdom is a good example of this (I am pleased to report that last week we signed the contract for the London to Dover Channel Tunnel rail link project). But similar schemes, under different forms, are emerging in other Member States. This requires much more intensive participation and monitoring by Bank staff, and further reinforcement of the Bank's credit culture. To recognise this, we recently decided to create an independent Credit Risk Department reporting directly to the Management Committee.

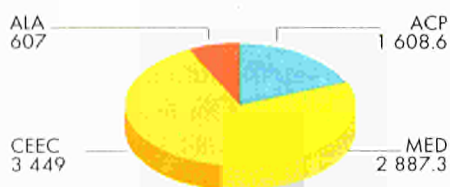
LENDING OUTSIDE THE EUROPEAN UNION

As you know, the Bank's lending outside the European Union is at the Council's request and in support of the Union's external cooperation policies. Last year, this lending from own resources grew by 25%, to

ECU 2.8 billion, bringing such loans to 8½% of the total outstanding portfolio. While continuing our traditional support for the ACP countries, a feature of last year's lending was an increase to more than ECU 1 billion in the Mediterranean and a similar amount in ten countries of Central and Eastern Europe.

The Bank is making every effort to facilitate the close integration of the latter countries into the Union in a pre-accession context, and a particular feature of our lending in Central and Eastern Europe was support for road and rail Trans-European Networks along the corridors defined by the pan-European conference of Transport Ministers.

Financing provided by the EIB outside the European Union (1991 - 1995)



(in ECU million)

In Asia and Latin America, we have completed our first lending mandate with particular emphasis on support to European enterprises active in these important emerging markets. In addition, last year the Bank made a start on the new remits in South Africa and in Gaza and the West Bank. I have no need to stress how difficult the latter is for the Bank but we have made great efforts to get operations under way; two loans in Gaza and the West Bank have been approved by the Board of Directors.

All the Bank's main mandates for lending outside the European Union, with

the exception of the ACP, are now at or nearing their end and, if the Bank is to continue to support the Community's policies in these regions, these are in urgent need of renewal. On all grounds - including those of efficiency and good management of the Bank's resources - new mandates need to be agreed quickly. And given the political and other risks attached to this lending, the Bank will, of course, require the continuation of a strong Community guarantee. As requested by the ECOFIN Council, we have undertaken a thorough review of this issue in consultation with the Commission, and I hope very much to be able to submit a joint report for consideration by the July ECOFIN Council.

BORROWING

To finance its lending in 1995, against a strong cash flow, the Bank raised around ECU 12½ billion in 70 transactions and 17 different currencies, including the Finnish Markka for the first time. Most of our funding was inside the European Union but we made a first venture into markets outside the OECD area at the end of the year. In line with its overall funding strategy, the Bank launched several large benchmark operations supplemented by more opportunistic funding transactions which substantially reduced the Bank's funding cost during the year.

Borrowing this year will be greater and, taking advantage of favourable market conditions, we have already raised some ECU 9 billion through 50 transactions in 18 currencies. A significant highlight was an ECU 500 million 5-year issue in January, containing an explicit contractual clause to exchange the Ecu into Euro on a one-to-one basis after the start-up of EMU. This was the first such

explicit contractual commitment following the Madrid summit decisions and it has set an important precedent.

THE BALANCE SHEET

At 31 December 1995 total loans and guarantees outstanding came to ECU 115 billion. With the accession of the new Member States on 1 January 1995 the EIB still has substantial headroom within our statutory lending ceiling of ECU 155 billion.

The Bank's operating surplus in 1995 was ECU 1 432 million, which represented a return on own funds of nearly 9.8% before provisions and exchange rate movements. The management of the Bank's total liquid assets generated a revenue of ECU 593 million, representing an overall return of around 7½%. As I advised you last year, the Bank's bond portfolio was converted into an investment portfolio on 1 January 1995. We have subsequently restructured the portfolio in order to shorten final maturity dates for securities and to improve the quality of securities purchased or subscribed. This restructuring resulted in a gain of ECU 90 million.

Following consultation with the Bank's external auditors, and with the endorsement of our independent Audit Committee and in line with the practice initiated in 1993, an increase of ECU 50 million is proposed in the Fund for General Banking Risks, to bring it to a total of ECU 450 million. The purpose of this Fund is to provide a cushion against any unexpected losses arising from the Bank's loan portfolio or other banking and financial operations. The increase reflects an appropriate response to the changing size and nature of the Bank's activity.

EUROPEAN INVESTMENT FUND



The Fund will report to its shareholders at its Annual Meeting in Lisbon later this month. Since I am Chairman of its Supervisory Board, however, and in view of the EIB's 40% shareholding, I should report briefly to you. Whereas the Fund in 1994 necessarily relied strongly on EIB projects, last year saw a diversification of its operations and this trend should continue. Nevertheless, the Fund will continue to be a privileged partner of the Bank and a clear complementarity between EIB and EIF strategies remains necessary.

In the field of SME finance, the Bank, the Fund and the Commission are currently discussing new forms of cooperation and co-finance, possibly combining loans with guarantees covered by Community grants. I look forward to the continued development of the Fund, under the leadership of the Chairman of the Financial Committee, Mr Georges Ugeux.

The Annual Meeting of the Fund will consider a proposal from the Supervisory Board that, as provided for in its Statutes, it should make a start on equity operations. You the Governors have already been consulted on this by written procedure and I hope the proposal will receive your support.

NATURE OF THE EIB

So much for the main facts of Bank activity last year. I should now like, particularly since we have had many changes and several new Governors, to say more about the Bank itself and how it is addressing present and future tasks.

In terms of both volume and variety of operations, the EIB is unparalleled among the other International Finan-

cial Institutions (IFIs). We are, for example, the only IFI that:

- lends significantly in both developed and developing countries;
- operates in a large number of non-Member countries;
- has a capital ratio of more than 1:1; and
- lends substantial amounts to both public and private sectors.

