

**European
Investment Bank
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annual report 1980**



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Annual Report 1980

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The European Investment Bank moved into its new head office in September 1980. The building is situated on the Kirchberg Plateau in Luxembourg, close to other European institutions established in the capital of the Grand Duchy.

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Board of Governors

Situation at 1 June 1981

Chairman	René MONORY (France) <i>until June 1980</i> Michael O'KENNEDY (Ireland) <i>until December 1980</i> Gene FITZGERALD (Ireland)
BELGIUM	Gaston GEENS, Minister of Finance <i>until May 1980</i> Robert HENRION, Minister of Finance <i>until June 1980</i> Paul HATRY, Minister of Finance <i>until October 1980</i> Mark Frans EYSKENS, Minister of Finance <i>until April 1981</i> Robert VANDEPUTTE, Minister of Finance
DENMARK	Svend JAKOBSEN, Minister of Finance
GERMANY	Hans MATTHÖFER, Minister of Finance
FRANCE	René MONORY, Minister for Economic Affairs <i>until May 1981</i> Jacques DELORS, Minister for Economic and Financial Affairs
GREECE	Ioannis PALEOCRASSAS, Alternate Minister for Coordination <i>from January 1981</i>
IRELAND	Michael O'KENNEDY, Minister for Finance <i>until December 1980</i> Gene FITZGERALD, Minister for Finance
ITALY	Filippo Maria PANDOLFI, Minister of the Treasury <i>until October 1980</i> Beniamino ANDREATTA, Minister of the Treasury
LUXEMBOURG	Pierre WERNER, Prime Minister, Minister of State
NETHERLANDS	F. H. J. J. ANDRIESSEN, Minister of Finance <i>until February 1980</i> A. P. J. M. M. van der STEE, Minister of Finance
UNITED KINGDOM	Sir Geoffrey HOWE, Chancellor of the Exchequer

Audit Committee

Situation at 1 June 1981

Chairman	Patrick L. McDONNELL, Secretary and Director of Audit, Office of the Comptroller and Auditor-General, Audit Department, Dublin
Members	Jørgen BREDSDORFF, Rigsrevisor, Audit Department, Copenhagen Corneille BRÜCK, Président-Directeur de la Caisse d'Épargne, Luxembourg <i>Chairman until June 1980</i>

Board of Directors

Situation at 1 June 1981

Chairman

Yves LE PORTZ

Vice-Chairmen

Horst-Otto STEFFE

Giorgio BOMBASSEI FRASCANI de VETTOR

Maurits ESSELENS

C. Richard ROSS

Directors

Alfred BECKER	Sprecher des Vorstands der Kreditanstalt für Wiederaufbau, Frankfurt † <i>deceased 30 August 1980</i>
Karl BREDAHL	Afdelingschef, Ministry of Finance, Copenhagen
Ernst-Günther BRÖDER	Mitglied des Vorstands der Kreditanstalt für Wiederaufbau, Frankfurt <i>from September 1980</i>
Giorgio CAPPON	Ex-Presidente dell'Istituto Mobiliare Italiano, Rome
André de LATTRE	Président du Crédit National, Paris
Salvatore GUIDOTTI	Presidente dell'Istituto Italiano per lo Studio della Congiuntura (ISCO), Rome
Pierre GUILL	Président-Directeur Honoraire de la Caisse d'Épargne de l'État, Luxembourg
Jean-Yves HABERER	Directeur du Trésor, Ministry of Economic and Financial Affairs, Paris
David HANCOCK	Deputy Secretary (Overseas Finance A), H.M. Treasury, London <i>from February 1980</i>
Maurice HORGAN	Second Secretary, Department of Finance, Dublin
Norman JORDAN-MOSS	Deputy Secretary (Overseas Finance A), H.M. Treasury, London <i>until January 1980</i>
Ludovicus MEULEMANS	Inspecteur-generaal van de administratie der Thesaurie, Ministry of Finance, Brussels
Rudolf MORAWITZ	Ministerialdirigent, Federal Ministry of Economic Affairs, Bonn
Anne E. MUELLER	Deputy Secretary, Department of Industry, London
Waldemar MÜLLER-ENDERS	Ministerialdirigent, Federal Ministry of Finance, Bonn <i>from March 1980</i>
Tommaso PADOA-SCHIOPPA	Director-General for Economic and Financial Affairs, Commission of the European Communities, Brussels
Maurice PÉROUSE	Directeur Général de la Caisse des Dépôts et Consignations, Paris
Rupert RAW	Former Adviser to the Governor, Bank of England, London
Felice RUGGIERO	Direttore Generale del Tesoro, Ministry of the Treasury, Rome
Ioannis SPENTZAS	Vice-Governor, National Mortgage Bank of Greece, Athens <i>from January 1981</i>
B. F. van ITTERSUM	Directeur van de Buitenlandse Financiële Betrekkingen, Ministry of Finance, The Hague
Alternates	
Sven BOYER-SØGAARD	Assistant Head of Department, National Bank of Denmark, Copenhagen <i>from February 1981</i>
Michel CAMDESSUS	Chef du Service des Affaires Internationales, Directorate of the Treasury, Ministry of Economic and Financial Affairs, Paris
Lionello FRONZONI	Ex-Direttore, Banca d'Italia, Rome
Edward A. J. GEORGE	Assistant Director, Bank of England, London <i>until November 1980</i>
Winfried HECK	Ministerialdirigent, Federal Ministry of Finance, Bonn <i>from March 1980</i>
Mary E. HEDLEY-MILLER	Under-Secretary, Finance (International Monetary), H.M. Treasury, London
P. C. MAAS	Ex-President-Directeur van de Nationale Investeringsbank N.V., The Hague
Pierre MATHIJSEN	Director-General for Regional Policy, Commission of the European Communities, Brussels
Horst MOLTRECHT	Ministerialdirektor, Federal Ministry for Economic Cooperation, Bonn
Waldemar MÜLLER-ENDERS	Ministerialdirigent, Federal Ministry of Finance, Bonn <i>until March 1980</i>
Ian PLENDERLEITH	Senior Manager, Bank of England; London <i>from December 1980</i>
Yves ROLAND-BILLECART	Directeur Général de la Caisse Centrale de Coopération Économique, Paris
Savino SPINOSI	Direttore Generale, Ministry of the Treasury, Rome

Management Committee

Yves LE PORTZ, President
 Horst-Otto STEFFE, Vice-President
 Giorgio BOMBASSEI FRASCANI de VETTOR, Vice-President
 Maurits ESSELENS, Vice-President
 C. Richard ROSS, Vice-President

Organisation Structure of the Bank

Situation at 1 June 1981

Manager	Head of Department	Head of Division
<p>General Administration Directorate Henri LENAERT, Secretary-General (1) Eugenio GREPPI, Secretary-General (2)</p>	<p>Personnel, Administration and Budget Hans HITZLBERGER, Deputy Manager — Head of Personnel</p> <p>Administration, Personnel and Budget Recruitment and Careers Internal Services</p> <p>Secretariat and General Affairs Michel LAUCHE, Deputy Manager</p> <p>Secretariat Information — Public Relations Representative Office in Brussels Organisation and Methods Translation</p>	<p>Jean EQUINET, Adviser Ronald STURGES, Adviser Thomas CRANFIELD</p> <p>..... Karl Georg SCHMIDT, Adviser Manfred TEICHERT, Principal Adviser Penrhyn TURNER, Deputy Adviser Klaus WOSZCZYNA, Deputy Adviser</p>
<p>Directorate for Operations in the Community Romeo dalla CHIESA</p>	<p>Coordination</p> <p>Operations in Belgium, Denmark, France, Germany, Greece, Luxembourg, the Netherlands Helmuth CRAMER, Associate Manager</p> <p>Operations in Italy, Rome Giorgio RATTI, Deputy Manager</p> <p>Operations in Ireland and the United Kingdom Dennis KIRBY, Deputy Manager</p> <p>Monitoring Marc de BUYER, Deputy Manager</p>	<p>Manfred THOMSEN, Adviser (3)</p> <p>Jean-Pierre LACAILLE, Principal Adviser Gérard d'ERM, Principal Adviser John AINSWORTH, Adviser</p> <p>Manfred KNETSCH, Deputy Adviser Filippo MANZI, Deputy Adviser Francis CARPENTER</p> <p>Thomas HALBE, Adviser Luciano ROTONDI, Adviser</p> <p>Giovanni TORELLI, Deputy Adviser</p>
<p>Directorate for Operations outside the Community Dieter HARTWICH</p>	<p>Coordination</p> <p>Operations in the ACP-OCT Jacques SILVAIN, Associate Manager</p> <p>Operations in the Mediterranean Countries Christopher LETHBRIDGE, Deputy Manager</p> <p>Monitoring Robert CORNEZ, Deputy Manager</p>	<p>.....</p> <p>Jean-Marie PAYEN, Principal Adviser Thomas OURSIN, Adviser Fridolin WEBER-KREBS, Adviser Rex SPELLER, Deputy Adviser</p> <p>Elio GONELLA, Adviser (4) Pietro PETTOVICH, Adviser Ernest LAMERS, Deputy Adviser Roger ADAMS, Deputy Adviser</p> <p>Alfred KAWAN, Adviser</p>

Organisation Structure of the Bank *(cont.)*

Situation at 1 June 1981

Manager	Head of Department	Head of Division
Finance and Treasury Directorate André GEORGE	Issues Wolfgang THILL, Deputy Manager	Rutger ADVOCAAT, Adviser Jean-Claude BRESSON, Deputy Adviser Ulrich MEIER, Deputy Adviser Araldo BONDURRI
	Treasury John VAN SCHIL, Deputy Manager	Anthony CLOVER, Deputy Adviser Lucio RAGUSIN
	General Accountancy Anthon PETERSEN, Deputy Manager	François ROUSSEL, Deputy Adviser Ernest ERPELDING, Deputy Adviser
	Data processing	
Research Directorate John H. WILLIAMS	Economic Research Henri LEROUX, Associate Manager	Jean-Paul JACQUOT, Adviser Klaus ACKERMANN, Adviser Joachim MÜLLER-BORLE, Deputy Adviser Luigi GENAZZINI, Deputy Adviser
	Financial Research Desmond G. McCLELAND, Deputy Manager	Francis THOUVENEL, Adviser
	Documentation and Library	
Legal Directorate Douglas J. FONTEIN ⁽⁵⁾ Herman J. PABBRUWE ⁽⁶⁾	Jörg KÄSER, Deputy Manager	Xavier HERLIN, Principal Adviser Bruno EYNARD, Principal Adviser Alessandro MORBILLI, Adviser

Technical Advisory Service

Group A: Special Projects	Hellmuth BERGMANN, Chief Technical Adviser Filippo BARILLI, Principal Technical Adviser Ernst Helmut LINDER, Principal Technical Adviser ⁽⁷⁾
Group B: Operations in the Community	Walter LOWENSTEIN-LOM, Group Leader Giuseppe DURANTE, Technical Adviser Thomas FLYNN, Technical Adviser Zdenek HAVELKA, Technical Adviser ⁽⁸⁾
Group C: Operations outside the Community	Jacques FAUDON, Group Leader Robert VERMEERSCH, Principal Technical Adviser J. Garry HAYTER, Deputy Technical Adviser

⁽¹⁾ until January 1980; from February 1980 to January 1981, Special Adviser to the Management Committee

⁽²⁾ from February 1980; had been Deputy Secretary-General since January 1978

⁽³⁾ until March 1981

⁽⁴⁾ until December 1980

⁽⁵⁾ until April 1981

⁽⁶⁾ from May 1981; had been Associate Manager since February 1981

⁽⁷⁾ until January 1981

⁽⁸⁾ from April 1980

Unit of account

The value of the European Investment Bank's unit of account is equal to the sum of the following amounts of the national currencies of the Member States:

Deutsche Mark	0.828	Belgian francs	3.66
Pounds sterling	0.0885	Luxembourg francs	0.14
French francs	1.15	Danish kroner	0.217
Italian lire	109	Irish pounds	0.00759
Dutch guilders	0.286		

This definition, given in Article 4 (1) of the Bank's Statute, is identical to that adopted for the European Unit of Account (EUA) and for the European Currency Unit (ECU) which, since 1 January 1981, has taken the place of the EUA in all Community documents in keeping with a Regulation of the Council of Ministers dated 16 December 1980 (see also Note A to Annex E to the Financial Statements, page 80).

The conversion rates used by the Bank during each quarter for its financing and borrowing statistics are those obtaining on the last working day of the previous quarter; in 1980, these were as follows:

	during the 1st quarter	during the 2nd quarter	during the 3rd quarter	during the 4th quarter
1 unit of account =				
DM	2.49057	2.53283	2.51583	2.53515
£	0.646904	0.600552	0.606103	0.585871
Ffrs	5.79312	5.84024	5.84625	5.88115
Lit	1 157.19	1 170.65	1 199.42	1 206.40
Fl	2.74085	2.77061	2.75780	2.75214
Bfrs	40.3181	40.6081	40.2358	40.6262
Lfrs	40.3181	40.6081	40.2358	40.6262
Dkr	7.71697	7.85778	7.79476	7.82146
IR£	0.670579	0.672290	0.671881	0.674995
DR	55.0659	54.5836	61.7946	60.6566
US\$	1.43839	1.30290	1.43010	1.39994
Sfrs	2.29783	2.40033	2.31819	2.31158
Yen	344.495	325.985	311.690	295.345
Sch.	17.8792	18.0973	17.8691	17.9472
£Leb	4.68915	4.46243	4.87664	4.82104

The balance sheet and financial statements have been drawn up on the basis of the conversion rates obtaining at 31 December of the financial years 1979 and 1980 (see page 80).

In accordance with Article 4 (1) of the Statute, the Bank's Board of Governors decided on 13 May 1981 to adopt, with effect from 1 January 1981, the following new definition of the unit of account of the Bank in place of that given in the present second paragraph of Article 4 (1):

"The unit of account shall be defined as being the ECU used by the European Communities".

This decision was accompanied by the following statement:

"This decision shall not prejudice decisions taken by the Board of Governors pursuant to the third paragraph of Article 4 (1) and Article 7 (4) of the Bank's Statute".

New financing provided by the European Investment Bank in 1980 amounted to 3 124.6 million units of account (*) from the Bank's own resources and 373.9 million from resources which the Bank manages under mandate from the Community (see page 21), a total of 3 498.5 million compared with 3 071.1 million in 1979 and 2 188.3 million in 1978.

Of the total financing provided, 2 950.8 million, comprising 2 753.2 million from the Bank's own resources and 197.6 million from those of the New Community Instrument for borrowing and lending — NCI (see page 24) went towards investment projects in Member Countries. Financing amounting to 547.7 million (371.4 million from EIB own resources and 176.3 million from resources which the Bank manages under mandate from the Community) was provided for projects contributing to the development of countries in the Mediterranean region and countries which are signatories to the Lomé Conventions.

Community policies

Economic and financial objectives

The loans granted in Member Countries from the Bank's own resources accord with objectives defined in Article 130 of the Treaty of Rome (see page 23), while loans from NCI resources accord with objectives defined in Decisions taken by the Council of the European Communities on 16 October 1978, 14 May 1979, 22 July and 25 November 1980 (see page 23). Outside the Community, financing is provided in support of projects meeting the objectives defined by the relevant financial agreements and protocols.

The continuing growth in Bank activity reflects the various guidelines adopted by the European Council — the meeting of Heads of State or Government of the Community Member Countries — and subsequently defined by the Council of the European Communities, acting on a proposal from the Commission, and by the Bank's Board of Governors.

At its meetings on 27 and 28 April in Luxembourg, on 12 and 13 June in Venice and on 1 and 2 December 1980 in Luxembourg, the European Council confirmed the basic guidelines adopted at its meeting on 26 and 27 March 1977 regarding the pursuit of solutions to current economic difficulties. A number of the principles reaffirmed on these occasions have a

direct bearing on the Bank's activity, particularly the following:

"The reduction in the rates of inflation and improvements in the competitiveness of undertakings by suitable investments facilitating the necessary structural adjustments are the most appropriate way of achieving improved growth and combating unemployment on a lasting basis." "The various Community instruments must continue to serve, first and foremost, policies aimed at reducing structural unemployment and at improving infrastructure and the economic situation of the less-favoured rural regions." "A reduction in economic disparities and the strengthening of the weaker economies are prerequisites for the development of the European Monetary System (EMS)." The Council reiterated the need to reduce Member States' dependence on oil through energy savings and recourse to other sources of energy, including coal and nuclear energy.

Pursuant to its Decision of 16 October 1978 creating the New Community Instrument, the Council of the European Communities decided on 22 July and 25 November 1980 to authorise a second tranche of borrowings for an amount of 500 million, stipulating that from the proceeds an amount equivalent to 400 million was to be used to finance projects meeting the Community's priority objectives for infrastructure and energy, the eligibility of such projects to be determined by the same guidelines as were laid down for the first tranche of 500 million by the Decision of 14 May 1979. The balance of the borrowings, 100 million, would likewise be used for financing projects meeting the conditions laid down by the Decision of 14 May 1979 and 22 July 1980, but with eligibility also

(*) Except where otherwise indicated, all amounts quoted are expressed in units of account (see page 8). Differences between totals shown and the sum of individual amounts are due to rounding.

extended to advance factories and housing, provided that such infrastructure formed part of an overall economic and industrial development programme of regional interest. The rules governing the functioning of the NCI and in particular the procedures followed by the Bank in making loans on behalf of the Community are summarised on page 24.

At its meeting in December 1980, the European Council expressed deep concern at the devastation caused by the earthquake in Southern Italy; it invited the Council of the European Communities, acting swiftly on a proposal from the Commission, to approve, in addition to immediate relief aid, exceptional aid, particularly subsidised loans, as an effective contribution to the programme for rehabilitating the stricken areas.

The Council of the European Communities accordingly decided on 20 January 1981 to authorise the Commission to contract borrowings in accordance with the Council Decision setting up the NCI to finance investment aimed at restoring production plant and stock and reconstructing economic and social infrastructure in those areas of Italy affected by the November 1980 earthquake; the authorisation was for a sum of one thousand million ECUs less the amount of such operations which might be mounted by the Bank from its own resources to the same ends. The loans granted by the Bank, both from its own resources and from funds provided by the New Community Instrument, may, as decided by the Commission, receive a 3 % per annum interest subsidy for up to a maximum of 12 years, financed from the general budget of the European Communities.

On 7 October 1980, the Council of the European Communities enacted regulations instituting a first set of Community measures in support of regional development in the context of operations not subject to national quotas, for which 5 % of the resources of the European Regional Development Fund (ERDF) were earmarked.

During the year, the Council of the European Communities also laid down a number of policy guidelines concerning energy. In particular, it adopted a resolution aimed, firstly, at reducing to 0.7 or less by 1990 the ratio between the growth in gross domestic product and the increase in energy consumption, secondly, at reducing to around 40 % the proportion of total primary energy consumption within the Community accounted for by oil, thirdly, at making use of solid fuels and nuclear energy to cover between 70 and 75 % of the primary energy required for genera-

ting electricity, and, lastly, at encouraging the use of renewable sources of energy; it also recommended that the Member States adopt energy pricing policies conducive to attainment of the energy objectives fixed at Community level.

Enlargement of the Community

The entry into force on 1 January 1981 of the treaty concerning Greece's accession to the European Communities is an event of great importance for the future of the Community and for the future development of the European Investment Bank's activity. The Bank had already granted loans for investment projects in Greece under the financial protocols concluded within the framework of the Association Agreement between Greece and the Community which entered into force in 1962; it will now extend its financing in favour of projects meeting the objectives set out in the Treaty of Rome, in accordance with the criteria and directives governing Bank activity within the Community and in the light of the Protocol annexed to Greece's Act of Accession; the latter urges proper use of Community resources to promote industrialisation and economic development and to narrow the gap between the level of development in Greece and that in the other Member Countries.

The negotiations entered into in 1978 and 1979 with Portugal and Spain with a view to their accession to the Community were continued.

Development Cooperation

The second Lomé Convention, which was signed on 31 October 1979 between the Community and the African, Caribbean and Pacific (ACP) States, entered into force on 1 January 1981, as did the corresponding Decision concerning the Overseas Countries and Territories (OCT). Two new States, Saint Vincent and the Grenadines and Zimbabwe acceded to this Convention in 1980, bringing the number of signatory ACP States to 60.

The commercial and financial provisions of the Cooperation Agreement signed on 2 April 1980 between the Community and **Yugoslavia** entered into force on 1 July 1980. These afford access to loans from the Bank's own resources up to a total of 200 million during a five-year period to finance projects of common interest.

The Board of Governors decided on 18 March 1980 to authorise the Bank to commit by 31 December 1981 the 200 million of loans from own resources provided for under the EEC-**Portugal** Financial Protocol signed in September 1976 and intended initially to

cover a period of five years expiring on 31 October 1983.

Parallel to the current negotiations concerned with Portugal's accession to the Community, an agreement was reached on 3 December 1980 for the provision of additional aid prior to accession. To this end, the Board of Governors authorised the Bank to commit loans from its own resources for up to 150 million over the period from 1 January 1981 until the date when the treaty governing Portugal's accession comes into force. Of this amount, 125 million will carry an interest subsidy of 3 % per annum financed

Amounts of Community financial aid provided for under various agreements, financial protocols and decisions in force at 1 January 1981

(million u.a.)

Country/Group of countries	Expiry date	Loans from EIB own resources	Loans on special conditions	Risk capital operations	Grant aid (1) (2)	Operations with budgetary funds		Total
						Stabilisation of export earnings (STABEX) (2)	Special facility for financing mining projects (SYSMIN) (2)	
ACP	28. 2. 1985	685 (3) 200 (5)	504 (2)	280 (4)	2 928	550	280	5 227 200 (5)
OCT	28. 2. 1985	15 (3)	27 (2)	7 (4)	51	9		109
Total ACP/OCT		900	531 (2)	287 (4)	2 979	559	280	5 536
Portugal								
— financial protocol	end 1981 (6)	200 (7)			30			230
— pre-accession aid	date of accession	150 (7)			125			275
Turkey	31. 10. 1981	90	220 (8)					310
Yugoslavia	30. 6. 1985	200						200
Algeria	31. 10. 1981	70 (9)		19 (10)	25			114
Morocco	31. 10. 1981	56 (9)		58 (10)	16			130
Tunisia	31. 10. 1981	41 (9)		39 (10)	15			95
Egypt	31. 10. 1981	93 (9)		14 (10)	63			170
Jordan	31. 10. 1981	18 (9)		4 (10)	18			40
Lebanon	31. 10. 1981	20 (9)		2 (10)	8			30
Syria	31. 10. 1981	34 (9)		7 (10)	19			60
Malta	31. 10. 1983	16 (9)		5 (9)	5			26
Cyprus	31. 12. 1983	20 (9)		4 (9)	6			30
Israel	31. 10. 1981	30						30
Total Mediterranean region		1 038	372		330			1 740
Grand total		1 938	1 190		3 309	559	280	7 276

(1) Interest subsidies are financed from grant aid.

(2) Financing provided by the Commission of the European Communities.

(3) Loans carrying 3-point interest subsidies from the European Development Fund, except for loans for oil projects.

(4) Operations mounted by the Bank.

(5) Under the terms of a declaration annexed to the Lomé Convention, the Bank may provide additional financing for an amount of 200 million in the form of loans from its own resources for mining and energy projects of common interest to the State concerned and the Community. These loans are not eligible for interest subsidies and must be approved on a case-by-case basis by the Bank's Board of Governors.

(6) In a declaration, the Community informed the Portuguese Government that it would take steps to accelerate implementation of the Protocol by the end of 1981 instead of by 31. 10. 1983 as originally intended.

(7) Part of these loans eligible for 3-point interest subsidies from budgetary funds.

(8) Loans granted by the Bank.

(9) Loans eligible for 2-point interest subsidies from budgetary funds.

(10) The Bank manages special loans and risk capital operations in the industrial, energy, mining, tourism and economic infrastructure sectors; the Commission manages special loans in other sectors.

from the Community budget. The agreement also provides for 125 million of grant aid, 25 million of which will be used to finance the interest subsidies on Bank loans.

At the request of the Council of the European Communities, the Board of Governors adopted a decision on 4 May 1981 authorising the Bank to grant loans from its own resources to finance investment projects in **Spain** of a kind that will further the economic integration of that country into the Community, during the period prior to accession, up to a maximum amount of 200 million, subject to revision, and on the understanding that firm commitments would not exceed 100 million during any twelve consecutive months.

Economic background

The Bank's activity in 1980 took place against a sombre economic background.

In the industrialised countries as a whole, economic growth slackened or was interrupted from the second quarter onwards. Even the heavy toll exacted by the near 150 % increase in crude oil prices between the end of 1978 and the middle of 1980 had hitherto scarcely affected growth as private consumers had partly offset the slower rate of growth in real incomes by reducing their rate of saving. The more stringent monetary and credit policies deemed necessary to stem inflation and the expectation of further inflationary pressures contributed to damping down personal consumption and, in most countries, led to economic growth slackening or ceasing. Unemployment rose substantially, though in some countries measures were taken to contain it. World trade slowed down markedly; such growth as there was derived mainly from exports to OPEC countries. The worsening terms of trade of the oil-importing industrialised countries caused a deterioration in their balance of payments on current account. Over the year as a whole, rates of increase in retail prices generally remained too high to justify any relaxation of policies framed to contain inflation.

In the United States, economic activity and monetary and credit policy underwent considerable fluctuations. The low level of aggregate demand and the

During the meeting of the **EEC-Turkey** Association Council on 30 June 1980, the Community and Turkey reached agreement on a number of decisions concerning the furtherance of this association: the amount and structure of the Fourth Financial Protocol to supersede the present protocol expiring on 31 October 1981 were decided. The new protocol will provide for total aid of 600 million over a period of five years, including 225 million from the Bank's own resources.

Negotiations are due to commence shortly on renewal of the first generation of financial protocols in force between the Community and certain other Mediterranean countries (the Maghreb and Mashreq countries and Israel), which will expire on 31 October 1981.

continuing rapid growth in exports nevertheless led to a reduction in the trade deficit and this, together with favourable balances on the services and transfers accounts, led to a surplus on current account.

Restrictive monetary policies and uncertainties deriving from the deteriorating international political situation, particularly in the Near and Middle East, subjected **capital markets** to increased pressures. In the United States, stubborn inflation was one factor behind a change in the operation of monetary policy. This was partly responsible for considerable interest rate volatility. Interest rates rose sharply in the first quarter, but fell back in the second quarter as output declined steeply. In the third quarter they again rose to new record levels.

This increase in interest rates was more or less reproduced on both the Eurodollar market and national capital markets, most of the industrialised countries being concerned to avoid increasing the vulnerability of their exchange rates during a period when their balance of payments on current account was in deficit. These same countries had also been obliged to step up their calls on the markets to cover their budget deficits. In Europe, despite the prospects of some slackening in economic activity and as a result of inflation, rates of interest, apart from a brief lull in the middle of the year, therefore continued throughout 1980 to follow the upward movement begun during the previous year.

On a number of financial markets, pressures led to short-term interest rates overtaking long-term rates. On the international markets, the few periods when long-term rates eased saw intense activity in fixed-interest bond issues, which in the case of certain currencies generally occurred in the intervals between periods when issues of this type were almost completely suspended. Issues of dollar-denominated floating-rate securities continued regularly; in the second half of the year the encouraging firmness of share prices led to an increasing number of convertible issues, with the result that more funds were raised on the international market overall than in 1979.

In Germany, the lower level of interest rates on the domestic market compared with those for a number of other currencies resulted on several occasions in large outflows of capital. In spite of the suspension towards the end of the last quarter of foreign issues, with the exception of those made by international institutions, there was only a slight reduction in the total volume of foreign public issues denominated in Deutsche Mark during 1980 compared with the previous year.

In France, the fact that yields on the bond market continued to exceed those on the money market as well as the rate of inflation encouraged large inflows of capital and made it easier for both foreign and domestic issuers to raise long-term funds. On the Eurofranc market, the strength of the currency and relatively high yields attracted investors and led to a doubling of new issues.

For similar reasons, the volume of Eurosterling issues rose even more rapidly. On the United Kingdom domestic market, the abolition in October 1979 of restrictions on foreign issues had little immediate effect mainly because of an expected fall in interest rates and the rate of exchange of the pound from the peak levels attained: only one foreign loan was issued, by the Kingdom of Denmark.

In the Benelux countries, the stability of the Dutch guilder encouraged the placing of a larger volume of foreign public issues, whereas the persistent weakness of the Belgian franc restricted the number of issues in Belgian and Luxembourg francs.

Outside the Community, the volume of foreign public issues was maintained on the Swiss market where

borrowers were attracted by the relatively low rates; in Japan there was a fall in the volume of new issues as a result of the increase in rates during the first half of the year and towards the end of the year, which temporarily discouraged borrowers.

The **Community's** gross domestic product rose by only 1.3% compared with 3.4% in 1979 (1). This fall in the rate of growth had repercussions on the economies of the Member States from the first half of the year onwards. Inflation and increased taxation and social security contributions eroded the disposable real income of private consumers. The result was a slower rate of consumption and investment in housing, a trend accentuated by mounting interest rates. In general, other categories of national expenditure roughly followed their previous tendencies. The decline in business investment remained relatively moderate, thanks largely to the amount of self-financing available. The rapid increase in the number of persons seeking jobs in most Member Countries contributed to worsening unemployment, especially among the young. The average annual rate of increase in retail prices rose considerably and divergences between the Member Countries widened. Efforts to combat inflation therefore led to more restrictive monetary, credit and budgetary policies. However, budget deficits as a percentage of GDP, though varying greatly from one country to another, showed little change on the whole.

The deficit in the balance of payments on current account increased sharply in most Member Countries, except the United Kingdom, as a result of the higher cost of oil imports and more intensive competition from countries outside the Community, on both domestic and export markets. Despite the disparity among Member Countries in rates of inflation and balances on current account, their exchange rates in 1980 remained within the fluctuation bands agreed on under EMS arrangements.

In **Germany**, economic growth which had been well sustained in 1979 slowed considerably. Private consumption weakened as higher saving offset part of the increase in real earnings. Housing construction continued to expand up until the middle of the year, but then marked time particularly under the influence of steeper interest rates. The slower rate of stock-

(1) Except where otherwise indicated, aggregate increases and decreases are given by volume.

Economic background

building contributed to weakening domestic demand. The public sector deficit increased slightly. Business investment continued to be the dynamic element in generating demand. In many sectors, lack of capacity necessitated greater expenditure on plant and equipment while investment in energy-saving projects continued to grow steadily.

The employment situation remained relatively satisfactory until the middle of the year — in certain sectors there was even a pronounced shortage of skilled workers — but deteriorated thereafter. The rate of increase in the cost-of-living index remained much below the Community average. The growth in

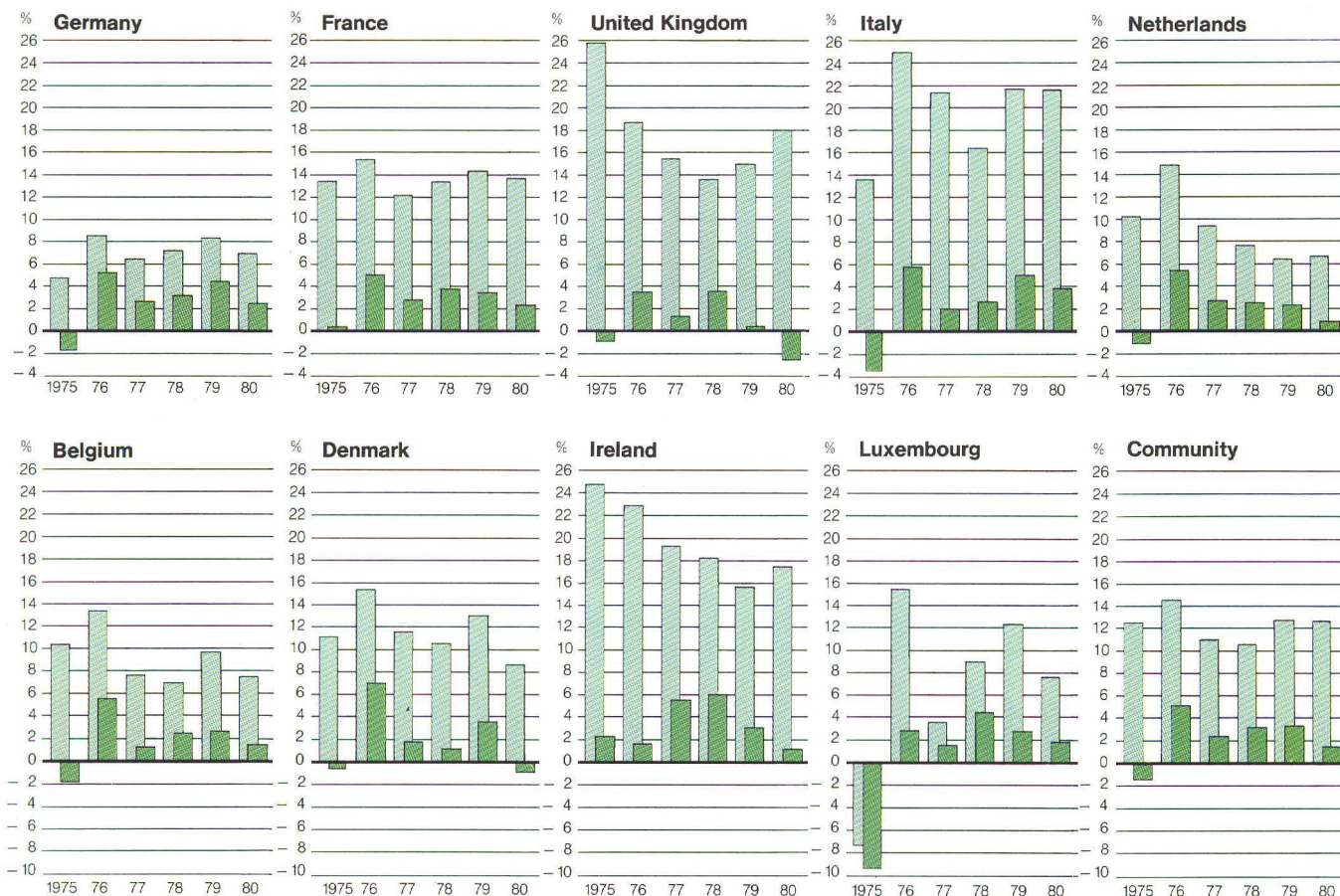
the volume of exports, although slightly outstripping imports, was nevertheless insufficient to compensate for the deteriorating terms of trade such that the country's trade surplus was appreciably eroded. The continued unfavourable trend of invisible trade produced a larger deficit in the balance of payments on current account, which contributed to a weakening in the Deutsche Mark on foreign exchange markets.

In **France**, economic growth also slowed down markedly. Private consumption gradually slackened, despite the fact that consumers' disposable income more or less retained its purchasing power. After

Gross domestic product in the Community

variations by comparison with previous year (%)

■ at current prices ■ at constant prices



(*) Derived from aggregates expressed in national currencies in the case of Member Countries and in European units of account in the case of the Community.

rising briskly in 1979, investment in housing fell during the year, largely as a result of tighter credit. In contrast, public sector investment continued to grow steadily, while the previous year's upturn in private sector investment was maintained until the middle of 1980. The reduction in stockbuilding had a slightly restraining effect on growth.

The national pact on employment made it possible to alleviate the effects on the labour market of slackening economic activity. Although the number of persons employed rose, the increase was insufficient to stem rising unemployment which was aggravated by the presence of new job-seekers. In September, the Government took measures to assist low-income households and, within the framework of the 1981 budget, adopted fiscal measures to stimulate business investment. At the same time, its stabilisation programme was maintained; by virtue of effective Government control of state spending and the sharp increase in tax revenue, the public sector borrowing requirement remained very moderate. Nevertheless, inflation continued at a brisk rate, being sustained by rising import costs and some acceleration in money wages.

The volume of imports continued to rise, although somewhat more slowly, possibly because of a temporary decline in the competitiveness of domestic producers which also contributed to a fall in the rate of increase in the volume of exports. The worsening terms of trade led to a sharp upturn in the trade deficit. Favourable balances on the services and transfers accounts only partly compensated for this trend and the upshot was a large deficit in the balance of payments on current account, following two years of surplus. However, net inflows of capital helped to maintain the firmness of the franc on the foreign exchange markets.

In the **United Kingdom**, the recession, which had made itself felt in the first quarter, became more marked during the following months. Output fell 3 per cent, although consumers' and general Government spending showed some increase, the difference being accounted for partly by substantial destocking. Real disposable income fell, but only slightly (three quarters per cent). High interest rates contrasting with the low level of profits, and reduced public sector investment led to a severe contraction in business investment. Housing construction declined while destocking also contributed to the fall in demand. Unemployment rose, especially in the second half of the year, not only in the less prosperous regions but also in certain of the more dynamic ones.

The rise in retail prices which had accelerated steeply in the first half of the year slowed down quite sharply thereafter. The growth of wages and salaries also began to moderate especially in the private sector. Although a restrictive monetary and credit policy was maintained, the money supply continued to grow sharply though part of this was due to unwinding of earlier distortions.

Despite a significant deterioration in cost competitiveness, exports increased slightly in real terms. The oil account moved into surplus for the first time. Non-oil imports fell with the recession and a sharp reduction in stock levels, and the terms of trade improved. These factors helped to restore the trade balance and to produce a significant surplus in the balance of payments on current account. The pound strengthened on the foreign exchange markets and the opportunity of the strong balance of payments position was taken to repay early certain international loans.

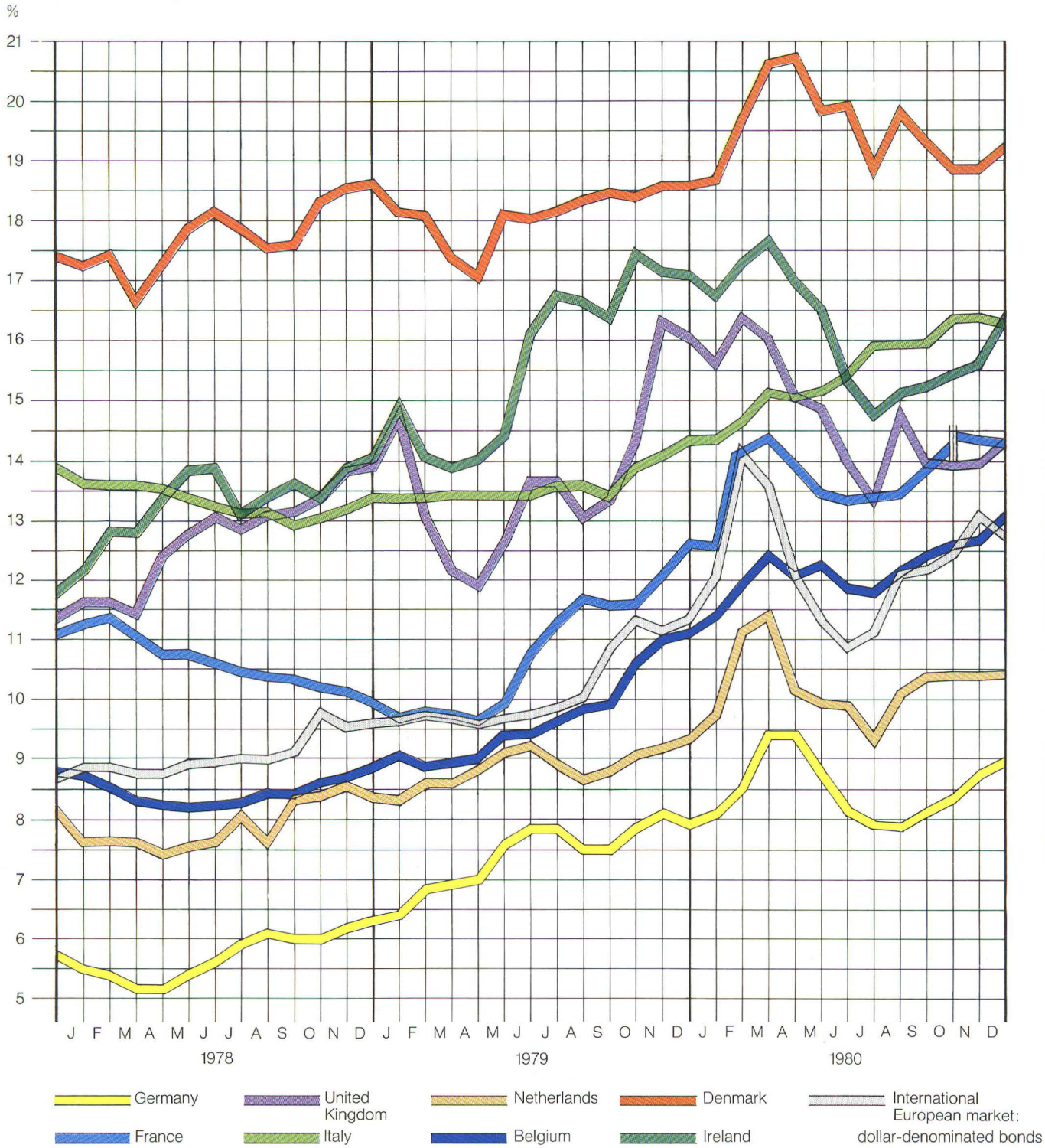
In **Italy**, despite a gradual slowing down as from the second quarter, economic growth continued at a higher rate than in the Community as a whole. Private consumption remained a dynamic element in generating demand because of the fall in the rate of saving and, to a certain extent, because of the growth in wages and salaries. Business investment rose very sharply, especially because of the high rate of utilisation of production capacity. Increases in wages and salaries and in the cost of raw materials also prompted investment to increase productivity in most sectors.

The large number of new job-seekers contributed to maintaining unemployment at a high level. The borrowing requirements of the public authorities and public enterprises, although still substantial, nevertheless fell as a percentage of GDP in value terms, largely as a result of the automatic increase in tax revenue in a period of steep inflation.

The fall in the volume of exports during the year was much more pronounced than the fall in domestic demand, largely because rising production costs reduced competitiveness in a period when the lira remained relatively stable on the exchange markets. In contrast, imports, stimulated especially by expanding domestic demand, grew steadily in volume. Moreover, the deterioration in the terms of trade led to a significant widening of the trade deficit. This was only partly offset by net receipts from services and transfers, since earnings from tourism performed less well than previously; as a result, after three years of surplus, the balance of payments on current ac-

Gross yields on bonds

quoted on the various financial markets in the Community that offer the closest comparison with those issued by the European Investment Bank. For the United Kingdom, Ireland and Denmark, yields have been calculated, for purposes of comparability, on the basis of an annual rather than a semi-annual compounding of interest.



count showed a large deficit. This deterioration prompted stricter exchange controls and an increase in interest rates.

In **Denmark** economic growth was not only interrupted but gave way to a slight recession. The decline in economic activity became especially apparent during the second half of the year, accompanied by a fall in personal consumption and business and public sector investment; housing construction suffered from the reduction in households' real income and the high level of interest rates. Only the increase in public expenditure on goods and services and, to a lesser extent, in exports helped somewhat to restrict the contraction in overall demand.

Inflation remained high. The balance of payments on current account continued to show a considerable deficit, largely as a result of the worsening terms of trade. The public sector borrowing requirement was to a large extent covered by recourse to the international capital markets.