Given the high degree of market penetration achieved, particularly in the Cohesion countries, the Bank's lending within the Union may be reaching a plateau. But this lending is now much more complex than in the past, reflecting the shift to the private sector which requires the Bank to respond in a more varied and sophisticated way if it is to meet borrowers' growing demands and add genuine value.

In addition, the Bank has taken on a wide range of additional tasks in support of Community policies, such as following up the Edinburgh and Copenhagen summits, supporting the Northern Ireland Peace Initiative, examining proposals for Cohesion Fund grants, appraising and administering Euratom loans in Eastern Europe and the CIS, managing the European Economic Area Financial Mechanism, and the treasury management of the Guarantee Fund. Moreover, in addition to the operations outside the European Union to which I have referred, we are even now examining possible projects in Bosnia and Herzegovina in order for us to be able to respond quickly to any request to contribute to the Reconstruction Programme.

Performing this multi-dimensional role, and maintaining the quality of the Bank's portfolio, is placing a great strain on the Bank's resources. The Bank's staff numbers and operating costs are still among the smallest of all the major IFIs, but some further increas-

es will be necessary if the Bank is to avoid unacceptable risks.

You can be assured, however, that we shall continue to control costs tightly. The 1995 results confirm this. Although overall administrative costs increased by 6.8% in ECU, 20% of this was due to expenses incurred by the Bank for third parties, including expenses incurred in respect of the EIF, which will be recovered. Taking into account the appreciation of the Belgian Franc against the Ecu, operating costs increased by only just over 4% before inflation; and much of this is due to new activities, including the operations in the new Member States.

Comparisons with other international institutions must be treated with caution. They each have different functions and operate in different contexts. But by any yardstick, the Bank emerges positively. The ratio of administrative costs to outstanding loans is, for example, four times smaller than that of our peer institutions; as also is that of staff years per project appraised, even in those areas, like Africa, where direct comparisons can be made.

This does not, however, mean that we are complacent or will not continue to strive in order to make the best use of our resources. We are continually seeking ways of streamlining our procedures, and our control will be reinforced by new budget and cost accounting systems designed to give management a better tool to improve the efficiency of the Bank.

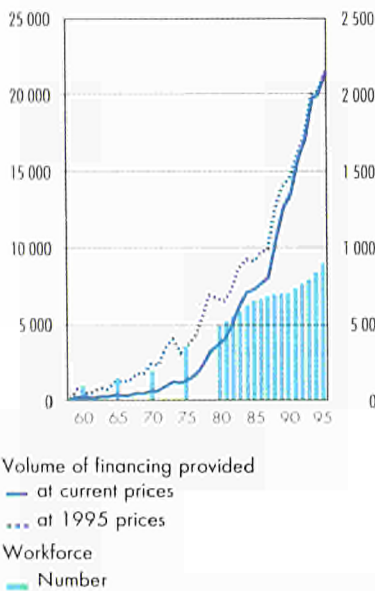
ORGANISATION AND MANAGEMENT

Further changes in the organisation and management of the Bank illustrate the Management Committee's commitment to strengthening its operational efficiency.

We have restructured our Finance Directorate both to enhance our ability to raise funds on the most competitive terms as well as to achieve better segregation of responsibilities, strengthen risk control and management and ensure greater interaction with the Lending Directorates.

As I intimated last year, the standard of the Bank's already high technical project appraisal capability – a unique source of expertise and added value to the Bank's customers – has now been boosted by the merger of the for-

Staff complement related to Bank activity (1960 - 1995)



mer Technical Advisory and Economic Studies Directorates into a single Projects Directorate. By exploiting multidisciplinary synergies, this will strengthen the Bank's expertise in project appraisal in the technical, environmental and economic fields.

At the same time, we have established a more focused Directorate for Economics and Information in order to foster the Bank's capacity for long-term strategic planning as well as to improve our communications policy and help it respond to the Maastricht Treaty requirements for greater public

transparency. We are, for example, for the first time publishing today a booklet on the Bank's policies towards the environment ("A Charter for the Environment") and have also issued a booklet on the Bank's procurement policy. Further, in order better to assess the impact of our financing of projects and of the Bank's role in the attainment of European Union policies, we have set up a new Operations Evaluation Unit. We shall learn from this ourselves; and by publishing its reports we shall contribute, again, to the objective of greater transparency.

In the more general area of human resources management, we have continued to pursue a policy of staff motivation through the recognition of merit and individual performance. This now underpins our remuneration policy. So far as recruitment of new staff is concerned, while aiming at the highest quality, we have given deliberate priority this last year to recruiting qualified nationals from the three new Member States and to more active promotion of equal opportunities. One third of executive staff members recruited last year were female and we welcomed 26 new colleagues from the new Member Countries.

Finally, on staff relations, I should like to record the excellent spirit of open-mindedness and cooperation in which negotiations took place between the Staff Representatives and the Bank for a new Convention. I believe that the flexibility and transparency that characterises this Convention is now on a par with the most advanced systems in the Member States.

FUTURE CHALLENGES

The developments I have described largely represent the Bank's response to existing challenges. But to some degree we are running hard to stand

still. The economic and policy environment is changing rapidly and we must equip the Bank for the future. The Bank will clearly be affected by a number of major external developments, including the following.

EMU

While this is not the place to go into details, the move to Economic and Monetary Union and a single currency will self-evidently push the Bank into new territory. However, while EMU may represent a quantum leap in the process of European integration and bring major changes to the business environment of the Bank, essentially it will reinforce existing trends resulting from the creation of the Single Market for Financial Services, and the Globalisation of the Financial Services Industry.

This will present both challenges and opportunities for the Bank, and we shall need to be ready to respond, both on the lending side – where demands in some sectors may grow – and in our borrowing operations in a larger integrated financial market. I am very glad that the Madrid Council removed much of the uncertainty regarding the introduction of the Euro and the replacement of the Ecu. As I have described, the Bank has already responded to that decision.

PRIVATE SECTOR

I have already referred to the shift to the private sector. This trend is unlikely to be reversed, and it will have further important consequences for the Bank. Non-recourse project financing of infrastructure may well expand; and a move towards a greater diversity of market-financing mechanisms in the European Union, as already in the United States, is likely to emerge. The Bank must adapt to these developments.

FUTURE EUROPEAN UNION EXPANSION

Further expansion of the European Union will also have implications for the operations, costs and governance of the Bank. The present structure of the Bank was conceived 40 years ago, when there were six Member States and operations were dominated by public-sector projects. The present structure of the Bank is still workable – as I hope was evidenced by last year's operations. But I do not believe that the Bank will be able to absorb another expansion of the Union by simply extrapolating or expanding membership in the Board of Directors and Management Committee as in the past.

The size of and relationship between the principal organs will have to be reviewed, not only to accommodate new Members but to keep the institution lean and responsive to an environment increasingly dominated by operations in the private sector. These matters are not currently before the Inter-Governmental Conference but we are tracking its proceedings closely and we shall need to review the position as the IGC proceeds and the timetable for future expansion becomes clearer.

FUTURE STRATEGY

I am confident that the Bank can meet these challenges and I have set in hand a review of our strategy for the medium term. The central issue, so far as the European Union is concerned, is how the Bank can optimise its comparative advantages and enhance the "value added" of its interventions.

We are therefore considering such issues as how to improve the Bank's cooperation with banks and other financial institutions in Member States – a key to our effectiveness and

essential for the principle of subsidiarity; how the Bank, working closely with the Commission, might enhance its contribution to regional development – which could be even more important in the context of EMU and further expansion, and after the current agreement on Structural Funds expires; and whether there are more effective ways of supporting investment by SMEs, particularly the more medium-sized industrial companies.

This strategy reappraisal will also necessitate further examination of the Bank's financial and operating procedures, and of the financial products that we offer. Other possibilities must also be explored, such as greater use of programme lending, which might increase productivity and release resources for deployment where they really matter. We have started work on all these issues and will look forward in due course to discussing its outcome with the Board of Directors.

ACCOUNTABILITY AND TRANSPARENCY

I referred earlier to greater transparency. I must also refer briefly to the reforms in the Bank's audit structures that you approved last year. The Audit Committee have been extremely active in their new role, as you will see from their first long-form report to you. Among other things, they have undertaken the arduous and time-consuming exercise of re-tendering the Bank's contract for external auditors. The Audit Committee Chairman, Mr Pérez Lozano, will report more fully to you in a moment but I should like to pay a special tribute to him and to his colleagues for their strong commitment in undertaking such a heavy workload in the first year of the Audit Committee's enhanced operations. The Management Committee is very grateful to them.

CONCLUSIONS

1995 was an extraordinarily heavy but exciting year for the Bank and the future promises to be no less so. As always, the Bank's success will depend on the continued professionalism and commitment of the staff, many of whom work well beyond the call of duty. Their performance deserves high praise and I wish again to place on record on behalf of the Management Committee our warm thanks to the staff for all they have done to maintain the Bank's high performance and reputation. It is always invidious to single out individuals, but I should like to pay special tribute to our Secretary General, Thomas Oursin, who will shortly retire after 22 years' very distinguished service to the Bank. On my own account, I should also like to thank most warmly my colleagues in the Management Committee – including Vice-Presidents Rudolf de Korte and Claes de Neergaard who joined the Management Committee after last year's Annual Meeting – for their support during the past year.

Chairman, may I finally express my thanks, and those of all my colleagues on the Management Committee, to the Board of Directors and to you, the Governors, for your continuing support. ■

Working meeting of EIB's Audit Committee



The EIB's decision-making structure

Under its Statute, a Protocol to the EC Treaty of Rome, the EIB is a legally autonomous body within the European Union's institutional framework. The Treaty and the Statute define the EIB's mission as furthering the balanced development of the European Union by borrowing funds on capital markets to finance capital projects that promote Union policies. The Bank's role is to act as a catalyst and complementary source of funds, in encouraging the flow of public savings into eligible European Union priority investment.

BOARD OF GOVERNORS

The Board of Governors represents the EIB's owners - the Bank's members or shareholder States. Each of the 15 members designates a Minister to the

Board, usually the Minister of Finance or Economy.

As the Bank's senior decision-making body, the Board lays down general directives on credit policy, approves the annual report and balance sheet, decides on capital increases and appoints members to the other decision-making bodies, the Board of Directors and Management Committee. It also appoints members to the Bank's Audit Committee.

Current Chairman of the Board, from the end of the day of the annual meeting on 3 June until the end of the day of the 1997 annual meeting, is the Governor for Portugal, António Sousa Franco, Minister of Finance. The chairmanship rotates alphabetically.

The Board is legally responsible for the Bank's management to the Board of Governors. Its duties include decisions on the granting of loans, the setting of interest rates and the Bank's borrowings. They ensure the EIB is managed according to the Treaty of Rome and the Bank's Statute and other relevant EU Treaties, in particular the Single Act and the Maastricht Treaty on European Union, as well as the implementation of general directives from the Board of Governors. The Directors submit the annual report, drawn up by the Bank's Management Committee, for approval by the Governors.