In **Ireland**, economic growth slowed down in 1980. A faster rate of inflation contributed to reducing disposable income in real terms and the outcome was a slight drop in personal consumption. After four years of rapid growth, business investment declined sharply in volume as did stock-building. Unemployment, which had been slightly reduced during the previous two years, rose once more. Because of the high level of the public sector borrowing requirement considerable recourse to external borrowing was necessary. Despite the deterioration in the terms of trade, the fall in the volume of imports, resulting from the contraction of domestic demand, and the rapid growth in exports, especially in the agricultural sector, led to a reduction in the deficit in the trade balance; the deficit on the current account nevertheless remained high as a percentage of GDP.

In the **Netherlands**, economic activity, which was still brisk during the first half of the year, contracted during the second such that for the year as a whole growth was practically nil. Consumption and investment levelled off. Despite the relatively moderate trend of wages and salaries, retail prices rose slightly more sharply than in 1979. Although exports remained at roughly the same level and the volume of imports fell, the reduction in the trade deficit was only slight because of a deterioration in the terms of trade. Invisible transactions caused a further increase in the deficit on current account.

In **Belgium**, economic growth entered a period of decline related to a fall in personal consumption, housing construction and public sector investment. The employment situation deteriorated further, with the rate of unemployment rising to one of the highest levels in the Community. A certain acceleration in the rate of inflation and, especially, a further increase in the deficit in the balance of payments on current account, attributable particularly to the deterioration in the terms of trade and the diminishing competitiveness of exports, prompted the authorities to adopt a restrictive monetary and credit policy. The budget deficit widened once more.

In the **Grand Duchy of Luxembourg**, despite sustained activity in housing construction, economic growth slowed down considerably mainly because of the depression in the iron and steel industry.

Greece, which became a Member Country on 1 January 1981, experienced a marked slackening in economic activity in 1980, particularly in industry, after several years of sustained growth; the agricultural sector, on the other hand, enjoyed good harvests. Personal consumption abated and business and, more especially, public sector investment, together with housing construction, declined. A less expansionary budget policy and a tighter monetary and credit policy did not prevent more rapid increases in retail prices. Despite the fall in the volume of imports, worsening terms of trade resulted in a deepening deficit on current account, necessitating greater recourse to external borrowing.

In most of the **developing countries** with which the Community has concluded financial cooperation agreements, the economic situation grew bleaker under the impact of rising prices for oil and for imported industrial products and foodstuffs, which the increase in export earnings was insufficient to counterbalance. Generally speaking, there was an appreciable downturn in the rate of growth. The introduction of austerity programmes and investment cuts enabled certain countries to hold down somewhat the increase in their external indebtedness. However, because of the scale and the terms and conditions of borrowings contracted during the previous years, the cost of servicing their external debt continued to weigh heavily on both the public finances and the balance of payments.

The **African, Caribbean and Pacific States**, signatories to the Lomé Conventions, suffered seriously, with the exception of the few oil-exporting countries among them (Nigeria, Gabon, Cameroon, Congo,

Trinidad and Tobago), from the rising cost of their energy supplies, the difficult economic situation of the industrialised countries and the slower rate of growth in world trade. The prices of most of their exports of both foodstuffs and agricultural products (cocoa, coffee, oilseeds, oleaginous fruits and rubber) and minerals (particularly copper and iron) fell by varying amounts. Significant price increases benefited only a few products such as sugar, because of falling world production, and cotton, because of the increase in the price of man-made fibres. These few favourable exceptions advantaged only a small number of countries and did not prevent a general deterioration in the terms of trade. This harsher background imposed more exacting constraints on economic and financial management in most of these States and magnified the penalties of disregarding them. As a final blow, the African countries of the Sahel suffered from a severe drought which, once again, disastrously affected their food crops. Pursuance of the investment programmes necessary for the economic development of the ACP States still depends very much on international aid continuing to be provided on the most favourable terms. The entry into force of the second Lomé Convention at the beginning of 1981 should make a positive contribution.

In **Turkey**, there was a slight contraction of GDP and the economic situation remained very difficult. Personal consumption was checked by the fall in real wages and remained stationary. The uncertain economic climate and the restrictive monetary measures necessitated by the worsening external payments situation and the high level of inflation triggered off a fresh decline in private sector investment. At the same time the persistent failure to import means of production, because of a shortage of foreign exchange, coupled with a series of social conflicts led to a further slackening in industrial production during the first half of the year.

Among the measures contained in the economic stabilisation programme adopted in January were the periodical downward adjustment of the rate of exchange and some relaxation of import controls. The implementation of this programme and substantial financial aid from abroad, granted within the framework of International Monetary Fund financing and the special programme drawn up by the Organisation for Economic Cooperation and Development, made for a slight improvement in the economic situation during the second half of the year: industrial production picked up slightly and the rate of inflation

was damped a little. Nevertheless, despite a further increase in exports and remittances from Turkish workers abroad, the deficit on current account widened further, chiefly because of the rise in the cost of importing oil; together with the deficit of public undertakings, this remained the main weak point in the Turkish economy at the end of the year.

In **Portugal**, economic growth was maintained at a moderate rate close to that recorded in 1979. It was sustained especially by the more rapid growth in private consumers' expenditure sparked off by the first increase in real disposable income for a number of years and by a marked recovery in business investment founded on renewed confidence and more encouraging profit margins. Although still brisk, the rate of inflation fell. Remittances from Portuguese workers abroad continued at a high level and earnings from tourism increased, but the deficit on the balance of payments on current account widened because of the slower rate of exports, the heavy increase in the volume of imports, brought about by growing domestic demand, and the worsening terms of trade; nevertheless, as a percentage of gross domestic product, this deficit fell well short of the peaks reached from 1974 to 1977.

In **Yugoslavia**, the slower rate of economic growth was accompanied by a rise in unemployment and a more rapid increase in retail prices. In June, a series of measures were taken, including devaluation of the dinar and a downward revision of the economic growth targets; this action served to restrict the increase in the trade deficit. At the same time, the rapid upturn in earnings from tourism and remittances from Yugoslav workers abroad helped to reduce the deficit in the balance of payments on current account.

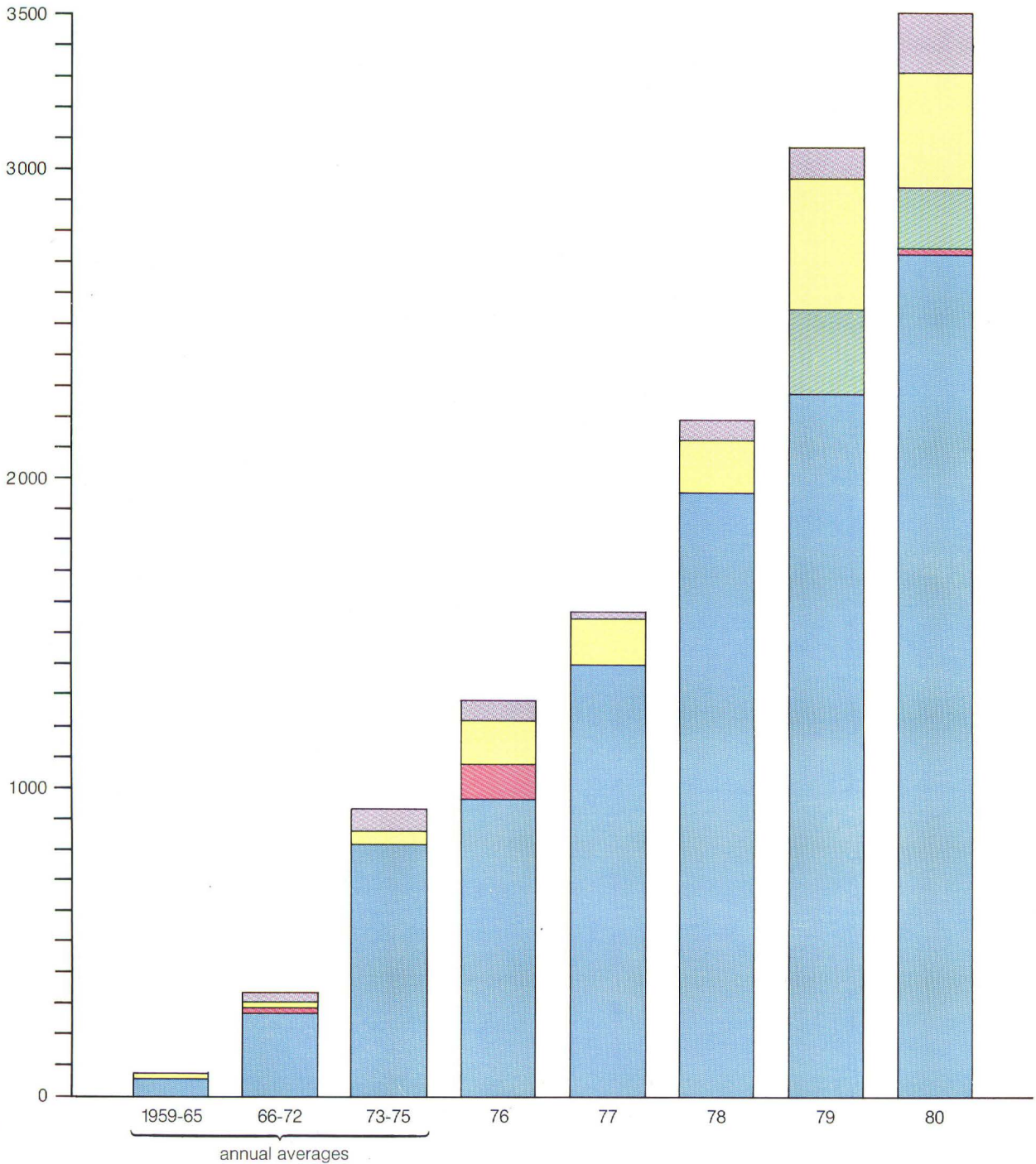
In the **Maghreb and Mashreq countries**, economic growth generally slackened. Rates of growth recorded were about 4% in Tunisia and Syria, and between 4% and 5% in Jordan and Morocco; Lebanon also achieved a modest rate of growth, although political tensions and the continuation of hostilities there still impeded reconstruction; in the two oil-exporting countries, Algeria and Egypt, a more sustained rate of growth was achieved (between 8% and 10%). The majority of these countries experienced a fresh bout of inflationary pressure and a deterioration in their balance of payments, despite a substantial inflow of earnings from tourism and remittances from workers abroad, from which Syria was the only country not to benefit.

Whereas in **Cyprus**, economic growth seemed to have slackened off greatly, in **Malta** it was relatively sustained, though at the cost of greater inflation and an increased trade deficit. In **Israel**, despite flagging growth and rising unemployment inflation continued

unabated; on the other hand, buoyant exports and earnings from tourism made it possible to cut back the deficit in the balance of payments on current account.

Development of the Bank's activities

million u.a.



- Lending within the Community from EIB own resources
- Lending outside the Community from EIB own resources
- Loans on mandate and guarantees provided within the Community
- Special Section operations outside the Community
- Lending within the Community from the resources of the New Community Instrument for borrowing and lending (NCI)

(See Table 9, page 87)

Financing provided in 1980

In the main, the European Investment Bank grants loans from its own resources (principally the proceeds of its borrowings on the capital markets) and furnishes guarantees. It also acts as agent of the Member States or the Community in providing financing from budgetary funds in non-member countries in furtherance of the Community's policy of economic and financial cooperation and, since 1979, in Member Countries by making loans from the resources of the New Community Instrument for borrowing and lending (NCI); such operations are accounted for off balance sheet in the Bank's Special Section and are included in the statistics and reports of Bank activity when the decision to provide financing is the responsibility of the Bank's Board of Directors.

Financing provided by the Bank in 1980 totalled 3 498.5 million units of account ⁽¹⁾ as against 3 071.1 million in 1979 and 2 188.3 million in 1978. The increase of 13.9% compared with 1979 followed increases of the order of 40% in each of the two preceding years. Financing from the EIB's own re-

sources represented 3 124.6 million (compared with 2 702.1 million in 1979, a rise of 15.6%) and Special Section operations (see page 74) 373.9 million (as against 369 million in the previous year).

As shown in Table 1, operations within the Community financed from own resources amounted to 2 753.2 million in 1980 and those from NCI resources, to 197.6 million, making a total of 2 950.8 million or 84.4% of new financing overall. Outside the Community, 371.4 million was advanced from the Bank's own resources and 176.3 million from Community budgetary funds, giving a total of 547.7 million.

The amount of loans from own resources and guarantees outstanding rose from 10 325.9 million at 31 December 1979 to 13 173.4 million at 31 December 1980, an increase of 27.6%. A breakdown of loans outstanding by principal form of guarantee is given under Note 2 of Annex B to the Financial Statements (page 78).

The Special Section showed an overall total of 1 777.2 million, compared with 1 232.7 million at the end of 1979.

⁽¹⁾ Except where otherwise stated, all amounts quoted are expressed in units of account (see page 8).

Table 1: **Financing provided in 1980 and from 1958 to 1980**
Broad breakdown by origin of resources and project location

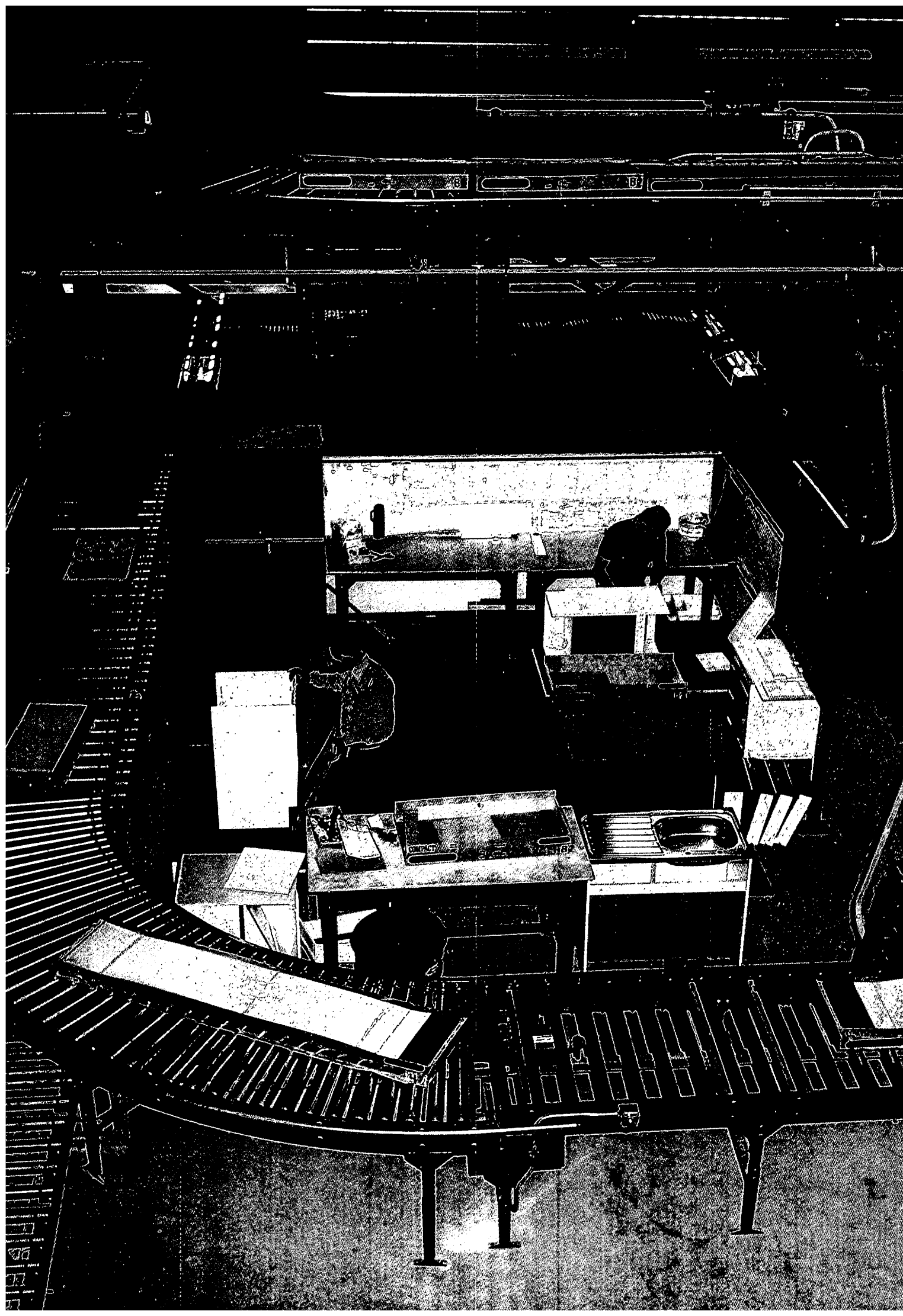
	1980			1958-80 ⁽³⁾		
	Number	Amount (million u.a.)	%	Number	Amount (million u.a.)	%
Loans from EIB own resources and guarantees						
within the Community	162	2 753.2 ⁽¹⁾	78.7	1 023	14 407.7 ⁽¹⁾	83.5
of which, guarantees	2	14.2	0.4	14	242.4	1.4
outside the Community	37	371.4	10.6	179	1 537.2	8.9
Total	199	3 124.6	89.3	1 202	15 944.9	92.4
Special Section operations ⁽⁴⁾ (see page 74)						
within the Community, from the resources of the New Community Instrument for borrowing and lending	11	197.6 ⁽²⁾	5.7	20	474.6 ⁽²⁾	2.7
outside the Community, from Member States' or Community resources	22	176.3	5.0	173	844.1	4.9
Total	33	373.9	10.7	193	1 318.7	7.6
Grand total	232	3 498.5	100.0	1 395	17 263.6	100.0
of which: — within the Community	173	2 950.8	84.4	1 043	14 882.3	86.2
— outside the Community	59	547.7	15.6	352	2 381.3	13.8

⁽¹⁾ Of which EMS subsidised loans: 1980, 890.3 million; 1958-80, 1 681.2 million.

⁽²⁾ Of which EMS subsidised loans: 1980, 129.7 million; 1958-80, 252.1 million.

⁽³⁾ See Note 1 to Table 2, page 28.

⁽⁴⁾ Excluding Euratom loans and special Lomé loans decided by the Commission of the European Communities.



In 1980, 1 961.4 million u.a. were lent within the Community for investment assisting regional development, including 433.8 million which went to industry. In the productive sector, 518 smaller scale ventures were financed from global loans.

Operations within the Community

Resources mobilised: aims pursued

Loans from both the EIB's own and NCI resources are granted on the basis of similar objectives and criteria and, other than in the case of a loan from NCI resources for the Friuli Motorway in Italy, helped to finance the same projects. Hence, it is useful to provide an overall picture of the deployment of these resources within the Community and the main economic aspects of the projects financed; this is the aim of the comments on pages 25 to 43. Operations can be considered from three viewpoints: the economic policy objectives which they help to attain (pp. 27 to 39), their breakdown by economic sector or type of infrastructure (pages 40 and 41) and the location of the investment project financed (pp. 42 and 43).

*The economic policy objectives set for **EIB financing from own resources** within the Community are defined in Article 130 of the Treaty of Rome. In practice, the Bank finances:*

— first and foremost, projects promoting the economic advancement of handicapped areas — **regional development projects;**

— projects of common interest to several Member Countries or benefiting the Community as a whole — **projects of common European interest:**

either because they contribute towards European economic integration (communications infrastructure: motorways, railways, inland waterways, telecommunications; projects arising from close technical and economic cooperation between undertakings in different Member Countries etc.),

or because they contribute towards the attainment of Community objectives such as environmental protection, the introduction of advanced technologies and, above all, more diversified and more secure energy supplies;

— projects to **modernise** or **convert** enterprises or to **create fresh activities** called for by structural difficulties in certain sectors.

Projects accepted by the Bank can usually be classified by reference to a single objective, although

certain projects contribute simultaneously to more than one objective. Accordingly, in 1980, loans from own resources totalling 306.9 million were granted for regional development projects which were also of common interest to several Member Countries (275.5 million) or contributed towards industrial modernisation or conversion (26.3 million), or came under both of these last two categories (5.1 million).

*Loans granted by the Bank from **NCI resources** must comply with the guidelines laid down by the Council of the European Communities in the light of which the Commission of the European Communities decides on the eligibility of individual projects.*

Under the Decisions of the Council of the European Communities authorising the first two borrowing tranches each of 500 million, capital investment projects financed from NCI resources can be grouped into two major categories:

— infrastructure works and equipment for the energy sector contributing towards **reducing regional imbalances** and improving the employment situation; these operations may be classified under the heading of regional development,

— energy projects contributing towards: greater self-sufficiency, security and diversification of supplies, development, harnessing, transport and storage of **energy resources**, energy savings or tapping of new energy sources; such projects may be classified under the heading of common European interest;

— in addition, the second tranche may be used, exceptionally and within the limit of 100 million, to finance not only the above two categories of investment but also advance factories and housing, provided that it constitutes an integral part of a wider project designed to further the economic and industrial development of a region of the Community.

The Bank has received a mandate to grant these loans on behalf, for the account, and at the risk of the Community. The EIB receives loan applications and, following the decision of the Commission of the European Communities as to the eligibility of each project, appraises the applications, decides on the granting of loans and administers them, all in accordance with the procedures laid down in its Statute and its usual criteria. The Commission negotiates borrowings and deposits the proceeds with the Bank which invests them temporarily, if necessary, pending their disbursement as loans.

The Bank signed jointly with the Commission of the European Communities 11 loans using NCI resources for a total of 197.6 million, compared with 277 million in 1979.

Projects financed in 1980 were located in Italy (137.8 million), Ireland (41.7 million) and, for the first time since the instrument was created, in Denmark (18.1

million). A tabulated breakdown by category of infrastructure appears on page 38 (Table 3).

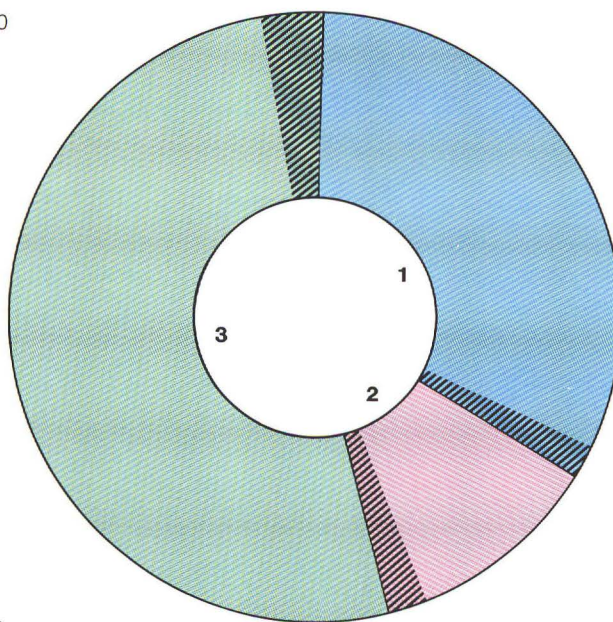
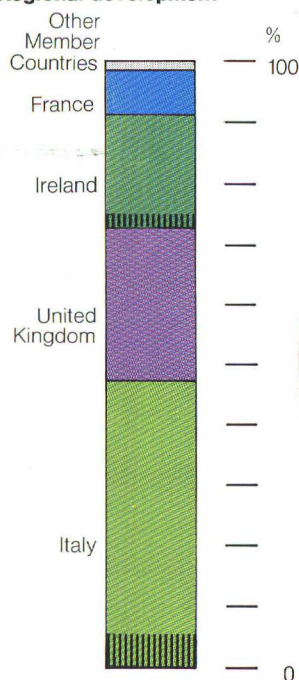
Seven loans, totalling 145.7 million, went towards basic infrastructure helping to reduce regional disparities: telecommunications in Ireland and Apulia, development of an industrial estate in Sicily, construction of a motorway in Friuli, peat-bog development in Ireland and a pipeline to supply Algerian natural gas to the Mezzogiorno. Seven loans totalling 108 million went in support of investment pursuing the Community's priority energy objectives: conversion of a power station to coal firing and construction of a coal-fired, combined heat-and-power station in Denmark, exploitation of a hydro-carbon deposit and creation of an electricity grid control system in Italy (51.9 million) and, again, the peat workings and gasline mentioned above (56.1 million).

Of the loans financed from the Bank's own or from NCI resources, 54 totalling 1 020 million attracted the 3% *per annum interest subsidy introduced in*

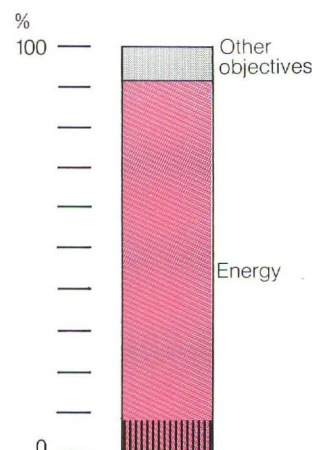
Financing provided within the Community in 1980

Breakdown by major economic policy objective (1)

Regional development



Common European interest



1 Common European interest

2 Regional development
Common European interest
Modernisation and conversion of undertakings (1)

3 Regional development

 of which NCI

(1) Certain projects contribute simultaneously to more than one objective, see page 23 and Table 2, page 28.

conjunction with the European Monetary System — EMS — by the Council Regulation of 3 August 1979⁽¹⁾.

These operations comprised 47 loans from the Bank's own resources (890.3 million) and seven loans from NCI resources (129.7 million) for projects located in Italy (719 million, including 88 million from NCI resources) and Ireland (301 million, including 41.7 million from NCI resources). In addition, an interest subsidy, financed partly from 1979 and partly from 1980 budget appropriations, was provided for a 34.9 million loan granted from NCI resources in 1979 for the Alto Gesso pumped storage power scheme in Italy. The 200 million annual budgetary appropriations to cover the total present value of the interest subsidies approved in 1979 and 1980 were thus almost fully committed.

Loans benefiting from the EMS interest subsidy accounted for 32.3 % of all lending from the Bank's own resources and 65.6 % of lending from NCI resources; they were 55.7 % of all lending in Italy and 80 % of all lending in Ireland. Particulars are provided in the listing of loans from the Bank's own resources pp. 44 to 50) and from NCI resources (page 51).

⁽¹⁾ These amounts differ slightly from those given by the Commission of the European Communities in its Annual Report on EMS interest subsidies, as conversions into units of account were effected on the basis of rates obtaining at two different dates for the separate reports. The amounts taken by the Commission in respect of interest subsidies, bearing in mind accounting requirements, were as follows: Italy, 731.9 million; Ireland, 298.9 million, i.e. 1 030.8 million in all, including part of the Alto Gesso loan drawn from 1979 NCI resources, the interest subsidy for which was financed from 1980 budget appropriations. The Commission has counted this part of the loan, corresponding to an amount of 18.2 million, as the 55th subsidised loan operation in 1980.

Overview of activity in 1980

In 1980, loans granted by the Bank from its own resources for investment projects in Member Countries amounted to 2 753.2 million units of account as against 2 281.2 million in 1979, a rise of 20.7 %. To these should be added loans totalling 197.6 million from the resources of the New Community Instrument (NCI) for borrowing and lending compared with 277 million in 1979, the year in which the NCI was first activated.

Hence total lending in the Community rose from 2 558.2 million in 1979 to 2 950.8 million in 1980, an overall increase of 15.3 %, following a year-on-year rise of 30 % in 1979 and 40 % in 1978. During a period of severe economic difficulty, the financing provided by the Bank, in line with its general policy directives, helped to foster the development of handicapped regions in the Community, aided the creation of job opportunities, and enhanced both the level of investment and the energy situation.

More than a third of all the funds made available in 1980 attracted a 3 % interest subsidy financed from the credit set aside under the Community budget for certain loans to finance capital investment projects (with the emphasis on infrastructure) implemented in the less prosperous Member Countries effectively and fully participating in the European Monetary System (EMS).

Details of financing provided by the Bank from its own resources in 1980 are given on pages 44 to 50; such operations are accounted for on the EIB's balance sheet.

Operations from NCI resources are described on page 51; these are accounted for off balance sheet in the Special Section set up by the Board of Governors for recording operations carried out by the Bank under mandate from and for the account of third parties.

The tables on pages 28, 38, 42 and 96 give separate breakdowns for financing operations from the Bank's own resources and those from NCI resources; they

also give a breakdown of the total volume of financing from both sources, the economic impact of which can be better assessed when viewed as a whole.

Although there was a downturn in lending in the United Kingdom, Bank financing continued to be concentrated in the three Member Countries — Italy, Ireland and the United Kingdom — suffering the most acute regional problems: 79 % of all lending from the Bank's own resources, or 79.8 % if loans from NCI resources are included, went for projects located in these countries. There was a moderate increase in lending in France, where about three quarters of the funds advanced were channelled into energy projects. In Belgium and Denmark, countries

struggling to adapt their economies to structural change, financing operations increased appreciably. The terms offered by the Bank in Germany continued to prove relatively unattractive measured against domestic interest rates, and the sole operation to be mounted was the provision of guarantees on loans for a nuclear power station. The activity of the Bank consequently gave rise to substantial transfers of outside capital into those countries and regions with the most serious structural problems.

The level of lending for regional development projects remained high (1 815.7 million from own resources; 1 961.4 million including NCI loans), accounting for two thirds of financing in the Community. There was even a further increase in Italy, notably the Mezzogiorno, and to a lesser extent in Ireland. A heavy concentration of financing benefited regions singled out in the Community's regional development policy, as well as regions faced with heavy unemployment and low per capita output.

Financing for projects of common interest increased at a still faster rate (26.3%), in particular when it came to projects pursuing the Community's energy objectives (+ 33%), which amounted to 1 210.7 million, including loans from NCI resources. Lending under this heading can be broken down into projects furthering the development of the Community's indigenous resources (59%), in particular nuclear power stations and the working of small hydrocarbon deposits, projects helping to diversify imports (28%) and projects making for energy savings (13%). There was a sharp rise in lending under the latter two headings, where financing more than doubled.

The impact of the energy projects financed in 1980 in terms of reducing the Community's dependence on petroleum may be quantified as the equivalent of around 12 million tonnes of oil (t.o.e.) a year or about 2.5% of the volume of imports in 1978 which the Council of the European Communities has set as the ceiling for oil imports in 1990.

The EIB continued to spread the web of its operations still wider in the industrial sectors, in particular through the medium of global loans. Once again, there was a sizeable increase in lending for investment in industry and, to a lesser extent, in the agricultural and services sectors, the triple impact being 585.4 million. Most of this stemmed from the near doubling of the total for global loans (265.5 million, compared with 137.1 million in 1979), which

accounted for about 50% of Bank lending to these sectors. Credit drawn down from global loans tended to be channelled into much smaller ventures than before: the overall total remained more or less the same, but the number of ventures financed rose by 24.8%.

Finance for equipment in the energy sector (nuclear, hydro-electric and coal-fired power stations, gaslines etc.), telecommunications and transport systems, water schemes (supply, treatment, irrigation) and other forms of infrastructure (in particular the development of industrial estates) continued to account for the bulk of the financing provided by the Bank. There was a marked increase in both the number and the volume of loans for smaller items of infrastructure.

Loans and guarantees provided in 1980, including global loan allocations, served to part-finance 704 projects, compared with 515 in 1979 and 235 in 1978. The overall cost of these projects is estimated at around 8 700 million, with finance from the Bank's own resources covering on average 31.6% of the total, a figure that rises to 33.8%, when loans from NCI resources are included. These proportions tended to be larger in the case of small or medium-scale projects.

If the 16 000 jobs to be offered by the firms that are to occupy the advance factories built in Ireland are taken into account, the investment projects financed by the Bank in 1980 should directly create some 34 000 permanent jobs and safeguard almost 15 000 more, chiefly in industry.

The provision of equipment for the energy sector along with various infrastructural works, particularly water schemes, help in the longer term to create a large number of permanent jobs, mainly indirectly through the productive activity fostered by the investment. Moreover, the works and supplies involved in the construction of such plant — as in the case of industrial installations — also have appreciable temporary, direct and indirect, effects on the employment situation during construction periods which are sometimes lengthy. This temporary spin-off from investment part-financed by the Bank in 1980 is estimated at around 600 000 man-years, or the equivalent of about 120 000 jobs during the first two years, but progressively fewer thereafter. Taking account of the similar impact of projects financed over the previous three years, employment for some 420 000 workers was probably secured in 1980.

Breakdown by economic policy objective

Lending for regional development projects

Lending for regional development amounted to 1 961.4 million of which 1 815.7 million was advanced from the Bank's own resources and 145.7 million from NCI resources. 47.4 % was given over to projects in Italy, 25.5 % went to the United Kingdom, close on 20 % to Ireland, slightly more than 7 % to France, and lesser amounts to Denmark and Belgium. The funds were used to finance industry (550.8 million from own resources), irrigation, water supply and sewage treatment schemes (416.6 million from own resources), telecommunications (307.8 million from own resources and 39.8 million from NCI resources), equipment for the energy sector (285.1 million from own resources and 56.1 million from NCI resources), transport infrastructure (102.4 million from own resources and 37.3 million from NCI resources) and miscellaneous infrastructure (153 million from own resources and 12.5 million from NCI resources).

Almost two thirds of regional development financing was channelled to projects in top priority areas: Ireland, the Mezzogiorno, Northern Ireland and Greenland. More than four fifths aided regions with unemployment figures at least 25 % above the Community average.

In Italy, lending by the Bank from its own resources in support of regional development increased by over 20 % to reach a total of 825.4 million, compared with 683.3 million in 1979; loans from NCI resources more than doubled, from 39.6 to 104 million. The combined total was 929.4 million, as against 723 million in 1979, of which 842.6 million, or nine tenths, concerned the Mezzogiorno.

In the Mezzogiorno, almost two thirds of the financing (555.6 million) was for projects in Apulia, Campania, Sardinia and Sicily, while more than a quarter of the projects in question benefited a number of regions as a result of investment in energy, telecommunications, water supplies and industry.

Chief among the industrial sectors financed (144.3 million from own resources) were glass, motor vehicles, foodstuffs and textiles; smaller businesses were able to draw on global loan facilities. Financing was also provided for energy equipment (128.4 million from own resources and 41.7 million from NCI resources), the development of industrial estates (43.1 million from own resources and 12.5 million from NCI resources), irrigation or drainage schemes, some of which had attracted loans on earlier occasions, taking in close on 200 000 hectares (187 million from own resources), and water supplies catering for about 2.2 million users (66.3 million from own resources and 12.5 million from NCI resources).

Almost a third of the funds advanced in the Mezzogiorno went to Apulia. A power station at Brindisi attracted one loan, but the bulk of the financing was for improvements to telephone installations and further phases in water schemes, serving a number of regions, designed and carried out by the Cassa per il Mezzogiorno: the Pertusillo aqueduct, on which a heavily populated region relies for its drinking water supplies, largely in the Province of Bari, and irrigation works in the Provinces of Foggia and Taranto to improve productivity in more than 16 000 farm holdings. Loans were also granted for a motor vehicle engines plant at Bari and a brewery at Massafra.

In Campania the Bank helped to finance improvements to the regional telephone system, a pumped storage hydroelectric scheme at Presenzano, the development of a number of industrial estates and a flat glass plant at Caserta.

Lending in Sardinia covered various irrigation and drainage programmes serving almost 13 500 holdings in the Provinces of Sassari, Oristano and Cagliari, conversion of Sulcis power station to coal-firing and improvements to the high and medium-voltage electricity grid.

Bank loans in Sicily went towards the development of industrial estates in Syracuse and Pantano d'Arce, while a global loan was granted for financing small and medium-scale industrial ventures. In addition,

Table 2: **Financing operations within the Community in 1980 and from 1958 to 1980**

Breakdown by economic policy objective

Objective	From EIB own resources		From NCI resources		1980	
	Amount		Amount	Amount	Total	
	(million u.a.)	%	(million u.a.)	(million u.a.)	(million u.a.)	%
Regional development	1 815.7	100.0	145.7	1 961.4	100.0	
Belgium	6.2	0.3	—	6.2	—	0.3
Denmark	17.5	1.0	—	17.5	—	0.9
Germany	—	—	—	—	—	—
France	148.4	8.2	—	148.4	—	7.5
Ireland	318.7	17.5	41.7	360.4	—	18.4
Italy	825.4	45.5	104.0	929.4	—	47.4
Luxembourg	—	—	—	—	—	—
Netherlands	—	—	—	—	—	—
United Kingdom	499.5	27.5	—	499.5	—	25.5
Modernisation and conversion of undertakings	31.4	100.0	—	31.4	100.0	
Common European interest	1 213.0	100.0	108.0	1 321.0	100.0	
Energy	1 102.7	90.9	108.0	1 210.7	91.7	
Development of Community resources	682.0	56.2	31.1	713.1	54.0	
Hydroelectric and geothermal	163.6	13.5	—	163.6	12.4	
Nuclear	432.6	35.6	—	432.6	32.8	
Oil and natural gas deposits	46.9	3.9	16.7	63.6	4.8	
Solid fuels	38.9	3.2	14.4	53.3	4.0	
Alternative sources	—	—	—	—	—	
Energy saving	125.3	10.3	26.3	151.6	11.5	
Import diversification (2)	295.4	24.4	50.6	346.0	26.2	
Natural gas	137.6	11.4	41.7	179.3	13.6	
Electricity, coal, etc.	157.8	13.0	8.9	166.7	12.6	
Communications	103.5	8.5	—	103.5	7.8	
Transport	86.4	7.1	—	86.4	6.5	
Railways	—	—	—	—	—	
Roads, bridges and tunnels	21.4	1.8	—	21.4	1.6	
Shipping	16.1	1.3	—	16.1	1.2	
Airlines	48.9	4.0	—	48.9	3.7	
Telecommunications	17.1	1.4	—	17.1	1.3	
Other infrastructure	—	—	—	—	—	
Protection of the environment	5.1	0.4	—	5.1	0.4	
Industrial cooperation	1.7	0.2	—	1.7	0.1	
New technology — Research	—	—	—	—	—	
— Deduct to allow for duplication in the case of financing justified on the basis of several objectives	— 306.9		— 56.1	— 363.0		
Total	2 753.2		197.6	2 950.8		

(1) Amounts at current prices and exchange rates. A summary of financing provided over such a long period should be interpreted cautiously; data for successive years are affected by price movements and exchange rate variations occurring between 1958 and 1980.

(2) For example, gasoline projects, schemes helping to increase electricity imports, fitting out power stations to run on imported coal, etc.

						1958-80 (1)
From EIB own resources		From NCI resources		Total		Objective
Amount (million u.a.)	%	Amount (million u.a.)	Amount (million u.a.)	%		
10 366.9	100.0	297.9	10 664.8	100.0		Regional development
90.0	0.9	—	90.0	0.8		Belgium
152.4	1.5	—	152.4	1.4		Denmark
372.6	3.6	—	372.6	3.5		Germany
1 436.1	13.8	—	1 436.1	13.5		France
925.4	8.9	128.4	1 053.8	9.9		Ireland
4 776.5	46.1	143.6	4 920.1	46.1		Italy
4.0	.	—	4.0	.		Luxembourg
70.5	0.7	—	70.5	0.7		Netherlands
2 539.4	24.5	25.9	2 565.3	24.1		United Kingdom
274.7	100.0		274.7	100.0		Modernisation and conversion of undertakings
5 670.8	100.0	232.8	5 903.6	100.0		Common European interest
4 268.5	75.3	232.8	4 501.3	76.2		Energy
3 206.0	56.6	155.9	3 361.9	56.9		Development of Community resources
376.5	6.6	45.4	421.9	7.1		Hydroelectric and geothermal
1 853.4	32.7		1 853.4	31.4		Nuclear
713.7	12.6	16.7	730.4	12.4		Oil and natural gas deposits
259.8	4.6	93.8	353.6	6.0		Solid fuels
2.6	0.1		2.6	.		Alternative sources
199.4	3.5	26.3	225.7	3.8		Energy saving
863.1	15.2	50.6	913.7	15.5		Import diversification (2)
610.5	10.8	41.7	652.2	11.1		Natural gas
252.6	4.4	8.9	261.5	4.4		Electricity, coal, etc.
954.3	16.8	—	954.3	16.2		Communications
847.1	14.9	—	847.1	14.4		Transport
103.9	1.8	—	103.9	1.8		Railways
572.0	10.1	—	572.0	9.7		Roads, bridges and tunnels
64.0	1.1	—	64.0	1.1		Shipping
107.2	1.9	—	107.2	1.8		Airlines
107.2	1.9	—	107.2	1.8		Telecommunications
21.2	0.4	—	21.2	0.4		Other infrastructure
30.7	0.5	—	30.7	0.5		Protection of the environment
366.1	6.5	—	366.1	6.2		Industrial cooperation
30.0	0.5	—	30.0	0.5		New technology — Research
- 1 904.7		- 56.1	- 1 960.8			— Deduct to allow for duplication in the case of financing justified on the basis of several objectives
14 407.7		474.6	14 882.3			Total

further financing was provided for the Algeria—Italy gasline, for the section crossing Sicily, the Strait of Messina and **Calabria**. A loan was also granted for a project to improve water supplies in Calabria and **Basilicata**.

In **Abruzzi**, funds were advanced for installations to process gas from the Cupello field, provision of infrastructure for an industrial estate and modernisation of a flat glass plant at San Salvo. Also financed was an irrigation scheme in the Peligna Valley and water supply installations in the Provinces of Chieti and Teramo, part of a wider programme embracing the Province of Ascoli Piceno in **The Marches**. In addition, the Bank provided part of the credit for enlargement of a rubber products factory in the provincial capital.

In **Latium**, several loans went towards improvement of the transport and electricity distribution infrastructure, development of a number of industrial estates, restructuring of a textiles mill and extension of a factory producing electromechanical equipment at Frosinone.

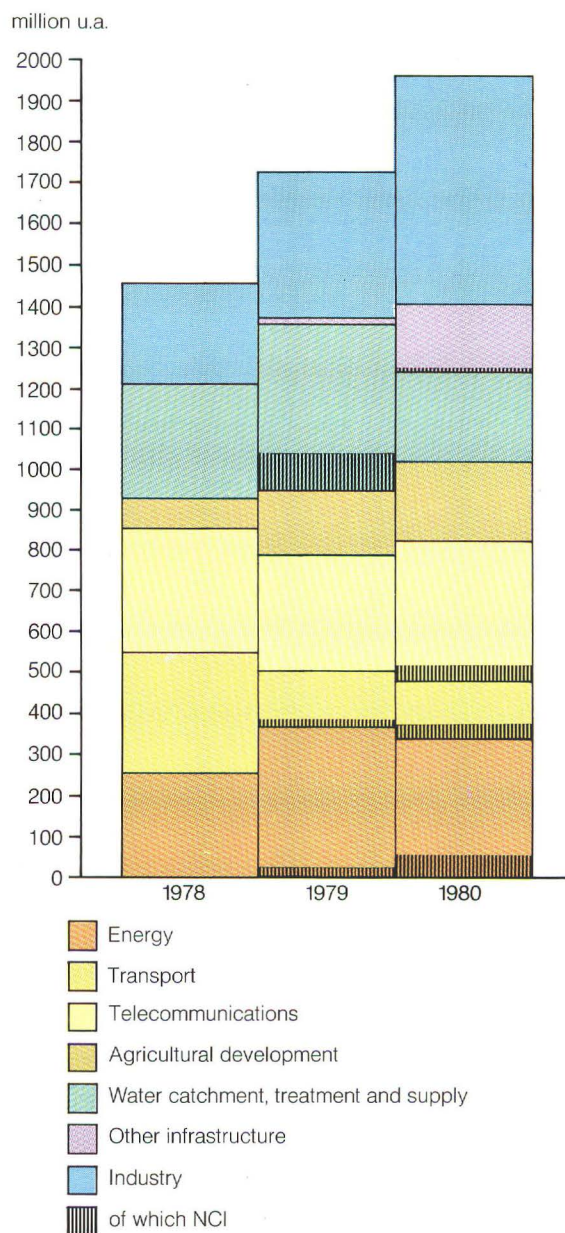
The Bank also continued its support for small and medium-scale ventures fostering the growth of a wide range of manufacturing industries in the Mezzogiorno. Four global loans were concluded for 100 million in all. There was a marked rise in 1980, in both number and volume, in allocations from global loans already activated: 57.4 million in respect of 131 ventures. The bulk of these went for industrial projects, although some funds were channelled into stock farming. The ventures were located in Campania (31 sub-loans, 15.7 million), Apulia (22, 6.1 million), Sicily (16, 8.5 million), Latium (14, 10.7 million), The Marches and Sardinia (7 sub-loans each; 2.5 and 1.3 million respectively), Calabria and Basilicata (6 each, 2.8 and 1.6 million) and Molise (4, 0.3 million). The average amount drawn down per allocation was around 440 000 units of account, which was lower, even at current prices, than the average sub-loan for the 1976-79 period (470 000 units of account).