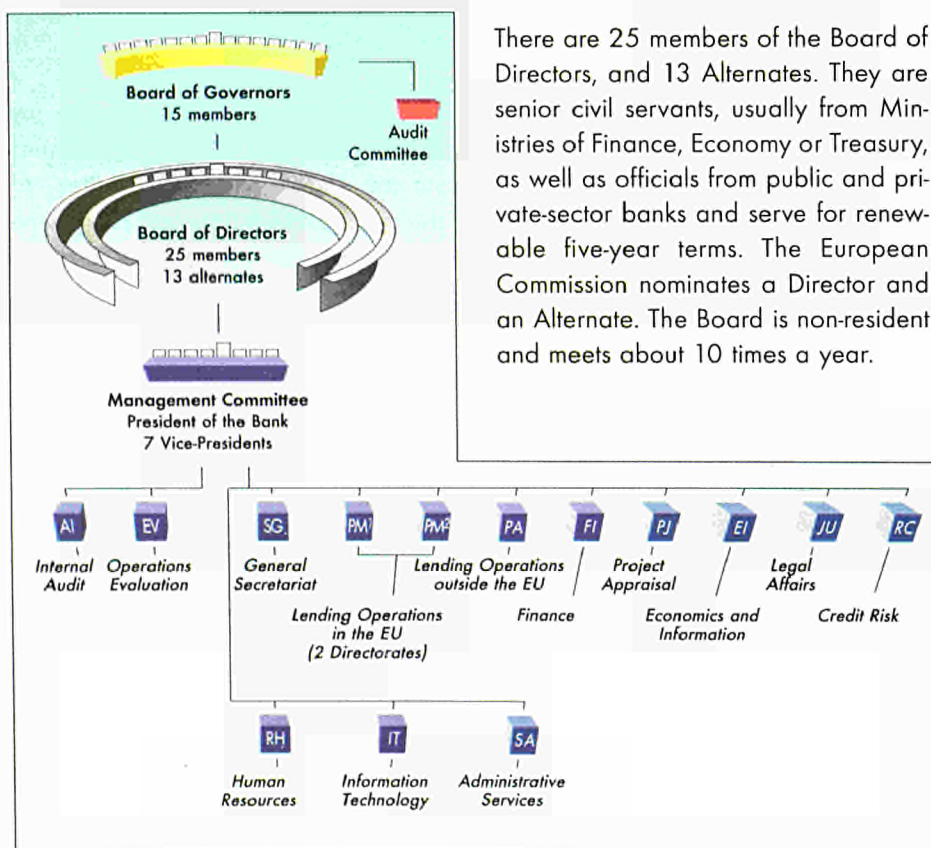
MANAGEMENT COMMITTEE

The Management Committee is the full-time executive board of the Bank that works as a college and is made up of the Bank's President and seven Vice-Presidents. The President is Chairman and the Vice-Presidents are Vice-Chairmen of the Board of Directors. Members of the Management Committee are appointed by the Board of Governors for renewable six-year terms.

The Management Committee is responsible for the day-to-day business of the Bank. It prepares borrowing and lending activities and puts proposals to the Board of Directors. It is responsible for carrying out decisions of the Board.

BOARD OF DIRECTORS

There are 25 members of the Board of Directors, and 13 Alternates. They are senior civil servants, usually from Ministries of Finance, Economy or Treasury, as well as officials from public and private-sector banks and serve for renewable five-year terms. The European Commission nominates a Director and an Alternate. The Board is non-resident and meets about 10 times a year.



THE BANK'S STRUCTURE

EIB staff carry out their activities under the authority of the Management Committee and are recruited directly by the Bank. The EIB has carried out a number of internal organisational changes in recent years to take account of evolution in the pattern of its operations and new market trends. The 900 staff are organised into Directorates headed by

the Secretary General and Directors General and independent units answering directly to the Management Committee.

The Directorate under the **Secretary General**, Francis Carpenter, includes a Corporate Affairs Department responsible for preparation and execution of decisions by the Board of Directors and the Management Committee, and co-ordinates on a general level the autonomous Departments of Human Resources, Information Technology and Administrative Services.

An **Operations Evaluation Unit**, headed by Special Adviser to the President, Jean-Jacques Schul, carries out studies on the long-term impact and effectiveness of EIB-financed projects and provides advice based on the Unit's conclusions (1). It reports directly to the Management Committee. Similarly an independent **Credit Risk Department** assesses the credit and banking risk aspects of EIB lending in the Union, and also reports directly to the Management Committee.

Lending operations in the European Union are divided geographically into two Directorates, headed by the Directors General Pitt Treumann and Michel Deleau, made up of six operational Departments and a Co-ordination Department.

Financing in non-EU states is managed in one Directorate, headed by Director General Fridolin Weber-Krebs, with three Departments covering activities in the African, Caribbean and Pacific states (members of the Lomé IV Convention), the Mediterranean region, and the Central and Eastern European countries. There is also a Division responsible for EIB operations in Asia and Latin America. The Directorate also includes a Coordination and Control Department.

The EIB's **Finance Directorate**, under Director General René Karsenti, manages the EIB's borrowing and treasury operations and internal financial accounting. It consists of four Departments: Capital Markets, Treasury, Planning and Operational Support, and Financial Control/Accountancy.

Economic, technical and environmental aspects of project appraisals are carried out by the **Projects Directorate** under Director General Herbert Christie. It consists of five Departments, two for infrastructure, one for energy and mining, and two for different industry sectors.

The **Directorate for Economics and Information** under the Chief Economist, Alfred Steinherr, carries out economic and financial studies, and includes a Department for Information and Communications.

The **Legal Affairs Directorate**, headed by Director General Bruno Eynard, has two Departments, Operations, responsible for contractual relations with borrowers, and Policy, covering more general banking and legal questions.

Project decision-making: The EIB is a project-oriented institution that focuses on viable investment furthering a European Union policy objective. The Bank does not operate in the European Union according to pre-determined quotas on either a sector or country basis. Project promoters with large projects approach the EIB staff directly – usually in one of the Lending Directorates. Under the co-ordination of the Management Committee, the Bank's staff determine whether the proposed investment is eligible for EIB finance.

A detailed project appraisal into the investment's financial, economic, technical and environmental viability is then carried out in co-operation with the project promoter by the relevant staff in one of the Lending Directorates and in the

Projects Directorate. On the basis of their report, the Management Committee submits a lending proposal to the Board of Directors. The financing arrangements and legal contracts are tailored to take account of the needs of the project. ■

(1) See EIB-Information N°88, 2nd quarter 1996.

AUDIT STRUCTURE

The EIB's **Audit Committee** reports directly to the Board of Governors and is responsible for signing off the Bank's balance sheet and annual statement. Its three members are appointed by the Board of Governors and are currently Dr Michael Somers (Chairman), Chief Executive, National Treasury Management Agency, Dublin; Mr Albert Hansen, Secretary General, Conseil du Gouvernement, Luxembourg; and Dr Emidio de Jesus Maria, Deputy General-Inspector, Inspeção-Geral de Finanças, Portugal.