In **Central and Northern Italy**, the Bank again provided credit for regional development projects, totalling 86.8 million. From NCI resources, it provided finance for construction of the Carnia—Pontebba section of the **Friuli** motorway, while from its own resources loans were granted for a factory producing equipment for winter sports resorts, for a paper mill in **Trentino-Alto Adige**, and for

engineering works in **Emilia Romagna**. In addition, it granted two global loans to Mediocredito Centrale and Centrobanca (Banca Centrale di Credito Popolare).

Financing provided for regional development within the Community in 1978, 1979 and 1980

Sectoral breakdown



During the year, 30 allocations totalling 9.5 million were made from global loans already on tap, in support of small and medium-scale ventures in the less-developed parts of central and northern Italy. The investment projects financed were located in Trentino-Alto Adige (11 allocations, 5.4 million), Tuscany (10, 1.6 million), Friuli-Venezia Giulia (18, 1.9 million) and Umbria (1 allocation for 0.5 million). The average size of sub-loans was markedly smaller (320 000 units of account) than in the South.

In the **United Kingdom**, the Bank made loans totalling 499.5 million from its own resources for regional development projects, as compared with 482.2 million plus 25.9 million from NCI resources in 1979.

Two thirds of these loans were for infrastructure, in particular water supply, sewerage, sewage treatment and disposal schemes (101.9 million), investment in telecommunications systems and road and rail transport infrastructure (135.2 million in all), equipment for the energy sector (25.2 million) and miscellaneous components of larger projects such as further water schemes and roads (70.5 million).

Lending to industry more than doubled (166.7 million, compared with 64 million in 1979), the chief beneficiaries being the mechanical and electrical engineering sectors (43.6 million), foodstuffs (32.3 million) and non-ferrous metals (26.4 million). There was also a new agency loan and contract of mandate and guarantee with the British Government geared to providing sub-loans to small and medium-scale industrial ventures in various disadvantaged parts of the country.

The funds went for investment projects in the assisted regions, notably Scotland and Northern Ireland, the North West, the North, Wales, Yorkshire and Humberside and the South West. There were also two projects offering benefits to a number of regions: high-speed trains to run on the North-East/South-West route and water schemes in the Severn and Trent Valleys.

In **Scotland**, four of the projects financed were connected with North Sea oil: Peterhead power station, which can be fired by associated gas from oil wells, and three schemes in the Shetland Islands: strengthening of electricity generating capacity,

enlargement of the Sullom Voe oil terminal and related infrastructure, roads and housing in particular. Five loans made to local authorities will be put towards composite projects embracing water supplies, road improvements (Grampian and Fife), construction of the Glasgow urban motorway (Strathclyde), enlargement of Dundee Airport (Tayside) and the setting-up of industrial estates (Dumfries and Galloway).

The Bank also granted loans for an aluminium smelter at Lochaber, whisky bottling facilities at Dumbarton and Kilmalid, an abattoir at Gorgie, a wood panelling factory at Cowie and a chemical plant in Glasgow.

The two loans granted in **Northern Ireland** involve the provision of more than 100 000 new telephone and telex lines and improvements to two tyre factories, in Belfast and Ballymena.

In the **North West**, the Bank advanced funds for a water supply and sewerage scheme, the Burney-Nelson section of the Calder Valley motorway and, on the industrial side, for investment in the modernisation of a number of electric cable factories and a glassworks in Wigan. In the **North**, loans were granted for a water scheme in Tyneside, construction of a heavy engineering works in Darlington, plants, in both that city and Middlesbrough, producing equipment for nuclear power stations and packaging machinery for the food and pharmaceuticals industries in Gateshead. The advent of high-speed trains is moreover improving rail links from London not only to Teesside, but also to **Yorkshire and Humberside**, a region in which finance was provided for two water supply, sewerage and sewage treatment projects serving the Grimsby and Sheffield areas. In **Wales**, a loan was granted for further works in a water supply and sewage treatment scheme, in addition to which two industrial projects attracted loans, one for a domestic appliances factory at Rhyl and the other for a mineral wool factory at Bridgend. In the **South West**, the Bank financed a water supply and sewage treatment project in Devon and Cornwall.

Under the contracts of mandate and guarantee signed with the British Government in 1978 and 1980, which operate along similar lines to global loans, 33 Bank-approved allocations totalling 15.6 million were made in support of industrial ventures, three quarters of which were located in the North (9 allocations totalling 4.2 million), Wales (10.3 million) and

Yorkshire and Humberside (6, 4.1 million). Elsewhere, credit was drawn down for ventures in Scotland and the South West (3 allocations each, 2.9 and 0.7 million respectively), Northern Ireland (1 allocation for 0.4 million) and the North West (1 allocation for 0.3 million).

Lending in **Ireland** for regional development projects amounted to 318.7 million from the Bank's own resources, compared with 252.9 million in 1979, and 41.7 million from NCI resources, as against the previous year's 86.7 million, giving a total of 360.4 million.

Almost half the funds went for industrial projects and investment in forestry and the agriculture and foodstuffs sector (172.8 million from the Bank's own resources, in contrast to 49.1 million in 1979), while the balance was channelled into water schemes (61.4 million from own resources), energy (43.1 million from own resources and 14.4 million from NCI resources) and extension and modernisation of telecommunications and fishing port improvements at Killybegs, Greencastle and Howth (41.4 million from own resources and 27.3 million from NCI resources).

Lending in the energy sector contributed towards construction of a coal-fired power station at Moneypoint, uprating of Shannonbridge and Lanesborough peat-fired power stations, further phases in the development of bogland and manufacture of peat fuel briquettes. The tapping of Ireland's peat resources, which the Bank has been financing since 1976, affords fuel supplies for generating stations that accounted for 23% of the country's electricity output in 1980.

Five major water supply and sewage treatment schemes financed by the Bank will help to set the scene for further economic and industrial development throughout Ireland. Loans were also granted for two ambitious rural development programmes, one to drain 58 000 ha of farmland and the other for reforestation of 44 000 ha, construction of foresters' roads and procurement of felling equipment.

Four loans were granted to public agencies responsible for regional development and the promotion of industry; the funds contributed to the construction of advance factories and advance factory clusters for sale or lease to undertakings setting up operations in Ireland. 500 of these units are being built as a follow-up to an earlier programme.

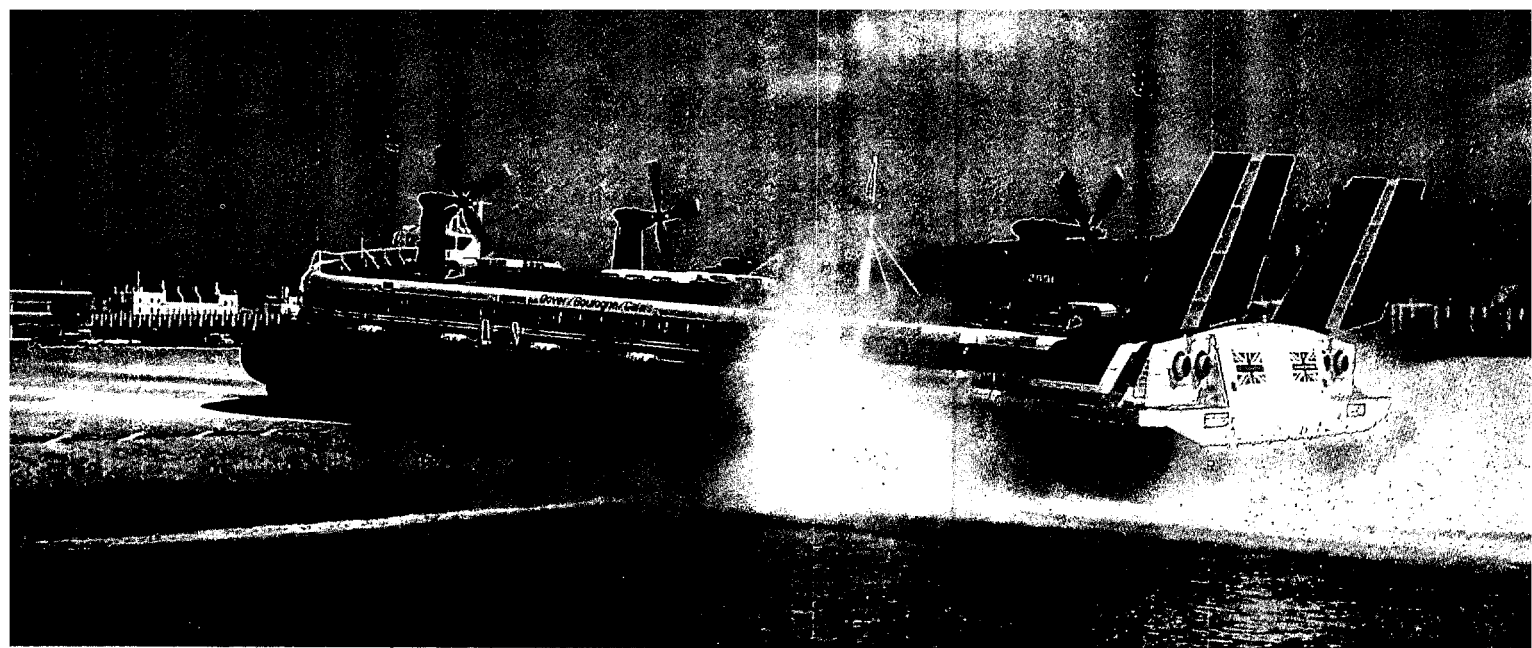
The Bank concluded three global loans with the Industrial Credit Company and a contract of mandate with the Industrial Development Authority to finance small and medium-sized industrial ventures, as well as a further global loan with the Agricultural Credit Corporation to finance investment in the modernisation of agriculture and small and medium-sized undertakings engaged in intensive farming and the food industry.

Credit drawn down from global loans already activated totalled 38.3 million and went in support of 307 small and medium-scale ventures (183 allocations totalling 20.7 million in 1979). The average allocation remained about 125 000 units of account.

In **France**, lending for regional development projects came to 148.4 million, almost half of which benefited the Pays de la Loire: modernisation of a refinery at Donges, near St. Nazaire and construction of a section of the Cholet—Nantes expressway. Other loans part-financed a section of the Lille—Valenciennes motorway (Nord—Pas-de-Calais), development of a lignite mine, construction of a power station near Aix-en-Provence, and a mineral wool factory at St-Eloy-les-Mines (Auvergne).

Also in France, three global loans totalling 39.4 million were granted to the Caisse d'Aide à l'Équipement des Collectivités Locales for financing regional infrastructure. The 47 allocations drawn down from these loans and from that concluded in 1979 amounted to 38.3 million: these went towards rural electrification, harbour and road works meeting needs at regional and provincial level, located for the most part in the South-West (26 allocations totalling 6.6 million) and in Western France (9, 20.1 million), followed by Auvergne (5, 3.2 million), Nord (3, 2.5 million), Centre (1 allocation for 0.5 million), Basse-Normandie (2, 5.1 million) and Corsica (1 allocation for 0.3 million).

Lending in **Denmark** included a 4.7 million loan for modernisation and expansion of airport facilities at Narssarsuaq in the extreme south of Greenland and the financing of regional development in the form of loans for improving electricity supplies on Bornholm Island and for two factories in Ringkøbing district, for processing lactoserum from the dairy industry into food additives and chemical feedstock. Two more global loans were concluded with the Danish Government and 10 allocations amounting to



243.6 million u.a. were channelled in 1980 to improve transport infrastructure within the Community, including 139.7 million under the heading of regional development and 103.9 million for communications between Member States.

3.4 million were drawn down from global loans already on tap in support of smaller ventures located west of the Great Belt.

In **Belgium**, six allocations were made from the 6.2 million global loan to Société Nationale de Crédit à l'Industrie, three in Flanders totalling 4.7 million, and three in the South for 1.5 million.

Loans and guarantees for projects of common European interest

Financing for projects of common European interest amounted to 1 213 million from the Bank's own resources and 108 million from NCI resources, giving a total of 1 321 million. Over 90 % of these funds went into projects helping to accomplish the Community's energy policy objectives, namely development of indigenous energy resources (682 million from own resources and 31.1 million from NCI resources), diversification of imports (295.4 million from own resources and 50.6 million from NCI resources) and energy savings (125.3 million from own resources and 26.3 million from NCI resources).

The combined effect of investment financing under this heading during the last four years will be to cut the Community's annual oil imports by about 50 million tonnes, or 11 % of the 472 million tonnes imported in 1978, the level at which the Council of the European Communities has set its target ceiling for 1990.

Following Community guidelines, the Bank helped to fund projects for the **development of indigenous energy resources**. Financing worth a total of 432.6 million, including 304.8 million from own resources, was used in support of the nuclear sector: two power

stations in France, at Dampierre-en-Burly, upstream from Orléans on the Loire, and at Creys-Malville in the Alps (based on the Super-Phénix fast breeder reactor, which features a lower specific consumption than light water reactors); two in Belgium, at Doel near Antwerp and at Tihange near Liège; the Torness Point plant in the South of Scotland, and Gundremmingen power station in Bavaria, for which the Bank provided guarantees on loan finance for capital investment. These plants, together offering an installed capacity of 9 370 MW, promise to save 12.4 million t.o.e., 5.2 million t.o.e. of which will be won by the units financed for the first time in 1980.

The Bank also provided finance for investment in the nuclear fuel cycle, in the form of three loans totalling 127.8 million for the Urenco uranium enrichment plant at Capenhurst in North-West England. This establishment, which applies centrifuge technology, is a joint venture between the United Kingdom, Germany and the Netherlands. It is commencing operations with a separative capacity (400 tonnes USW — units of separative work — per annum) sufficient to meet the needs of four 1 000 MW power stations.

In its role as agent for Euratom, the Bank joined with the Commission of the European Communities in signing contracts for loans (184.4 million) to finance the Super-Phénix nuclear power station at Creys-Malville (49.2 million) and the Dampierre-en-Burly plant (51.4 million) in France, and Tihange power station in Belgium (83.8 million). These operations, which are accounted for off balance sheet in the Special Section (see page 74), are appraised and managed by the Bank, but do not figure in its operating statistics as the financing decisions are taken by the Commission.

The Bank part-financed construction of the Alto Gesso and Edolo power stations in the Italian Alps: both will use off-peak power to pump water into reserve for driving turbo-generators to meet peak demand, and will also generate a certain amount of primary energy, together offering an installed capacity of 2 200 MW.

Certain projects already mentioned for their contribution to regional development will also play their part in exploiting the Community's solid fuel resources, namely the projects in Ireland for utilising bogland and uprating Shannonbridge and Lanesborough peat-fired power stations as well as the

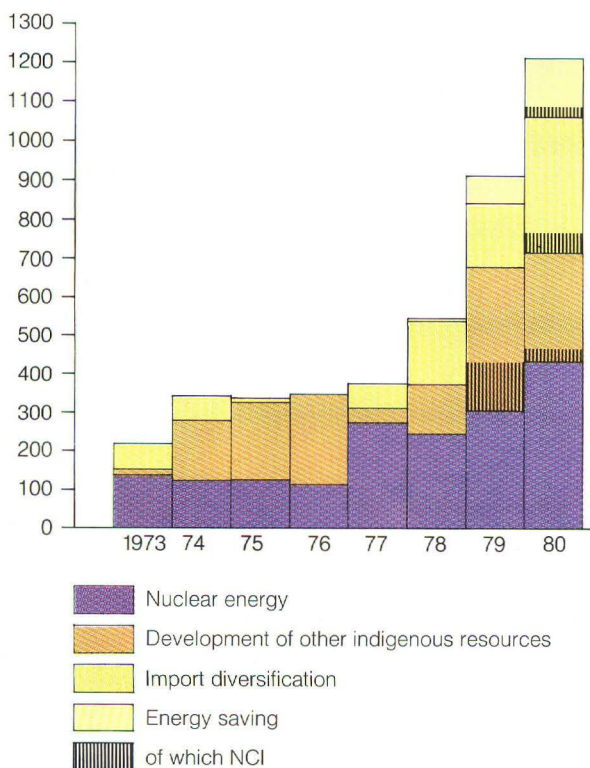
project in France making for extended working of a lignite mine at Gardanne and construction nearby of a power station to be fired with this fuel.

The Bank granted loans totalling 29 million from its own resources and 16.7 million from NCI resources for tapping a number of small oil and gas fields in the Adriatic and the Tyrrhenian Sea and near Milan, and for installations to treat sour gas from the Cupello

field in Abruzzi, a project referred to already for its contribution to regional development. The two loans for enlarging the Sullom Voe oil terminal and providing various items of associated infrastructure in the Shetlands were advanced with a view to the benefits that would accrue in terms both of North Sea oil and gas extraction and the economic development of the Islands.

Financing provided for projects of common European interest in the energy sector from 1973 to 1980

million u.a.



Investment financing geared to **diversification of energy imports** centred on the addition of further arteries to the European gasline network (137.6 million from own resources and 41.7 million from NCI resources): a new pipeline in Belgium, between Zeebrugge, where a marine gas terminal is under construction, and Antwerp; a connecting section between the main pipelines bringing Soviet gas through Austria and the storage facility at Minerbio in Italy, and those sections of pipeline that are to transmit Algerian gas to the Community through the Mezzogiorno, already cited for their regional benefits. In addition, the Tunisian section of the gasline in question, running from the Algerian frontier to the Strait of Sicily, was granted a loan under a special authorisation given by the Bank's Board of Governors in accordance with Article 18 of the Statute. These projects together offer a total of almost 650 km of large-diameter pipeline.

Bank financing went to convert Brindisi and Sulcis power stations in Italy to coal-firing, and to construct a generating plant at Moneypoint in Ireland: the role of all three projects in regional development has already been noted. Loans both from the Bank's own and NCI resources were granted for extension of Asnaes coal-fired power station in Denmark and for expanding the handling and storage capacity of the coal terminal at Savona in Italy on the Ligurian coast.

Two other projects financed in 1980 are to play their part in diversifying the Community's energy supplies: modernisation of the Donges refinery in France to gear production more towards light fractions such as petrol, and the Zillertal hydroelectric scheme in the Austrian Tyrol, half of the power generated by which will be fed into the German grid.

Lending for projects helping to achieve **energy savings** more than doubled in 1980, to reach a total of 125.3 million from own resources and 26.3 million from NCI resources, compared with 68.5 million all told in 1979. This was channelled into district heating projects and installations for the more efficient use of

energy in industry, the combined effect of which should be to save the equivalent of some 320 000 tonnes of oil per annum.

In industry, the Bank loaned 75.3 million from its own resources for projects designed to make more rational use of energy. It granted its first global loans tailored to this precise need, for small and medium-scale ventures in Italy and Ireland. There were also individual loans for larger-scale investment: conversion to coal-firing of a number of cement plants; various improvements to FIAT factories in northern Italy; installation of a thin flat (weight-saving) glass production line in Abruzzi, mainly to supply the motor industry; rebuilding of an aluminium smelter in Scotland to optimise use of electricity, and construction of a factory in Wales to produce mineral wool for thermal insulation in buildings. The last three projects will also afford regional benefits, as has already been noted.

Other energy-saving projects received loans totalling 76.3 million. In Denmark, loans from own and NCI resources went for "total energy" plant, both generating electricity and supplying heat for the district heating system in Randers and for heating circuits in Randers itself, Kalundborg, Herning and Ikast. In addition, the Bank granted its first global loan in Denmark for financing small and medium-scale district heating works commissioned by local authorities. In Italy, the Bank provided a further loan from its own resources in respect of the Brescia district heating system, and a loan from NCI resources for an integrated system for monitoring and controlling nationwide electricity generation and transmission.

Infrastructure designed to improve **communications between Member Countries** attracted loans from own resources totalling 103.5 million, chiefly for **transport** facilities (86.4 million). In Italy, funds went towards the access roads serving the Fréjus Tunnel between Piedmont and Savoia and the purchase by Alitalia of eight A 300 B4 Airbuses for use on routes within the Community; in Ireland, towards the purchase of a roll-on/roll-off ferry to operate between Ireland and Great Britain and in the United Kingdom, towards a Ro-Ro terminal for cross-Channel ferries at Ramsgate. A loan was also granted for the laying of two submarine **telecommunications** cables between the United Kingdom and the continent (17.1 million).

Lastly, under the common interest heading, the Bank granted two loans from its own resources, one for a

project contributing to the **protection of the environment** in the Florence area, through the shifting of textiles activities from the centre of Prato to an industrial estate, and the other for an instance of **cooperation between companies** from several Member States working under the aegis of the European Space Agency to construct a satellite launcher for Europe's "Ariane" aerospace programme.

Lending for industrial modernisation and conversion projects

The Bank granted loans totalling 31.4 million from its own resources for industrial modernisation and conversion projects and investment in the creation of new activities in certain areas heavily dependent on sectors in decline in Central and Northern Italy and Scotland, where the funds will help to strengthen and diversify industry.

The loans in question went towards a new abattoir to serve the Edinburgh area, restructuring and modernisation of three tractor plants, at Modena and Cento in Emilia Romagna and at Jesi in The Marches, and improvement of a textiles mill at Frosinone in Latium. These three loans have already been cited for their regional benefits but a fourth, which was noted in connection with the protection of the environment, also falls into the category of modernisation, namely the project involving the transfer of textiles workshops from the centre of Prato in Tuscany to the industrial estate at Macrolotto.

Similarly, 97.9 million of financing for regional development related to industrial ventures in conversion areas, one fifth of the funds being advanced via global loan allocations to small and medium-scale ventures. In addition, 265.2 million was advanced to finance infrastructure designed to attract fresh economic activity into those conversion areas. Overall lending in direct or indirect support of industrial modernisation or conversion or job creation in areas at the mercy of the recession in crisis sectors came to 394.5 million.

Table 3: **EIB financing operations within the Community in 1980**

Sectoral breakdown

3.1. From EIB own resources

Sector	Number		Amount (million u.a.)		% of total amount
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	151	47	2 167.8	38.3	78.7
Energy	58	16	1 078.0	20.8	39.1
Production	34		893.1		32.4
Nuclear ⁽¹⁾	9		432.6		15.7
Thermal power stations	8		116.5		4.2
Hydroelectric power stations	5		213.8		7.8
District heating plant	4		29.5		1.1
Development of oil and natural gas deposits ⁽²⁾	6		88.5		3.2
Solid fuel extraction	2		12.2		0.4
Supply systems	24	16	184.9	20.8	6.7
Power lines	19	16	47.3	20.8	1.7
Gaslines and oil pipelines	5		137.6		5.0
Communications	54	31	532.9	17.5	19.4
Transport	44	31	206.3	17.5	7.5
Railways	2		47.2		1.7
Roads, bridges and tunnels	26	21	58.6	4.8	2.1
Shipping	14	10	46.9	12.7	1.7
Airlines	2		53.6		1.9
Telecommunications	10		326.6		11.9
Water schemes	25		416.6		15.1
Agricultural development	8		195.2		7.1
Water catchment, treatment and supply	17		221.4		8.0
Other infrastructure	10		118.7		4.3
Global loans (unallocated portion) ⁽³⁾	4		21.6		0.8
Industry, agriculture and services	576	518	585.4	131.6	21.3
Industry	514	476	433.8	124.4	15.8
Mining and quarrying	4	4	0.7	0.7	
Metal production and semi-processing	8	7	30.4	4.0	1.1
Construction materials	37	34	16.6	9.9	0.6
Woodworking	56	55	14.7	10.6	0.5
Glass and ceramics	7	4	22.1	0.9	0.8
Chemicals	31	28	18.4	13.1	0.7
Metalworking and mechanical engineering	137	131	67.6	28.9	2.4
Motor vehicles, transport equipment	23	21	23.7	4.9	0.9
Electrical engineering, electronics	30	26	31.4	6.0	1.2
Foodstuffs	68	61	59.2	17.9	2.2
Textiles and leather	23	22	15.0	8.6	0.6
Paper, pulp and printing	39	38	16.9	9.4	0.6
Rubber and plastics processing	32	30	22.6	6.8	0.8
Other	14	14	2.6	2.6	0.1
Building — civil engineering	1	1	0.1	0.1	
Industrial estates and buildings	4		91.8		3.3
Agriculture, forestry, fishing	40	39	16.7	6.2	0.6
Services	3	3	1.0	1.0	
Tourism	2	2	0.9	0.9	
Other	1	1	0.1	0.1	
Global loans (unallocated portion) ⁽⁴⁾	19		133.9		4.9
Total	727	565	2 753.2	169.9	100.0

3.2. From NCI resources

Sector	Number of which global loan allocations		Amount (million u.a.)		% of total amount
	Total		Total	of which global loan allocations	
Energy, communications and other infrastructure	11		197.6		100.0
Energy	7		108.0		54.7
Production	5		49.2		24.9
<i>Thermal power stations</i>	1		8.9		4.5
<i>District heating plant</i>	1		9.2		4.7
<i>Development of oil and natural gas deposits</i>	1		16.7		8.4
<i>Solid fuel extraction</i>	2		14.4		7.3
Supply systems	2		58.8		29.8
<i>Power lines</i>	1		17.1		8.7
<i>Gaslines and oil pipelines</i>	1		41.7		21.1
Communications	3		77.1		39.0
Transport	1		37.3		18.9
<i>Roads, bridges and tunnels</i>	1		37.3		18.9
Telecommunications	2		39.8		20.1
Other infrastructure	1		12.5		6.3
Total	11		197.6		100.0

3.3. From EIB own and NCI resources

Energy, communications and other infrastructure	162	47	2 365.4	38.3	80.2
Energy	65	16	1 186.0	20.8	40.2
Production	39		942.3		31.9
<i>Nuclear (1)</i>	9		432.6		14.7
<i>Thermal power stations</i>	9		125.4		4.2
<i>Hydroelectric power stations</i>	5		213.8		7.2
<i>District heating plant</i>	5		38.7		1.3
<i>Development of oil and natural gas deposits (2)</i>	7		105.2		3.6
<i>Solid fuel extraction</i>	4		26.6		0.9
Supply systems	26	16	243.7	20.8	8.3
<i>Power lines</i>	20	16	64.4	20.8	2.2
<i>Gaslines and oil pipelines</i>	6		179.3		6.1
Communications	57	31	610.0	17.5	20.7
Transport	45	31	243.6	17.5	8.3
<i>Railways</i>	2		47.2		1.6
<i>Roads, bridges and tunnels</i>	27	21	95.9	4.8	3.3
<i>Shipping</i>	14	10	46.9	12.7	1.6
<i>Airlines</i>	2		53.6		1.8
Telecommunications	12		366.4		12.4
Water schemes	25		416.6		14.1
Agricultural development	8		195.2		6.6
Water catchment, treatment and supply	17		221.4		7.5
Other infrastructure	11		131.2		4.5
Global loans (unallocated portion)	4		21.6		0.7
Industry, agriculture and services (see 3.1. above)	576	518	585.4	131.6	19.8
Total	738	565	2 950.8	169.9	100.0

(1) Excluding 184.4 million in Euratom loans appraised and administered by the Bank.

(2) Including oil refining (59.5 million).

(3) Difference between the sum of global loans granted in 1980 (59.9 million) and the sum of allocations approved during the year from all current global loans for infrastructural schemes (38.3 million).

(4) Difference between the sum of global loans granted in 1980 (265.5 million) and the sum of allocations approved during the year from all current global loans for projects in industry, agriculture and the tertiary sector (131.6 million).

Sectoral breakdown

Once again, lending from the Bank's own resources for industrial investment and, to a lesser extent, agricultural and service activities, showed an increase over the previous year, reaching a total of 585.4 million, almost half the funds being advanced through the medium of global loans (265.5 million).

Financing for investment in the energy sector came to 1 078 million from the Bank's own resources and 108 million from NCI resources, i.e. 1 186 million in all, or more than 40 % of all financing within the Community. Loans for transport and telecommunications infrastructure amounted to 532.9 million from own resources and 77.1 million from NCI resources, or 610 million in all. Funds advanced for water supply and treatment projects and irrigation and drainage works totalled 416.6 million from own resources alone, while for miscellaneous items of infrastructure 118.7 million was loaned from own resources and 12.5 million from NCI resources, making a total of 131.2 million.

More than a third of the funds advanced to the energy sector went to nuclear projects (432.6 million from own resources, compared with 301.6 million in 1979), while loans for the extraction and transport of hydrocarbons also rose, to 226.1 million from own resources and 58.4 million from NCI resources. Credit for hydroelectric and thermal power stations continued to be a major item (330.3 million from own resources and 8.9 million from NCI resources). Although of more modest scale, financing from both categories of resources for the exploitation of peat (26.6 million) and for district heating projects (38.7 million) rose considerably from the previous year's figure. Most of the projects in question served the Community's energy policy objectives, and certain of them helped to strengthen regional infrastructure. The discrepancy between the amounts entered under "Energy" in Table 2, page 28 and Table 3, page 38, can be attributed to two factors: (a) certain industrial and transport infrastructure projects serve the Community's energy policy objectives, and (b) certain projects in the energy sector that help to further regional development do not have an effect on the Community's energy supplies as such.

Aggregate lending for infrastructure other than energy accounted for 40 % of the year's financing. The Bank granted 326.6 million from own resources and 39.8 million from NCI resources for telecommunications (Mezzogiorno, the United Kingdom and Ireland) and 206.3 million from own resources and 37.3 million from NCI resources for road, rail and air transport projects and harbour works, chiefly in less-developed areas. Lending from own resources in support of water supply, sewerage and sewage treatment and disposal schemes

essential for economic activity in development and conversion areas came to 221.4 million, while financing for irrigation and drainage works to improve and diversify agricultural production over some 250 000 hectares in southern Italy and Ireland totalled 195.2 million. In addition, 118.7 million from own resources and 12.5 million from NCI resources was advanced for a variety of infrastructure works facilitating conversion and development of various parts of Scotland and establishment of industrial estates in southern and central Italy.

In France, 38.3 million in all was drawn down from global loans concluded in 1980 in support of 47 small-scale infrastructure works: power lines, roads and harbour works. Another global loan was arranged with a Danish institution to provide supporting finance for small-scale investment in district heating.

Lending from own resources for investment in industry, agriculture and services amounted to 585.4 million, compared with 377.6 million in 1979 and 262.6 million in 1978. The bulk of the rise occurred in Ireland and the United Kingdom, while lending in Italy remained at its 1979 level.

As far as the general picture is concerned, the largest volume of financing, leaving aside the particular case of advance factories in Ireland, went towards the metalworking, mechanical engineering and foodstuffs sectors, followed by electrical engineering, transport equipment, metal and rubber processing, glass, chemicals and paper.

Some 24 % of all lending in these sectors related to the production of consumer goods, 33 % to intermediate goods and 43 % to capital goods. The growing volume of finance for industry and agriculture was largely attributable to a further increase in **global loans**. There were nineteen of these, totalling 265.5 million, compared with ten totalling 137.1 million in 1979. They were concluded with intermediary institutions in Italy, Ireland, the United Kingdom, Denmark and Belgium. From these, allocations of between 25 000 and 6 million units of account can be granted to help small and medium-scale ventures, either to foster the development of regions in difficulty (16 global loans totalling 244.3 million) or to promote more efficient use of energy (3 global loans for a total of 21.2 million).

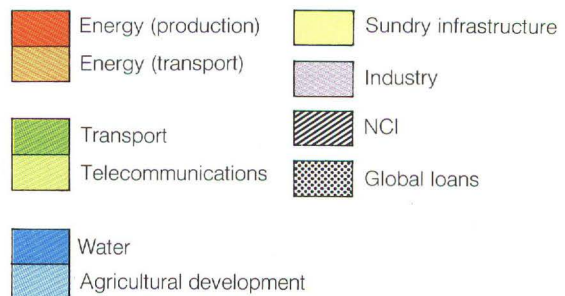
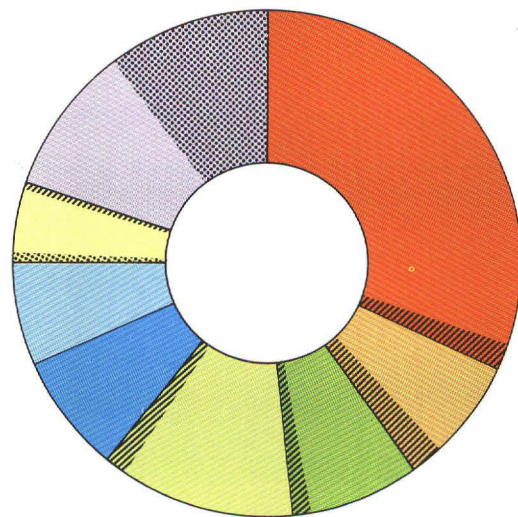
There was a renewed upturn in the number of allocations from global loans: 131.6 million was channelled into 518 small and medium-scale ventures, compared with 131.4 million for 415 ventures in 1979. The average sub-loan dropped to 250 000 units of account, compared with 320 000 in 1979 and 460 000 in 1978.

The bulk of the ventures financed from these lines of credit were in Ireland (307 allocations totalling 38.3 million) and Italy (162, 68.1 million), and the rest in the United Kingdom (33, 15.6 million), Denmark (10, 3.4 million) and Belgium (6, 6.2 million). Allocations worth over 28 million were channelled into 131 ventures in engineering industries, while almost 18 million went to 61 ventures in the food processing sector. Most of the remaining funds from these loans went for investment in the woodworking and construction materials industries, papermaking, rubber and plastics processing, textiles, leather and chemicals.

Financing under global loans granted in 1980 accounted for 29.1 % of all Bank lending to industry, agriculture and services, contributing most effectively to regional development by promoting the increasing diversification of industrial activity in labour-intensive sectors. Investment financed in this way should help to create more than 9 000 permanent jobs. The average investment per job directly created is only 37 000 units of account, as compared

Financing within the Community in 1980

Sectoral breakdown



with 136 000 for larger industrial projects receiving individual loans. These figures do not however take account of the incidence of loans for advance factories which, in terms of their impact on employment, play a very similar role to ventures financed from global loans. Over 90 % by number and 76.6 % by amount of the allocations in question went to independent undertakings employing less than 500 people.

Breakdown by project location

Four fifths of financing provided by the Bank in 1980 went to projects located in Italy, the United Kingdom and Ireland, where regional problems are particularly prevalent and deep-seated. In these three countries, the Bank granted loans for 2 174.8 million from its own resources and 179.5 million from NCI resources, giving a total of 2 354.3 million.

By far the largest volume of finance went to **Italy**: 1 152.5 million from own resources and 137.8 million from NCI resources, giving a total of 1 290.3 million, as against 990.4 million in 1979, and accounting for almost 44 % of total Bank lending inside the Community. 55.7 % of these loans in Italy carried an EMS interest subsidy: 631 million from own resources and 88 million from NCI resources ⁽¹⁾.

The bulk of this financing was centred on the Mezzogiorno, 33 % going to the energy sector, where

massive capital inputs are needed to offset Italy's heavy dependence on imported oil, 25 % to telecommunications and transport and 20 % to water supply schemes, particularly irrigation works for improving agricultural productivity in the South.

In the **United Kingdom**, financing amounted to 688 million from own resources alone: in 1979, 739 million had been advanced under this heading, as well as 105.3 million from NCI resources. Almost three quarters of the funds went towards regional development projects, with finance for regional industries more than doubling, although the level of lending for communications infrastructure, water supply and sewage treatment schemes remained

⁽¹⁾ excluding a 34.9 million loan concluded in 1979, the interest subsidy for which was made available in January 1980.

Table 4: **Financing provided within the Community in 1980 and from 1958 to 1980** ⁽¹⁾
Breakdown by project location

Location	1980						1958-80				
	From EIB own resources		From NCI resources		Total		From EIB own resources		From NCI resources		Total
	Amount (million u.a.)	%	Amount (million u.a.)	Amount (million u.a.)	%	Amount (million u.a.)	%	Amount (million u.a.)	Amount (million u.a.)	%	
Belgium	153.2	5.6		153.2	5.2	385.7	2.7		385.7	2.6	
Denmark	81.1	3.0	18.1	99.2	3.4	288.9	2.0	18.1	307.0	2.1	
Germany	14.2	0.5		14.2	0.5	901.0	6.3		901.0	6.1	
France	279.0	10.1		279.0	9.5	2 310.2	16.0		2 310.2	15.5	
Ireland	334.3 ⁽⁴⁾	12.1	41.7 ⁽⁵⁾	376.0	12.7	948.5 ⁽⁶⁾	6.6	128.4 ⁽⁷⁾	1 076.9	7.2	
Italy	1 152.5 ⁽⁴⁾	41.9	137.8 ⁽⁵⁾	1 290.3	43.7	5 942.3 ⁽⁶⁾	41.3	222.8 ⁽⁷⁾	6 165.1	41.4	
Luxembourg						9.0			9.0		
Netherlands						105.2	0.7		105.2	0.7	
United Kingdom	688.0	25.0		688.0	23.3	3 316.1	23.0	105.3	3 421.4	23.0	
Non-Member Countries ⁽²⁾	50.9	1.8		50.9	1.7	200.8	1.4		200.8	1.4	
Total	2 753.2 ⁽⁴⁾	100.0	197.6 ⁽⁵⁾	2 950.8	100.0	14 407.7 ⁽⁶⁾	100.0	474.6 ⁽⁷⁾	14 882.3	100.0	
<i>of which guarantees</i>	<i>14.2</i>	<i>0.5</i>		<i>14.2</i>	<i>0.5</i>	<i>242.4 ⁽³⁾</i>	<i>1.7</i>		<i>242.4 ⁽³⁾</i>	<i>1.6</i>	

⁽¹⁾ See Note 1 to Table 2, page 28.

⁽²⁾ Loans made in accordance with the second paragraph of Article 18 (1) of the Bank's Statute empowering the Board of Governors to authorise the Bank to contribute towards financing projects outside, but of direct interest to, the Community.

⁽³⁾ Of which Germany: 133 million; Italy: 90.2 million; Netherlands: 16.5 million; France: 2.7 million.

⁽⁴⁾ Of which EMS subsidised loans: 890.3 million; Ireland: 259.3 million; Italy: 631 million.

⁽⁵⁾ Of which EMS subsidised loans: 129.7 million; Ireland: 41.7 million; Italy: 88 million (not including 34.9 million in respect of a loan signed in 1979, the interest subsidy for which was made available in January 1980).

⁽⁶⁾ Of which EMS subsidised loans: 1 681.2 million; Ireland: 481.4 million; Italy: 1 199.8 million.

⁽⁷⁾ Of which EMS subsidised loans: 252.1 million; Ireland: 79.1 million; Italy: 173 million.

high. In the energy sector, more than half the financing provided was for a uranium enrichment plant.

Lending in **Ireland** amounted to 334.3 million from own resources and 41.7 million from NCI resources, or 376 million in all, compared with 339.6 million in 1979. The loans were earmarked for infrastructural projects, chiefly in the energy sector, communications and water schemes (53 %) and smaller scale ventures in industry and agriculture (47 %). Four fifths of the funds advanced attracted an EMS interest subsidy: 259.3 million from own resources and 41.7 million from NCI resources.

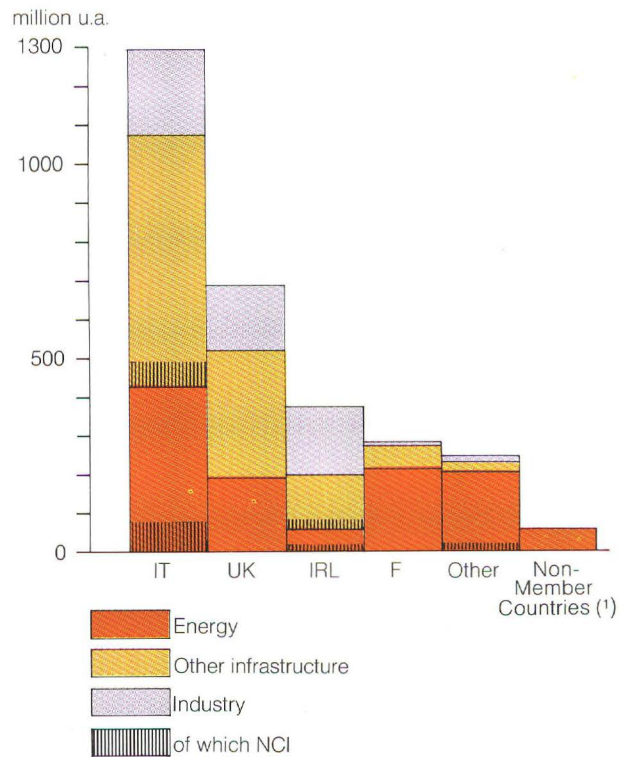
In **Denmark**, 81.1 million was lent from own resources and 18.1 million from NCI resources compared with a total of 15.6 million in 1979. Of the 99.2 million provided in 1980, 85 million went for energy projects, in particular coal-fired power stations and district heating installations.

All the other loans granted by the Bank during the year within the Community were drawn from own resources. In **France**, financing totalled 279 million, mostly for energy projects in the nuclear sector, and roads. Operations in **Belgium** almost trebled in volume, from 58.4 million to 153.2 million, with two nuclear power stations and a gasline accounting for the bulk of finance. In **Germany**, two guarantees were furnished (14.2 million) in respect of loans granted by a bank consortium for a nuclear power station.

This leaves locations **outside the Community**, where in 1980 two loans were granted under the provisions of Article 18 of the Statute in recognition of their contribution to safeguarding Community energy

Financing within the Community in 1980

Breakdown by project location and major sector



(1) See note 2 to Table 4, page 42.

supplies. One was given over to construction of a hydroelectric plant in Austria and the other to work on the trans-Tunisian section of the gasline from Algeria to Italy.

List of loans and guarantees provided within the Community ⁽¹⁾

A. Loans and guarantees provided from the Bank's own resources

Contracts signed in 1980

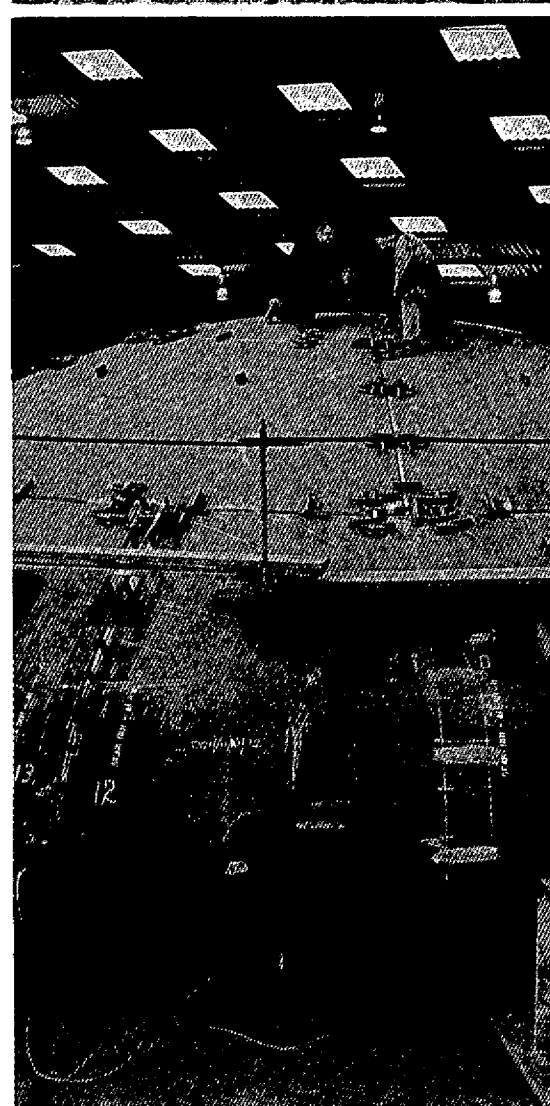
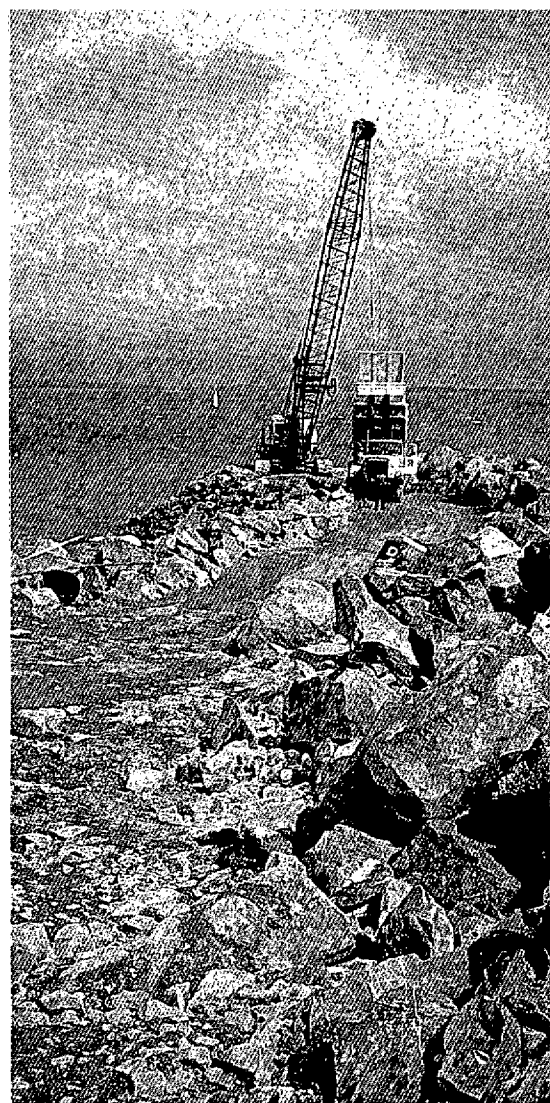
Loans and guarantees provided from the Bank's own resources and for which contracts were signed in 1980 in respect of investment projects within the Community, totalled 2 753.2 million. All these operations — the principal economic aspects of which are outlined on pages 25 to 43 — give rise to financial commitments for the Bank and are accounted for on its balance sheet.

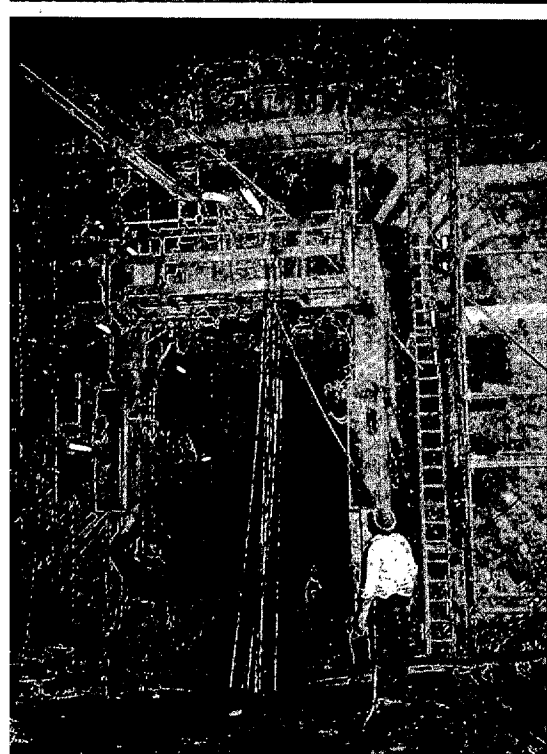
Certain projects financed also received loans from NCI resources (see page 51) and these are marked with an asterisk (*). In the case of projects marked with a cross (+), the loans granted attracted the 3% EMS interest subsidy provided for investment projects located in Italy and Ireland.

million u.a.			
BELGIUM	153.2	7. Connection of Herning and Ikast district heating grids to coal-fired combined heat and electricity generating plant (Ringkøbing) Municipality of Herning Dkr 45 million	5.8
Bfrs 6 220 million			
1. Construction of 3rd unit of Doel (Antwerp) and 2nd unit of Tihange (Liège) nuclear power stations Intercom and Ebes , through intermediary of Belgelectric Finance B.V. Bfrs 5 000 million	123.1	8. Global loan for financing small and medium-scale district heating schemes Kongeriget Danmarks Hypotekbank og Finansforvaltning Dkr 160 million	20.5
2. Gasline between Zeebrugge (West Flanders) and Antwerp Construction of Dudzele-Lillo section and compressor station Société de Distribution du Gaz — Distrigaz S.A. Bfrs 970 million	23.9	9. Laying of submarine cable for supplying electricity from Sweden to Bornholm Island Andelselskabet Østkraft Dkr 25 million	3.2
3. Global loan for financing small and medium-scale industrial ventures in regional development areas Société Nationale de Crédit à l'Industrie (SNCI) Bfrs 250 million	6.2	10. Modernisation and expansion of airport facilities at Narssarsuaq, 500 km south of Godthaab (Greenland) Danish Government (Ministry of Finance) Dkr 36 million	4.7
DENMARK	81.1	11. Construction of plant at Nr Vium for producing protein concentrate from lactoserum for dietary and baby foods (Ringkøbing) Danmark Protein A/S Dkr 16 million	2.0
Dkr 630.7 million		12. Construction of plant at Nr Vium for producing from a by-product of lactoserum a lactose and protein compound for use in foodstuffs and chemicals industries (Ringkøbing) Biogena A/S Dkr 8.7 million	1.1
4. Construction of Asnaes coal-fired power station (Greater Copenhagen-Zealand) Elektricitetselskabet Isefjordvaerket Interessentskab (IFV) Dkr 140 million	18.0	13.—14. Global loans for financing small and medium-scale industrial ventures in regional development areas Danish Government (Ministry of Finance) — Dkr 25 million — Dkr 25 million	3.2 3.2
5.* Construction of coal-fired generating plant at Randers (Aarhus) as combined electricity and district heating unit (see No 164) Municipality of Randers Dkr 90 million	11.7		
6. Laying of Kalundborg district heating grid and connection to Asnaes coal-fired power station (West Zealand) Municipality of Kalundborg Dkr 60 million	7.7		
		GERMANY	14.2
		DM 36 million	
		15.—16. Construction of units B and C of Gundremmingen nuclear power station (Bavaria) Kernkraftwerk Gundremmingen Verwaltungsgesellschaft mbH Guarantee operations — DM 18 million — DM 18 million	7.1 7.1
		FRANCE	279.0
		Ffrs 1 630.9 million	
		17. Construction of 2nd, 3rd and 4th units of Dampierre-en-Burly nuclear power station (Centre) Electricité de France (EDF) , public utility Ffrs 460.9 million	79.6
		18. Construction of Super-Phénix nuclear power station at Creys-Malville (Rhône-Alpes) Centrale Nucléaire Européenne à Neutrons Rapides S.A. (NERSA) Ffrs 290 million	49.3
		19. Extended working of a lignite mine at Gardanne near Aix-en-Provence and installation of new generating set at neighbouring power station fired with same lignite (Provence-Alpes-Côte d'Azur) Charbonnages de France (CdF) Ffrs 150 million	25.5
		20. Modernisation and extension of cracking capacity of oil refinery at Donges, near St-Nazaire, making for increased output of light petroleum products (Pays de la Loire) Elf France S.A. Ffrs 350 million	59.5

⁽¹⁾ Finance contracts are generally denominated in the equivalent of the national currency of the Member Country in which the project is located.

21. Construction of Orchies-Valenciennes section of C 27 Lille-Valenciennes motorway (Nord-Pas-de-Calais) Département du Nord , through intermediary of Caisse d'Aide à l'Équipement des Collectivités Locales (CAECL) Ffrs 100 million	17.1	32. Construction of "roll-on/roll-off" ferry to operate between Ireland and Great Britain British and Irish Steam Packet Company Limited IR£7.5 million	11.2+
22. Construction of Tournebride-La Séguinière section of Nantes-Cholet road (Pays de la Loire) Etablissement Public Régional des Pays de la Loire , through intermediary of Caisse d'Aide à l'Équipement des Collectivités Locales (CAECL) Ffrs 30 million	5.2	33.—34.* Extension and modernisation of telecommunications system (see No 167) Ireland (Minister for Finance) — IR£20 million	29.6+
23. Operational phase of European aerospace Ariane launcher programme Arianespace S.A. Ffrs 10 million	1.7	— IR£2.2 million	3.3+
24.—25.—26. Global loans for financing public and local authority infrastructure schemes in regional development areas Caisse d'Aide à l'Équipement des Collectivités Locales (CAECL) — Ffrs 83.7 million	14.4	35. Drainage of 58 000 ha of farmland in Counties Meath, Limerick and Mayo Ireland (Minister for Finance) IR£5.5 million	8.2+
— Ffrs 96.4 million	16.5	36. Water supply, sewerage and sewage disposal schemes in Counties Cork and Kerry Ireland (Minister for Finance) IR£10 million	14.9+
— Ffrs 50.0 million	8.5	37. Water supply, sewerage and sewage disposal schemes in Counties Clare, Limerick, Tipperary and Kerry Ireland (Minister for Finance) IR£6.7 million	10.0+
27. Construction of mineral wool factory at St-Eloy-les-Mines (Auvergne) Rockwool-Isolation S.A. Ffrs 10 million	1.7	38. Water supply, sewerage and sewage disposal schemes in Counties Mayo and Sligo Ireland (Minister for Finance) IR£5 million	7.5+
IRELAND	334.3	39. Water supply, sewerage and sewage disposal schemes in Counties Roscommon, Longford, Laois, Offaly, Westmeath, Cavan, Leitrim, Donegal and Louth Ireland (Minister for Finance) IR£10 million	14.9+
IR£224.7 million		40. Water supply, sewerage and sewage disposal schemes in Counties Dublin, Meath, Kildare, Wicklow, Wexford, Kilkenny, Tipperary and Waterford Ireland (Minister for Finance) IR£4 million	6.0+
28. Construction of Moneypoint coal-fired power station (Mid West) Electricity Supply Board IR£20 million	29.7+	41.—42.—43.—44. Advance factories — Industrial Development Authority (IDA) , through intermediary of Ireland (Minister for Finance) IR£33.2 million	49.5+
29. Upgrading Shannonbridge and Lanesborough peat-fired power stations (Midlands) Electricity Supply Board IR£3 million	4.5+	— IR£18.2 million	27.1+
30.* Development of bogland for supplying fuel to peat-fired power stations (Midlands) (see No 165) Bord Na Mona IR£6 million	8.9+	— Shannon Free Airport Development Company Limited , through intermediary of Ireland (Minister for Finance) IR£7.4	11.0+
31. Development of harbour facilities for commercial fishing at Killybegs and Greencastle (Co. Donegal) and Howth (Co. Dublin) Ireland (Minister for Finance) IR£5.7 million	8.5+	— Udaras Na Gaeltachta , through intermediary of Ireland (Minister for Finance) IR£2.8 million	4.2+





45. Afforestation of 44 000 ha, construction of forest roads and acquisition of felling equipment
Ireland (Minister for Finance)
IR£7 million 10.4 +

46.—47.—48. Global loans for financing small and medium-scale industrial ventures
Industrial Credit Company Limited (ICC)
— IR£10 million 14.9
— IR£10 million 14.9
— IR£15 million 22.2

49. Contract of mandate for financing small and medium-scale industrial ventures
Industrial Development Authority (IDA)
IR£10 million 14.8

50. Global loan for financing small and medium-scale ventures making for more rational use of energy in industry
Industrial Credit Company Limited (ICC)
IR£3 million 4.5

51. Global loan for financing small and medium-scale ventures in agricultural and agri-foodstuffs sectors
Agricultural Credit Corporation Limited (ACC)
IR£2.5 million 3.7

ITALY 1 152.5

Lit 1 368 200 million

52. Conversion to coal-firing of Brindisi thermal power station (Apulia)
Ente Nazionale per l'Energia Elettrica (ENEL)
Lit 10 000 million 8.3 +

53. Conversion to coal-firing of Sulcis thermal power station (Sardinia)
Ente Nazionale per l'Energia Elettrica (ENEL)
Lit 6 400 million 5.3 +

54.—55. Construction of Edolo pumped storage power station (Lombardy)
Ente Nazionale per l'Energia Elettrica (ENEL)
— Lit 60 000 million 51.8 +
— Lit 60 000 million 51.3 +

56. Construction of Alto Gesso pumped storage power station (Piedmont)
Ente Nazionale per l'Energia Elettrica (ENEL)
Lit 70 000 million 60.5 +

57. Construction of Presenzano pumped storage power station (Campania)
Ente Nazionale per l'Energia Elettrica (ENEL)
Lit 20 000 million 16.6 +

58. Installation of total energy district heating plant in Brescia (Lombardy)
Azienda Servizi Municipalizzati del Comune di Brescia, through intermediary of **Istituto Mobiliare Italiano (IMI)**
Lit 5 000 million 4.3 +

59.—60. Development of "Nilde" oil field in Tyrrhenian Sea off Marsala (Sicily)
— **AGIP SpA**, through intermediary of **Ente Nazionale Idrocarburi (ENI)**
Lit 6 500 million 5.6 +
— **Deutsche Shell AG**, through intermediary of **Istituto Bancario San Paolo di Torino**
Lit 6 500 million 5.6

61. Development of "Santa Maria" oil field and "San Giorgio" gas field in Adriatic off The Marches
ELF Italiana SpA
Lit 8 000 million 6.7

62.* Development of "Settala" gas field east of Milan (Lombardy) and "Amelia" gas field in Adriatic off Cervia (Emilia-Romagna) (see No 169)
AGIP SpA
Lit 9 000 million 7.7 +

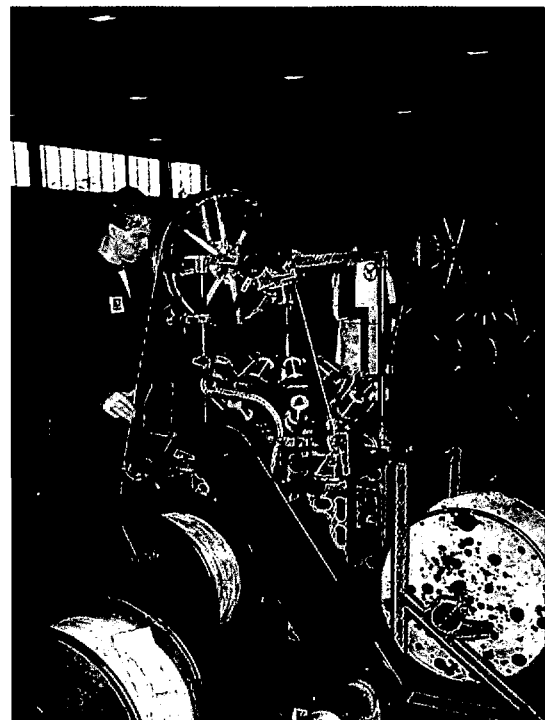
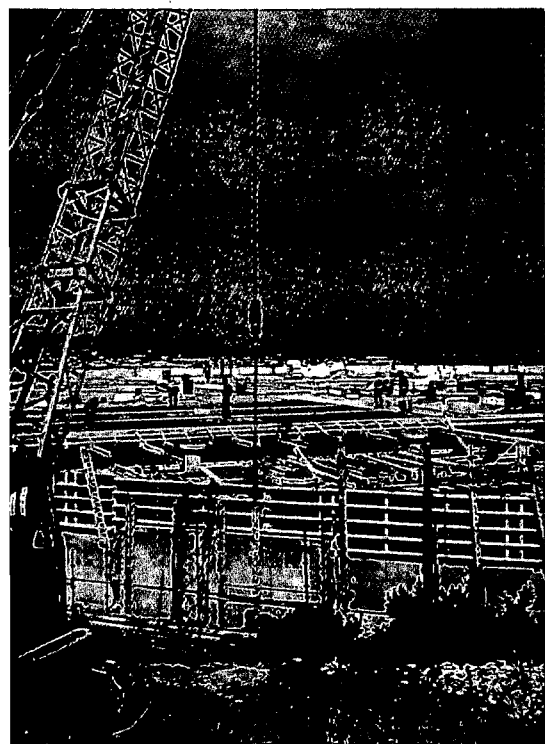
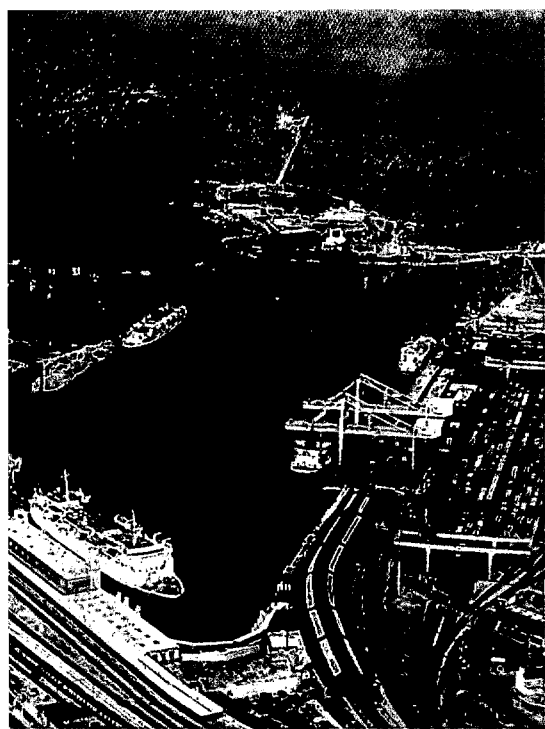
63. Secondary development of "Cupello" gas field (Abruzzi)
AGIP SpA, through intermediary of **Ente Nazionale Idrocarburi (ENI)**
Lit 4 000 million 3.4 +

64. Modernisation and enlargement of coal handling, transport and storage facilities at Savona (Liguria)
Società Italiana per il Gas (ITALGAS)
Lit 4 000 million 3.3

65. Improvements to electricity transmission and distribution facilities (Sardinia)
Ente Nazionale per l'Energia Elettrica (ENEL)
Lit 10 000 million 8.3 +

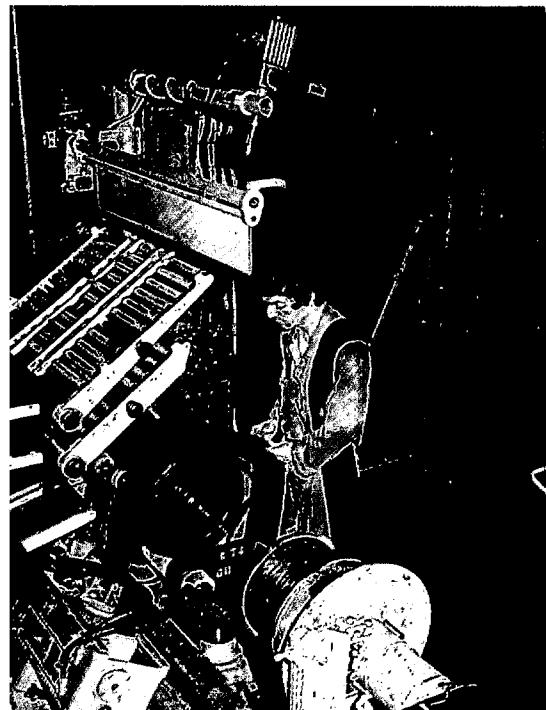
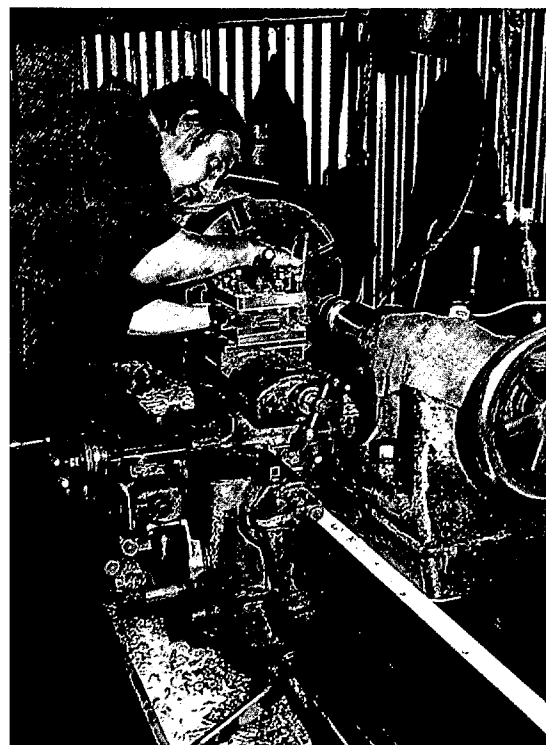
66. Improvements to electricity transmission and distribution facilities (Latium)
Ente Nazionale per l'Energia Elettrica (ENEL)
Lit 18 000 million 14.9 +

67.—68.* Gasline between Algeria and Italy (see No 170) — Construction of Mazzara del Vallo-Gagliano section (Sicily) Lit 45 000 million	38.4 +	77. Irrigation of 81 000 ha and drainage of farmland in Foggia province (Apulia) Cassa per il Mezzogiorno Lit 85 000 million	70.9 +	88. Provision of road, rail, water and gas supply and drainage infrastructure for industrial estates at Frosinone, Cassino and Anagni (Latium) and at Sangro-Aventino (Abruzzi) Cassa per il Mezzogiorno Lit 25 000 million	21.4 +
— Construction of Sant'Eufemia-Castrovillari section (Calabria) Lit 40 000 million	33.2 +	78. Irrigation of 20 800 ha in Taranto province (Apulia) Cassa per il Mezzogiorno Lit 40 000 million	33.2 +	89. Provision of road, rail, water and gas supply and drainage infrastructure for industrial estates at Acerra, Battipaglia, Mercato S. Severino (Campania) and at Pantano d'Arce (Sicily) Cassa per il Mezzogiorno Lit 15 200 million	12.6 +
SNAM SpA , through intermediary of Ente Nazionale Idrocarburi (ENI)		79. Irrigation of 12 000 ha and drainage of farmland in Campidano plain; water supplies to Cagliari area (Sardinia) Cassa per il Mezzogiorno Lit 30 000 million	25.0 +	90.* Provision of road, water supply and flood protection infrastructure for industrial estate at Syracuse (Sicily) (see No 173) Cassa per il Mezzogiorno Lit 11 000 million	9.2 +
69. Construction of gasline between Minerbio (Emilia-Romagna) and Zimella (Veneto), installation of associated compressor station and establishment of underground storage reservoir at Minerbio SNAM SpA Lit 30 000 million	24.9 +	80. Irrigation of over 8 000 ha and drainage of 16 000 ha of farmland in Oristano plain (Sardinia) Cassa per il Mezzogiorno Lit 22 000 million	19.0 +	91. Development of Macrolotto textile estate at Prato, near Florence (Tuscany) Cassa di Risparmi e Depositi di Prato Lit 6 000 million	5.1
70. Construction of access roads to Fréjus tunnel through Alps between Italy and France (Piedmont) Azienda Nazionale Autonoma delle Strade (ANAS) Lit 25 000 million	21.4	81. Irrigation of 7 230 ha west of Sassari (Sardinia) Cassa per il Mezzogiorno Lit 22 000 million	18.2 +	92. Conversion of oil and gas-fired cement works to coal-firing at Morano Po (Piedmont), Settignano (Tuscany), Lugagnano and Santarcangelo (Emilia-Romagna) UNICEM SpA , through intermediary of Istituto Mobiliare Italiano (IMI) Lit 4 000 million	3.3
71. Acquisition of eight Airbus A 300 B4 jetliners ALITALIA SpA , through intermediary of Istituto Mobiliare Italiano (IMI) US\$70 million, equivalent to Lit 58 700 million	48.9	82. Irrigation of 9 000 ha in Chilivani plain east of Sassari (Sardinia) Cassa per il Mezzogiorno Lit 5 000 million	4.1 +	93. Modernisation of flat glass factory at San Salvo (Abruzzi) SOCIETA ITALIANA VETRO SpA (SIV) , through intermediary of Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER) Lit 15 000 million	12.8
72. Extensions to telex network in Mezzogiorno Italian Post and Telecommunications Administration , through intermediary of Consorzio di Credito per le Opere Pubbliche (CREDIOP) Lit 24 000 million	20.7	83. Irrigation and drainage of 6 500 ha of farmland in Peligna Valley (Abruzzi) Cassa per il Mezzogiorno Lit 20 000 million	16.6 +	94. Reorganisation and modernisation of flat glass factory at Caserta (Campania) FABBRICA PISANA SpA , through intermediary of Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER) Lit 7 000 million	5.8
73. Extensions to trunk telecommunications system in Mezzogiorno Azienda di Stato per i Servizi Telefonici (ASST) , through intermediary of Consorzio di Credito per le Opere Pubbliche (CREDIOP) Lit 20 000 million	16.6	84. Extension of Pertusillo aqueduct for supplying drinking water to central Apulia, mainly Bari province (Apulia) Cassa per il Mezzogiorno Lit 50 000 million	41.4 +	95. Reorganisation of factory producing carbon electrodes at Narni Scalo (Umbria) ELETTROCARBONIUM SpA , through intermediary of Istituto Mobiliare Italiano (IMI) Lit 6 000 million	5.1
74.* Extensions to telephone network in Apulia (see No 172) Società Italiana per l'Esercizio Telefonico p.A. (SIP) , through intermediary of Istituto Mobiliare Italiano (IMI) Lit 100 000 million	86.4	85. Extension and improvement of Agri and Frida aqueducts for supplying drinking water to numerous communes in Matera and Potenza (Basilicata) and Cosenza (Calabria) provinces Cassa per il Mezzogiorno Lit 15 000 million	12.4 +	96. Expansion and rationalisation of unit producing phosphorous derivatives at Spoleto (Umbria) Società per Azioni Fabbriche Fiammiferi ed Affini (SAFFA) , through intermediary of Istituto Mobiliare Italiano (IMI) Lit 900 million	0.7
75.—76. Extensions to telephone network in Campania Società Italiana per l'Esercizio Telefonico p.A. (SIP) , — through intermediary of Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER) Lit 50 000 million	41.5	86. Extension of Ruzzo aqueduct for supplying drinking water to numerous communes in Teramo (Abruzzi) and Ascoli Piceno (The Marches) provinces Cassa per il Mezzogiorno Lit 5 000 million	4.1 +		
— through intermediary of Istituto Mobiliare Italiano (IMI) Lit 50 000 million	41.5	87. Extension of Verde aqueduct for supplying water to Chieti province (Abruzzi) Cassa per il Mezzogiorno Lit 10 000 million	8.3 +		



<p>97. Enlargement and improvement of factory at Vipiteno (Trentino-Alto Adige) producing ski lifts and ski-slope maintenance equipment for winter sports resorts LEITNER SpA, through intermediary of Istituto Mobiliare Italiano (IMI) Lit 1 800 million</p>	1-5	<p>105. Rationalisation and modernisation of textile factory at Frosinone (Latium) KLOPMAN International SpA, through intermediary of Istituto Mobiliare Italiano (IMI) Lit 7 500 million</p>	6-5
<p>98. Rationalisation and modernisation of three tractor production units at Modena and Cento (Emilia-Romagna) and at Jesi (The Marches) FIAT TRATTORI SpA Lit 15 000 million</p>	13-0	<p>106. Improvement and expansion of paper mill at Riva del Garda (Trentino-Alto Adige) CARTIERE DEL GARDA SpA, through intermediary of Istituto Mobiliare Italiano (IMI) Lit 9 000 million</p>	7-5
<p>99. Work and installations to reduce energy consumption in FIAT Group factories in Turin area (Piedmont) Various FIAT SpA Group companies, through intermediary of Banca Centrale di Credito Popolare SpA (Centrobanca) Lit 12 000 million</p>	10-0	<p>107. Expansion of factory producing rubber tubing and belts at Ascoli Piceno (The Marches) UNIROYAL MANULI SpA, through intermediary of Cassa per il Mezzogiorno and Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER) Lit 3 000 million</p>	2-6
<p>100. Extension of plant producing injection pumps and other precision components for diesel engines at Barri (Apulia) WEBER SpA, through intermediary of Istituto Mobiliare Italiano (IMI) Lit 10 300 million</p>	8-8	<p>108. Global loan for financing small and medium-scale industrial ventures in Mezzogiorno Banca Nazionale del Lavoro — Sezione Speciale per il Credito Industriale Lit 15 000 million</p>	13-0
<p>101. Extension of factory producing electrical engineering equipment at Frosinone (Latium) SACE SUD SpA, through intermediary of Cassa per il Mezzogiorno and Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER) Lit 1 000 million</p>	0-9	<p>109. Global loan for financing small and medium-scale industrial ventures in Mezzogiorno Banco di Napoli — Sezione Speciale per il Credito Industriale Lit 10 000 million</p>	8-3
<p>102. Expansion of capacity at ice cream factory at Caivano (Campania) and consolidation of associated distribution network ALSO SpA, through intermediary of Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER) Lit 5 900 million</p>	4-9	<p>110. Global loan for financing small and medium-scale industrial ventures in mainland Mezzogiorno Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER) Lit 75 000 million</p>	62-2
<p>103.—104. Expansion and modernisation of brewery at Massafra (Apulia) BIRRA DREHER SpA, — through intermediary of Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER) Lit 1 000 million</p>	0-9	<p>111. Global loan for financing small and medium-scale industrial ventures in Sicily Istituto Regionale per il Finanziamento alle Industrie in Sicilia (IRFIS) Lit 20 000 million</p>	16-6
<p>— through intermediary of Cassa per il Mezzogiorno and Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER) Lit 1 500 million</p>	1-2	<p>112. Global loan for financing small and medium-scale industrial ventures in underdeveloped areas of Central-Northern Italy Istituto Centrale per il Credito a Mediotermine (Mediocredito Centrale) Lit 20 000 million</p>	16-7
		<p>113. Global loan for financing small and medium-scale industrial ventures in underdeveloped areas of Central-Northern Italy Banca Centrale di Credito Popolare (Centrobanca) Lit 6 000 million</p>	5-0

114. Global loan for financing small and medium-scale ventures making for more rational use of energy in industry in Central-Northern Italy Istituto Centrale per il Credito a Mediotermine (Mediocredito Centrale) Lit 10 000 million	8.3				
115. Global loan for financing small and medium-scale ventures making for more rational use of energy in industry in Central-Northern Italy Banca Centrale di Credito Popolare (Centrobanca) Lit 10 000 million	8.3				
UNITED KINGDOM		688.0			
£417.3 million					
116. Construction of Torness Point nuclear power station (Scotland) South of Scotland Electricity Board £25 million	38.7				
117.—118.—119. Construction of uranium enrichment plant at Capenhurst (North-West) BNFL Enrichment (Operations U.K.) Limited , through intermediary of British Nuclear Fuels Limited , to finance its participation in URENCO UK — £5 million — £50 million — £20 million	8.3 85.3 34.1				
120. Construction of Peterhead natural gas and oil-fired power station (Scotland) North of Scotland Hydro-Electric Board £10 million	16.7				
121. Construction of Lerwick thermal power station (Scotland) North of Scotland Hydro-Electric Board £5 million	8.5				
122. Construction and commissioning of 18 high speed diesel trains on North East/South West route of British Rail; adaptation of maintenance depots British Railways Board £25 million	38.6				
123. Construction and commissioning of 4 high speed diesel trains linking Teesside and Humberside with East Coast Main Line British Railways Board £5 million	8.5				
124.—125. Construction of Burnley-Nelson section of M65 Calder Valley motorway (North West) Lancashire County Council — £3 million — £3 million	5.0 5.1				
126. Development of Sullom Voe oil terminal in Shetland Islands (Scotland) Shetland Islands Council £6.2 million	9.6				
127. Construction of cross-Channel passenger and freight ferry terminal at Ramsgate (South East) Thanet District Council £3 million	4.9				
128. Development of telecommunications system in Northern Ireland Post Office £41 million	68.3				
129. Development of European telecommunications links by installation of two submarine cables and associated equipment linking the UK with the Netherlands and Denmark Post Office £10 million	17.1				
130. Water supply and sewage disposal schemes in Grimsby area (Yorkshire and Humberside) Anglian Water Authority , through intermediary of National Water Council £7.1 million	11.7				
131. Sewerage and sewage disposal schemes in Sheffield area (Yorkshire and Humberside) Yorkshire Water Authority , through intermediary of National Water Council £6.7 million	10.4				
132. Water supply and sewage disposal schemes (East and West Midlands, Humberside, Wales) Severn Trent Water Authority , through intermediary of National Water Council £7.5 million	12.8				
133.—134. Water supply and sewage disposal schemes (Wales) Welsh Water Authority , through intermediary of National Water Council — £4 million — £3.5 million	6.2 6.0				
135. Water supply and sewage disposal schemes in Devon and Cornwall (South West) South West Water Authority , through intermediary of National Water Council £6 million	10.2				
136. Sewerage and sewage disposal schemes in Tyneside area (North) Northumbrian Water Authority , through intermediary of National Water Council £12.3 million	19.0				
137. Water supply and sewage disposal schemes (North West) North West Water Authority , through intermediary of National Water Council £15 million	25.6				
138. Water supply, sewerage and sewage disposal schemes in Strathclyde region and construction of section of "Monkland" motorway across Glasgow (Scotland) Strathclyde Regional Council £20 million	33.3				
139. Water supply, sewage disposal and road development schemes in Fife region (Scotland) Fife Regional Council £5 million	8.5				
140. Water supply, sewerage and road development schemes in Tayside area and extension of Dundee airport (Scotland) Tayside Regional Council £5 million	8.5				
141. Water supply, sewerage, sewage disposal and road development schemes in Grampian region (Scotland) Grampian Regional Council £5 million	8.5				
142. Construction of roads, housing and water supply and drainage infrastructure in Shetland Islands (Scotland) Shetland Islands Council £5 million	8.2				
143. Improvements to road network, water supply infrastructure and development of industrial estates (Scotland) Dumfries and Galloway Regional Council £2 million	3.3				
144. Rebuilding of aluminium smelter with reduction of specific electricity consumption at Lochaber, Fort William (Scotland) British Aluminium Company Limited , through intermediary of B.A. Finance Limited £16 million	26.4				



<p>145. Construction of mineral wool factory at Bridgend (Wales) Rockwool Limited £1 million</p>	1-7	<p>155. Expansion of facilities for blending and bottling Scotch whisky at Dumbarton (Scotland) Strathleven Bonded Warehouses Limited, through intermediary of Proprietors of Hay's Wharf Limited £3 million</p>	4-9
<p>146. Extension of particle-board factory at Cowie (Scotland) Caberboard Limited £2.5 million</p>	4-2	<p>156. Reorganisation of whisky bottling facilities at Kilmalid (Scotland) Hiram Walker and Sons (Scotland) Limited £12 million</p>	20-5
<p>147. Modernisation and expansion of glass furnace at Wigan (North West) and construction of associated warehouse at Taffs Well (Wales) Co-operative Wholesale Society Limited £1.5 million</p>	2-6	<p>157. Construction of new municipal slaughterhouse at Gorgie, Edinburgh (Scotland) City of Edinburgh District Council £4 million</p>	6-8
<p>148. Construction of factory to produce activated carbon for chemicals, pharmaceuticals and foodstuffs industries at Glasgow (Scotland) Norit-Clydesdale Company Limited £2 million</p>	3-4	<p>158. Modernisation and enlargement of two tyre factories at Belfast and Ballymena (Northern Ireland) Michelin Tyres (Belfast) Limited £8 million</p>	13-2
<p>149.—150. Construction and equipping of factory to produce heavy structural steelwork at Darlington, Co. Durham (North) The Cleveland Bridge and Engineering Company Limited — £5 million — £5 million</p>	7-7 8-2	<p>159. Global loan for financing small and medium-scale industrial ventures Industrial and Commercial Finance Corporation Limited (ICFC), through intermediary of Finance for Industry Limited (FFI) and FFI — UK Finance £5 million</p>	8-5
<p>151. Extension of manufacturing and assembly facilities for major components for nuclear power plant at Middlesbrough and Darlington (North) Whessoe Heavy Engineering Limited, through intermediary of Whessoe Limited £2.5 million</p>	4-2	<p>160. Contract of mandate and guarantee for financing small and medium-scale industrial ventures in assisted areas of United Kingdom Secretaries of State for Industry, Scotland and Wales and Department of Commerce for Northern Ireland £20 million</p>	30-9
<p>152. Construction and equipping of factory to produce automatic washing machines and tumble dryers near Rhyl, Co. Clwyd (Wales) Hotpoint Limited £4 million</p>	6-2	<p>NON-MEMBER COUNTRIES</p>	50-9
<p>153. Construction of factory to produce packaging machinery for foodstuffs and pharmaceuticals industries at Gateshead (North) Baker Perkins Holdings Limited £2.5 million</p>	4-1	<p>161. Development of Zillertal hydroelectric scheme (Austrian Tyrol) Tauernkraftwerke AG, Österreichische Elektrizitätswirtschaft AG Sfrs 80 million</p>	33-6
<p>154. Reorganisation and modernisation of facilities for manufacture of cables and associated products in North-West England (Merseyside), North-East England, North Wales and Scotland BICC General Cables Limited and BICC Connollys Limited, through intermediary of BICC Finance N.V. £8 million</p>	13-2	<p>162. Gasline between Algeria and Italy Construction of trans-Tunisian section SNAM SpA, through intermediary of Ente Nazionale Idrocarburi (ENI) US\$25 million</p>	17-3

B. Loans from the resources of the New Community Instrument for borrowing and lending (NCI)

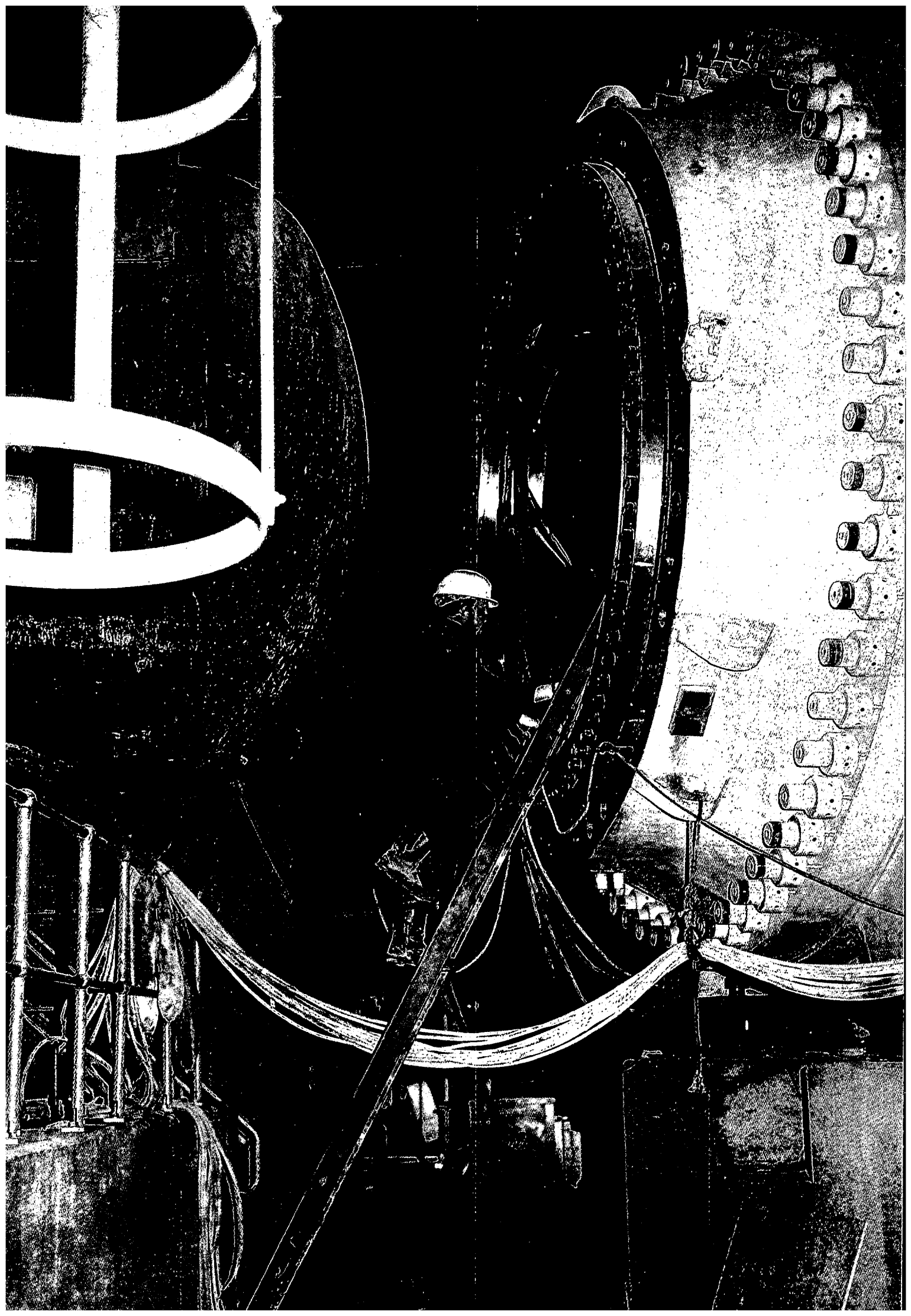
Contracts signed in 1980

Loans granted from NCI resources for which contracts were signed jointly by the Commission of the European Communities and the Bank in 1980 for investment projects within the Community totalled 197.6 million. These operations — the principal economic aspects of which are presented on pages 25 to 43 — are carried out by the Bank under mandate from, on behalf, for the account and at the risk of the European Economic Community (see pages 9 and 23) and are accounted for off balance sheet in the Bank's Special Section (page 74): the Bank's responsibility for these loans is limited to proper performance, in conformity with normal bank practice, of the mandate entrusted to it.