The Committee audits the Bank's accounts in co-ordination with the **External Auditors**, currently Price Waterhouse. Following a competitive tender, the EIB appointed Ernst and Young as the Bank's new external auditors for a five-year period starting in 1997. The Committee also reviews and discusses reports carried out by the Bank's Internal Audit Division.

An **Internal Audit Division** reports directly to the President. It carries out analyses of financial and operational aspects as well as a management audit based on an annual work programme approved by the Management Committee and drawn up in consultation with the Audit Committee.

The Bank's day-to-day general accounting and financial and accounting control operations are managed by the **Financial Control/Accounting Department** in the Finance Directorate.

A charter for the environment

The EIB has issued, on the occasion of its Board of Governors' Annual Meeting on 3 June 1996, a new statement on the Bank's environmental policy (1).

Concern for the environment and the quality of life represents a long-standing commitment for the Bank (2). Financing for environmental projects – i.e. where the main objective of the investment is to protect the environment – has been one of the EIB's major activities for many years, currently accounting for over one third of all lending within the European Union. Moreover, *all* projects financed by the EIB, regardless of the sector, have an environmental dimension which is assessed thoroughly by its staff during project appraisal. Protection of the environment constitutes a specific eligibility criterion when selecting projects, as decided by the EIB's Board of Governors in June 1984 when it also adopted a series of recommendations on the Bank's environmental policy.

The new Environmental Policy Statement (EPS) sets out the EIB's main environmental objectives and principles and explains the practical action and resources for achieving these, as well as describing how the Bank works with its main partners in environmental lending. As a comprehensive public statement, the document underscores the EIB's aim of responding to the requirements contained in the Treaty on European Union with regard to greater public transparency.

THE CONTENTS OF THE EPS

The main sections of the twelve page document cover the framework for the EIB's environmental lending activities within and outside the European Union, the policy guidelines and environmental standards for these operations, the

Bank's procedures and project appraisal, as well as the instruments and resources available for implementing its environmental lending policy. It also provides a concise overview of the Bank's joint work with other European Union bodies and international financing institutions. The policy statement includes a range of statistical information and examples of environmental projects financed by the EIB.

THE ENVIRONMENTAL POLICY FRAMEWORK

Through its long-term financing for projects which are economically, technically, environmentally and financially viable, the EIB helps to bring about lasting improvements to the economic welfare of the present generation without compromising prospects for the future – the notion of "sustainability".

The environmental policy framework in which the Bank's operates is laid down by the European Community and was brought up to date by the Treaty on European Union (1992) which refers to "sustainable and non-inflationary growth respecting the environment" as a guiding principle for development. The EIB is financially independent and its eligibility and appraisal policies are based on banking criteria and its own professional judgement.

The appraisal of each project submitted to the Bank for financing includes verification that the investment complies with the relevant European Community legislation or national laws and regulations, whichever is the most demanding. There are at present about 200 European Community environmental protection measures, one of the most important for the EIB being the directive on environmental impact assessments (EIA) (85/337).

The EIB liaises closely with other European Union institutions, especially the European Commission, to ensure efficient use of its loans and EU grants. The Commission, as well as the Member State in which a project is to be carried out, are required to give an opinion on a loan proposal submitted to the EIB's Board of Directors.

APPRAISAL AND PROCEDURES

The EPS describes the cycle of identification, appraisal, monitoring and ex-post evaluation which each project generally follows. Environmental investigation is an integral part of the Bank's project work irrespective of sector and includes:

- pinpointing of potential environmental risks and appropriate mitigating measures;
- identification and, as far as possible, assessment of the economic and financial costs and benefits of environmental investment schemes;
- review of the project in the light of present and likely future environmental legislation, including that on EIA;
- evaluation of the project's design and technology, including verification of the technical ability of the project to comply with legal standards;
- assessment of project implementation, notably verification of the project's cost, design and impact;
- and, ex-post evaluation on a sample basis of the performance of projects once in operation.

RESOURCES

Environmental issues, as with all project-related matters, are the collective responsibility of all members of any "project team", typically made up of a

financial analyst from one of the three lending directorates, an engineer and/or an economist from the Projects Directorate (PJ) and a lawyer from the Bank's legal directorate. Within the team, the engineer or economist usually takes the lead on environmental issues, supported as necessary by the other members of the team.

Policy dialogue, and other non-project-specific environmental topics, such as training, general participation in regional programmes and external contacts, are for the most part co-ordinated with the EIB by an environmental adviser reporting to the head of PJ Directorate. A member of the Bank's Management Committee oversees all work in the field.

RESPONSIBILITIES AND THEIR LIMITS

There are limits to the EIB's role and responsibilities in the environmental field. The project promoter is responsible for compliance with legal obligations, as well as with requirements in the area of public consultation. Regulation and enforcement is undertaken by the competent authorities at European and/or national level.

EIB-supported projects are expected to yield a satisfactory economic rate of return. Financing only those projects which are efficient in resource allocation terms is probably the biggest practical contribution that the EIB can make to sustainable economic development. Where it is felt that a significant adverse environmental impact is likely, the EIB will seek to introduce appropriate design changes, incorporated in the finance contract; if this is not possible, however, the ultimate course of action for the Bank is to refrain from financing.

Outside the European Union, the legal and institutional framework for protecting the environment may be less developed. In countries aiming for EU membership, notably in Central and Eastern

Europe, European Community legislation is an obvious guideline. But also, for instance, in non-member countries in the Mediterranean, the relevant European Community environmental stan-



dards are met by projects financed by the Bank in the case of industrial projects and waste water management schemes, for example. There may be other countries, however, where in some situations the economic benefits of a particular Community standard may not justify the costs and a more pragmatic approach is called for; equally, the EIB supports standards which go still further than those laid down in national legislation. In either case, the Bank aims to ensure good environmental practice at affordable cost.