The projects financed with NCI resources also, apart from the Friuli motorway project, received loans from the Bank's own resources, reference to which is provided by the number in brackets (see pp. 44 to 50). Loans marked with a cross (+) attracted the 3% EMS interest subsidy provided for investment projects located in Italy and Ireland.

	million u.a.		
DENMARK	18.1		
Dkr 142 million		Construction of Mazzara del Vallo (Sicily)-Sant'Eufemia (Calabria) section (see Nos 67-68) Lit 50 000 million	41.7 +
163. Conversion to coal-firing of Asnaes power station Elektricitetselskabet Isefjordvaerket Interessentskab (IFV) Dkr 70 million	8.9	171. Construction of Carnia-Pontebba section of Friuli motorway Concessioni e Costruzioni Autostrade SpA (Autostrade) Lit 45 000 million	37.3
164. Construction of combined heat and electricity generating plant at Randers (see No 5) Dkr 72 million	9.2	172. Extensions to telephone network in Apulia (see No 74) Lit 15 000 million	12.5
		173. Provision of infrastructure for industrial estate at Syracuse (Sicily) (see No 90) Lit 15 000 million	12.5 +
		<i>20% of Ireland's electricity requirements are covered by peat-fired power stations (see Nos 29, 30, 165 and 166).</i>	
IRELAND	41.7		
IR£28.1 million			
165. Development of bogland for supplying fuel to peat-fired power stations (see No 30) Bord Na Mona IR£3.7 million	5.5 +		
166. Development of bogland and construction of peat briquetting plant Bord Na Mona IR£6 million	8.9 +		
167. Extension and modernisation of telecommunications system (see Nos 33-34) IR£18.4 million	27.3 +		
ITALY	137.8		
Lit 165 000 million			
168. Establishment of integrated system for monitoring electricity generation and transmission Ente Nazionale per l'Energia Elettrica (ENEL) Lit 20 000 million	17.1 +		
169. Development of "Settala", "Amelia", "Davide" and "Barbara" gas fields and "Cavone" oil field (see No 62) Lit 20 000 million	16.7 +		
170. Gasline between Algeria and Italy			





One of the Community's priority aims is to reduce its dependence on oil imports for its energy requirements: in 1980, 1 210.7 million u.a. went towards investment designed to attain this objective. In addition, the Bank lent 249.2 million u.a. for improving energy supplies in several ACP States and Mediterranean countries.

Operations outside the Community

The Bank mounts operations outside the Community in the Mediterranean region, including Portugal, in the African, Caribbean and Pacific (ACP) States and in the Overseas Countries and Territories (OCT). In providing support under conventions, financial protocols and decisions for projects fostering the economic and social development of these countries, it is instrumental in deploying Community overseas development aid.

1980 saw further growth in financing following the sharp upturn recorded in the previous year. Operations totalled 547.7 million compared with 512.9 million in 1979, of which 402 million was channelled to the Mediterranean Countries and 145.7 million to the ACP States. 371.4 million was advanced in the form of loans, entered on the balance sheet, from the Bank's own resources and 176.3 million from Community budgetary funds accounted for in the Special Section.

The Mediterranean region

Following the striking upswing recorded in 1979 with entry into force of a wide range of protocols and agreements, Bank activity levelled off in 1980 when a total of 402 million was granted, compared with 426.5 million in the previous year. Lending from own resources amounted to 247 million, as against 347.7 million in 1979 and 83 million in 1978; loans generally attracted 2 or 3-point interest subsidies, financed from the budget of the European Communities which also furnished their guarantee in respect of 75 % of total credit made available. Loans on special conditions — financed from Community budgetary funds — again showed a steep increase, rising to 155 million compared with 78.8 million in 1979. These carry terms of up to 40 years overall, grace periods of up to 10 years and rates of interest of 1 % or 2.5 %, depending on the country.

Aggregate financing in Greece, a Member of the Community since 1 January 1981, in Portugal, a candidate for accession, and in Turkey, an Associated State, represented 350 million, equivalent to close on 85 % of the total. Funds were provided for energy projects (47 %) involving chiefly development of indigenous resources (particularly loans for hydroelectric and lignite-fired power stations), transport infrastructure (17.7 %) and irrigation schemes (6.8 %). Support for industry and, to a lesser extent, agriculture and services (27.1 %), benefited mainly smaller scale ventures financed under six global loans.

Greece

Total Bank lending came to 101 million, fully absorbing the maximum of 225 million available for loans from the Bank's own resources under the second Financial Protocol which entered into force on 1 August 1978.

Two loans, totalling 44.5 million, assisted with ongoing development in the north of the country: one was earmarked for construction, in Macedonia, of two hydroelectric power stations at Sfikia and Assomata with a combined capacity of some 400 MW, while the other part-financed irrigation in Thrace, near the Turkish and Bulgarian frontiers, of 38 000 ha of land set aside for stock farming.

Two other operations focused on modernising signalling equipment on the Athens—Thessaloniki railway line, which accounts for 50 % of the country's rail traffic, and on constructing a sewerage collection system and treatment and purification plant at Chalkis, the main town on the island of Euboea.

A loan for 4.5 million went towards expanding and modernising a cementworks near Patras, while two global loans were channelled to the National Investment Bank for Industrial Development (NIBID; 20 million) and to the Hellenic Industrial Development Bank (ETBA; 5.5 million). The latter two operations will help in continuing to diversify the fabric of industry by establishing smaller scale industrial and tourism undertakings in various areas of the country. In 1980, 42 allocations totalling 33.3 million were drawn down from ongoing global loans mainly in support of agri-business and construction sector ventures for the most part located outside the Athens region. In addition, an allocation of 2 million was drawn down from global loans granted to the Agricultural Bank of Greece; the funds were earmarked for modernising 841 farms.

Turkey

Loans in Turkey under the third Financial Protocol (*) amounted to 44 million in the case of operations

(*) See Table on page 11.

Table 5: **Financing provided in the Mediterranean region in 1980 and from 1963 to 1980** ⁽¹⁾

Breakdown by project location

	Operations mounted from EIB own resources			Operations mounted from Special Section resources		
	Number	Amount (million u.a.)	%	Number	Amount (million u.a.)	%
1980						
Northern Mediterranean	14	215.0	87.1	2	135.0	87.1
Greece	7	101.0	40.9	—	—	—
Portugal	4	70.0	28.4	—	—	—
Turkey	3	44.0	17.8	2	135.0	87.1
Maghreb	2	25.0	10.1	2	20.0	12.9
Algeria	1	20.0	8.1	—	—	—
Morocco	—	—	—	1	5.0	3.2
Tunisia	1	5.0	2.0	1	15.0	9.7
Mashreq	2	7.0	2.8	—	—	—
Jordan	1	4.0	1.6	—	—	—
Lebanon	1	3.0	1.2	—	—	—
Total	18	247.0	100.0	4	155.0	100.0
1963-80						
Northern Mediterranean	66	797.4	80.3	60	561.0	92.9
Greece	37	341.4	34.4	1	10.0	1.7
Portugal	19	301.0	30.3	—	—	—
Turkey	8	105.0	10.6	59	551.0	91.2
Yugoslavia	2	50.0	5.0	—	—	—
Maghreb	5	75.0	7.5	3	34.0	5.6
Algeria	1	20.0	2.0	—	—	—
Morocco	1	26.0	2.6	2	19.0	3.1
Tunisia	3	29.0	2.9	1	15.0	2.5
Mashreq	11	118.7	11.9	2	3.8	0.6
Egypt	3	65.0	6.5	—	—	—
Jordan	3	15.0	1.5	1	0.3	—
Lebanon	4	23.0	2.3	—	—	—
Syria	1	15.7	1.6	1	3.5	0.6
Other	1	3.0	0.3	1	5.0	0.9
Malta	1	3.0	0.3	1	5.0	0.9
Total	83	994.1	100.0	66	603.8	100.0

(1) See Note 1 to Table 2, page 28.

financed from the Bank's own resources, while a further 135 million was drawn from Community budgetary funds, giving a total of 179 million, or more than twice the 1979 figure. The funds benefited chiefly investment designed to reduce Turkey's dependence on energy imports and to promote smaller scale export-oriented industries.

capacity by close on 53%: 60 million went to the 1 800 MW hydroelectric plant at Karakaya on the Euphrates, while 75 million funded completion of Elbistan thermal power station, which offers a capacity of 1 260 MW, and mining of a lignite deposit to supply the plant.

Loans on special conditions from budgetary funds helped to finance two major energy projects which should boost the country's electricity generating

These projects were cofinanced with a number of bilateral and multilateral development aid agencies, chiefly the World Bank and Kreditanstalt für Wiederaufbau.

Number	Amount (million u.a.)	Total		
			%	
1980				
16	350.0		87.0	Northern Mediterranean
7	101.0		25.1	Greece
4	70.0		17.4	Portugal
5	179.0		44.5	Turkey
4	45.0		11.2	Maghreb
1	20.0		5.0	Algeria
1	5.0		1.2	Morocco
2	20.0		5.0	Tunisia
2	7.0		1.8	Mashreq
1	4.0		1.0	Jordan
1	3.0		0.8	Lebanon
22	402.0		100.0	Total
1963-80				
126	1 358.4		85.0	Northern Mediterranean
38	351.4		22.0	Greece
19	301.0		18.8	Portugal
67	656.0		41.1	Turkey
2	50.0		3.1	Yugoslavia
8	109.0		6.8	Maghreb
1	20.0		1.2	Algeria
3	45.0		2.8	Morocco
4	44.0		2.8	Tunisia
13	122.5		7.7	Mashreq
3	65.0		4.1	Egypt
4	15.3		1.0	Jordan
4	23.0		1.4	Lebanon
2	19.2		1.2	Syria
2	8.0		0.5	Other
2	8.0		0.5	Malta
149	1 597.9		100.0	Total

A total of 44 million was advanced by the Bank from its own resources for industrial projects. In addition to a second loan for a coated paper and board unit and plant to treat effluent from the paper mill complex, two global loans were made available to the Industrial Development Bank of Turkey (TSKB) and to the Industrial Investment and Credit Bank (SYKB) for backing smaller scale industrial ventures. In the course of the year, 20 allocations totalling 24.3 million were drawn down from global loans already operative, benefiting mainly ventures in the mechanical and electrical engineering sectors.

Portugal

The Bank provided four loans totalling 70 million in conjunction with the Financial Protocol currently in force. Accelerated implementation of this Protocol was authorised by the Bank's Board of Governors.

30 million will help with improvements to port facilities at Aveiro called for by the rapid upturn in traffic resulting from development of the north of the country. EIB support for extending port installations in Portugal commenced in 1977 with the granting of loans for the ports of Lisbon and Oporto. In addition, 10 million was earmarked for installing a computerised electricity grid control centre.

The Bank also assisted in financing expansion of a cementworks along with associated storage facilities and channelled a global loan to Caixa Geral de Depositos for financing smaller scale industrial and tourism ventures. In 1980, 20 allocations totalling 11.4 million were drawn down from a global loan already concluded with Banco de Fomento Nacional; the funds went chiefly to assist mechanical and electrical engineering ventures.

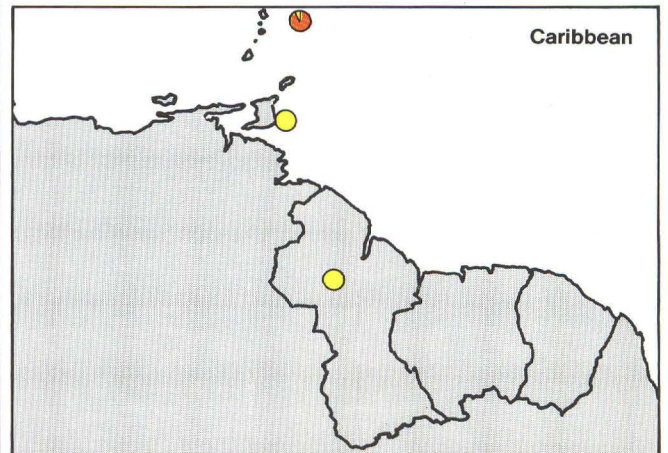
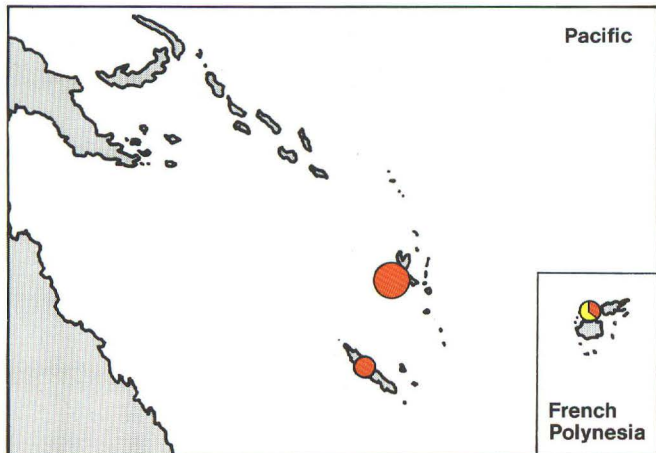
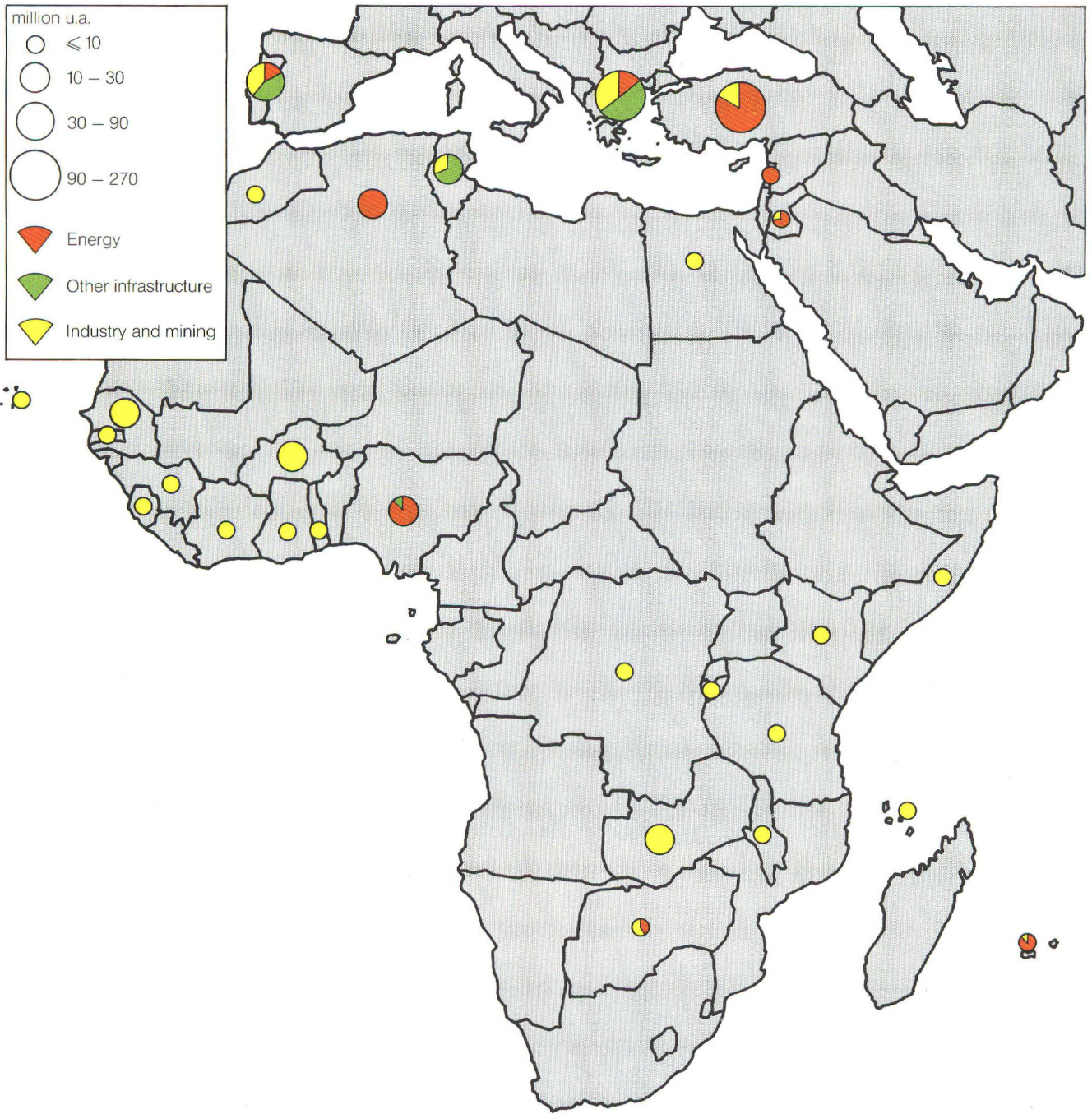
Maghreb and Mashreq countries

The Bank mounted operations in five of these countries under agreements concluded with the Community. A total of 52 million was advanced, comprising 32 million from the EIB's own resources and 20 million from budgetary funds.

Algeria

The EIB's first loan in Algeria (20 million from own resources) was given over to upgrading diesel power stations in the South of the country. These plants, with capacities varying between 4.8 MW and 6.4 MW, should promote the economic development of the Adrar, Timimoun, El Golea, Ain Salah and Tamanrasset oases.

Projects financed in the Mediterranean region, the ACP States and the OCT in 1980



Tunisia

Two loans totalling 20 million, including one from budgetary funds, were made for constructing a new railway line, shorter than the one it replaced but with increased capacity, to be used mainly for transporting phosphate rock from the Gafsa deposits to the processing facilities at the port of Gabes. Moreover, 16 credits worth 8.5 million were allocated from a global loan granted in 1979.

Morocco

A global loan for 5 million financed from budgetary funds was concluded with the Office pour le Développement Industriel (ODI) to enable it to acquire equity participations in smaller scale industrial undertakings; 1.6 million has already been drawn down in support of 2 ventures.

African, Caribbean and Pacific (ACP) States and the Overseas Countries and Territories (OCT)

In 1980, under the first Lomé Convention and the Decision on the OCT, the Bank granted 19 loans worth 124.4 million from its own resources for overseas development projects in the ACP States and the OCT group. These loans carried a 3% interest subsidy⁽¹⁾ provided from the European Development Fund (EDF). The Bank also mounted 18 risk capital operations involving 21.3 million of EDF funds. Hence, a total of 145.7 million was given over to projects in 21 African, Caribbean and Pacific States and 2 Overseas Territories. Allowing for the balance to be drawn down under blanket authorisations for study financing, the above operations fully absorbed the maximum amounts earmarked for EIB activity under the first Lomé Convention.

Risk capital made available by the Bank under mandate from the Community is employed for financing shareholdings or lending to an ACP State or a national development agency to bolster enterprises' equity bases. It can also be used for providing quasi-capital assistance in the form of subordinated or conditional loans. Subordinated loans are repayable only after priority loans have been paid off; repayment terms for conditional loans or the period for which these are made available are linked to fulfilment of conditions specified at the time of signature of the contract. Several such loans have gone in tandem with loans from the Bank's own resources. The flexibility of this medium, the terms and

Jordan

A loan for 4 million from the Bank's own resources will part-finance extension of the electricity transmission and distribution grid in the Zerqa area, to the north-east of Amman; the project should foster the expansion of numerous smaller scale industries established in this region. From the two global loans channelled to the Industrial Development Bank in 1979, 5 allocations totalling 1.1 million were made from the first, while the proceeds of the second, for 300 000 units of account provided from budgetary funds, helped to finance technical and financial assistance to 123 craft undertakings.

Lebanon

The Bank advanced 3 million from its own resources for upgrading Zouk power station, to the north of Beirut.

conditions of which are tailored to individual projects, can accommodate all manner of financing needs, chiefly in industry and particularly in the least development ACP States; lesser amounts are also made available for preinvestment studies.

1980 saw the Bank mount its first operations in Botswana, the Comoros, Guinea, Somalia and French Polynesia. Funds benefited industry (50.3%), energy (41.6%) and mining (8.1%) projects.

The Bank provided financing in 18 countries in **Africa**.

In **Nigeria**, a loan for 25 million will assist in improving and extending the electricity transmission and distribution grid in the Lagos Metropolitan area which numbers 4 million inhabitants.

In **Senegal**, a total of 18.4 million was advanced in support of two projects:

— two operations, including one from risk capital resources, for a combined amount of 15.4 million, benefited factories producing phosphoric acid and phosphate fertilisers which will enable maximum benefit to be drawn from local phosphate production;

⁽¹⁾ As interest rates on subsidised loans may not exceed 8%, the amount of the interest subsidy is increased in cases where the Bank's rate is more than 11%.

Table 6: **Financing provided in the African, Caribbean and Pacific (ACP) States and the Overseas Countries and Territories (OCT) in 1980**

Breakdown by project location

	From EIB own resources			From Special Section resources		
	Number	Amount (million u.a.)	%	Number	Amount (million u.a.)	%
Africa	15	95.9	77.1	17	20.46	96.0
West Africa	8	59.4	47.8	7	14.03	65.8
Cape Verde	—	—	—	1	3.50	16.4
Ivory Coast	3	10.0	8.0	—	—	—
Gambia	—	—	—	1	0.09	0.4
Ghana	—	—	—	1	0.25	1.2
Guinea	1	4.4	3.6	1	0.15	0.7
Upper Volta	1	8.0	6.4	1	3.50	16.4
Nigeria	1	25.0	20.1	—	—	—
Senegal	2	12.0	9.7	1	6.40	30.0
Regional	—	—	—	1	0.14	0.7
Central and Equatorial Africa	—	—	—	1	0.04	0.2
Zaire	—	—	—	1	0.04	0.2
East Africa	7	36.5	29.3	9	6.39	30.0
Botswana	2	6.5	5.3	2	1.75	8.2
Comoros	—	—	—	1	0.01	0.1
Kenya	1	7.5	6.0	—	—	—
Malawi	1	5.0	4.0	1	0.19	0.9
Mauritius	1	7.5	6.0	1	0.04	0.2
Somalia	—	—	—	1	0.25	1.2
Swaziland	1	2.0	1.6	1	1.00	4.7
Tanzania	—	—	—	1	0.35	1.6
Zambia	1	8.0	6.4	1	2.80	13.1
Caribbean	2	10.0	8.0	—	—	—
Barbados	1	5.0	4.0	—	—	—
Trinidad and Tobago	1	5.0	4.0	—	—	—
Pacific	1	11.5	9.3	—	—	—
Fiji	1	11.5	9.3	—	—	—
Total ACP	18	117.4	94.4	17	20.46	96.0
OCT	1	7.0	5.6	1	0.85	4.0
New Caledonia	1	7.0	5.6	—	—	—
French Polynesia	—	—	—	1	0.85	4.0
Grand total	19	124.4	100.0	18	21.31	100.0
<i>of which risk capital</i>				<i>18</i>	<i>21.31</i>	<i>100.0</i>

— a loan for 3 million was granted for modernising and expanding groundnut and cottonseed processing facilities producing oil and oil cakes at Ziguinchor, in the Casamance area.

In **Zambia**, two loans involving 10.8 million were approved by the EIB:

— one, for 8 million, part-financed modernisation of the cobalt refining plant at Chambishi with a view to reducing metal losses and upgrading the purity of output;

— the other, for 2.8 million drawn from risk capital resources, helped to modernise Chilanga cementworks which boasts a capacity of 320 000 t.p.a.

In the **Ivory Coast**, the Bank made 3 loans totalling 10 million:

— two global loans, each for 3.5 million, were channelled to Crédit de la Côte d'Ivoire and to Compagnie Financière de la Côte d'Ivoire for financing smaller-scale industrial and tourism ventures;

Number	Amount (million u.a.)	Total		
		Amount	%	
32	116.36	79.9		Africa
15	73.43	50.4		West Africa
1	3.50	2.4		Cape Verde
3	10.00	6.8		Ivory Coast
1	0.09	0.1		Gambia
1	0.25	0.2		Ghana
2	4.55	3.1		Guinea
2	11.50	7.9		Upper Volta
1	25.00	17.2		Nigeria
3	18.40	12.6		Senegal
1	0.14	0.1		Regional
1	0.04	.		Central and Equatorial Africa
1	0.04	.		Zaire
16	42.89	29.5		East Africa
4	8.25	5.7		Botswana
1	0.02	.		Comoros
1	7.50	5.1		Kenya
2	5.19	3.6		Malawi
2	7.54	5.2		Mauritius
1	0.25	0.2		Somalia
2	3.00	2.1		Swaziland
1	0.35	0.2		Tanzania
2	10.80	7.4		Zambia
2	10.0	6.8		Caribbean
1	5.00	3.4		Barbados
1	5.00	3.4		Trinidad and Tobago
1	11.5	7.9		Pacific
1	11.50	7.9		Fiji
35	137.86	94.6		Total ACP
2	7.85	5.4		OCT
1	7.00	4.8		New Caledonia
1	0.85	0.6		French Polynesia
37	145.71	100.0		Grand total
18	21.31	14.7		<i>of which risk capital</i>

— 3 million went towards constructing a flour mill with a capacity of 40 000 tonnes of flour per annum, along with silos and loading facilities at the port of San Pedro.

In **Upper Volta**, one loan and one risk capital operation involving a total of 11.5 million assisted in financing reopening of a gold mine at Poura, 180 km to the south-west of Ouagadougou. The project will help substantially to improve the country's balance of payments and public finances.

Four operations totalling 8.25 million were mounted in **Botswana**. The funds supported:

— construction of a unit to produce bovine vaccine to combat foot-and-mouth disease (2.5 million from own resources and 1.5 million from risk capital funds), a venture which will improve the health of cattle and promote exports of beef;

— expansion of a coal-fired power station (4 million) in the north-east of the country; installed capacity will be boosted from 60 to 80 MW;

— a study on the use of indigenous coal resources at a new power station (250 000 units of account from risk capital).

In **Mauritius**, a hydroelectric power station with an installed capacity of 30 MW, located on the country's eastern coast, attracted a loan for 7.5 million, while a study on processing sugar cane molasses to produce ethanol was financed through a risk capital operation involving 35 000 units of account. These two projects comply with the objective of replacing oil imports by indigenous energy resources.

In **Kenya**, a loan for 7.5 million went to a group of 10 factories processing tea produced by around 10 000 smallholders.

In **Malawi**, a global loan for 5 million was made available to the Investment and Development Bank for allocating to smaller-scale industrial and tourism ventures. In addition, risk capital assistance to the tune of 190 000 units of account helped to finance a study on a cementworks.

In **Guinea**, a loan for 4.4 million was granted for modernising an alumina plant at Fria-Kimbo, along with work on improving operating safety and stepping up the tempo of production. 150 000 units of account from risk capital resources financed a study on potential for expanding the metalworking sector.

In **Cape Verde**, 3.5 million from risk capital funds was earmarked for construction, in Mindelo bay, the main port in the archipelago, of a yard for repairing deep-sea fishing boats and, to a lesser extent, small merchant vessels. This project will create some 700 jobs and make for net annual foreign exchange earnings equivalent to close on 80 % of the country's income from exports of goods and services.

Two loans totalling 3 million, one from own resources, the other from risk capital funds, were channelled to the National Industrial Development Corporation of **Swaziland** to help in financing smaller-scale industrial, agri-business and tourism ventures, as well as feasibility studies and equity participations.

List of finance operations outside the Community (1)

A. Loans from the Bank's own resources

Contracts signed in 1980

Loans from the Bank's own resources, for which contracts were signed in 1980 in respect of investment projects outside the Community, totalled 371.4 million, of which 247 million was channelled to countries in the Mediterranean region and 124.4 million to the African, Caribbean and Pacific (ACP) States and the Overseas Countries and Territories (OCT). These operations, the principal economic aspects of which are outlined on pages 53 to 60, are accounted for on the EIB's balance sheet.

Certain projects were also financed from Community budgetary funds (see pages 63 and 64) and these are marked with an asterisk (*). In the case of countries in the Mediterranean region, reference to a footnote indicates loans which attracted a 2% or 3% interest subsidy from Community budgetary funds (see page 53). All loans in the ACP States carried an interest subsidy financed from the European Development Fund (see page 57).

1. Loans in Mediterranean Countries

	million u.a.					
GREECE	101.0					
<hr/>						
Dr 6 019.7 million						
174. Construction of Sfikia and Assomata hydroelectric power stations on Aliakmon River (South Macedonia) Dimosia Epiririsi Ilektrismou (Public Power Corporation - PPC)	17.0 (*)	179. Global loan for financing small and medium-scale industrial and tourism ventures Ethniki Trapeza Ependiseon Viomihanikis Anaptixeos (National Investment Bank for Industrial Development - NIBID) Dr 1 101.3 million	20.0			
175. Modernisation of signalling and telecommunications equipment on Athens - Thessaloniki railway line Organismos Sidrodromon Ellados A.E. (Hellenic Railways Organisation) Dr 1 273.8 million	21.0 (*)	180. Global loan for financing small and medium-scale industrial ventures Elliniki Trapeza Viomihanikis Anaptixeos (ETBA) (Hellenic Industrial Development Bank) Dr 333.6 million	5.5			
176. Construction of centralised sewerage system and treatment and purification plant at Chalkis (Euboea) Water Supply and Sewerage Enterprise of Halkis (WSH) , through intermediary of Hellenic Republic Dr 333.6 million	5.5 (*)					
177. Irrigation of 37 760 ha, drawing on reservoir on Ardas River and aquifers in Evros (Thrace) Hellenic Republic Dr 1 668.1 million	27.5 (*)					
178. Extension and modernisation of cement works near Patras (Peloponnese) Tsimenta TITAN A.E. (Titan Cement Company Limited), through intermediary of Elliniki Trapeza Viomihanikis Anaptixeos (ETBA) (Hellenic Industrial Development Bank) Dr 278.1 million	4.5					
		PORTUGAL	70.0			
		<hr/>				
		Esc 4 912.1 million				
		181. Creation of computerised control system to optimise electricity generating and transmission facilities Electricidade de Portugal (EDP) Esc 701.7 million	10.0 (*)			
		182. Improvement of port facilities at Aveiro, south of Oporto Republic of Portugal Esc 2 105.2 million	30.0 (*)			
		183. Expansion of cement production at Souselas near Coimbra; construction of associated storage and packaging facilities near Oporto Cimentos de Portugal E.P. (CIMPOR) Esc 1 052.6 million	15.0			
		184. Global loan for financing small and medium-scale industrial and tourism ventures Caixa Geral de Depositos (CGD) , through intermediary of Republic of Portugal Esc 1 052.6 million	15.0 (*)			
				TURKEY		
				44.0		
				<hr/>		
				TL 4 957.2 million		
				185. Installation at Dalaman paper mill of unit to produce coated paper and board together with plant to treat effluent from mill (West Anatolia) Republic of Turkey , for on-lending to SEKA Dalaman Muesesesi TL 450.7 million	4.0	
				186. Global loan for financing small and medium-scale industrial ventures Republic of Turkey , for on-lending to Industrial Development Bank of Turkey (Türkiye Sinaî Kalkinma Bankasi-TSKB) TL 3 379.9 million	30.0	
				187. Global loan for financing small and medium-scale industrial ventures Republic of Turkey , for on-lending to Industrial Investment and Credit Bank (Sinaî Yatirim ve Kredi Bankasi-SYKB) TL 1 126.6 million	10.0	
					ALGERIA	
					188. Uprating diesel power stations to cater for electricity supply needs of southern oases of Adrar, Timimoun, El Golea, Ain Salah and Tamanrasset Sonelgaz , through intermediary of Algerian Development Bank DA 107.1 million	20.0

(1) Finance contracts for projects outside the Community are denominated in units of account. Amounts shown in national currency are thus given merely as a guide; they are based on the equivalents in units of account as used by the Bank at the date of signature of the contracts (see page 8).

(*) Loan attracting a 3% interest subsidy.

TUNISIA			
189.* Construction of railway line intended principally for transport of phosphate rock between Gafsa and port of Gabès Republic of Tunisia (see No 213) D 2.7 million	5.0	(¹)	
JORDAN			
190. Extension of electricity transmission and distribution facilities north-east of Amman Jordanian Electric Power Co. Ltd (JEP. Co) , through intermediary of Hashemite Kingdom of Jordan JD 1.7 million	4.0	(¹)	
LEBANON			
191. Uprating Zouk thermal power station near Beirut Electricité du Liban (EDL) , through intermediary of Council for Development and Reconstruction £Leb. 14.6 million	3.0	(¹)	
2. ACP STATES AND OCT			
The following loans all attracted a 3% interest subsidy, scaled up in those cases where the Bank's rate ran to more than 11% (see page 57).			
	million u.a.		
NIGERIA			
192. Development and extension of electricity transmission and distribution facilities in Lagos area National Electric Power Authority (NEPA) N 18.7 million	25.0		
SENEGAL	12.0		
CFAF 3 528.7 million			
193.* Construction of industrial complex for producing phosphoric acid at Taïba and fertilisers at M'Bao (see No 215) Industries Chimiques du Sénégal (ICS) CFAF 2 646.5 million	9.0		
194. Modernisation and expansion of groundnut and cottonseed processing capacities at Ziguinchor, Casamance Société Nationale de Commercialisation des Oléagineux CFAF 882.2 million	3.0		
FIJI			
195. Construction of dam and hydroelectric power station on Viti Levu Island Fiji Electricity Authority F\$13.3 million	11.5		
IVORY COAST	10.0		
CFAF 2 935.3 million			
196. Construction of flour mill at San Pedro harbour Société Moulin du Sud Ouest CFAF 876.9 million	3.0		
197. Global loan for financing small and medium-scale industrial and tourism ventures Crédit de la Côte d'Ivoire (CCI) CFAF 1 029.2 million	3.5		
198. Global loan for financing small and medium-scale industrial and tourism ventures Compagnie Financière de la Côte d'Ivoire (COFINCI) CFAF 1 029.2 million	3.5		
UPPER VOLTA			
199.* Re-opening of Poura gold mine, south-west of Ouagadougou (see No 217) Société de Recherches et d'Exploitation Minières (SOREMI) CFAF 2 352.5 million	8.0		
ZAMBIA			
200. Modernisation of filtration and vacuum refining equipment in cobalt processing plant at Chambishi Roan Consolidated Mines Limited K 8.4 million	8.0		
KENYA			
201. Construction of 10 small-holder tea factories Kenya Tea Development Authority (KTD) K Sh 77.3 million	7.5		
MAURITIUS			
202. Construction of dam and hydroelectric power station on east coast Central Electricity Board Mau Rs 78.1 million	7.5		
NEW CALEDONIA			
203. Néaoua River hydroelectric scheme on east coast Société Néo-Calédonienne d'Énergie (ENERCAL) , through intermediary of Caisse Centrale de Coopération Économique (CCCE) CFPF 743.3 million	7.0		
BOTSWANA	6.5		
P 7.2 million			
204. Uprating Selebi-Pikwe thermal power station fired with indigenous coal Botswana Power Corporation (BPC) P 4.4 million	4.0		
205.* Construction of laboratory at Gaborone for producing vaccine to protect cattle against foot-and-mouth disease (see No 219) Botswana Vaccine Institute (Proprietary) Limited P 2.8 million	2.5		
BARBADOS			
206. Uprating generating capacity and extending distribution network Barbados Light and Power Company Limited (BLPC) BDS\$14.0 million	5.0		
MALAWI			
207. Global loan for financing small and medium-scale industrial and tourism ventures Investment and Development Bank of Malawi (INDEBANK) MK 5.7 million	5.0		
TRINIDAD AND TOBAGO			
208. Global loan for financing small and medium-scale industrial and tourism ventures Trinidad and Tobago Development Finance Company Limited (TTDFC) TT\$17.3 million	5.0		
GUINEA			
209. Modernisation of installations at Fria-Kimbo alumina works, north of Conakry FRIGUA GS 117.3 million	4.4		
SWAZILAND			
210.* Global loan for financing small and medium-scale industrial, mining and tourism ventures (see No 221) National Industrial Development Corporation of Swaziland (NIDCS) E 2.1 million	2.0		

(¹) Loans attracting a 2% interest subsidy.

B. Finance operations from Community budgetary resources

Contracts signed in 1980

Operations concluded in 1980 from Community budgetary funds totalled 176.3 million, of which 155 million took the form of loans on special conditions in countries in the Mediterranean region, while 21.3 million was advanced as risk capital in the ACP States and the Overseas Countries and Territories (OCT). Financing is provided by the Bank under mandate from, on behalf, for the account and at the risk of the European Economic Community and is accounted for off balance sheet in the Special Section (see page 74); the Bank's responsibility for these operations — the principal economic aspects of which are presented on pages 53 to 60 — is limited to proper performance of the mandate entrusted to it.

Certain projects financed from Community budgetary funds, either through loans on special conditions or from risk capital resources, also attracted loans from the Bank's own resources, reference to which is provided by the number in brackets (see pages 61 and 62).

1. Loans on special conditions in Mediterranean countries

million u. a.
TURKEY 135.0

TL 11 878.7 million

211. Construction of lignite-fired thermal power station near Elbistan and exploitation of neighbouring lignite mine

Republic of Turkey, for on-lending to **Türkiye Elektrik Kurumu** — **TEK** (Turkish Electricity Authority) and **Türkiye Kömür İşletmeleri Kurumu** — **TKI** (Turkish Coal Enterprises)
TL 5 118.9 million 75.0

212. Construction of dam on Euphrates and hydroelectric power station at Karakaya

Republic of Turkey
TL 6 759.8 million 60.0

TUNISIA

213.* Construction of railway line between Gafsa and Gabès (see No 189)
D 8.1 million 15.0

MOROCCO

214. Conditional global loan for financing equity participations in small and medium-scale industrial undertakings

Office pour le Développement Industriel (ODI)
DH 26.7 million 5.0

2. Risk capital (') provided from European Development Fund resources in the ACP States and the OCT

million u. a.
SENEGAL

215.* Construction of chemicals complex at Taïba and M'Bao
Conditional loan to **Republic of Senegal** to finance its equity participation in **Industries Chimiques du Sénégal (ICS)** (see No 193)
CFAF 1 882.0 million 6.4

CAPE VERDE

216. Construction of fishing boat repair yard at Porto-Grande Mindelo

Conditional loan to **Republic of Cape Verde** towards providing own funds component required for financing project
C.V. Esc 189.5 million 3.5

UPPER VOLTA

217.* Re-opening of Poura gold mine, south-west of Ouagadougou (see No 199)

Conditional loan to **Société de Recherches et d'Exploitations Minières (SOREMI)**
CFAF 1 029.2 million 3.5

ZAMBIA

218. Modernisation of cement works near Lusaka

Conditional loan to **Industrial Development Corporation Limited (INDECO)**, body managing State's industrial shareholdings, towards increasing its equity participation in **Chilanga Cement Company Limited**
K 3.0 million 2.8

BOTSWANA

P 2 million

219.* Construction of laboratory for producing bovine vaccines (see No 205)

Conditional loan to **Republic of Botswana** towards financing its participation in capital increase of **Botswana Vaccine Institute (Proprietary) Limited**
P 1.7 million 1.5

220. Conditional loan for coal-fired power station study

Republic of Botswana
P 300 000 0.25

SWAZILAND

221.* Conditional global loan for financing small and medium-scale industrial, mining and tourism ventures

National Industrial Development Corporation of Swaziland (NIDCS) (see No 210)

E 1.1 million 1.0

FRENCH POLYNESIA

222. Global loan for financing studies into ventures mounted by small and medium-scale industrial, craft and tourism undertakings and for financing investment via subordinated loans or equity participations

Société de Crédit et de Développement de l'Océanie (SOCREDO)
CFPF 90.3 million 0.85

TANZANIA

223. Conditional loan for study to prove crude oil deposits at Songo-Songo, south of Dar-es-Salaam

Ministry of Water, Energy and Minerals
T Sh 4.0 million 0.35

GHANA

224. Conditional loan for study on exploitation of industrial diamond mine at Akwatia

Ghana Consolidated Diamonds Limited
C 1 million 0.25

SOMALIA

225. Conditional loan for industrial and agro-industrial project studies

Somalia Development Bank
So Sh 2.1 million 0.25

MALAWI

226. Conditional loan for study on increasing local cement production

Republic of Malawi
MK 200 000 0.19

(') For definition, see page 57.

GUINEA

227. Conditional loan for study on developing country's metal-working and metallurgical industries

People's Revolutionary Republic of Guinea
GS 4.0 million

0.15

GAMBIA

229. Conditional loan for groundnut marketing study
Gambia Produce Marketing Board

D 200 000

0.09

ZAIRE

231. Equity participation in capital increase of **Société Financière de Développement (SOFIDE)**

Subscription of 3 000 shares
Z 150 000

0.04

WEST AFRICA

228. Conditional loan for study on construction of hurricane lamp factory and for study on factory for producing two-stroke engines

West African Development Bank
CFAF 40.6 million

0.14

MAURITIUS

230. Conditional loan for feasibility study on construction of factory for producing ethanol from molasses

Independent Sovereign State of Mauritius

Mau Rs 400 000

0.04

COMOROS

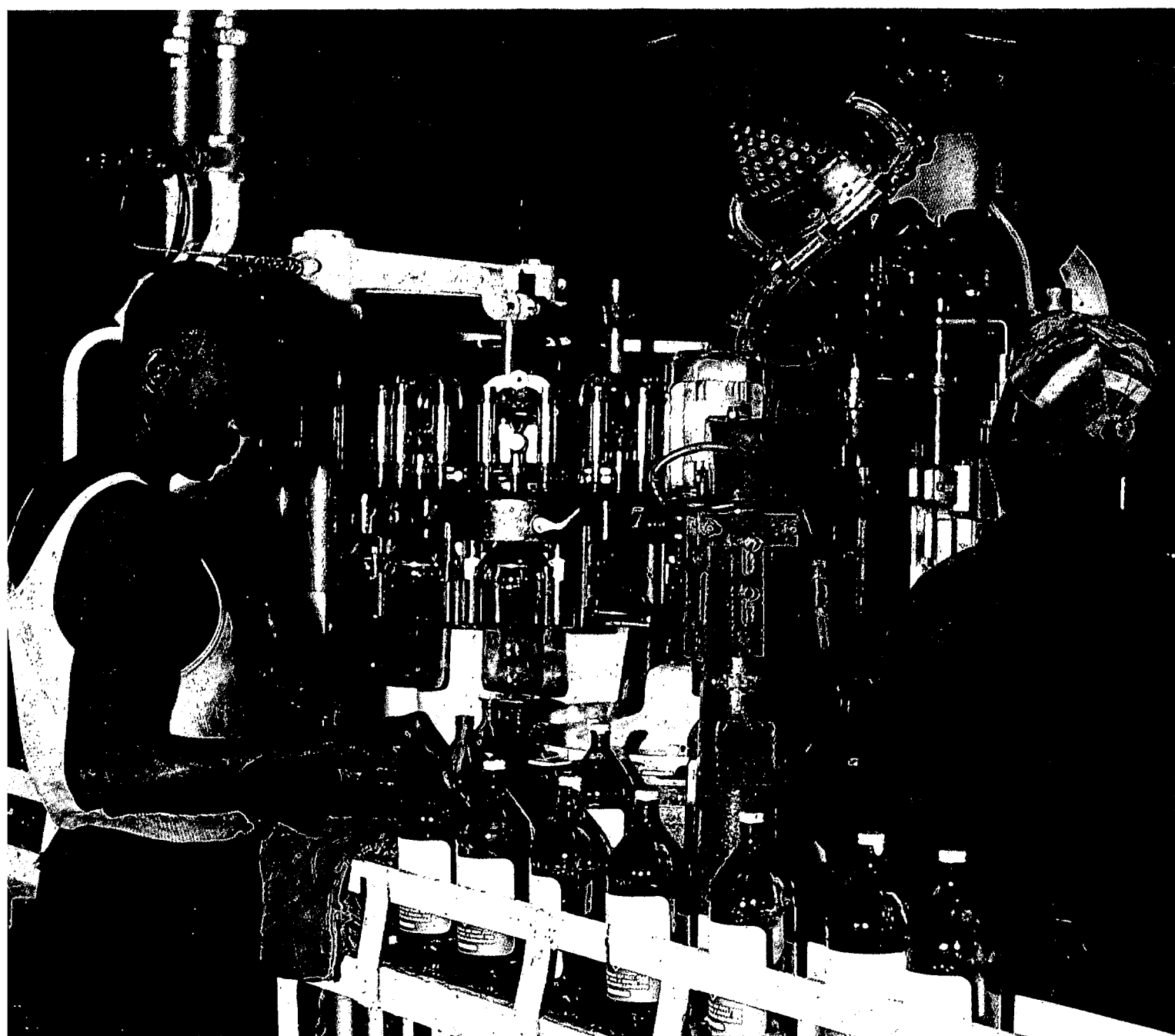
232. Conditional loan for study on establishment of development bank

Federal Islamic Republic of the Comoros

CFAF 4.4 million

0.01

Development of industry and agricultural processing activities is one of the tasks entrusted to the EIB under the Lomé Conventions.