FROM LARGE TO SMALL VENTURES

The EIB's lending for environmental projects, amounting to nearly ECU 22 billion over the past five years (1991-1995), encompasses a broad spectrum of operations in all sectors of the economy, ranging from very large projects to relatively small investment schemes which are generally carried out by small and medium-sized enterprises and local authorities. Smaller ventures are financed indirectly through local intermediaries under the Bank's global loan scheme. Small-scale environmental investment projects, including potentially very high yielding ones in the areas of raw material management, energy saving and waste treatment, are, for instance, managed in this way. Among the selection criteria for partner banks

is their ability and willingness to apply the EIB's appraisal criteria, including those for environmental screening and scoping. Deployment of global loans by intermediary banks is closely monitored by the EIB, including the environmental aspects⁽³⁾.

WORKING IN PARTNERSHIP

As mentioned above, the EIB works closely with other European Union institutions, especially the European Commission, to ensure a consistent Community approach to general environmental issues, a smooth exchange of technical information and co-ordination of joint initiatives in carrying out Community policies in the Member States and in non-EU countries. The Bank also has working relationships with the European Environmental Agency and regular contacts with a number of Non-Governmental Organizations (NGOs) in the environmental field. Outside the European Union, the EIB also works closely with several other international or regional financial institutions on environmental matters and is engaged in a number of regional environmental programmes, such as the "Mediterranean Environmental Technical Assistance Programme" (METAP), the "Baltic Sea Joint Comprehensive Action Programme" and the "Environment for Europe Programme".

CONCLUDING REMARK

The EIB's approach to the environment is continuously being fine-tuned. This area is evolving rapidly and the Bank is learning from its experience. The Environmental Policy Statement is, therefore, certainly not the EIB's last word on the subject. ■

(1) The Environmental Policy Statement can be obtained (free of charge) from the EIB's Information and Communications Department, Information Desk, fax -352 4379 3189.

(2) See also "EIB Information", N°82, November 1994, and N°88, 2nd quarter 1996.

(3) See also "EIB Information", N°86, November 1995.

Multimedia communications at the EIB

With its commitment to building Europe and playing a key role in attaining a number of the European Union's objectives, the EIB has become the focus of increasing attention amongst opinion-formers. In the light of this, it has designed a new range of multimedia tools enabling it to make its activity known to a broader public and to reply, in real time, to a large number of questions from an extremely wide variety of sources.

Alongside printed and audiovisual material (1), this new range goes hand in hand with the communications strategy developed by the Bank with a view to putting into practice the objectives handed down to the institutions by the Treaty on European Union in terms of transparency and keeping the public informed.

Operational as from this summer, these new communications tools include the setting up of a dedicated server at the EIB on the Internet, publication of the Bank's annual report in electronic format and, lastly, creation of an interactive multimedia terminal. Although conceived for different target audiences, these various media tools complement each other to a very large extent, the aim of all of them being to enable the public both to find comprehensive information on the Bank's remits, facilities and results in the various sectors and regions in which it works and to keep up to date on what the EIB is doing to fulfil the European Union's objectives.

JOIN THE EIB ON THE WEB!

Any computer user with multimedia functions and an Internet connection can

(1) Please see EIB-Information N° 88 (2nd quarter 1996), page 8.

access the "EIB On Line" server. The address is:

<http://www.eib.org> or
<http://www.bei.org>

Targeted at a wider public, "EIB On Line" provides an extensive range of information, in English and French. Promoters and investors, public authorities, research institutes, universities and journalists will find on this server **key data** about the EIB together with details of its **organisational structure**, the composition of its decision-making bodies and its position within the EU's institutional set-up. The programme also contains a presentation on the EIB's **objectives** and achievements by sector and geographical area, the type of investment eligible for financing and procedures for deciding on loans.

An electronic library of press releases, accessible through an index by country and by sector, also allows users to keep abreast of developments in EIB activity. In addition, the Bank's main publications are available on this server, in particu-

lar the latest three issues of the quarterly bulletin "EIB Information", the Annual Report and the Statute.

A chapter entitled "EIB Vade Mecum" also includes a presentation on cooperation between the EIB and the other multilateral banks, as well as links between the "EIB On Line" server and other European or international information servers.

All the latest information on the server is contained in the section "news", which is of especial interest for the press, companies and professional associations. This particular section gives details of the Bank's most recent financing decisions both within and outside the Union, appointments to decision-making bodies and senior management posts and references to the Bank's most recent publications and thematic brochures.

Users can navigate within the "EIB On Line" programme using the standard procedures for the Internet. Once the connection with the server has been established, the user has all the functions

The EIB at your fingertips on the WEB

1. Internet page address (URL)

2. Language choice

3. Navigation tools
Detailed summary of Web site

4. Hypertext link

5. Hypertext link (activated)

inherent in an interactive programme, in particular copy and paste, downloading and mailing information to another Internet user. The programme has been designed to ensure compatibility with all the standard navigation tools on the market (2) and with a minimum transmission configuration, i.e. a 14 400 baud modem.

THE EIB'S ANNUAL REPORT ON CD-ROM

The Annual Report, the EIB's statutory publication, provides a comprehensive review of the Bank's lending and borrowing activity for the financial year in question, the institution's contribution to attaining the Union's priority objectives, as well as its accounts, balance sheet and results as approved by the Board of Governors at the annual meeting, held during the first week of June.

In response to growing demand from its readership, wishing to have ready and easy access to the data contained in the report - in particular the five-year statistical analyses -, the Bank has decided to make this document available in electronic form usable in Windows and MacOS environments.

This CD-Rom contains the English, French and German versions of the Annual Report and is supplied with simple navigation software, offering all the facilities of hypertext navigation (HTML) and allowing for text and graphics to be copied, pasted and printed. In addition to page-by-page consultation, an index by subject also makes it easy to find your way around the document; users will be able to **extract and compare information** rapidly on a wide variety of subjects, such as the EIB's objectives and the sectors and countries in which the Bank mounts operations.

(2) EIB On Line requires a standard navigation software, such as Netscape or Microsoft Internet Explorer (two of the most widely used).

As with the information available on the EIB On Line Web site, the articles and tables contained on this CD-Rom can be freely reproduced, provided an



The EIB's Annual Report on CD-Rom

acknowledgement of the source is given; it would be much appreciated if a clipping of any article published could be sent to the EIB's Information and Communications Department.