Resources

This section deals with resources mobilised by the Bank for lending and guarantee operations accounted for on its balance sheet and for which it assumes financial responsibility; details of these operations in 1980 appear on pages 44 to 50 and 61 and 62. It does not cover resources administered by the Bank under mandate from and on behalf of third parties, which are accounted for off balance sheet in the Special Section (see page 74), in particular loans from NCI resources and financing provided in the Mediterranean region and in the ACP States from Community resources, details of which for 1980 appear on pages 51, 63 and 64.

At 31 December 1980, the Bank's total resources (comprising paid-in capital, reserves and provisions, the balance of the profit and loss account and borrowing proceeds) stood at 12 237.6 million compared with 9 882.7 million at 31 December 1979.

The rise was made up of a net increase in borrowed funds of 2 057.6 million, taking into account adjustments in conversion rates, 208.7 million in net income and 88.6 million in the form of Member States' contributions to the capital increase decided in 1978.

In 1980, the Bank made calls on the financial markets amounting to 2 466.8 million as against 2 481.2 million in 1979 and 1 949.7 million in 1978. Of this, 2 383.5 million was raised through public issues and private placings and 83.3 million from the sale to third parties of participations in Bank loans, guaranteed by the EIB.

The Bank's borrowings showed more or less the same division between Community and non-Community currencies as in 1979. Borrowings denominated in the currencies of the Member States (1 317.1 million compared with 1 160.8 million in 1979) represented more than half the Bank's calls on the capital markets.

Table 7: Funds raised from 1961 to 1980

Year	Number	Issues Amount (million u.a.)			Participations by third parties in EIB loans (million u.a.)	Funds raised (million u.a.)
		Private issues	Public issues	Total		
1961	3	7.6	13.8	21.4	—	21.4
1962	2	—	32.3	32.3	—	32.3
1963	3	8.0	27.2	35.2	—	35.2
1964	5	13.5	53.3	66.8	—	66.8
1965	4	—	65.0	65.0	—	65.0
1966	6	24.0	114.5	138.5	—	138.5
1967	8	40.0	154.5	194.5	—	194.5
1968	13	112.5	100.0	212.5	—	212.5
1969	9	63.7	82.3	146.0	—	146.0
1970	7	66.6	102.3	168.9	—	168.9
1971	20	208.0	204.9	412.9	—	412.9
1972	19	133.4	328.6	462.0	17.5	479.5
1973	22	207.0	401.0	608.0	4.3	612.3
1974	16	704.2	121.3	825.5	—	825.5
1975	26	318.6	495.1	813.7	17.0	830.7
1976	17	221.0	510.9	731.9	17.0	748.9
1977	31	321.9 ⁽¹⁾	707.6	1 029.5	132.0	1 161.5
1978	43	509.0 ⁽²⁾	1 353.9	1 862.9	86.8	1 949.7
1979	59	983.2 ⁽³⁾	1 453.4	2 436.6	44.6	2 481.2
1980	73	874.5	1 509.0	2 383.5	83.3	2 466.8
1961-80	386	4 816.7	7 830.9	12 647.6	402.5	13 050.1

(1) Including 87 million in medium-term interbank operations.

(2) Including 39.9 million in medium-term interbank operations.

(3) Including 1.5 million in medium-term interbank operations.

Table 8: List of borrowings in 1980

Date of contract	Month of issue	Place of issue	Subscription currency	Amount in national currency (million)	Amount in u.a. (million)	Life (years)	Coupon %	Placing
4. 1. 1980	January	Luxembourg	Lfrs	600	14.9	8	9 ³ / ₄	Public (1)
9. 1. 1980	January	United States	\$	150	104.3	7	11 ⁵ / ₈	Public (2)
9. 1. 1980	January	United States	\$	100	69.5	20	11 ⁷ / ₈	Public (2)
24. 1. 1980	January	Germany	DM	50	20.1	10	8 ¹ / ₄	Private
24. 1. 1980	January	Germany	DM	50	20.1	10	8-30	Private
14. 2. 1980	February	Germany	DM	25	10.0	10	8 ¹ / ₂	Private
15. 2. 1980	February	Germany	DM	75	30.1	10	8 ¹ / ₂	Private
19. 2. 1980	February	Germany	DM	100	40.2	10	8 ¹ / ₂	Private
25. 2. 1980	February	Netherlands	Fl	25	9.1	20	11 ¹ / ₈	Private
3. 3. 1980	March	Switzerland	Sfrs	80	34.8	10	6	Public (3)
Subject to alteration for 1985/90 minimum 5 ¹ / ₂								
7. 3. 1980	March	Germany	DM	50	20.1	10	9	Private
11. 3. 1980	March	Germany	DM	100	40.2	8	9	Private
24. 3. 1980	March	Germany	DM	100	40.2	10	9 ³ / ₄	Private
1. 4. 1980	April	Netherlands	Fl	75	27.1	15	11 ¹ / ₈	Private
1. 4. 1980	April	Netherlands	Fl	70	25.3	20	11 ¹ / ₈	Private
15. 4. 1980	April	Luxembourg	\$	100	76.8	10	13 ³ / ₄	Public (4)
15. 4. 1980	April	Netherlands	Fl	50	18.0	15	10 ⁷ / ₈	Private
18. 4. 1980	April	Germany	DM	100	39.5	6	9 ¹ / ₄	Public (5)
18. 4. 1980	April	Germany	DM	200	79.0	10	9 ¹ / ₂	Public (5)
21. 4. 1980	April	Netherlands	Fl	5	1.8	15	11 ¹ / ₈	Private
25. 4. 1980	April	Netherlands	Fl	150	54.1	15	10 ¹ / ₂	Public (6)
28. 4. 1980	April	Switzerland	Sfrs	15	6.2	10	6 ³ / ₄	Private
29. 4. 1980	April	Switzerland	Sfrs	50	20.8	6	7	Private
30. 4. 1980	April	Italy	Lit	50 000	42.7	15	13 ¹ / ₂	Private
1. 5. 1980	May	Netherlands	Fl	10	3.6	15	11 ¹ / ₈	Private
8. 5. 1980	May	Netherlands	Fl	10	3.6	15	11	Private
19. 5. 1980	May	Switzerland	Sfrs	50	20.8	5	6 ¹ / ₄	Private
22. 5. 1980	May	Germany	DM	100	39.5	10	8 ¹ / ₂	Private
29. 5. 1980	May	Luxembourg	\$	10	7.7	19	10 ³ / ₄	Private
30. 5. 1980	May	Netherlands	Fl	20	7.2	15	11 ¹ / ₈	Private
30. 5. 1980	May	Netherlands	Fl	10	3.6	15	11 ¹ / ₈	Private
30. 5. 1980	May	Germany	DM	100	39.5	10	8 ¹ / ₄	Private
10. 6. 1980	June	Luxembourg	Lfrs	500	12.3	8	12 ¹ / ₂	Private
10. 6. 1980	June	Luxembourg	\$	100	76.8	8	11	Public (7)
19. 6. 1980	June	Luxembourg	\$	100	76.8	7	9 ³ / ₄	Public (8)
11. 7. 1980	July	Switzerland	Sfrs	100	43.1	10	5 ¹ / ₂	Public (9)
14. 7. 1980	July	United Kingdom	£	7	11.5	7	13 ¹ / ₄	Private
16. 7. 1980	July	Luxembourg	Lfrs	250	6.2	7	11 ¹ / ₄	Private
18. 7. 1980	July	Luxembourg	Lfrs	240	6.0	7	11 ¹ / ₂	Private
22. 7. 1980	July	Germany	DM	250	99.4	10	7 ⁷ / ₈	Public (10)
29. 8. 1980	September	Japan	Yen	15 000	48.1	12	8-60	Public (11)
8. 9. 1980	September	Luxembourg	\$	100	69.9	7	12 ³ / ₈	Public (12)
15. 9. 1980	September	Germany	DM	60	23.8	10	8 ¹ / ₂	Private
15. 9. 1980	September	Germany	DM	30	11.9	10	8 ¹ / ₂	Private
15. 9. 1980	September	Germany	DM	10	4.0	10	8 ¹ / ₂	Private
23. 9. 1980	September	Germany	DM	50	19.9	10	8 ¹ / ₂	Private
23. 9. 1980	September	Germany	DM	50	19.9	10	8 ¹ / ₂	Private
3. 10. 1980	October	Netherlands	Fl	150	54.5	13	10 ³ / ₄	Public (13)
7. 10. 1980	October	France	Ffrs	400	68.0	10	14 ¹ / ₂	Public (14)
9. 10. 1980	October	United States	\$	100	71.4	8	12 ³ / ₄	Public (15)
9. 10. 1980	October	United States	\$	100	71.4	20	13 ¹ / ₂	Public (15)
10. 10. 1980	October	Germany	DM	200	78.9	10	8 ¹ / ₂	Public (16)
13. 10. 1980	October	Luxembourg	\$	10	7.1	5	13	Private
17. 10. 1980	October	Switzerland	Sfrs	50	21.6	6	6 ¹ / ₄	Private
23. 10. 1980	October	Luxembourg	Ffrs	70	11.9	7	14 ¹ / ₄	Private
30. 10. 1980	November	Switzerland	Sfrs	100	43.3	10	6	Public (17)
10. 11. 1980	November	United Kingdom	£	20	34.1	10.25	13	Public (18)
13. 11. 1980	November	Luxembourg	Lfrs	250	6.2	7	11 ³ / ₄	Private
13. 11. 1980	November	Germany	DM	100	39.4	7	9	Private
18. 11. 1980	November	Switzerland	Sfrs	50	21.6	5	6 ¹ / ₄	Private
20. 11. 1980	November	Switzerland	Sfrs	50	21.6	10	6 ³ / ₈	Private
25. 11. 1980	November	Luxembourg	Lfrs	250	6.2	7	12 ³ / ₄	Private
28. 11. 1980	November	Germany	DM	250	98.6	10	9 ¹ / ₂	Public (19)
28. 11. 1980	November	Luxembourg	\$	8	5.7	8	12	Private
4. 12. 1980	December	Luxembourg	Yen	15 000	50.8	10	8 ³ / ₄	Public (20)
13. 12. 1980	December	Luxembourg	Ffrs	11.1	1.9	7	13-30	Private
13. 12. 1980	December	Luxembourg	Ffrs	22.2	3.8	7	13-30	Private
19. 12. 1980	December	United States	\$	15	10.7	15	13 ³ / ₄	Private
19. 12. 1980	December	Luxembourg	Ffrs	300	51.0	7	14 ¹ / ₈	Public (21)
29. 12. 1980	December	Japan	Yen	15 000	50.8	15	8-80	Private
29. 12. 1980	December	Japan	Yen	5 000	16.9	20	8-90	Private
31. 12. 1980	December	Hong Kong	US\$	25	17.9	8	13-85	Private
31. 12. 1980	December	Hong Kong	Fl	50	18.2	7	10 ³ / ₄	Private

Total

2 383.5

- (1) Underwritten by a banking syndicate composed of Kredietbank S.A. Luxembourgeoise, Banque Générale du Luxembourg S.A., Banque Internationale à Luxembourg S.A., Caisse d'Épargne de l'État, Luxembourg, Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg S.A., Crédit Industriel d'Alsace et de Lorraine, Luxembourg, Société Générale Alsacienne de Banque, Luxembourg, Banque Commerciale S.A., Banque de Suez-Luxembourg S.A. and Crédit Lyonnais, Luxembourg; offered for public subscription at par.
- (2) Underwritten by a banking syndicate composed of The First Boston Corporation, Merrill Lynch White Weld Capital Markets Group (Merrill Lynch, Pierce, Fenner & Smith Incorporated), Salomon Brothers, Lehman Brothers Kuhn Loeb Incorporated and Lazard Frères & Co.; offered for public subscription at 99.15 % for the 7-year tranche and at 98.65 % for the 20-year tranche.
- (3) Underwritten by a banking syndicate composed of Soditic S.A., Nordfinanz-Bank Zürich and Kredietbank (Suisse) S.A.; offered for public subscription at 98½ %.
- (4) Underwritten by a banking syndicate composed of Hambros Bank Limited, Banque Bruxelles Lambert S.A., Banque Internationale à Luxembourg S.A., Banque Nationale de Paris, Goldman Sachs International Corp., Lloyds Bank International Limited, Manufacturers Hanover Limited, Salomon Brothers International, Skandinaviska Enskilda Banken, Société Générale and S.G. Warburg & Co. Limited; offered for public subscription at 99½ %.
- (5) Underwritten by a banking syndicate composed of Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and Westdeutsche Landesbank Girozentrale; offered for public subscription at par for both the 6 and 10-year tranches.
- (6) Underwritten by a banking syndicate composed of Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., Bank Mees & Hope N.V., Pierson, Heldring & Pierson N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Nederlandsche Middenstandsbank N.V. and Bank der Bondsspaarbanken N.V.; offered for public subscription at par.
- (7) Underwritten by a banking syndicate composed of Crédit Suisse First Boston Limited, Abu Dhabi Investment Company, Banque Bruxelles Lambert S.A., Banque de Paris et des Pays-Bas, Deutsche Bank AG, Kuwait International Investment Co. S.A.K., Morgan Guaranty Limited and Salomon Brothers International; offered for public subscription at par.
- (8) Underwritten by a banking syndicate composed of Crédit Suisse First Boston Limited, Deutsche Bank AG, Amsterdam-Rotterdam Bank N.V., The Royal Bank of Canada (London) Limited, Salomon Brothers International and Société Générale de Banque S.A.; offered for public subscription at par.
- (9) Underwritten by a banking syndicate composed of Swiss Bank Corporation, Crédit Suisse and Union Bank of Switzerland; offered for public subscription at 99.75 %.
- (10) Underwritten by a banking syndicate composed of Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and Westdeutsche Landesbank Girozentrale; offered for public subscription at 99½ %.
- (11) Underwritten by a banking syndicate composed of Yamaichi Securities Company Limited, The Nikko Securities Co. Limited, Daiwa Securities Co. Limited and The Nomura Securities Co. Limited; offered for public subscription at 99.40 %.
- (12) Underwritten by Union Bank of Switzerland (Securities) Limited; offered for public subscription at par.
- (13) Underwritten by a banking syndicate composed of Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., Bank Mees & Hope N.V., Pierson, Heldring & Pierson N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Nederlandsche Middenstandsbank N.V. and Bank der Bondsspaarbanken N.V.; offered for public subscription at par.
- (14) Underwritten by a banking syndicate composed of Société Générale, Banque Nationale de Paris, Crédit Lyonnais, Banque de Paris et des Pays-Bas, Caisse des Dépôts et Consignations and Caisse Nationale de Crédit Agricole; offered for public subscription at par.
- (15) Underwritten by a banking syndicate composed of Merrill Lynch White Weld Capital Market Group (Merrill Lynch, Pierce, Fenner & Smith Incorporated), Salomon Brothers, Lehman Brothers Kuhn Loeb Incorporated, The First Boston Corporation and Lazard Frères & Co.; offered for public subscription at par for the 8-year tranche and at 99.5 % for the 20-year tranche.
- (16) Underwritten by a banking syndicate composed of Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and Westdeutsche Landesbank Girozentrale; offered for public subscription at 99½ %.
- (17) Underwritten by a banking syndicate composed of Crédit Suisse, Union Bank of Switzerland and Swiss Bank Corporation; offered for public subscription at par.
- (18) Underwritten by a banking syndicate composed of Kleinwort, Benson Limited, Amsterdam-Rotterdam Bank N.V., Barclays Bank International Limited, Chemical Bank International Limited, Kuwait International Investment Co. S.A.K., L.T.C.B. International Limited, The Nikko Securities Co. (Europe) Limited, Norddeutsche Landesbank Girozentrale and Svenska Handelsbanken; offered for public subscription at 99½ %.
- (19) Underwritten by a banking syndicate composed of Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and Westdeutsche Landesbank Girozentrale; offered for public subscription at par.
- (20) Underwritten by a banking syndicate composed of Yamaichi Securities Company Limited, Kleinwort, Benson Limited, Bank of Tokyo International Limited, Banque Nationale de Paris, Caisse des Dépôts et Consignations, Dai-ichi Kangyo Bank Nederland N.V., Daiwa Europe N.V., DG BANK Deutsche Genossenschaftsbank, Fuji International Finance Limited, IJB International Limited, Kredietbank S.A. Luxembourgeoise, Kuwait Investment Company S.A.K., L.T.C.B. International Limited, Manufacturers Hanover Limited, Samuel Montagu & Co. Limited, The Nikko Securities Co. (Europe) Ltd, Nippon Credit International (HK) Ltd and Nomura Europe N.V.; offered for public subscription at 99½ %.
- (21) Underwritten by a banking syndicate composed of Crédit Commercial de France, Banque Bruxelles Lambert S.A., Banque de l'Indochine et de Suez, Banque Nationale de Paris, Banque de Paris et des Pays-Bas, Banque de l'Union Européenne, Berliner Handels- und Frankfurter Bank, Caisse des Dépôts et Consignations, Crédit Lyonnais, Hambros Bank Limited, Kredietbank International Group, Rabobank Nederland, Société Générale de Banque S.A. and Westdeutsche Landesbank Girozentrale; offered for public subscription at 99½ %.

The Deutsche Mark was again the Member States' currency in which the Bank launched most of its borrowings (21 operations yielding 814.3 million). The EIB also floated issues denominated in guilders (226.1 million), French francs (136.6 million), and, to a lesser extent, Luxembourg francs, pounds sterling and lire.

The United States dollar accounted for a smaller proportion of the Bank's borrowings than in 1979, representing less than 30 % of all funds raised by the EIB (666 million in 1980 as against 1 006.7 million in 1979). Issues in this currency were placed on the American domestic market for foreign issues and on the international market. 338.7 million was tapped from the international market, compared with 456.5 million in 1979, through public issues and private placings. On the American market, the Bank raised 327.3 million as against 550.2 million in 1979, via two public issues and one private placing.

After the dollar, the other non-Community currency in which the Bank borrowed most was the Swiss franc (233.8 million in 1980 compared with 92.3 million in 1979), floating three public issues and arranging six private placings.

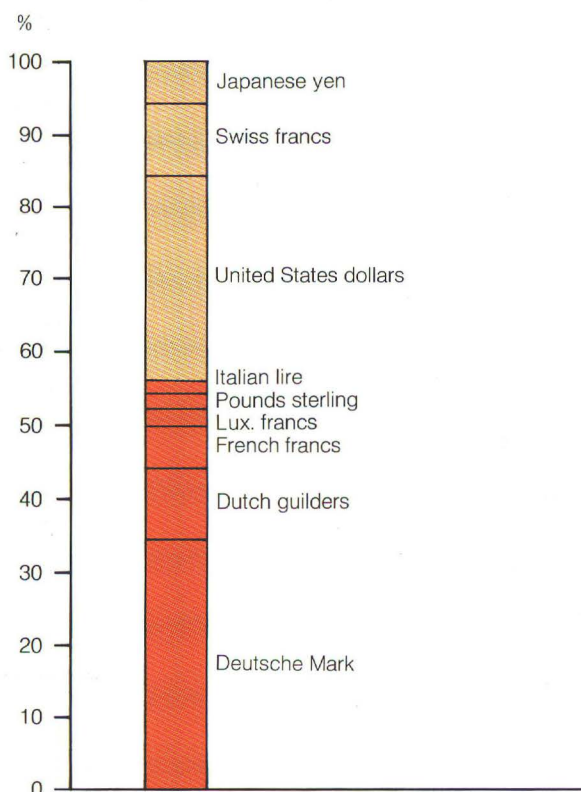
The market for securities denominated in Yen provided the Bank with 166.6 million through public issues on the "Samurai market" (the Japanese domestic market for foreign issues) and on the Euroyen sector of the international market, as well as via private placings.

Table 7 on page 65 gives details of borrowings during the year. After deducting repayments and allowing for exchange adjustments, total net borrowings outstanding at 31 December 1980 amounted to 10 598.3 million, of which 188.4 million was still to be received (1).

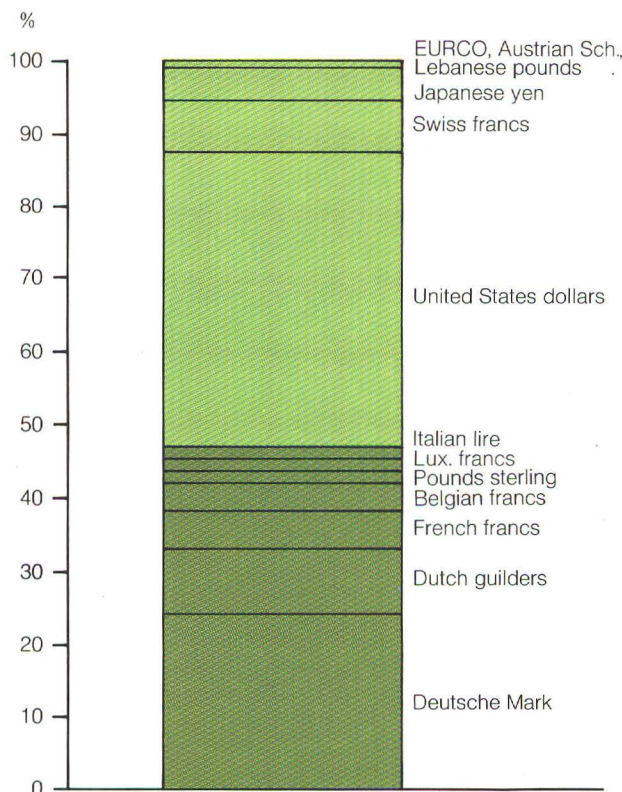
The Bank's lending rates are fixed according to the cost at which it can obtain funds for the corresponding repayment periods and thus reflect movements in interest rates on the capital markets. Frequent, substantial fluctuations in rates on these markets brought about numerous adjustments to the rates applicable to new Bank loans.

(1) See Annex C to the Financial Statements, page 79.

Bank borrowings: breakdown by currency
Borrowings in 1980
 (2 383.4 million u.a.)



Amount outstanding at 31 December 1980
 (10 598.3 million u.a.)



Results for the year

Receipts of interest and commission on loans amounted to 943 million in 1980 compared with 701.2 million in 1979.

The increased volume of liquid funds handled by the Bank at a time when short-term interest rates were rising all round made for a considerable upturn in investment income which swelled from 99.1 million in 1979 to 148.5 million in 1980.

The cancellation of Bank bonds held in portfolio in 1979 or earlier but maturing in later years reduced borrowings outstanding and gave rise to a book profit that increased the item "Financial and other income".

Interest and charges on borrowings amounted to 859.1 million compared with 618.3 million in 1979, while administrative expenses and charges rose from 27.5 million in 1979 to 29.7 million in 1980.

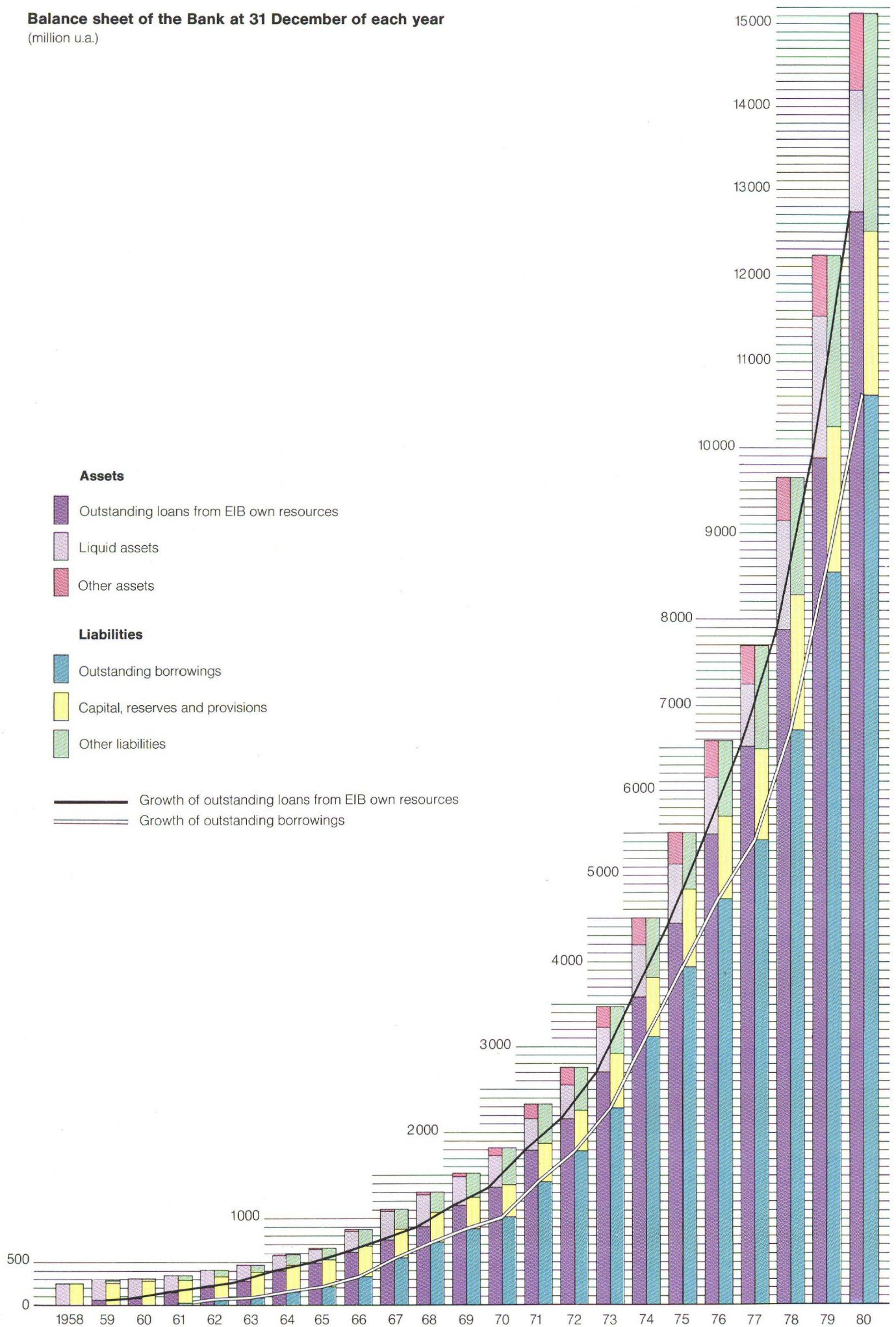
After amortising issuing charges and redemption premiums to the tune of 21.0 million, compared with

17.5 million in 1979, and allowing for financial charges, depreciation, management commission and exchange differences, operating profit amounted to 205.9 million as against 139.5 million in 1979.

The Board of Directors recommended that the Board of Governors increase the provision for conversion rate adjustments by 0.7 million, representing the net increase arising from revaluation of net Bank assets not subject to adjustment under Article 7 of the Statute. The Board also proposed that a total of 208 million, comprising the operating profit for 1980 plus the written-back amount (2.1 million) of the provision for other charges, be appropriated as follows: 5 million to the Provision for Building, bringing this to 65 million, 40 million to the Statutory Reserve, and the balance to the Supplementary Reserve.

At 31 December 1980, the balance sheet total stood at 15 121 million, compared with 12 215 million at 31 December 1979, representing an increase of 23.8%.

Balance sheet of the Bank at 31 December of each year
(million u.a.)



Administration

Board of Directors

Various changes occurred in 1980 in the composition of the Board of Directors: the Board was deeply saddened by the death in August 1980 of Dr Alfred BECKER from whose experience and competence the Bank had benefited since 1973. Mr Edward A. J. GEORGE, Alternate Director, resigned and the Board wishes to thank him for his valuable contribution to the work of the Bank.

To fill the vacancies created, the Board of Governors appointed two new members, each to complete the term of office of his predecessor: Dr Ernst-Günther BRÖDER, member of the Management Committee of Kreditanstalt für Wiederaufbau and Mr Ian PLENDERLEITH, Senior Manager at the Bank of England.

Since entry into force in January 1981 of the Act of Accession of the Hellenic Republic to the Community, the Board of Directors, pursuant to Article 4 of Protocol 1 annexed to this Act, has consisted of 19 Directors and 11 Alternates.

The Board of Governors, now comprising 10 members, appointed a new Director, Mr Ioannis SPENTZAS, Vice-Governor of the National Mortgage Bank of Greece, who was nominated by the Hellenic Republic, and a new Alternate, Mr Sven BOYER-SØGAARD, Assistant Head of Department at the National Bank of Denmark, nominated jointly by the Kingdom of Denmark, Ireland and the Hellenic Republic.

Audit Committee

At its annual meeting on 9 June 1980, the Board of Governors carried out the customary reappointment of the Audit Committee: Mr Corneille BRÜCK, outgoing Chairman, was returned to office as a member of the Committee for 1980, 1981 and 1982; Mr Patrick L. McDONNELL was appointed Chairman until the Bank's balance sheet and profit and loss account for the 1980 financial year are approved at the 1981 annual meeting.

Directorates

Mr Henri LENAERT, Manager of the General Administration Directorate and Secretary-General until 31 January 1980, and subsequently Special Adviser to the Management Committee, retired in February 1981 and was accorded the title of Honorary Secretary-General.

In the Legal Directorate, Mr Douglas J. Fontein, Manager since 1979, resigned and was replaced as from May 1981 by Mr Herman J. PABBRUWE.

At 31 December 1980, the Bank's staff numbered 500, compared with 437 at 31 December 1979.

The Board of Directors thanks the Bank's staff for their efforts throughout 1980, and for the high quality of their work.

Luxembourg, 8 May 1981

Chairman of the Board of Directors

Yves Le Portz

Balance Sheet at 31 December 1980

in units of account — see notes to the financial statements, Annex E

Assets	31. 12. 1980	31. 12. 1979
Receivable from Member States on account of called capital (Annex A)	265 781 250	354 375 000
Cash and bank deposits		
At sight and up to one year's notice	737 412 918	792 372 263
At more than one year's notice	236 058	756 713
	737 648 976	793 128 976
Investments (Note B)		
For not more than one year	19 975 155	108 946 028
For more than one year	259 484 177	217 497 719
	279 459 332	326 443 747
Borrowing proceeds to be received	188 394 611	166 921 779
Receivable from Member States for adjustment of capital (Annex D)	5 634 619	2 034 195
Loans (Annex B)		
Disbursed	11 413 366 388	8 830 496 800
Undisbursed	1 312 772 693	1 058 352 852
	12 726 139 081	9 888 849 652
Contra accounts to guarantees		
In respect of loans under mandate excluding those	72 079 780	106 838 997
(a) in respect of loans granted by third parties	(148 944 266)	(138 532 369)
(b) in respect of participations by third parties in Bank loans	(226 222 909)	(191 687 528)
Land and buildings (Note C)	64 911 694	38 914 810
Accrued interest and commission	250 608 827	182 389 718
Receivable in respect of EMS interest subsidies paid in advance (Note H)	126 992 708	63 873 731
Unamortised issuing charges	136 266 376	108 630 811
Unamortised redemption premiums	1 132 623	1 610 207
	137 398 999	110 241 018
Special deposits for service of borrowings (Note D)	243 308 561	132 434 793
Miscellaneous (Note G)	22 336 507	48 370 062
	15 120 694 945	12 214 816 478

Liabilities	31. 12. 1980	31. 12. 1979
Capital (Annex A)		
Subscribed	7 087 500 000	7 087 500 000
Uncalled	<u>6 176 250 000</u>	<u>6 176 250 000</u>
	911 250 000	911 250 000
Statutory reserve (Note N)	270 000 000	230 000 000
Supplementary reserve (Note N)	441 937 147	355 486 789
Provisions (Note N)		
For conversion rate adjustments	13 208 736	12 666 836
For building	<u>60 000 000</u>	<u>45 000 000</u>
	73 208 736	57 666 836
Staff pension fund (Note E)	24 873 567	21 569 935
Payable to Member States for adjustment of capital (Annex D)	9 602 641	1 815 795
Borrowings (Annex C)		
Bonds and notes	8 494 855 696	6 957 589 205
Other medium and long-term borrowings	<u>2 103 404 346</u>	<u>1 583 118 943</u>
	10 598 260 042	8 540 708 148
Redemption premiums	<u>5 901 296</u>	<u>6 351 451</u>
	10 604 161 338	8 547 059 599
Sundry creditors (Note F)	26 254 093	52 553 872
Undisbursed balance of loans	1 312 772 693	1 058 352 852
Guarantees		
On loans under mandate	72 079 780	106 838 997
On loans granted by third parties	(148 944 266)	(138 532 369)
On participations by third parties in Bank loans	(226 222 909)	(191 687 528)
Interest subsidies received in advance (Note H)	442 305 969	255 567 836
Interest subsidies received in advance for the account of third parties (Note H)	<u>51 299 775</u>	<u>8 350 477</u>
	493 605 744	263 918 313
Accrued interest and commission and interest received in advance	397 201 925	303 412 099
Coupons and liabilities due and not yet paid (Note D)	243 308 561	132 434 793
Miscellaneous (Note G)	31 728 257	30 464 340
Balance of profit and loss account (Note N)	<u>208 710 463</u>	<u>141 992 258</u>
	15 120 694 945	<u>12 214 816 478</u>

Memorandum accounts

Special Section

Trust management funds

— for the account of Member States	329 782 315	335 593 228
— for the account of the European Communities	1 199 336 559	681 052 411
Securities received as guarantee for loans under mandate	29 886 263	31 454 647
Securities received on deposit	103 082 550	104 283 261

Statement of Special Section (1) at 31 December 1980

in units of account — see notes to the financial statements, Annexe E

Assets	1980	1979
Member States		
<i>From resources of the European Atomic Energy Community</i>		
Euratom loans disbursed Total (2)	496 082 852	316 289 768
<i>From resources of the European Economic Community (New Community Instrument for borrowing and lending)</i>		
Loans		
— undisbursed	—	99 736 378
— disbursed	484 012 392	<u>173 725 013</u>
Total (3)	484 012 392	273 461 391
Turkey		
<i>From resources of Member States</i>		
Loans		
— undisbursed	8 348 506	16 568 185
— disbursed	329 782 315	<u>335 593 228</u>
Total (4)	338 130 821	352 161 413
Mediterranean Countries		
<i>From resources of the European Economic Community</i>		
Loans		
— undisbursed	184 295 721	46 834 098
— disbursed	44 504 279	<u>31 965 902</u>
	228 800 000	78 800 000
Risk capital operations		
— Amounts to be paid up	3 560 000	—
— Amounts disbursed	1 440 000	—
	5 000 000	—
Total (5)	233 800 000	78 800 000
African, Caribbean and Pacific States and Overseas Countries and Territories		
<i>From resources of the European Economic Community</i>		
First and Second Yaoundé Conventions		
Loans		
— undisbursed	12 966 323	20 956 788
— disbursed	115 461 547	<u>114 177 218</u>
	128 427 870	135 134 006
Contributions to the formation of risk capital		
— Amounts disbursed	1 431 179	1 467 258
Total (6)	129 859 049	136 601 264
First Lomé Convention		
Risk capital operations		
— Amounts to be paid up	38 875 534	31 927 585
— Amounts disbursed	56 404 310	<u>43 427 252</u>
Total (7)	95 279 844	75 354 837
Grand Total	<u>1 777 164 958</u>	<u>1 232 668 673</u>

N.B.:

Total amounts outstanding on special loans appraised and granted by the Commission under the First Lomé Convention in respect of which the Bank has accepted an EEC mandate for recovering principal and interest: at 31 December 1980: 123 728 737; at 31 December 1979: 74 718 493.

(1) The Special Section was set up by the Board of Governors on 27 May 1963: under a decision taken on 4 August 1977 its purpose was redefined as being that of recording operations carried out by the European Investment Bank under mandate for the account and at the risk of Member States, the European Economic Community and the European Atomic Energy Community.

(2) Initial amount of loan contracts signed under the Decision of the Council of the European Communities (77/270/Euratom) of 29 March 1977 on financing commercially rated nuclear power stations within the Community under mandate for the account and at the risk of the European Atomic Energy Community: 502 894 842
Less: exchange adjustments: — 6 811 990
496 082 852

Liabilities

	1980	1979
Trust management funds		
<i>Under mandate from the European Communities</i>		
European Atomic Energy Community	496 082 852	316 289 768
European Economic Community		
— New Community Instrument	484 012 392	173 725 013
— Financial Protocols with the Mediterranean Countries	45 944 279	31 965 902
— First and Second Yaoundé Conventions	116 892 726	115 644 476
— First Lomé Convention	56 404 310	43 427 252
	<u>1 199 336 559</u>	681 052 411
<i>Under mandate from Member States</i>	329 782 315	335 593 228
Total	<u>1 529 118 874</u>	<u>1 016 645 639</u>
Funds to be paid up		
On New Community Instrument loans	—	99 736 378
On loans to Turkey under the Second Financial Protocol	8 348 506	16 568 185
On loans and risk capital operations in the Mediterranean Countries	187 855 721	46 834 098
On loans under the First and Second Yaoundé Conventions	12 966 323	20 956 788
On loans and risk capital operations under the First Lomé Convention	38 875 534	31 927 585
Total	<u>248 046 084</u>	216 023 034
Grand Total	<u><u>1 777 164 958</u></u>	<u><u>1 232 668 673</u></u>

(3) Initial amount of loan contracts signed under the Decision of the Council of the European Communities (78/870) of 16 October 1978 (New Community Instrument) for promoting investment within the Community under mandate for the account and at the risk of the European Economic Community: 474 648 872

Add: exchange adjustments: + 13 953 200
Less: cancellations: — 4 589 680
484 012 392

(4) Initial amount of loan contracts signed for financing projects in Turkey under mandate for the account and at the risk of Member States: 370 215 000

Add: exchange adjustments + 2 126 904
Less: cancellations 215 000
repayments 33 996 083 — 34 211 083
338 130 821

(5) Initial amount of loan contracts signed for financing projects in the MAGHREB and MASHREQ Countries, MALTA, CYPRUS, GREECE and TURKEY under mandate for the account and at the risk of the European Economic Community: 233 800 000

(6) Initial amount of loan contracts signed for financing projects in the Associated African States, Madagascar and Mauritius, and the Overseas Countries, Territories and Departments (AASMM-OCTD) under mandate for the account and at the risk of the European Economic Community:

— Loans on special conditions 139 483 056
— Contributions to the formation of risk capital 2 502 615 141 985 671
Add:
— capitalised interest 1 178 272
— exchange adjustments 3 550 144 + 4 728 416
Less:
— cancellations 1 466 279
— repayments 15 388 759 — 16 855 038
129 859 049

(7) Initial amount of loan contracts signed for financing projects in the African, Caribbean and Pacific States and the Overseas Countries and Territories (ACP-OCT) under mandate for the account and at the risk of the European Economic Community:

— conditional and subordinated loans 91 343 000
— equity participations 4 318 087
— subscription of convertible bonds 2 499 606 98 160 693
Less:
— cancellations 2 581 869
— exchange adjustments 209 316
— repayments 89 664 — 2 880 849
95 279 844

Profit and Loss Account for the year ended 31 December 1980

in units of account — see notes to the financial statements, Annex E

Income	1980	1979
Interest and commission on loans	942 992 401	701 235 061
Interest and commission on investments	148 508 544	99 082 358
Management commission (Note I)	5 697 803	4 397 294
Financial and other income (Note M)	35 208 649	8 762 088
Exchange differences (Note J)	1 373 585	—
	1 133 780 982	813 476 801
Expenditure		
Administrative expenses and charges (Note L)	29 727 435	27 543 719
Interest and charges on borrowings	859 137 571	618 260 310
Amortisation of issuing charges and redemption premiums	20 964 134	17 523 479
Financial charges (Note M)	16 123 620	9 361 562
Depreciation of net purchases of furniture and equipment	1 950 744	300 022
Exchange differences (Note J)	—	1 037 351
	927 903 504	674 026 443
Operating Profit	205 877 478	139 450 358
Net increase arising from revaluation of net Bank assets not subject to adjustment under Article 7 of the Statute (Note K)	+ 712 998	+ 541 900
Write-back of unutilised provision for administrative expenses	—	+ 2 000 000
Write-back of provision for other charges	+ 2 119 987	—
Balance (Note N)	208 710 463	141 992 258

Statement of changes in financial position for the year ended 31 December 1980

in units of account — see notes to the financial statements, Annex E

	1980	1979
Source of funds		
Cash was provided by net profit	208 710 463	141 992 258
Items not involving movement of funds:		
Depreciation of net purchases of furniture and equipment	1 950 744	300 022
Amortisation of issuing charges and redemption premiums	20 964 134	17 523 479
Increase in accrued interest and commission payable and interest received in advance	93 789 826	82 118 693
Increase (decrease) in accrued interest and commission receivable —	<u>68 219 109</u>	<u>42 331 489</u>
	257 196 058	199 602 963
Other sources:		
Borrowing proceeds	2 362 015 049	2 482 703 572
Increase (decrease) in cash, bank balances and investments	102 464 415	— 451 723 769
Loan repayments to the Bank	553 946 144	512 116 985
Capital paid in by Member States	88 593 750	37 968 750
Net increase in capital adjustment accounts of Member States	4 186 422	11 821 151
Increase in sundry creditors, miscellaneous liabilities, staff pension fund and net interest subsidies	144 836 224	145 411 842
Increase (decrease) in sundry debtors	26 033 555	— 33 934 578
Exchange adjustments in respect of borrowings	354 687 504	— 226 714 955
Total	3 893 959 121	2 677 251 961
Use of funds		
Cash was used for:		
Net loan disbursements	2 770 685 538	2 463 567 894
Redemption of borrowings	681 073 646	377 970 514
Issuing costs in respect of borrowings	48 122 115	30 137 109
Additions to land, building and furniture	27 947 628	14 554 880
Exchange adjustments in respect of loans	366 130 194	— 208 978 436
Total	3 893 959 121	2 677 251 961

Annex A — Statement of subscriptions to the capital of the Bank

at 31 December 1980

In thousands of units of account — See notes to the financial statements, Annex E

Member States	Subscribed capital (1)	Available for call (2)	Paid in at 31. 12. 1980	To be paid in (1)	Total paid in and to be paid in
Germany	1 575 000	1 372 500	143 437·5	59 062·5	202 500
France	1 575 000	1 372 500	143 437·5	59 062·5	202 500
United Kingdom	1 575 000	1 372 500	143 437·5	59 062·5	202 500
Italy	1 260 000	1 098 000	114 750	47 250	162 000
Belgium	414 750	361 425	37 771·875	15 553·125	53 325
Netherlands	414 750	361 425	37 771·875	15 553·125	53 325
Denmark	210 000	183 000	19 125	7 875	27 000
Ireland	52 500	45 750	4 781·25	1 968·75	6 750
Luxembourg	10 500	9 150	956·25	393·75	1 350
Total	7 087 500	6 176 250	645 468·75	265 781·25	911 250

(1) By decision of the Board of Governors of 19 June 1978 the subscribed capital was increased from 3 543 750 000 u.a. to 7 087 500 000 u.a..

Each Member State will pay in, in its national currency, 10% of the increase, i.e. the equivalent of 354 375 000 u.a., in eight equal instalments of 44 296 875 u.a. on 30 April and 31 October of the years 1980-83. The amount of 265 781 250 u.a. to be paid in represents the 6 instalments for the years 1981 to 1983.

(2) Could be called by decision of the Board of Directors to such extent as may be required to meet the Bank's obligations towards lenders in respect of borrowings.

Annex B — Analysis of loans outstanding

at 31 December 1980

In units of account — See notes to the financial statements, Annex E

Countries and Territories in which projects are located (1) (2)	Number of loans	Amount disbursed	Amount undisbursed	Total (3)	%
1. Loans for projects within the Community and related loans:					
Germany	45	376 855 907	—	376 855 907	2.96
France	122	1 735 005 611	83 656 611	1 818 662 222	14.29
United Kingdom	180	2 854 625 231	125 657 883	2 980 283 114	23.42
Italy	344	4 200 017 767	269 516 142	4 469 533 909	35.12
Belgium	15	349 605 641	—	349 605 641	2.75
Netherlands	8	59 500 366	—	59 500 366	0.47
Denmark	47	241 721 382	21 503 113	263 224 495	2.07
Ireland	67	801 872 154	44 634 410	846 506 564	6.65
Luxembourg	2	3 010 700	—	3 010 700	0.02
Related loans **	8	167 810 272	—	167 810 272	1.32
Sub-total	838	10 790 025 031	544 968 159	11 334 993 190	89.07
2. Loans for projects outside the Community:					
Mediterranean Countries (including Portugal)					
Algeria	1	—	20 000 000	20 000 000	0.16
Egypt	3	7 746 387	57 231 207	64 977 594	0.51
Greece	29	135 505 639	151 530 617	287 036 256	2.25
Jordan	3	1 675 769	13 326 000	15 001 769	0.12
Lebanon	4	22 975 496	—	22 975 496	0.18
Malta	1	2 963 577	—	2 963 577	0.02
Morocco	1	2 471 589	23 759 100	26 230 689	0.21
Portugal	19	154 856 370	134 906 751	289 763 121	2.28
Syria	1	—	15 700 000	15 700 000	0.12
Tunisia	3	11 026 844	18 298 000	29 324 844	0.23
Turkey	8	39 929 799	61 545 177	101 474 976	0.80
Yugoslavia	2	34 181 444	17 333 600	51 515 044	0.40
ACP Countries/OCT					
Barbados	2	379 220	7 126 313	7 505 533	0.06
Botswana	2	—	6 500 000	6 500 000	0.05
Cameroon	10	20 016 496	15 470 997	35 487 493	0.28
Ivory Coast	17	58 951 169	22 376 920	81 328 089	0.64
Fiji	2	5 730 013	18 297 527	24 027 540	0.19
Gabon	2	2 360 340	—	2 360 340	0.02
Ghana	2	3 450 212	12 613 879	16 064 091	0.13
Guinea	1	—	4 400 000	4 400 000	0.03
Upper Volta	2	124 971	8 000 000	8 124 971	0.06
Kenya	8	31 042 544	20 786 211	51 828 755	0.41
Liberia	2	6 083 872	1 502 294	7 586 166	0.06
Malawi	3	9 466 975	5 170 000	14 636 975	0.11
Mauritius	4	4 441 541	9 395 200	13 836 741	0.11
Mauritania	1	—	25 000 000	25 000 000	0.20
Niger	2	2 364 892	3 641 346	6 006 238	0.05
Nigeria	2	4 779 247	45 175 000	49 954 247	0.39
New Caledonia	3	5 703 796	5 290 047	10 993 843	0.09
Papua New Guinea	1	4 371 055	2 700 000	7 071 055	0.06
Caribbean Region	1	—	3 000 000	3 000 000	0.02
Senegal	3	943 404	12 000 000	12 943 404	0.10
Swaziland	2	10 293 675	2 000 000	12 293 675	0.10
Tanzania	1	—	5 000 000	5 000 000	0.04
Togo	3	22 069 812	238 437	22 308 249	0.17
Trinidad and Tobago	2	4 579 220	5 513 000	10 092 220	0.08
Zaire	1	10 738 126	4 596 911	15 335 037	0.12
Zambia	2	2 117 863	8 380 000	10 497 863	0.08
Sub-total	156	623 341 357	767 804 534	1 391 145 891	10.93
Grand Total	994	11 413 366 388	1 312 772 693	12 726 139 081	100.00
(1) Currencies in which loans are repayable:					
Currency	Amount	Loans granted to, or guaranteed by, public institutions in the Community		1 410 758 693	
Currencies of Member States	5 914 123 658	Loans granted to, or guaranteed by, financial institutions (banks, long-term credit institutions, insurance companies)		469 961 365	
Option of the Bank as between the currencies of the founder Member States of the Community	2 117 500	Loans guaranteed by companies outside the financial sector under majority control of Member States or public institutions in the Community		215 297 809	
Other currencies	5 497 125 230	Loans secured by fixed charge on real estate		70 280 014	
Disbursed portion of loans	11 413 366 388	Loans guaranteed by non-bank companies in the private sector		292 308 020	
Add: undisbursed portion of loans	1 312 772 693	Loans secured by fixed charge on assets other than real estate or other security		259 167 506	11 334 993 190
	<u>12 726 139 081</u>				
(2) Breakdown of loans outstanding at 31 December 1980 by principal form of guarantee *					
A: Loans for projects within the Community (and related loans) **					
Loans granted to, or guaranteed by, Member States	8 617 219 783				

B. Loans for projects outside the Community

1. Loans granted under the First Yaoundé Convention

Loans granted to, or guaranteed by, AASM States which were signatories to the Convention	8 160 070	
Loans guaranteed by a public institution, company or bank in the Community	166 005	8 328 075

2. Loans granted under the Second Yaoundé Convention

Loans granted to, or guaranteed by, AASMM States which were signatories to the Convention	57 293 987	
Loans secured by other guarantees	3 836 821	61 130 808 ***

3. Loans granted under the First Lomé Convention

Loans granted to, or guaranteed by, ACP States which were signatories to the Convention	384 734 624	
Loans secured by other guarantees	9 988 018	394 723 642 ****

4. Loans granted under EEC financial agreements with the Mediterranean Countries, including Portugal

Loans guaranteed by the six founder Member States of the EIB	81 430 241	
Loans guaranteed by the EEC	138 778 743	
Loans granted to, or guaranteed or counter-guaranteed by, Mediterranean Countries which were signatories to these agreements	706 754 382 *****	926 963 366
		<u>12 726 139 081</u>

* Certain loans are covered by several types of guarantee or security.

** Operations concerning projects on the Norwegian continental shelf and in Austria and Tunisia authorised under the provisions of the second paragraph of Article 18 (1) of the Statute.

*** Guarantees provided by the six founder Member States of the EIB to cover any risk attaching to these financial commitments amount to 24 430 695.

**** Guarantees provided by Member States to cover any risk attaching to these financial commitments amount to 119 098 500.

***** The blanket guarantee provided by the EEC to cover any risk attaching to these financial commitments amounted to 527 025 000 at end 1980 compared with 341 775 000 at end 1979.

In the event of these guarantees being invoked, the guarantors' obligations will be determined on the basis of the rates of conversion between the unit of account and the currencies disbursed to borrowers as at the disbursement dates.

(3) Original amount of loans calculated on the basis of the parities applied on the date of signature 15 808 718 064

Less:	
exchange adjustments	95 003 241
terminations and cancellations	107 440 933
principal repayments to the Bank	2 653 911 900
third party participations in Bank loans	226 222 909
Loans outstanding	<u>12 726 139 081</u>

The total amount of loans and guarantees granted by the Bank, which under Article 18 (5) of the Statute must not exceed 250% of its subscribed capital, amounted at 31 December 1980 to:

loans	12 726 139 081
guarantees:	
in respect of loans under mandate	72 079 780
in respect of loans granted by third parties	148 944 266
in respect of third party participations in Bank loans	226 222 909
Total guarantees	<u>447 246 955</u>
Total	<u>13 173 386 036</u>

Annex C — Statement of funded debt

At 31 December 1980

In units of account — See notes to the financial statements, Annex E

Payable in	Borrowings outstanding at 31 December 1979	Operations during the financial year			Exchange adjustments	Borrowings outstanding at 31 December 1980		
		Borrowings	Redemptions	Amount (1)		Rate of interest (weighted averages)	Due dates	
EURCO (2)	89 705 945	—	—	391 294 —	89 314 651	8.13	1981/1989	
DM	1 997 098 817	814 057 724	224 510 582	70 143 597 —	2 516 502 362	7.69	1981/1999	
Ffrs	470 222 816	136 588 933	31 647 444	12 546 830 —	562 617 475	11.22	1981/1996	
£	134 100 268	45 686 400	14 603 756	26 017 394 +	191 200 306	11.25	1981/1992	
Lit	127 272 790	42 711 314	14 035 774	7 569 212 —	148 379 118	8.60	1981/1995	
Bfrs	384 415 436	—	21 835 652	9 066 668 —	353 513 116	8.27	1981/1993	
Fl	772 667 603	226 164 518	26 625 065	15 729 188 —	956 477 868	8.86	1981/2004	
Lfrs	167 621 986	51 680 006	29 347 441	4 562 475 —	185 392 076	8.81	1981/1991	
US\$	3 522 196 345	665 954 997	254 342 200	364 577 425 +	4 298 386 567	9.62	1981/2000	
Sfrs	565 751 165	234 013 773	47 555 662	2 674 765 —	749 534 511	5.85	1981/1994	
£Leb	7 517 354	—	1 025 296	150 778 —	6 341 280	7.13	1981/1985	
Yen	232 223 980	166 630 216	15 322 702	88 402 236 +	471 933 730	8.16	1981/2000	
Sch	69 913 643	—	—	1 246 661 —	68 666 982	7.92	1981/1989	
Total	8 540 708 148	2 383 487 881	680 851 574	354 915 587 +	10 598 260 042			
Redemption premiums	6 351 451	—	222 072	228 083 —	5 901 296			
Grand Total	8 547 059 599	2 383 487 881	681 073 646	354 687 504 +	10 604 161 338			

(1) The following table shows the total capital sums required for redemption of borrowings during the five years following the date of this statement:

Period	1981	1982	1983	1984	1985
Amount in u.a.	530 963 784	795 703 803	719 203 118	888 772 071	776 639 173

(2) The EURCO consists of the sum of fixed amounts of the currencies of all the Member States of the European Economic Community: 1 Euro = DM 0.9 + Ffrs 1.22 + £ 0.075 + Lit 80 + Fl 0.35 + Bfrs 4.5 + Dkr 0.2 + IR£ 0.005 + Lfrs 0.5.

Annex D — Amounts receivable from or payable to Member States for adjustment of capital contributions

at 31 December 1980

In units of account — See notes to the financial statements, Annex E

In accordance with Article 7 of the Statute, application of the conversion rates given in Note A of Annex E entails adjusting the amounts paid by Member States in their national currency as contributions to the Bank's capital.

The corresponding amounts receivable from or payable to Member States are as follows:

Receivable from:	Germany	1 477 941
	France	1 748 165
	Italy	893 186
	Belgium	815 033
	Netherlands	372 058
	Denmark	159 479
	Ireland	147 807
	Luxembourg	20 950
		<u>5 634 619</u>

Payable to:	United Kingdom	<u>9 602 641</u>
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In accordance with the Decision of the Board of Governors of 30 December 1977, where the accounting conversion rate of a currency fluctuates upwards or downwards by more than 1.5 %, amounts receivable from or payable to Member States will henceforth (from 1980 onwards) be settled on 31 October of each year. Where the conversion rate fluctuates within the above margin of 1.5 % in either direction, the resulting amounts will remain in non-interest-bearing adjustment accounts.

Annex E — Notes to the financial statements

At 31 December 1980 — in units of account

Note A — Significant accounting policies

1. Unit of account used for preparation of the financial statements and translation of currencies.

The EIB uses the unit of account as the unit of measure for the capital accounts of Member States and as the common denominator for presenting its financial statements.

In accordance with Article 4 (1) of the Bank's Statute, the value of the unit of account is equal to the sum of the following amounts of Member States' currencies:

DM	0.828	Fl	0.286
£	0.0885	Bfrs	3.66
Ffrs	1.15	Lfrs	0.14
Lit	109.0	Dkr	0.217
		IR£	0.00759

This definition of the unit of account is identical to that of the European unit of account and the ECU.

The conversion rates between Member States' currencies and the European unit of account or the ECU, which are determined on the basis of market rates, are published daily in the Official Journal of the European Communities.

The Bank applies these conversion rates in calculating the rates applicable to other currencies used for its operations.

The following rates were used for drawing up the balance sheet at 31 December in 1980 and 1979:

1 unit of account =	1980	1979
Deutsche Mark	2.56556	2.49057
French francs	5.93916	5.79312
Pounds sterling	0.549110	0.646904
Italian lire	1 217.30	1 157.19
Belgian francs	41.3351	40.3181
Dutch guilders	2.79081	2.74085
Danish kroner	7.88723	7.71697
Drachmas	61.2587	55.0659
Irish pounds	0.690185	0.670579
Luxembourg francs	41.3351	40.3181
United States dollars	1.30963	1.43839
Swiss francs	2.31477	2.29783
Lebanese pounds	4.77033	4.68915
Japanese yen	265.461	344.495
Austrian Schilling	18.2038	17.8792
CFA francs	296.958	289.656

The gain or loss arising from translation of the Bank's assets and liabilities into the unit of account is charged or credited to the profit and loss account. Excluded from such calculations are amounts receivable from or payable to Member States which are adjusted in accordance with Article 7 of the Bank's Statute.

2. Investments

Treasury bonds, notes and bonds are stated at the lowest of cost, nominal or market value.

3. Land and buildings

Land and buildings are stated at cost. Office furniture and equipment is written off in the year of acquisition.

4. Issuing charges and redemption premiums

Issuing charges and redemption premiums are amortised over the lives of the borrowings based on the principal amounts outstanding.

5. Interest subsidies received in advance

Certain loans carry interest subsidies received in advance at their discounted value. These subsidies are credited to income as and when the interest for which they are granted becomes payable.

6. Staff pension scheme

The Bank has a contributory pension scheme for its staff. All contributions to the scheme by the Bank and its staff are invested in the assets of the Bank. The amounts set aside are based on actuarial valuations performed every three years.

7. Taxation

Under the conditions laid down in the Protocol on the Privileges and Immunities of the European Communities provided for in Article 28 of the Treaty of 8 April 1965 establishing a Single Council and a Single Commission of the European Communities, the assets, revenues and other property of the Bank are exempt from all direct taxes.

Note B — Investments

	1980	1979
Investments comprise:		
treasury bonds, notes and bonds at the lowest of cost, nominal or market value (market value):		
1980: 259 779 468		
1979: 196 244 527)	258 814 108	194 157 931
the Bank's own bonds at their redemption cost *	20 263 437	98 216 046
bank bills at their nominal value	381 787	34 069 770
	<u>279 459 332</u>	<u>326 443 747</u>

The breakdown according to maturity is as follows:

not exceeding 3 months	5 126 264	64 689 447
over 3 months but not exceeding 6 months	5 246 427	19 533 320
over 6 months but not exceeding 12 months	9 602 464	24 723 261
over 12 months	<u>259 484 177</u>	<u>217 497 719</u>
	<u>279 459 332</u>	<u>326 443 747</u>

* The Bank has decided that, from 1980 onwards, own bonds repurchased under sinking fund agreements should, where permissible under the terms of the corresponding borrowing contracts, be deducted immediately from borrowings. Bonds already in the investment portfolio at the end of the financial year 1979 for a nominal total of 97 764 890 have therefore been deducted from the funded debt. The resultant book profit is entered under 'Financial and other income' (see Note M).

Note C — Land and Buildings

This item comprises the purchase cost of the site and expenses incurred since 1976 for construction of a new building for the Bank in Luxembourg, i.e. 64 911 694. The final cost cannot be determined until the full accounts are to hand.

Note D — Special deposits for service of borrowings

These represent the amount of coupons and bonds due but not yet presented for payment. The contra item on the liabilities side appears under the heading 'Coupons and liabilities due and not yet paid'.

Note E — Staff pension scheme

The cost of the staff pension scheme, including interest credited by the Bank, for the year ended 31 December 1980 was 3 562 597 (3 281 467 for the year ended 31 December 1979).

Note F — Sundry creditors

	1980	1979
Sundry creditors comprise:		
the amount of currencies payable under the heading of swap operations	—	31 420 845
short-term deposits from other banks	6 642 004	7 462 530
European Economic Community special account for loans on special conditions and related unsettled sundry amounts	17 512 382	12 185 409
other creditors	<u>2 099 707</u>	<u>1 485 088</u>
	<u>26 254 093</u>	<u>52 553 872</u>

Note G — Miscellaneous balance sheet accounts

	1980	1979
These accounts comprise:		
on the assets side:		
currencies receivable under the heading of swap operations	—	31 318 132
sundry debtors	<u>22 336 507</u>	<u>17 051 930</u>
	<u>22 336 507</u>	<u>48 370 062</u>
on the liabilities side:		
accrued and sundry expenses	<u>31 728 257</u>	<u>30 464 340</u>

Note H — Interest subsidies received in advance

a) This item relates to amounts in respect of interest subsidies for loans granted for financing operations outside the Community, as well as interest subsidies made available to the Bank in conjunction with the European Monetary System under Regulation (EEC) No 1736/79 of the Council of the European Communities of 3 August 1979.

Part of the amounts received through EMS arrangements has been made available as a long-term advance. The corresponding contra account is entered on the assets side as 'Receivable in respect of EMS interest subsidies paid in advance'.

b) 'Interest subsidies received in advance for the account of third parties' relate to amounts received in respect of interest subsidies for loans granted from EEC resources under the Council of the European Communities' Decision (78/870) of 16 October 1978 (New Community Instrument).

Note I — Management commission

This represents the remuneration for the management of loans granted under mandate for the account and at the risk of Member States or the European Communities.

Note J — Exchange differences

The amount of 1 373 585 in 1980 represents the net gain arising from financial operations during the year (net loss of 1 037 351 in 1979), calculated at the exchange rates in force at the date of these operations.

Note K — Net increase arising from revaluation of net Bank assets not subject to adjustment under Article 7 of the Statute

Application of the conversion rates adopted in drawing up the balance sheet (see Note A) at 31 December 1980 results in a net increase in the value of net Bank assets of 712 998 (gain of 541 900 in 1979). The revaluation does not take account of the amounts receivable from or payable to Member States and representing the portion of capital paid in by each Member State in its national currency, which must be adjusted periodically in accordance with Article 7 of the Statute (see Annex D).

Note L — Administrative expenses and charges

	1980	1979
Staff costs		
Salaries and allowances	19 818 748	18 902 557
Bank's contribution to pension, health insurance and other social costs	3 863 137	3 971 586
Other costs	<u>1 026 048</u>	<u>1 040 656</u>
	24 707 933	23 914 799
General and administrative expenses	<u>5 019 502</u>	<u>3 628 920</u>
Total	<u>29 727 435</u>	<u>27 543 719</u>

The number of personnel employed by the Bank was 500 at 31 December 1980 (437 at 31 December 1979).

Note M — Financial and other income, financial charges

Financial and other income comprises:	1980	1979
realised gains on portfolio operations	24 491 543	6 277 474
decrease in unrealised write-down of investments	10 694 705	2 448 344
other income	<u>22 401</u>	<u>36 270</u>
	<u>35 208 649</u>	<u>8 762 088</u>
Financial charges comprise:		
realised losses on portfolio operations	6 399 369	1 481 545
increase in unrealised write-down of investments	9 602 138	7 787 069
other charges	<u>122 113</u>	<u>92 948</u>
	<u>16 123 620</u>	<u>9 361 562</u>

Note N — Reserves and provisions and appropriation of operating profit

On 9 June 1980 the Board of Governors decided to increase the provision for conversion rate adjustments by an amount of 541 900, representing the net increase arising from revaluation of net Bank assets not subject to adjustment under Article 7 of the Statute, and to appropriate the operating profit for 1979 as follows:

40 000 000 to the statutory reserve;
86 450 358 to the supplementary reserve;
15 000 000 to the provision for building.

Statement of movements in the reserves and provisions for the year ended 31 December 1980

	Situation at 31. 12. 1979	Appropriation of balance of profit and loss account for the year ended 1979	Situation at 31. 12. 1980
Statutory reserve	230 000 000	40 000 000	270 000 000
Supplementary reserve	355 486 789	86 450 358	441 937 147
Provision for conversion rate adjustments	12 666 836	541 900	13 208 736
Provision for building	<u>45 000 000</u>	<u>15 000 000</u>	<u>60 000 000</u>
	<u>643 153 625</u>	<u>141 992 258</u>	<u>785 145 883</u>

The Management Committee has decided to propose that the Board of Directors recommend the Board of Governors to increase the provision for conversion rate adjustments by an amount of 712 998, representing the net increase arising at 31 December 1980 from revaluation of net Bank assets not subject to adjustment under Article 7 of the Statute, and to appropriate the operating profit for 1980 and the written-back amount of the provision for other charges, i.e. a total of 207 997 465, to the reserves and provisions.

Report by Messrs Price Waterhouse & Co.

The President
European Investment Bank
Luxembourg

We have examined the financial statements of the European Investment Bank at 31 December 1980 and 1979. Our examinations were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. In our opinion, the financial statements at 31 December 1980 and 1979 present fairly the financial position of the European Investment Bank at these dates, the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied.

The financial statements covered by our opinion are the following:

Balance Sheet	
Profit and Loss Account	
Special Section	
Statement of changes in financial position	
Statement of subscriptions to the capital of the Bank	Annex A
Analysis of loans outstanding	Annex B
Statement of funded debt	Annex C
Amounts receivable from or payable to Member States for adjustment of capital contributions	Annex D
Notes to the financial statements	Annex E

Luxembourg, 27 February 1981

PRICE WATERHOUSE & Co.

Statement by the Audit Committee

The Committee instituted in pursuance of Article 14 of the Statute and Article 25 of the Rules of Procedure of the European Investment Bank for the purpose of verifying that the operations of the Bank are conducted and its books kept in a proper manner,

- having studied the books, vouchers and documents which it deemed necessary to examine in the discharge of its duties,
- having examined the reports of 27 February 1981 drawn up by Messrs Price Waterhouse & Co.,

considering the 1980 Annual Report, the balance sheet of the Bank and the statement of Special Section as at 31 December 1980 as well as the profit and loss account for the financial year ending on that date as drawn up by the Board of Directors at its meeting of 8 May 1981,

considering Articles 22, 23 and 24 of the Rules of Procedure,

hereby certifies:

that the Bank's operations during the 1980 financial year have been carried out in compliance with the formalities and procedures laid down by the Statute and the Rules of Procedure,

that the balance sheet, the profit and loss account and the statement of Special Section correspond to the book entries and that they reflect exactly the situation of the Bank as regards both assets and liabilities.

Luxembourg, 12 May 1981

The Audit Committee

P. McDONNELL J. BREDSORFF C. BRÜCK

Balance Sheet at 1 January 1981 ⁽¹⁾

in ECUs ⁽²⁾

Assets	1. 1. 1981	31. 12. 1980
Receivable from Member States on account of called capital	280 246 250	265 781 250
Receivable on account of statutory and supplementary reserves and provisions	15 504 159	—
Cash and bank deposits		
At sight and up to one year's notice	737 412 918	737 412 918
At more than one year's notice	236 058	236 058
	737 648 976	737 648 976
Investments		
For not more than one year	19 975 155	19 975 155
For more than one year	259 484 177	259 484 177
	279 459 332	279 459 332
Borrowing proceeds to be received	188 394 611	188 394 611
Receivable from Member States for adjustment of capital	5 634 619	5 634 619
Loans		
disbursed	11 413 366 388	11 413 366 388
undisbursed	1 312 772 693	1 312 772 693
	12 726 139 081	12 726 139 081
Contra accounts to guarantees		
In respect of loans under mandate	72 079 780	72 079 780
excluding those in respect of loans granted by third parties	(148 944 266)	(148 944 266)
in respect of participations by third parties in Bank loans	(226 222 909)	(226 222 909)
Land and buildings	64 911 694	64 911 694
Accrued interest and commission	250 608 827	250 608 827
Receivable in respect of EMS subsidies paid in advance	126 992 708	126 992 708
Unamortised issuing charges	136 266 376	136 266 376
Unamortised redemption premiums	1 132 623	1 132 623
	137 398 999	137 398 999
Special deposits for service of borrowings	243 308 561	243 308 561
Miscellaneous	22 336 507	22 336 507
	15 150 664 104	15 120 694 945
 Memorandum accounts		
Special Section		
Trust management funds		
for the account of Member States	329 782 315	329 782 315
for the account of the European Communities	1 199 336 559	1 199 336 559
Securities received as guarantee for loans under mandate	29 886 263	29 886 263
Securities received on deposit	103 082 550	103 082 550

⁽¹⁾ Following the accession of the Hellenic Republic to the European Communities, the subscribed capital was increased on 1 January 1981 from 7 087 500 000 ECUs to 7 200 000 000 ECUs and the paid-in capital was, at the same time, raised from 911 250 000 ECUs to 925 715 000 ECUs. The new Member State will also contribute towards the statutory reserve, the supplementary reserve and those provisions equivalent to reserves, and to the amount to be appropriated to the reserves and provisions corresponding to the balance of the profit and loss account as at 31 December 1980, an amount corresponding to 1.56% of these reserves and provisions. Consequently, the above draft balance sheet together with the statement of subscriptions to the capital of the Bank tabulated overleaf reflect the situation at 1 January 1981 (provisional evaluation, pending definitive establishment of the amount to be contributed by the Hellenic Republic to the Bank's reserves and provisions).

⁽²⁾ Pursuant to the Board of Governors' Decision of 13 May 1981 (see page 8).

Liabilities

	1. 1. 1981	31. 12. 1980
Capital		
Subscribed	7 200 000 000	7 087 500 000
Uncalled	6 274 285 000	6 176 250 000
	925 715 000	911 250 000
Statutory reserve	274 212 000	270 000 000
Supplementary reserve	448 831 367	441 937 147
Provisions		
For conversion rate adjustments	13 414 792	13 208 736
For building	60 936 000	60 000 000
	74 350 792	73 208 736
Staff pension fund	24 873 567	24 873 567
Payable to Member States for adjustment of capital	9 602 641	9 602 641
Borrowings		
Bonds and notes	8 494 855 696	8 494 855 696
Other medium and long-term borrowings	2 103 404 346	2 103 404 346
	10 598 260 042	10 598 260 042
Redemption premiums	5 901 296	5 901 296
	10 604 161 338	10 604 161 338
Sundry creditors	26 254 093	26 254 093
Undisbursed balance of loans	1 312 772 693	1 312 772 693
Guarantees		
On loans under mandate	72 079 780	72 079 780
On loans granted by third parties	(148 944 266)	(148 944 266)
On participations by third parties in Bank loans	(226 222 909)	(226 222 909)
Interest subsidies received in advance	442 305 969	442 305 969
Interest subsidies received in advance for the account of third parties	51 299 775	51 299 775
	493 605 744	493 605 744
Accrued interest and commission and interest received in advance	397 201 925	397 201 925
Coupons and liabilities due and not yet paid	243 308 561	243 308 561
Miscellaneous	31 728 257	31 728 257
Contribution to balance of profit and loss account still to be appropriated	3 255 883	—
Balance of profit and loss account	208 710 463	208 710 463
	15 150 664 104	15 120 694 945

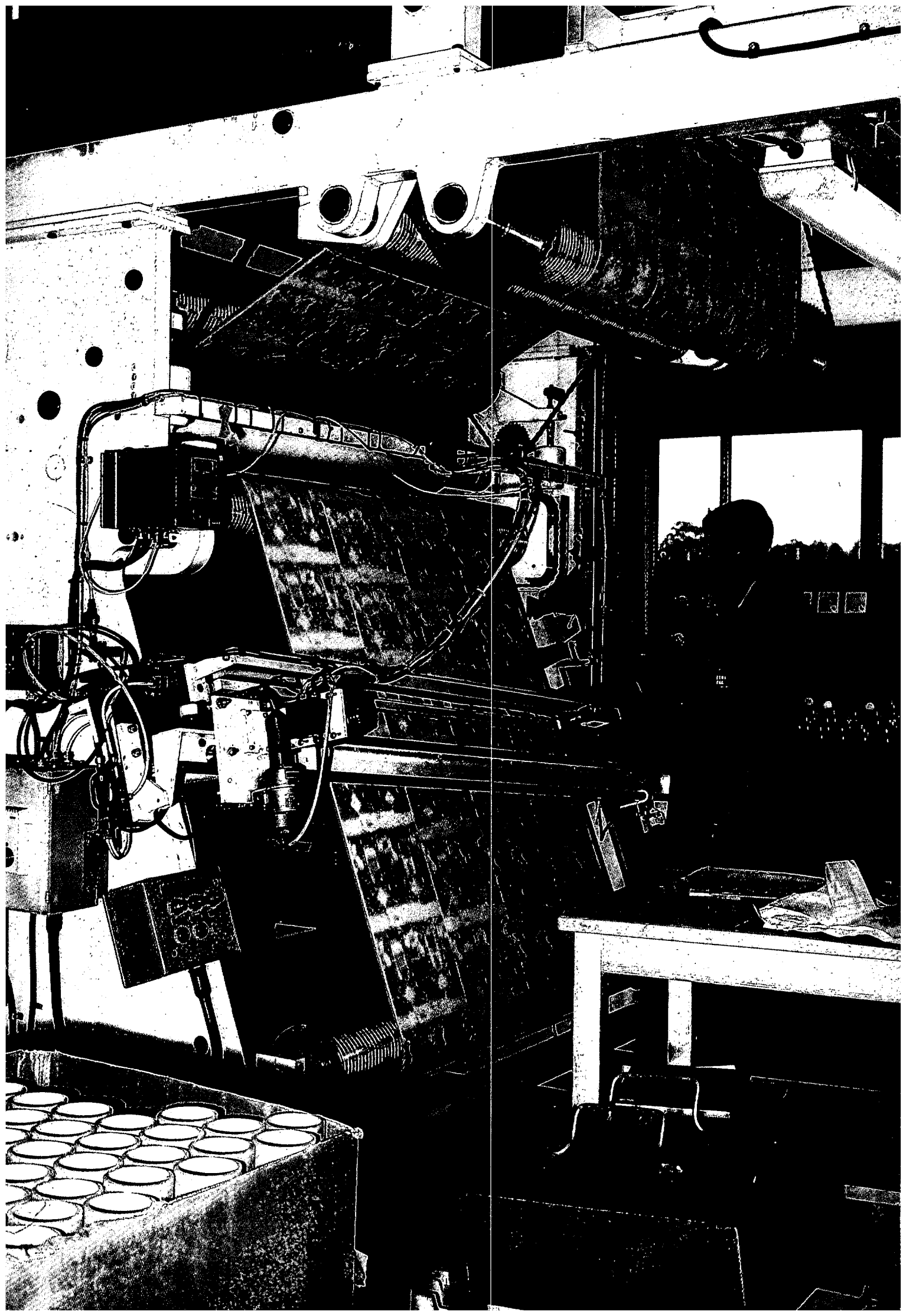
Statement of subscriptions to the capital of the Bank at 1 January 1981

In '000 ECUs (1)

Member States	Subscribed capital	Available for call (2)	Paid in at 31. 12. 1980	To be paid in			Total paid in and to be paid in
				in 1981	in 1982	in 1983	
Germany	1 575 000	1 372 500	143 437.5	19 687.5	19 687.5	19 687.5	202 500
France	1 575 000	1 372 500	143 437.5	19 687.5	19 687.5	19 687.5	202 500
United Kingdom	1 575 000	1 372 500	143 437.5	19 687.5	19 687.5	19 687.5	202 500
Italy	1 260 000	1 098 000	114 750	15 750	15 750	15 750	162 000
Belgium	414 750	361 425	37 771.875	5 184.375	5 184.375	5 184.375	53 325
Netherlands	414 750	361 425	37 771.875	5 184.375	5 184.375	5 184.375	53 325
Denmark	210 000	183 000	19 125	2 625	2 625	2 625	27 000
Greece	112 500	98 035	—	5 504.75	5 504.75	3 455.5	14 465
Ireland	52 500	45 750	4 781.25	656.25	656.25	656.25	6 750
Luxembourg	10 500	9 150	956.25	131.25	131.25	131.25	1 350
Total	7 200 000	6 274 285	645 468.75	94 098.5	94 098.5	92 049.25	925 715

(1) Pursuant to the Board of Governors' Decision of 13 May 1981.

(2) Could be called by decision of the Board of Directors to such extent as may be required to meet the Bank's obligations towards lenders in respect of borrowings.



Operations between 1958 and 1980

Since its inception in 1958, the European Investment Bank has provided finance totalling 17 263.6 million at current prices or some 27 000 million at 1980 prices. Loans from own resources and guarantees amount to 15 944.9 million at current prices, or 92.4 % of the total, while various operations using Member States' or Community resources come to 1 318.7 million. Overall investment expenditure for which the EIB has advanced long-term financing averaging 24 % of capital costs stands at 69 300 million at current prices or 113 000 million at 1980 prices.

Finance for projects within the Community works out at 14 882.3 million (around 23 000 million at 1980 prices), or 86.2 % of the total. This has helped to fund investment ⁽¹⁾ totalling around 56 300 million at current prices (93 000 million at 1980 prices) ⁽²⁾, which in turn is expected directly to create over 237 000 permanent jobs and to safeguard a further 102 000. A far higher number of job opportunities has been created through investment in energy and infrastructure projects in particular — although no figure has been put to this — as a result of the spin-off in associated manufacturing industry and the temporary multiplier effects, both direct and indirect, during construction periods.

Financing provided outside the Community since 1963 totals 2 381.3 million, almost two thirds of this drawn from the Bank's own resources.

Trends in annual Bank activity are shown in the graph on page 20 and in Table 9 below.

The Tables on pages 28, 42 and 96 give a breakdown of financing up to and including 1980 according to economic policy objective, project location and sector.

Details of the Bank's activity since it was established are contained in the brochure published in 1978 on the occasion of its twentieth anniversary. The following paragraphs deal only with trends in Member Countries since enlargement of the Community in 1973 and summarise operations under the various financial cooperation agreements with non-Community countries.

⁽¹⁾ This represents the total amount of fixed investment in respect of all projects backed by the Bank, calculated from data used in establishing the promoters' financing plans when the Bank's Board of Directors approved the relevant financing operations.

⁽²⁾ 1980 price evaluations are based on national price indices derived from gross fixed capital formation, adjusted to take account of indexed changes in the rates for converting national currencies into units of account and weighted to allow for the spread of Bank lending between the various Member Countries.

Table 9: **Financing provided from 1959 to 1980** ⁽¹⁾

Annual amounts classified by origin of resources (see chart, page 20)

Year	Within the Community				Outside the Community	
	Total financing	Lending from EIB own resources	Loans on mandate and guarantees	Lending from the resources of the New Community Instrument for borrowing and lending	Lending from EIB own resources	Operations mounted from Special Section resources
1959	34.1	34.1	—	—	—	—
1960	25.5	25.5	—	—	—	—
1961	86.5	86.5	—	—	—	—
1962	66.4	66.4	—	—	—	—
1963	71.2	56.2	—	—	15.0	—
1964	120.4	112.4	—	—	8.0	—
1965	109.1	88.1	—	—	16.0	5.0
1966	197.0	104.2	—	—	31.2	61.6
1967	212.6	148.2	—	—	20.0	44.4
1968	214.0	172.5	—	—	12.4	29.1
1969	321.8	247.9	—	—	15.5	58.4
1970	354.4	282.6	56.0	—	2.2	13.6
1971	502.2	432.1	36.9	—	22.5	10.7
1972	526.8	488.7	17.2	—	12.8	8.1
1973	815.8	696.8	—	—	10.9	108.1
1974	996.4	849.7	—	—	61.0	85.7
1975	1 006.5	917.5	—	—	48.9	40.1
1976	1 273.3	967.9	118.1	—	142.4	44.9
1977	1 571.5	1 401.3	—	—	152.0	18.2
1978	2 188.3	1 966.5	—	—	173.9	47.8
1979	3 071.1	2 281.2	—	277.0	420.9	92.0
1980	3 498.5	2 739.0	14.2	197.6	371.4	176.3
Total ⁽¹⁾	17 263.6	14 165.3	242.4	474.6	1 537.2	844.1

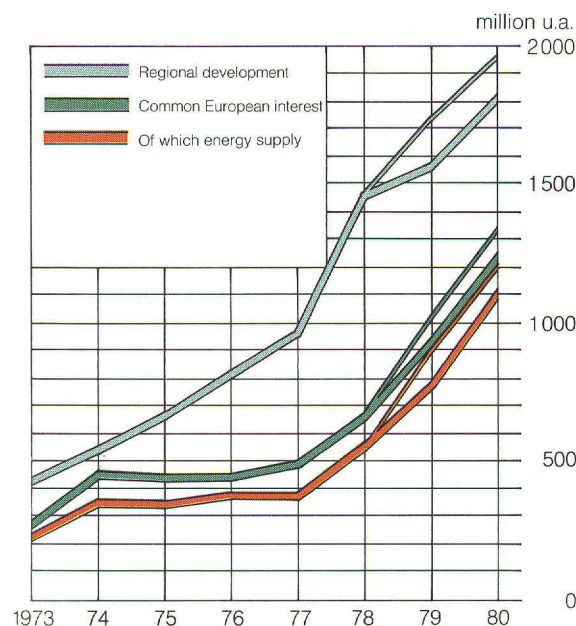
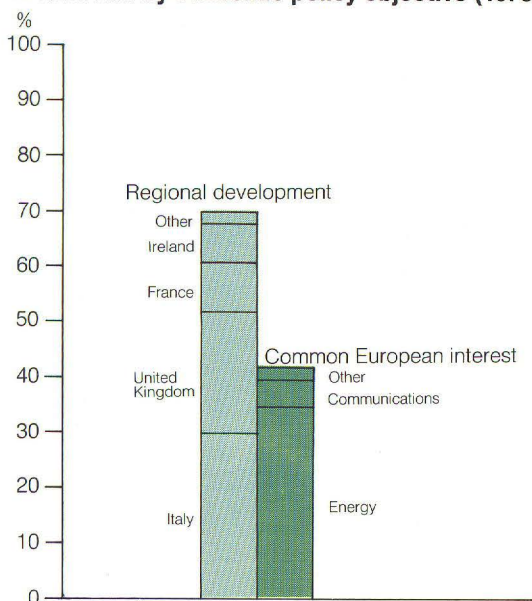
⁽¹⁾ See Note 1 to Table 2, page 28.

Operations within the Community (1973-80)

Between 1973 and the end of 1980, the EIB provided loans from its own resources and guarantees for a total of 11 952·2 million (at current prices), equivalent to more than four fifths of total financing in Member Countries since 1958. In addition, 474·6 million has been advanced over the past two years from NCI resources (see page 24) for projects in Italy, Ireland,

the United Kingdom and Denmark designed to reduce regional imbalances and to attain Community energy policy objectives. In 1979 and 1980, 1 681·2 million in loans from own resources and 252·1 million from NCI resources attracted interest subsidies in conjunction with the EMS (see page 25). In the rest of this chapter, Bank activity since 1973 is dealt with

Breakdown by economic policy objective (1973-80)



The thick lines trace financing from EIB own resources. The thin lines trace aggregate financing from EIB own and NCI resources.

Table 10: **Financing provided within the Community from 1973 to 1980**

Breakdown by project location, economic policy objective, sector and origin of resources

	from EIB own resources (million u.a.)	from NCI resources (million u.a.)	Total (million u.a.)	Total %
Total	11 952·2	474·6	12 426·8	100·0
Breakdown by project location				
Belgium	318·5	—	318·5	2·6
Denmark	288·9	18·2	307·1	2·5
Germany	547·4	—	547·4	4·4
France	1 739·7	—	1 739·7	14·0
Ireland	948·5	128·4	1 076·9	8·7
Italy	4 530·0	222·7	4 752·7	38·2
Luxembourg	—	—	—	—
Netherlands	62·3	—	62·3	0·5
United Kingdom	3 316·1	105·3	3 421·4	27·5
Non-Member Countries (1)	200·8	—	200·8	1·6
Breakdown by economic policy objective				
Regional development	8 264·4	297·9	8 562·3	68·9
Modernisation and conversion of undertakings	182·8	—	182·8	1·5
Common European interest	4 884·4	232·8	5 117·2	41·2
of which: Energy	4 056·9	232·8	4 289·7	34·5
— deduct to allow for duplication	— 1 379·4	— 56·1	— 1 435·5	— 11·6
Breakdown by sector				
Energy, communications and other infrastructure	9 282·6	474·6	9 757·2	78·5
Energy	4 514·7	257·5	4 772·2	38·4
Communications	2 858·0	114·4	2 972·4	23·9
Water schemes	1 759·5	90·2	1 849·7	14·9
Other	150·4	12·5	162·9	1·3
Industry, agriculture and services	2 669·6	—	2 669·6	21·5

(1) Loans made in accordance with the second paragraph of Article 18 (1) of the Bank's Statute empowering the Board of Governors to authorise the Bank to contribute towards financing projects outside, but of direct interest to, the Community.

in the round, including lending from NCI resources which is recorded in the Bank's Special Section (see Table 10, page 88).

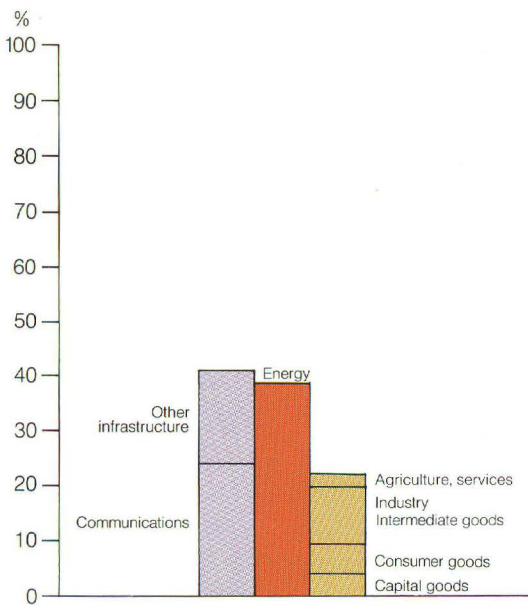
Breakdown by economic policy objective

During the past eight years, the overall volume of lending for projects offering regional benefits has increased fivefold, rising at an average annual rate of 12% at 1980 prices. This now accounts for about 70% of Bank financing within the Community. Finance for projects of common interest to several Member Countries represented 83.7% of Bank support for investment in improving the Community's energy supplies, chiefly through development of indigenous resources. Considerable sums have also been channelled into cross-frontier communications infrastructure within the Community.