INTERACTIVE WELCOME

So as to provide a more informative welcome to visitors at the EIB's headquarters in Luxembourg and to the public at trade fairs and exhibitions where the EIB is represented (3), the Bank has developed a multimedia information terminal. Presented in English and French, this interactive terminal is available to visitors in the form of a touch-sensitive screen fitted into a stand, designed using the EIB's house colours: white and blue.

Combining image, sound and text, the EIB's multimedia terminal offers comprehensive information, presented in a lively and interesting way and using a similar indexing system to that on the EIB On Line server, on the institution, its organisation, modus operandi and achievements. Developed as an interactive tool, the programme allows users

to pinpoint the information most closely answering their needs. The EIB's interactive terminals will also be on display and available for use at the EIB Forum 1996 in Madrid, this coming October (4).

For further information on these multimedia tools and to obtain a free copy of the Annual Report on CD-Rom, please contact the EIB's Information and Communications Department, Ms Civitareale, Fax: ++352/4379 3189. ■

(3) Please see EIB-Information N° 88 (2nd quarter 1996), page 15.

(4) See page 14.

The interactive communications monitor - an innovation welcoming visitors to the Bank.



EIB Forum 1996 on Partnership in the Mediterranean

On 24 and 25 October, the EIB will be holding its 1996 Forum, entitled *"The Mediterranean: Working in Partnership"*, to take place in Madrid. The purpose of the Forum is to contribute to the discussion on furthering regional co-operation around the Mediterranean. Boosting the partnership between Mediterranean countries is of crucial importance for the region's sustainable economic development, balanced distribution of resources and, consequently, political stability. Such co-operation is all the more pressing since the region is currently facing major political, demographic and environmental challenges.

**BEI/EIB
FORUM**

MADRID 1996

As the European Union's financing institution, the EIB has long-standing experience in financing investment in countries on both rims of the Mediterranean. Over the past five years (1991-1995), the Bank advanced some ECU 2.9 billion in non-member states, contributing to these countries' legitimate aspirations to achieve sustained economic growth and to see their links with the European Union built up further. The EU's particular interest in the Mediterranean was highlighted last year at the Cannes and Madrid European Councils, as well as at the Euro-Mediterranean Conference in Barcelona. They resulted in a commitment to a new Euro-Mediterranean Partnership, with a long-term objective

to establish a large free trade area by the year 2010.

The importance of the subject is reflected in both the eminence of the speakers at the Forum and the high level of participation. Over 200 experts from the banking sector, industry, local and central governments and the media are to attend, representing a broad spectrum of economic, financial and political views and scientific expertise from some 25 countries, as well as from international organizations.

The main topics the Forum will consider are the European Union's Mediterranean policy, environmental preservation of a common heritage, strengthening of regional cooperation and the role of the banking sector in fostering transnational partnerships. Each subject will be introduced by a key speaker, followed by interventions of panellists with a view to ensuring in-depth discussions amongst participants.

In total, over twenty key personalities from some fifteen countries will address the Forum. Among them are Mr Rodrigo Rato, Vice-President of the Spanish Government, Minister of Economy and Finance and EIB Governor for Spain, Mr Manuel Marín, Vice-President of the European Commission, Mr Georgios Papandreou, Minister of National Education, Greece, Mr Caio Koch-Weser, Managing Director, the World Bank and Mr Antoine Pouillieute, Director General, Caisse Française

de Développement. As a special guest speaker, the writer, Mr Amin Maalouf, will be addressing all participants during the dinner on 24 October and providing an insight into both the unity and diversity of Mediterranean civilisations through the History of its Peoples and Cultures.

The EIB Forum 1996 is the second such event to be organized, after the highly successful Forum in Amsterdam in May 1995 on the role of the private sector in financing major infrastructure (1). Organization of the Forum is part of the EIB's policy of contributing to public debate on major European issues. As in the case of the 1995 Forum, the Proceedings of this year's Forum will be published and distributed widely (2). ■

(1) See also "EIB Information", N°84, 06/95.

(2) The Proceedings of the EIB Forum 1995 can be ordered free of charge from the EIB's Information and Communications Department, Information Desk, fax -352 4379 3189.



New appointments at the EIB

At the beginning of July, **Francis Carpenter** took over the post of Secretary General at the European Investment Bank.

Aged 53, Francis Carpenter joined the EIB in 1975 in the Department for Operations in Italy, based in Rome. Before being appointed Secretary General, he headed the Credit Risk Department in the Directorate for Lending Operations in the European Union, supervising a lending portfolio running to more than ECU 95 billion. Prior to this, he was in charge of the Department responsible for lending operations in Ireland, Portugal, the United Kingdom and the North Sea, at the time when Portugal joined the European Union. He first embarked upon his career in the world of finance with Citibank in New York and Geneva, then Banque Indosuez in Paris. He studied at universities in the United Kingdom, France and the United States.

Francis Carpenter succeeds **Thomas Oursin**, who is leaving the EIB after an

outstanding career, including 22 years at the Bank, devoted in particular to the EIB's financing activity outside the European Union, for which he served as Director General before taking on his responsibilities as Secretary General from 1994 to 1996. Thomas Oursin will continue to work for the benefit of the EIB, as he has agreed to take on, as from 1 October this year, the post of Chairman of the Financial Committee at the European Investment Fund (EIF) (1).

Terence Brown is taking over from Francis Carpenter as Director of the Credit Risk Department, moving from his post as Director of the Department for Lending Operations in Central and Eastern Europe. He is being succeeded in turn by **Walter Cernoia**, previously Head of the Division for Operations in Poland, Hungary and the Baltic States.

Also as from the beginning of July 1996, **Andreas Verykios**, formerly Head of the Division for Operations in the United Kingdom and the North Sea (infrastructure,

industry, banks), has been appointed Director of the EIB's Representative Office in Brussels, to succeed **Joachim Müller-Borle**, who has taken his retirement.