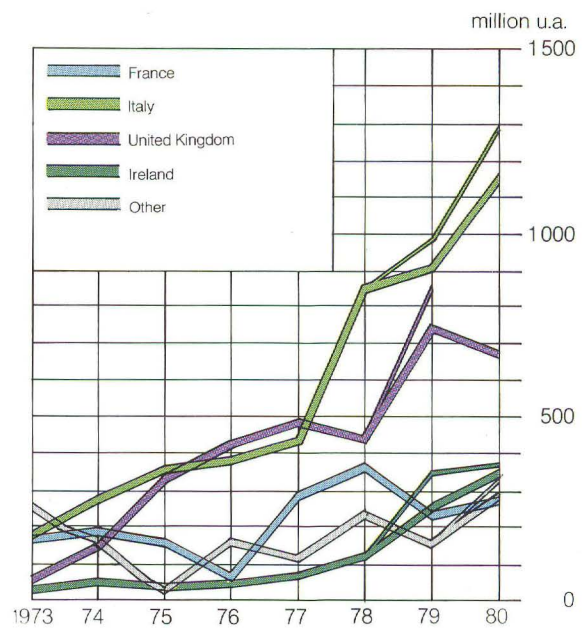
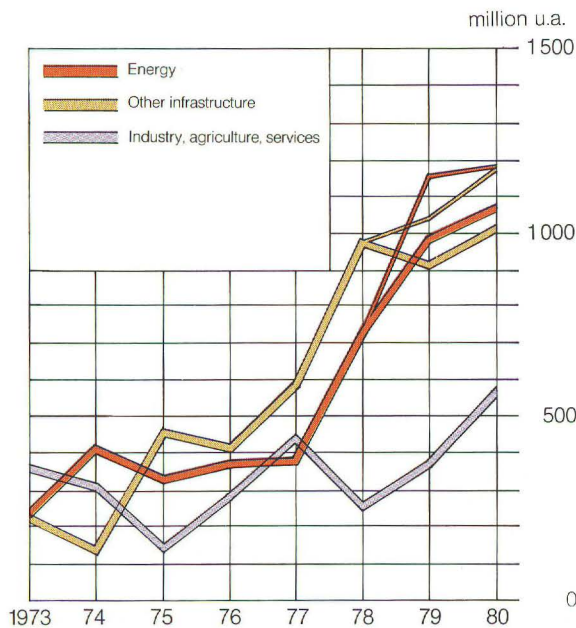
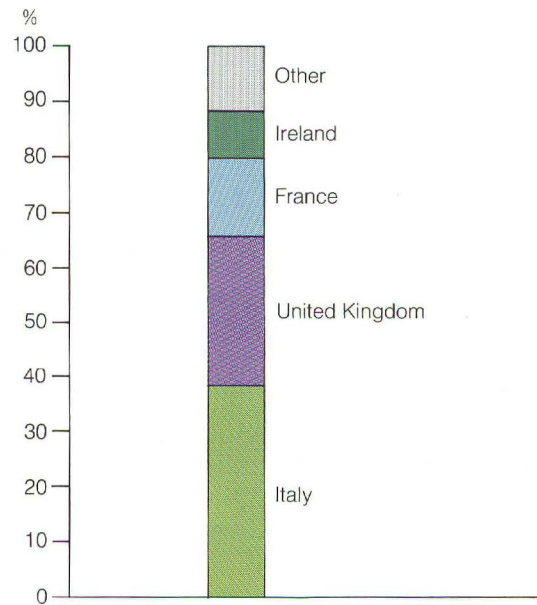
Sectoral breakdown

The rapid increase in financing provided by the Bank since 1973 stems largely from the incidence of investment projects showing a high unit cost in energy, transport, telecommunications and water infrastructure sectors. Credit for projects in industry, agriculture and services, sectors less resistant to the vagaries of the economic climate, showed a more irregular growth pattern, although these mustered a total of 2 669.6 million, or 21.5% of all financing within the Community. There were 210 operations, mostly concerning projects in basic industries and, to an increasing extent, the motor vehicles, mechanical engineering and foodstuffs industries, together with 74 global loans totalling 907.8 million, from which 1 639 separate allocations (592.4 million) were made in support of smaller businesses in a wide

Sectoral breakdown (1973-80)



Breakdown by project location (1973-80)



The thick lines trace financing from EIB own resources. The thin lines trace aggregate financing from EIB own and NCI resources.

range of sectors where ventures are far more labour-intensive than larger-scale projects (30 500 units of account per job created, as against 74 400 units of account).

Breakdown by project location

Close on three quarters of projects financed inside the Community were located in countries where re-

gional problems are most serious: Italy, the United Kingdom and Ireland (see Table 4, page 42). Loans in the Mezzogiorno alone accounted for almost 28 % of all financing in Member Countries. In the United Kingdom and Ireland, the high level of financing was attributable chiefly to projects in the energy sector, often exploiting indigenous resources, and major water schemes. In France, a considerable volume of credit was given over to energy projects and communications infrastructure.

Operations outside the Community (1963-80)

Since 1963, the Bank has assisted in implementing the Community's policy of economic and financial cooperation with an increasing number of countries. Operations have been mounted under the various conventions, financial protocols and decisions concerning, on the one hand, in the Mediterranean region, Greece, Portugal, Turkey, Yugoslavia, the Maghreb Countries (Algeria, Morocco and Tunisia), the Mashreq Countries (Egypt, Jordan, Lebanon and Syria), Cyprus, Malta and Israel, and, on the other, the African, Caribbean and Pacific (ACP) States, the Overseas Countries and Territories (OCT) and, until 1980, the French Overseas Departments (OD).

Between 1963 and 1980, these countries attracted a total of 2 381.3 million, comprising 1 537.2 million

from the Bank's own resources ⁽¹⁾ and 844.1 million from budgetary resources placed at its disposal by Member States or the Community, partly through the European Development Fund (EDF) ⁽²⁾ (see Tables on pages 54 and 95).

Mediterranean region

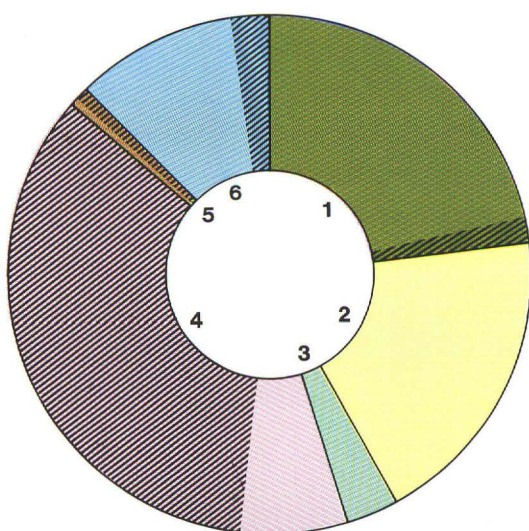
Financing provided between 1963 and 1980 in the Mediterranean region, including Portugal, totalled

⁽¹⁾ Some operations under this heading attracted an interest subsidy.

⁽²⁾ Loans on special conditions and risk capital operations arranged by the Bank under mandate from and for the account of Member States or the European Economic Community (European Development Fund), and accounted for in the EIB's Special Section (see page 74).

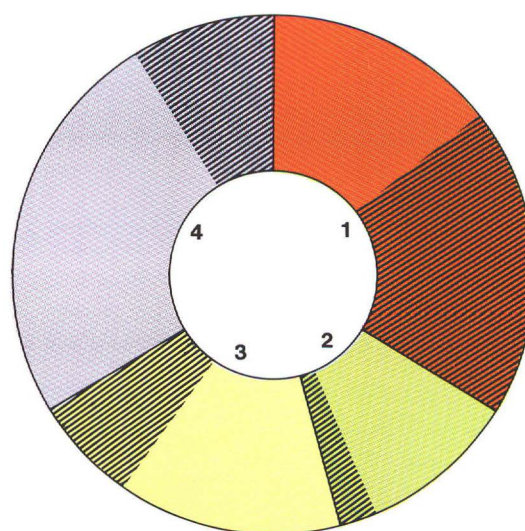
Financing provided in the Mediterranean countries (1963-80)

Breakdown by project location



- 1 Greece
- 2 Portugal
- 3 Yugoslavia
- 4 Turkey
- 5 Malta
- 6 Maghreb/Mashreq

Sectoral breakdown



- 1 Energy
- 2 Irrigation
- 3 Infrastructure
- 4 Industry
- Financed from Special Section resources

1 597.9 million, or 67 % of all funds advanced by the Bank outside the Community, including 994.1 million from own resources (see Table 5, page 54).

85 % of this credit went in support of projects located in the northern Mediterranean region, particularly in two countries where the Bank has been operating since 1963: Greece (351.4 million, including 341.4 million from own resources) and Turkey (656 million, including 105 million from own resources). In addition, the Bank advanced 301 million from its own resources for projects in Portugal and 50 million for projects in Yugoslavia. In the other Mediterranean countries, 196.7 million was made available from the Bank's own resources and 42.8 million from budgetary funds.

The EIB helped to finance energy installations, often with a view to harnessing indigenous resources (530.9 million, mainly for hydroelectric and lignite-fired power stations), transport infrastructure (319.7 million) and agricultural development (191.8 million). Industrial and service sector projects attracted a total of 550 million, close on 35 % of aggregate Bank financing in these countries. 200 million was ploughed into major projects in the chemicals, paper pulp and construction materials sectors. 284.9 million was advanced in the form of global loans to a number of financing institutions in Greece, Portugal, Turkey, Tunisia, Egypt, Jordan and Morocco. 276 allocations totalling 193.1 million have already been drawn down in support of smaller-scale industrial, service sector and tourism ventures.

Before **Greece** became the tenth member of the Community, the Bank mounted operations in this country under the two Financial Protocols annexed to the Association Agreement with the Community which entered into force in 1962. EIB support was designed to adapt the structure of the Greek economy to the requirements of the common market with a view to easing its integration into the Community structure. Investment financed focused on improving infrastructure and promoting industrial growth. On the infrastructural side, substantial sums (144.3 million) were advanced for stepping up productivity in agriculture, chiefly via large-scale irrigation works, and for forestry, followed by electricity generation and transmission facilities (41 million) and improvements to the road and rail networks (38 million). In fostering industrial growth (138.1 million), the Bank helped to finance basic industries (cementworks, aluminium production and semi-processing), along with a wide range of smaller industrial and tourism ventures throughout the country via 6 global loans channelled to three long-term credit institutions. 82 allocations were drawn down totalling 64.2 million and creating 2 700 jobs.

African, Caribbean and Pacific States

Since 1964, the Bank has mounted operations in an increasing number of African, Caribbean and Pacific States under the two Yaoundé Conventions, the first Lomé Convention and the Decisions concerning the Overseas Countries and Territories and the Overseas Departments.

These operations have reached a total of 783.4 million, or 33 % of aggregate Bank financing outside the Community, including 543.1 million from own resources. The Bank has also provided finance from the resources of the EDF: firstly, loans on special conditions under the two Yaoundé Conventions (142 million) and, subsequently, risk capital operations in conjunction with the first Lomé Convention (98.3 million). A breakdown of these amounts by country and convention appears in Table 6 on page 58.

Financial cooperation with the **ACP States**, provided for a five-year period under the first Lomé Convention, has resulted in the commitment of all sums earmarked for loans from the Bank's own resources (390 million) since the Convention entered into force on 1 April 1976. A total of 97.4 million has been committed in the form of risk capital assistance, thereby fully absorbing the maximum amounts available for Bank operations (99 million) if account is taken of blanket authorisations for study financing under which some funds are still to be drawn down.

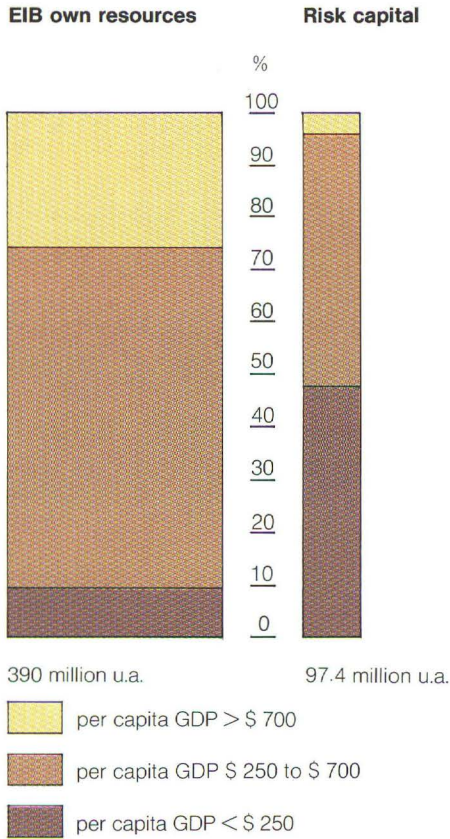
Close on 60 % of total risk capital assistance has benefited 20 of the least developed ACP States, cited in Article 48 of the Lomé Convention, for which this type of financing has proved particularly well tailored. In contrast, 75 % of lending from the Bank's own resources has gone to projects located in other ACP States.

Bank operations in the ACP States have supported energy projects (131.9 million), agri-businesses (95.4 million), the construction materials (35.5 million), chemicals (32 million), metal production and semi-processing (31.5 million), mining and quarrying (29.2 million) and miscellaneous industries (23.5 million), as well as tourism and service sector ventures (19.3 million). 20 global loans totalling 86.5 million (82.5 million from the Bank's own resources and 4 million from risk capital funds) were concluded with smaller-scale ventures in mind. 94 allocations for an aggregate amount of 39.6 million were approved from these various lines of credit, with 25 % going to foodstuffs industries and a similar proportion to the textiles and leather, paper, and mechanical engineering sectors. In addition, 5 risk capital operations totalling 1.6 million enabled development banks to acquire equity participations in smaller businesses.

In the **OCT**, two operations involving 7.9 million were mounted in conjunction with the Council Decision of

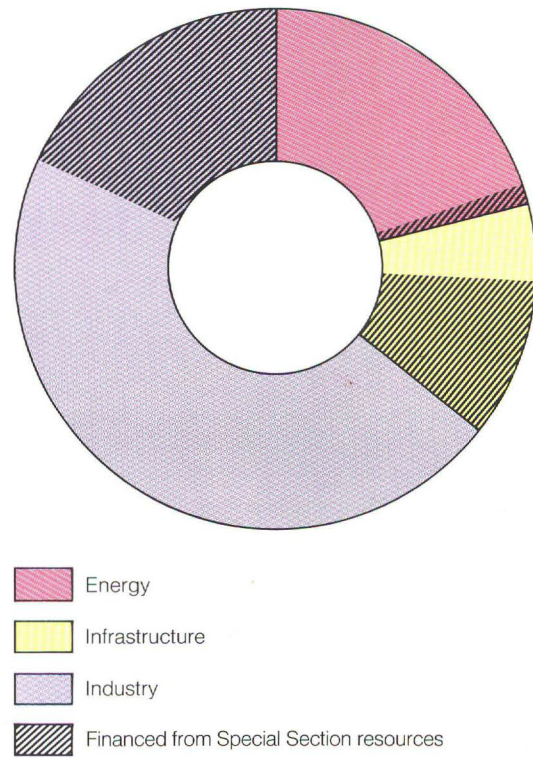
Financing provided in the ACP States under the first Lomé Convention

Breakdown by per capita GDP (1)



Financing provided in the ACP States, the OCT and OD (1964-80)

Sectoral breakdown



(1) based on the OECD's Development Aid Committee classification (1979 review); 1978 GDP conversions into 1978 US dollars accord with World Bank atlas.

29 June 1976: a loan for 7 million from the Bank's own resources was earmarked for construction of a hydroelectric power station, while a global loan from risk capital funds was channelled to a development institution which has made three allocations for industrial and tourism ventures. Overall financing in the OCT amounts to 70 % of the 10 million ceiling set for loans from the Bank's own resources and 95 % of the maximum of 2 million available in the form of risk capital assistance.

The graph above highlights the breakdown of financing under the first Lomé Convention according to the level of development of the countries concerned. More than 90 % of lending from the Bank's own resources has centred on 18 ACP States, 5 of which enjoy fairly high per capita income and 13, intermediate income. In contrast, 90 % of risk capital operations have benefited projects located in 14 of the poorest ACP States and 16 with intermediate income.

Table 11: **Financing provided from 1963 to 1980 (1) in the Mediterranean region (2)**

Sectoral breakdown

Sector	Number		Amount (million u.a.)		% of total
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	63		1 047.9		65.6
Energy	25		530.9		33.2
Production	19		458.3		28.7
Thermal power stations	10		255.0		16.0
Hydroelectric power stations	9		203.3		12.7
Transmission	6		72.6		4.5
Power lines	6		72.6		4.5
Communications	25		319.7		20.0
Transport	25		319.7		20.0
Railways	7		91.9		5.8
Roads, bridges and tunnels	8		81.2		5.1
Shipping and inland waterways	8		127.0		7.9
Airlines	2		19.6		1.2
Water schemes	13		197.3		12.4
Agricultural development	12		191.8		12.0
Water catchment, treatment and supply	1		5.5		0.4
Industry, agriculture and services	362	276	550.0	193.1	34.4
Industry	309	252	423.7	177.3	26.5
Mining and quarrying	6	6	4.0	4.0	0.2
Metal production and semi-processing	16	8	41.0	6.6	2.6
Construction materials	27	17	59.4	15.9	3.7
Woodworking	20	18	15.6	13.8	1.0
Glass and ceramics	17	15	22.4	19.1	1.4
Chemicals	41	28	76.7	12.8	4.8
Metalworking and mechanical engineering	50	50	31.4	31.4	2.0
Motor vehicles, transport equipment	6	6	4.7	4.7	0.3
Electrical engineering, electronics	18	16	15.6	10.4	1.0
Foodstuffs	49	49	31.4	31.4	2.0
Textiles and leather	22	15	16.9	11.8	1.0
Paper and pulp	16	6	83.5	5.8	5.2
Rubber and plastics processing	14	13	7.5	7.0	0.5
Other	2	2	0.7	0.7	.
Building — civil engineering	3	3	1.9	1.9	0.1
Industrial estates and buildings	2	—	11.0	—	0.7
Agriculture, forestry	9	7	23.9	4.0	1.5
Services	17	17	11.8	11.8	0.7
Tourism	4	4	7.5	7.5	0.5
Other	13	13	4.3	4.3	0.2
Global loans (unallocated portion) (3)	27	—	90.6	—	5.7
Grand total	425	276	1 597.9	193.1	100.0

(1) See Note 1 to Table 2, page 28.

(2) Ordinary loans (994.1 million) from EIB own resources and operations on special conditions (603.8 million) financed from Member States' or Community budgetary funds and accounted for off balance sheet in the Bank's Special Section.

(3) In fact, 91.8 million remains to be allocated as a result of the difference between the initial amount of the US\$10 million global loan (7.7 million) granted to Greece's National Investment Bank for Industrial Development and the amount drawn down from this loan via 18 allocations totalling 8.9 million, the US dollar/unit of account conversion rate having changed between the date of concluding the global loan and the allocation date.

Table 12: **Financing provided from 1964 to 1980** ⁽¹⁾ in the African, Caribbean and Pacific (ACP) States, the Overseas Countries and Territories (OCT) and the Overseas Departments (OD) ⁽²⁾

Sectoral breakdown

Sector	Number		Amount (million u.a.)		% of total
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	51	1	272.7	0.2	34.8
Energy	21	1	157.4	0.2	20.1
Production	15	1	95.4	0.2	12.2
Thermal power stations	5		13.7		1.8
Hydroelectric power stations	10	1	81.7	0.2	10.4
Transmission	6		62.0		7.9
Power lines	6		62.0		7.9
Communications	26		103.2		13.2
Transport	25		102.4		13.1
Railways	7		43.7		5.6
Roads, bridges and tunnels	8		38.7		4.9
Shipping	9		15.6		2.0
Airlines	1		4.4		0.6
Telecommunications	1		0.8		0.1
Water schemes	4		12.1		1.5
Agricultural development	2		5.3		0.7
Water catchment, treatment and supply	2		6.8		0.8
Industry, agriculture and services	251	98	510.7	39.9	65.2
Industry	184	89	426.5	37.8	54.4
Mining and quarrying	15	6	95.8	2.5	12.3
Metal production and semi-processing	12	5	30.8	2.6	3.9
Construction materials	17	5	46.3	2.6	5.9
Woodworking	8	7	5.1	1.9	0.7
Glass and ceramics	2	2	1.0	1.0	0.1
Chemicals	13	3	36.9	1.9	4.7
Metalworking and mechanical engineering	8	7	4.1	3.6	0.5
Motor vehicles, transport equipment	5	3	6.2	1.3	0.8
Electrical engineering, electronics	1	1	0.4	0.4	0.1
Foodstuffs	53	17	147.6	9.5	18.8
Textiles and leather	31	15	41.7	4.5	5.3
Paper and pulp	10	10	4.1	4.1	0.5
Rubber and plastics processing	9	8	6.5	1.9	0.8
Agriculture	2	—	9.3	—	1.2
Services	38	9	25.1	2.1	3.2
Tourism	15	8	19.2	2.1	
Research and technical assistance	23	1	5.9	0.1	
Global loans (unallocated portion) ⁽³⁾	22	—	48.2	—	6.2
Development finance companies	5	—	1.6	—	0.2
Grand total	302	99	783.4	40.1	100.0

(1) See Note 1 to Table 2, page 28.

(2) Ordinary loans (543.1 million) from EIB own resources and operations on special conditions (240.3 million) financed from Member States' resources through the European Development Fund and accounted for off balance sheet in the Bank's Special Section.

(3) Difference between the amount of the 22 global loans granted (88.3 million) and the amount of allocations authorised (40.1 million) under these global loans.

Table 13: **Financing provided from 1964 to 1980 in the African, Caribbean and Pacific (ACP) States, the Overseas Countries and Territories (OCT) and the Overseas Departments (OD) (1)**

Breakdown by project location and origin of resources

	Ordinary operations mounted from EIB own resources					Operations mounted from Special Section resources (2)					Total financing			
	Yaoundé Conventions		First Lomé Convention		Total amount	Yaoundé Conventions (3)		First Lomé Convention (4)		Total amount	Number	Amount	of which Yaoundé	of which Lomé
	Number	Amount	Number	Amount		Number	Amount	Number	Amount					
ACP States	33	139.1	60	390.0	529.1	35	129.7	63	97.4	227.1	191	756.2	268.8	487.4
AFRICA	33	139.1	52	338.5	477.6	34	127.8	59	91.2	219.0	178	696.6	266.9	429.7
<i>West Africa</i>	<i>15</i>	<i>72.5</i>	<i>25</i>	<i>192.5</i>	<i>265.0</i>	<i>16</i>	<i>53.2</i>	<i>26</i>	<i>40.1</i>	<i>93.3</i>	<i>82</i>	<i>358.3</i>	<i>125.7</i>	<i>232.6</i>
Benin	—	—	—	—	—	1	3.3	—	—	3.3	1	3.3	3.3	—
Cape Verde	—	—	—	—	—	—	—	2	3.6	3.6	2	3.6	—	3.6
Ivory Coast	10	51.2	10	47.4	98.6	10	35.6	4	3.0	38.6	34	137.2	86.8	50.4
Gambia	—	—	—	—	—	—	—	2	2.4	2.4	2	2.4	—	2.4
Ghana	—	—	2	16.0	16.0	—	—	2	2.25	2.25	4	18.25	—	18.25
Guinea	—	—	1	4.4	4.4	—	—	1	0.15	0.15	2	4.55	—	4.55
Upper Volta	1	0.5	1	8.0	8.5	1	5.0	3	8.0	13.0	6	21.5	5.5	16.0
Liberia	—	—	2	7.4	7.4	—	—	1	0.3	0.3	3	7.7	—	7.7
Mali	—	—	—	—	—	—	—	2	6.1	6.1	2	6.1	—	6.1
Mauritania	1	11.0	1	25.0	36.0	1	2.8	—	—	2.8	3	38.8	13.8	25.0
Niger	—	—	2	6.0	6.0	—	—	1	0.9	0.9	3	6.9	—	6.9
Nigeria	—	—	2	50.0	50.0	—	—	—	—	—	2	50.0	—	50.0
Senegal	2	3.9	2	12.0	15.9	3	6.5	4	8.1	14.6	11	30.5	10.4	20.1
Togo	1	5.9	2	16.3	22.2	—	—	3	5.2	5.2	6	27.4	5.9	21.5
Regional	—	—	—	—	—	—	—	1	0.1	0.1	1	0.1	—	0.1
<i>Central and Equatorial Africa</i>	<i>17</i>	<i>64.9</i>	<i>6</i>	<i>32.6</i>	<i>97.5</i>	<i>17</i>	<i>72.7</i>	<i>11</i>	<i>24.0</i>	<i>96.7</i>	<i>51</i>	<i>194.2</i>	<i>137.6</i>	<i>56.6</i>
Burundi	—	—	—	—	—	—	—	1	0.5	0.5	1	0.5	—	0.5
Cameroon	9	17.3	6	32.6	49.9	6	23.9	2	4.6	28.5	23	78.4	41.2	37.2
Congo	1	9.0	—	—	9.0	3	6.7	1	3.1	9.8	5	18.8	15.7	3.1
Gabon	4	4.4	—	—	4.4	3	10.3	—	—	10.3	7	14.7	14.7	—
Rwanda	—	—	—	—	—	—	—	1	3.0	3.0	1	3.0	—	3.0
Chad	—	—	—	—	—	1	1.2	1	7.5	8.7	2	8.7	1.2	7.5
Zaire	3	34.2	—	—	34.2	4	30.6	5	5.3	35.9	12	70.1	64.8	5.3
<i>East and Southern Africa</i>	<i>1</i>	<i>1.7</i>	<i>21</i>	<i>113.4</i>	<i>115.1</i>	<i>1</i>	<i>1.9</i>	<i>22</i>	<i>27.2</i>	<i>29.1</i>	<i>45</i>	<i>144.2</i>	<i>3.6</i>	<i>140.6</i>
Botswana	—	—	2	6.5	6.5	—	—	2	1.75	1.75	4	8.25	—	8.25
Comoros	—	—	—	—	—	—	—	1	0.02	0.02	1	0.02	—	0.02
Djibouti	—	—	—	—	—	—	—	1	1.0	1.0	1	1.0	—	1.0
Kenya	—	—	8	52.4	52.4	—	—	2	1.2	1.2	10	53.6	—	53.6
Madagascar	—	—	—	—	—	1	1.9	2	2.3	4.2	3	4.2	1.9	2.3
Malawi	—	—	3	14.5	14.5	—	—	2	1.2	1.2	5	15.7	—	15.7
Mauritius	1	1.7	3	12.5	14.2	—	—	1	0.07	0.07	5	14.27	1.7	12.57
Seychelles	—	—	—	—	—	—	—	1	0.6	0.6	1	0.6	—	0.6
Somalia	—	—	—	—	—	—	—	1	0.25	0.25	1	0.25	—	0.25
Sudan	—	—	—	—	—	—	—	1	6.5	6.5	1	6.5	—	6.5
Swaziland	—	—	2	12.0	12.0	—	—	2	1.1	1.1	4	13.1	—	13.1
Tanzania	—	—	1	5.0	5.0	—	—	3	7.75	7.75	4	12.75	—	12.75
Zambia	—	—	2	10.5	10.5	—	—	3	3.4	3.4	5	13.9	—	13.9
CARIBBEAN	—	—	5	20.5	20.5	1	1.9	3	4.3	6.2	9	26.7	1.9	24.8
Caribbean (multiregional loans)	—	—	1	3.0	3.0	—	—	1	1.0	1.0	2	4.0	—	4.0
Barbados	—	—	2	7.5	7.5	—	—	—	—	—	2	7.5	—	7.5
Guyana	—	—	—	—	—	—	—	1	3.2	3.2	1	3.2	—	3.2
Jamaica	—	—	—	—	—	—	—	1	0.1	0.1	1	0.1	—	0.1
Surinam	—	—	—	—	—	1	1.9	—	—	1.9	1	1.9	1.9	—
Trinidad and Tobago	—	—	2	10.0	10.0	—	—	—	—	—	2	10.0	—	10.0
PACIFIC	—	—	3	31.0	31.0	—	—	1	1.9	1.9	4	32.9	—	32.9
Fiji	—	—	2	24.0	24.0	—	—	—	—	—	2	24.0	—	24.0
Papua New Guinea	—	—	1	7.0	7.0	—	—	1	1.9	1.9	2	8.9	—	8.9
OCT	2	7.0	1	7.0	14.0	3	7.8	1	0.9	8.7	7	22.7	14.8	7.9
OD	—	—	—	—	—	5	4.5	—	—	4.5	5	4.5	4.5	—
Grand total	35	146.1	61	397.0	543.1	43	142.0	64	98.3	240.3	203	783.4	288.1	495.3

(1) See Note 1 to Table 2, page 28.

(2) Operations on special conditions financed from Member States' resources through the European Development Fund and accounted for off balance sheet in the Bank's Special Section.

(3) Loans on special conditions and contributions to risk capital formation.

(4) Risk capital assistance.

Table 14: **Financing operations within the Community from 1958 to 1980** ⁽¹⁾

Sectoral breakdown

14.1 From EIB own resources

Sector	Number		Amount (million u.a.)		% of total
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	574	50	10 730.6	42.7	74.5
Energy	241	16	4 939.8	20.8	34.3
Production	166		3 679.6		25.5
Nuclear	56		1 861.3		12.9
Thermal power stations	32		512.6		3.5
Hydroelectric power stations	27		716.6		5.0
Geothermal power stations and district heating plant	6		69.9		0.5
Development of oil and natural gas deposits	39		478.6		3.3
Solid fuel extraction	6		40.6		0.3
Supply systems	75	16	1 260.2	20.8	8.8
Power lines	35	16	417.4	20.8	2.9
Gaslines and oil pipelines	40		842.8		5.9
Communications	209	34	3 742.7	21.9	26.0
Transport	142		1 778.3	21.9	12.3
Railways	18		335.3		2.3
Roads, bridges and tunnels	79	21	999.9	4.8	6.9
Shipping and inland waterways	36	13	294.0	17.1	2.1
Airlines	8		144.2		1.0
Other	1		4.9		.
Telecommunications	67		1 964.4		13.7
Water schemes	106		1 881.4		13.0
Agricultural development	25		615.1		4.3
Water catchment, treatment and supply	81		1 266.3		8.7
Other infrastructure	13		137.6		1.0
Global loans (unallocated portion) ⁽²⁾	5		29.1		0.2
Industry, agriculture and services	2 254	1 755	3 677.1	644.3	25.5
Industry	2 038	1 632	3 243.0	617.2	22.5
Mining and quarrying	33	30	21.3	14.9	0.1
Metal production and semi-processing	114	55	801.3	35.2	5.6
Construction materials	149	117	155.0	51.0	1.1
Woodworking	152	148	56.4	37.3	0.4
Glass and ceramics	49	32	90.9	13.6	0.6
Chemicals	171	90	530.4	41.2	3.7
Metalworking and mechanical engineering	443	389	352.9	123.1	2.4
Motor vehicles, transport equipment	76	50	395.6	20.1	2.7
Electrical engineering, electronics	113	89	138.5	34.0	1.0
Foodstuffs	315	263	295.8	106.2	2.0
Textiles and leather	122	109	65.1	44.5	0.5
Paper and pulp	114	104	82.3	43.3	0.6
Rubber and plastics processing	124	104	125.5	37.1	0.9
Other	45	41	18.4	12.3	0.1
Building and civil engineering	11	11	3.4	3.4	.
Industrial estates and buildings	7	—	110.2	—	0.8
Agriculture, forestry, fishing	108	105	58.9	20.2	0.4
Services	23	18	21.7	6.9	0.1
Tourism	11	9	12.2	4.2	0.1
Research and development	2	—	4.4	—	.
Other	10	9	5.1	2.7	.
Global loans (unallocated portion) ⁽³⁾	85	—	353.5		2.5
Total	2 828	1 805	14 407.7	687.0	100.0

⁽¹⁾ See Note 1 to Table 2, page 28.⁽²⁾ of which: exchange adjustments: 0.1 million; balance awaiting allocation: 29.0 million.⁽³⁾ of which: cancellations: 95.8 million; exchange adjustments: 16.7 million; balance awaiting allocation: 241.0 million.

14.2. From NCI resources

Sector	Number		Amount (million u.a.)		% of total
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	20		474.6		100.0
Energy	11		257.5		54.3
Production	9		198.7		41.9
<i>Thermal power stations</i>	2		33.6		7.1
<i>Hydroelectric power stations</i>	2		114.3		24.1
<i>Geothermal power stations and district heating plant</i>			19.7		4.2
<i>Development of oil and natural gas deposits</i>	1		16.7		3.5
<i>Solid fuel extraction</i>	2		14.4		3.0
Supply systems	2		58.8		12.4
<i>Power lines</i>	1		17.1		3.6
<i>Gaslines</i>	1		41.7		8.8
Communications	5		114.4		24.1
Transport	2		56.7		11.9
<i>Roads, bridges and tunnels</i>	2		56.7		11.9
Telecommunications	3		57.7		12.2
Water schemes	3		90.2		19.0
Water catchment, treatment and supply	3		90.2		19.0
Other infrastructure	1		12.5		2.6
Total	20		474.6		100.0

14.3. From EIB own and NCI resources

Energy, communications and other infrastructure	594	50	11 205.2	42.7	75.3
Energy	252	16	5 197.3	20.8	34.9
Production	175		3 878.3		26.0
<i>Nuclear</i>	56		1 861.3		12.5
<i>Thermal power stations</i>	34		546.2		3.6
<i>Hydroelectric power stations</i>	29		830.9		5.6
<i>Geothermal power stations and district heating plant</i>	8		89.6		0.6
<i>Development of oil and natural gas deposits</i>	40		495.3		3.3
<i>Solid fuel extraction</i>	8		55.0		0.4
Supply systems	77	16	1 319.0	20.8	8.9
<i>Power lines</i>	36	16	434.5	20.8	2.9
<i>Gaslines and oil pipelines</i>	41		884.5		6.0
Communications	214	34	3 857.1	21.9	25.9
Transport	144	34	1 835.0	21.9	12.3
<i>Railways</i>	18		335.3		2.2
<i>Roads, bridges and tunnels</i>	81	21	1 056.6	4.8	7.1
<i>Shipping and inland waterways</i>	36	13	294.0	17.1	2.0
<i>Airlines</i>	8		144.2		1.0
<i>Other</i>	1		4.9		.
Telecommunications	70		2 022.1		13.6
Water schemes	109		1 971.6		13.3
Agricultural development	25		615.1		4.2
Water catchment, treatment and supply	84		1 356.5		9.1
Other infrastructure	14		150.1		1.0
Global loans (unallocated portion)	5		29.1		0.2
Industry, agriculture and services (see 14.1 above)	2 254	1 755	3 677.1	644.3	24.7
Total	2 848	1 805	14 882.3	687.0	100.0

Table 15: **Global loans granted within the Community from 1968 to 1980** (1)

Breakdown by intermediary institution (2)

Intermediary Institution	Global loans		Allocations	
	Number	Amount (million u.a.)	Number	Amount (million u.a.)
Italy				
Credit lines open in 1980	15	272.0	315	114.6
Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER)	3	133.4	126	54.2
Mediocredito Centrale	3	42.6	58	17.4
Istituto Mobiliare Italiano (IMI)	1	17.5	34	16.6
Istituto Regionale per il Finanziamento alle Industrie in Sicilia (IRFIS)	2	25.4	16	8.5
Banca Centrale di Credito Popolare	3	17.7	9	6.6
Banca Nazionale del Lavoro "Sezione Speciale" per il Credito Industriale (BNL)	1	13.0	—	—
Cassa per il Mezzogiorno	1	14.1	72	11.3
Banco di Napoli	1	8.3	—	—
Global loans wound up at 31. 12. 1979	20	244.5	392	214.4
Total Italy	35	516.5	707	329.0
France				
Credit lines open in 1980	4	51.4	50	42.7
Caisse d'Aide à l'Équipement des Collectivités Locales (CAECL)	4	51.4	50	42.7
Global loans wound up at 31. 12. 1979	10	100.0	170	70.4
Total France	14	151.4	220	113.1
United Kingdom				
Credit lines open in 1980	3	84.4	85	44.5
Government (contracts of mandate and guarantee)	2	75.9	85	44.5
Industrial and Commercial Finance Corporation Ltd	1	8.5	—	—
Global loans wound up at 31. 12. 1979	3	56.5	57	37.2
Total United Kingdom	6	140.9	142	81.7
Ireland				
Credit lines open in 1980	9	101.3	372	46.4
Industrial Credit Company Ltd (ICC)	6	79.1	351	41.6
Agricultural Credit Corporation Ltd (ACC)	2	7.4	21	4.8
IDA Agency loan (contract of mandate)	1	14.8	—	—
Global loans wound up at 31. 12. 1979	5	24.2	143	16.7
Total Ireland	14	125.5	515	63.1
Denmark				
Credit lines open in 1980	4	30.5	18	5.3
Danish Government	3	10.0	18	5.3
Kongeriget Danmarks Hypotekbank og Finansforvaltning	1	20.5	—	—
Global loans wound up at 31. 12. 1979	10	28.2	74	28.2
Total Denmark	14	58.7	92	33.5
Belgium				
Credit lines open in 1980	1	6.2	6	6.2
Société Nationale de Crédit à l'Industrie (SNCI)	1	6.2	6	6.2
Global loans wound up at 31. 12. 1979	2	24.1	35	24.4
Total Belgium	3	30.3	41	30.6
Germany				
Global loans wound up at 31. 12. 1979	4	46.3	88	36.0
Sub-total — Credit lines open in 1980	36	545.8	846	259.7
of which energy saving	4	41.6	1	1.2
Sub-total — Global loans wound up at 31. 12. 1979	54	523.8	959	427.3
Grand total	90	1 069.6 (3)	1 805	687.0

(1) See Note 1 to Table 2, page 28.

(2) See 1979 Annual Report for details of global loans wound up at 31. 12. 1979.

(3) of which: balance awaiting allocation: 270.0 million; cancellations: 95.8 million; exchange adjustments: 16.8 million.

Table 16: **Allocations from global loans within the Community in 1980 and from 1969 to 1980** ⁽¹⁾
Breakdown by region and economic policy objective ⁽²⁾

Région/Objective	1980			1969-80		
	Number	Amount (million u.a.)	%	Number	Amount (million u.a.)	%
REGIONAL						
DÉVELOPPEMENT (*)						
Belgium	6	6.2	3.6	41	30.6	4.4
Antwerp	2	2.8	1.6	6	5.6	0.8
Hainaut	1	0.3	0.2	7	3.7	0.5
Liège	1	0.4	0.2	10	7.1	1.0
Limburg	—	—	—	3	1.1	0.2
Luxembourg	1	0.8	0.5	1	0.8	0.1
Namur	—	—	—	1	0.8	0.1
Eastern Flanders	—	—	—	5	5.6	0.8
Western Flanders	1	1.9	1.1	8	5.9	0.9
Denmark	10	3.4	2.0	92	33.5	4.9
East of the Great Belt (excluding Copenhagen)	—	—	—	9	5.4	0.8
West of the Great Belt	10	3.4	2.0	83	28.1	4.1
Germany	—	—	—	88	36.0	5.2
Baden-Württemberg	—	—	—	2	0.5	0.1
Bavaria	—	—	—	16	4.3	0.6
Hesse	—	—	—	15	6.0	0.9
Lower Saxony	—	—	—	19	6.8	1.0
North Rhine-Westphalia	—	—	—	18	8.7	1.2
Rhineland Palatinate	—	—	—	8	2.9	0.4
Schleswig-Holstein	—	—	—	10	6.8	1.0
France	47	38.3	22.5	220	113.1	16.5
Alsace	—	—	—	27	8.3	1.2
Aquitaine	1	1.2	0.7	11	6.7	1.0
Auvergne	5	3.2	1.8	9	6.4	0.9
Lower Normandy	2	5.1	3.0	5	7.9	1.1
Burgundy	—	—	—	3	2.3	0.3
Brittany	6	16.6	9.7	34	28.2	4.1
Centre	1	0.5	0.3	3	1.2	0.2
Champagne-Ardenne	—	—	—	2	0.5	0.1
Corsica	1	0.3	0.2	1	0.3	0.1
Franche-Comté	—	—	—	2	0.4	0.1
Languedoc-Roussillon	21	4.9	2.9	23	5.4	0.8
Limousin	4	0.5	0.3	11	2.7	0.4
Lorraine	—	—	—	24	13.3	1.9
Midi-Pyrénées	—	—	—	18	7.9	1.1
Nord-Pas-de-Calais	3	2.5	1.5	10	5.5	0.8
Pays de la Loire	2	2.5	1.5	22	9.9	1.4
Picardy	—	—	—	2	1.1	0.2
Poitou-Charentes	1	1.0	0.6	6	2.6	0.4
Rhône-Alpes	—	—	—	7	2.5	0.4
Ireland	307	38.3	22.5	515	63.1	9.2
Italy	161	66.9	39.4	706	327.8	47.7
Abruzzi	18	8.1	4.8	85	37.5	5.5
Basilicata	6	1.6	1.0	18	7.2	1.1
Calabria	6	2.8	1.6	33	10.6	1.5
Campania	31	15.7	9.2	127	66.0	9.6
Friuli-Venezia Giulia	8	1.9	1.1	26	7.9	1.1
Latium	14	10.7	6.3	110	64.9	9.4
The Marches	7	2.5	1.5	23	13.0	1.9
Molise	4	0.3	0.2	15	6.9	1.0
Apulia	22	6.1	3.6	91	33.5	4.9
Sardinia	7	1.2	0.7	65	28.3	4.1
Sicily	16	8.5	5.0	67	33.8	4.9
Tuscany	10	1.6	0.9	19	3.8	0.6
Trentino-Alto Adige	11	5.4	3.2	23	10.7	1.6
Umbria	1	0.5	0.3	4	3.7	0.5
United Kingdom	33	15.6	9.2	142	81.7	11.9
Scotland	3	2.9	1.7	32	16.0	2.3
Northern England	9	4.2	2.5	47	30.0	4.4
North West England	1	0.3	0.2	4	2.2	0.3
South West England	3	0.7	0.4	12	9.0	1.3
Yorkshire and Humberside	6	4.1	2.4	10	8.8	1.3
Wales	10	3.0	1.8	35	15.0	2.2
Northern Ireland	1	0.4	0.2	2	0.7	0.1
Total	564	168.7	99.3	1 804	685.8	99.8
ENERGY SAVING (*)						
Ireland	—	—	—	—	—	—
Italy	1	1.2	0.7	1	1.2	0.2
Total	1	1.2	0.7	1	1.2	0.2
Grand total	565	169.9	100.0	1 805	687.0	100.0

(1) See Note 1 to Table 2, page 28.

(2) See page 23 et seq. for definition of objectives.

Further information may be obtained from the

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