Appointed Director of the Department for Lending Operations in Germany and Austria, **Emmanuel Maravic** joined the Bank in April 1996. Mr Maravic, an Austrian, is thus the first member of the EIB's senior cadre to come from one of the new EU Member States.

The start of 1996 saw introduction of a series of organisational changes in the Finance Directorate. As a result, **Ulrich Damm**, Director of the Capital Markets Department, has been appointed Deputy Director General, assisting René Karsenti, Director General.

Under its new structure, the Finance Directorate is now organised around four departments. All back-office operations have been grouped into one department, "Planning and Operational Support", headed by **Eberhard Uhlmann**, who has been appointed Director. The other three departments are Capital Markets, Treasury and Financial Control/Accountancy.

In January of this year, **Henry Marty-Gauquié**, Head of the Communications Policy Division, was promoted to the position of Director of the Information and Communications Department, following the retirement of Karl Georg Schmidt. ■

From left to right:

Walter Cernoia, Ulrich Damm, Henry Marty-Gauquié, Andreas Verykios, Francis Carpenter (Secretary General), Emmanuel Maravic, Terence Brown, Eberhard Uhlmann.



(1) The European Investment Fund was set up in 1994 to provide long-term guarantees in support of financing for major infrastructural projects and small and medium-sized enterprises. Its capital is held by the European Investment Bank (40%), the European Commission (30%) and some 80 European banks (30%). Since it was set up, it has furnished guarantee cover totalling more than ECU 2 billion.

1st half of 1996: lending reaches ECU 8.2 billion

During the first half of 1996, the EIB advanced loans totalling ECU 8 173 million towards capital investment helping to attain the European Union's policy objectives.

Within the European Union, where operations were mounted in all the Member States except Luxembourg, the Bank provided lending worth 7 790 million in all (of which 5 389 million through individual loans for major projects).

Loans for transport infrastructure ran to nearly 2.2 billion, including 560 million for priority TENs. Large-scale projects attracting EIB finance for the first time during the second quarter included, in particular, construction of the new international airport at Spata, near Athens, the high-speed rail link between London and the Channel Tunnel and four sections of the Cantabrian motorway in Spain, a key link in road connections between the Atlantic coast and France.

Aggregate lending in the energy sector amounted to ECU 1.6 billion as at 30 June, including 393 million in support of priority energy transfer TENs.

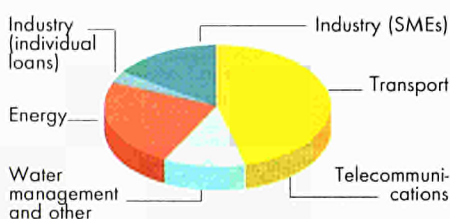
On top of those concluded during the first quarter (notably for the United Kingdom - Belgium gasline), finance contracts signed concerned projects of particular importance for the European Union's energy supplies: in Austria, Freudenu hydro-electric power station, on the Danube, the largest scheme of this type currently under way in Europe - in addition to generating electricity, the project's other aims are ecologically-sustainable management of water resources and improvements to the waterway as a means of transport; in Germany, the MIDAL-STE-GAL gaslines allowing for the supply of Russian gas to Germany; and lastly, in Greece, the fifth unit at Aghios Dimitrios power station.

The telecommunications sector received nearly ECU 1 billion, the funds going in particular to mobile telephony networks in Austria and the Netherlands.

Lastly, in industry and the service sector, individual loans signed during the second quarter brought the volume of activity up to more than 200 million.

Global loans concluded during the first half of this year or arranged earlier were drawn on to finance about 5 200 smaller-scale ventures via allocations totalling ECU 2 billion.

Sectoral breakdown of financing (1st half 1996)



Of this funding, some 60% went to industry and the service sector and the balance to local infrastructural schemes.

Outside the Union, as at 30 June the Bank had advanced ECU 383 million.

The loans provided during the second quarter break down as follows:

- ACP States: 17 million for global loans and smaller industrial projects;
- South Africa: 56 million for a power supply project;
- the Mediterranean Region: 158 million for improvements to air traffic control in Cyprus, modernisation of telecommunications facilities, harbour works and a power station in Turkey and water resource management in Gaza;
- CEEC: 95 million for construction of various sections of motorway in Hungary, designed, in the longer term, to link Ukraine up with the Austrian, Slovenian and Italian motorway networks via Budapest. ■

ECU

Below are the ECU values in national currencies, as at 30 June 1996; these rates are applied for the third quarter of 1996 in preparing financial statements and operational statistics of the EIB:

DEM	1.91494	BEF	39.4096
FRF	6.47765	LUF	39.4096
GBP	0.811978	ITL	1 929.09
NLG	2.14752	ESP	161.259
DKK	7.38031	PTE	197.051
IEP	0.789342	GRD	302.906
SEK	8.36255	ATS	13.477
FIM	5.84968	USD	1.25719

EIB Information is published periodically by the Information and Communications Department of 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 - fax 43 77 04
H320 Videoconferences 43 93 67
Internet <http://www.eib.org>

Office for lending operations in Italy:
Via Sardegna, 38 - I - 00187 Rome
tel. 4719-1 - fax 4287 3438
H320 Videoconferences 48 90 55 26

Athens Office:
Amalias, 12 - GR - 10557 Athens
tel. 3220 773/774/775 - fax 3220 776

Lisbon Office:
Avenida da Liberdade, 144 - 156, 8°
P - 1250 Lisbon
tel. 342 89 89 or 342 88 48 - fax 347 04 87

London Office:
68, Pall Mall - GB - London SW1Y 5ES
tel. 0171 - 343 1200 - fax 0171 - 930 9929

Madrid Office:
Calle José Ortega y Gasset, 29
E - 28006 Madrid
tel. 431 13 40 - fax 431 13 83

Representative Office in Brussels:
Rue de la Loi 227 - B - 1040 Brussels
tel. 230 98 90 - fax 230 58 27
H320 Videoconferences 280 11 40

Photos: EIB photographic library,
Great Belt link - Nordfoto

Printed in Belgium by Ceuterick on Arctic Silk paper
awarded the "Nordic Swan" environment label
IX-AA-96-0003-EN-C

