

**European  
Investment Bank  
BEI | EIB  
annual report 1984**



# The European Investment Bank in 1984 and 1983

	(million ECUs)	
<b>Key data</b>	1984	1983
<b>Total financing provided</b> . . . . .	<b>6 903.2</b>	<b>5 947.8</b>
of which — loans from own resources and guarantees . . . . .	5 633.8	4 682.9
— financing from other resources (accounted for in the Special Section) . . . . .	1 269.4	1 264.9
 <b>Operations within the Community</b>		
Total . . . . .	<b>6 194.9</b>	<b>5 467.5</b>
of which — loans from own resources and guarantees . . . . .	5 013.1	4 255.7
including		
loans in Italy and Ireland subsidised under the European Monetary System . . . . .	—	687.8
subsidised loans for reconstruction work in earthquake-stricken areas of Italy . . . . .	51.9	61.1
— loans from the resources of the New Community Instrument for borrowing and lending (NCI) . . . . .	1 181.8	1 211.8
including		
loans in Italy and Ireland subsidised under the European Monetary System . . . . .	—	207.0
subsidised loans for reconstruction work in earthquake-stricken areas of Italy and Greece . . . . .	14.6	208.1
 <b>Operations outside the Community</b>		
Total . . . . .	<b>708.3</b>	<b>480.3</b>
of which — financing from own resources . . . . .	620.7	427.2
— financing from Community budgetary funds . . . . .	87.6	53.1
<i>Breakdown:</i>		
Financing provided in the Mediterranean region . . . . .	547.6	342.7
of which: Spain and Portugal . . . . .	220.0	190.0
Financing provided in the African, Caribbean and Pacific (ACP) States and in the Overseas Countries and Territories (OCT) . . . . .	160.7	137.6
 <b>Amount outstanding</b> at 31 December in respect of loans from own resources and guarantees . . . . .	<b>30 192.0</b>	<b>25 659.0</b>
 <b>Amount outstanding</b> at 31 December in respect of operations accounted for in the Special Section . . . . .	<b>7 750.2</b>	<b>5 915.9</b>
 <b>Subscribed capital</b> . . . . .	<b>14 400.0</b>	<b>14 400.0</b>
of which: paid in and to be paid in . . . . .	1 465.7	1 465.7
Reserves, provisions and operating income (at 31 December) . . . . .	2 455.3	2 020.4
 <b>Funds raised</b> during the year . . . . .	<b>4 360.9</b>	<b>3 619.4</b>
of which: medium and long-term borrowings . . . . .	4 049.7	3 508.4
 <b>Medium and long-term borrowings outstanding</b> at 31 December . . . . .	<b>25 007.0</b>	<b>20 749.1</b>
 <b>Balance sheet total</b> at 31 December . . . . .	<b>34 960.0</b>	<b>29 543.7</b>

European  
Investment Bank



## annual report 1984

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# Board of Governors

*Situation at 1 June 1985*

<b>Chairman</b>	H. Onno RUDING (Netherlands) <i>until June 1984</i> Nigel LAWSON (United Kingdom)
<b>BELGIUM</b>	Willy DE CLERCQ, Deputy Prime Minister, Minister of Finance and Foreign Trade <i>until January 1985</i> Frans GROOTJANS, Deputy Prime Minister, Minister of Finance and the Middle Classes
<b>DENMARK</b>	Henning CHRISTOPHERSEN, Deputy Prime Minister, Minister of Finance <i>until July 1984</i> Palle SIMONSEN, Minister of Finance
<b>GERMANY</b>	Gerhard STOLTENBERG, Federal Minister of Finance
<b>GREECE</b>	Gerassimos ARSENIS, Minister for National Economy
<b>FRANCE</b>	Jacques DELORS, Minister for Economic, Financial and Budgetary Affairs <i>until July 1984</i> Pierre BEREGOVOY, Minister for Economic, Financial and Budgetary Affairs
<b>IRELAND</b>	Alan DUKES, Minister for Finance
<b>ITALY</b>	Giovanni Giuseppe GORIA, Minister of the Treasury
<b>LUXEMBOURG</b>	Pierre WERNER, Prime Minister, Minister of State <i>until July 1984</i> Jacques POOS, Deputy Prime Minister, Minister of the Treasury
<b>NETHERLANDS</b>	H. Onno RUDING, Minister of Finance
<b>UNITED KINGDOM</b>	Nigel LAWSON, Chancellor of the Exchequer

# Audit Committee

*Situation at 1 June 1985*

## **Chairman**

Konstantin THANOPOULOS, Manager, Bank of Greece, Athens  
*until June 1984*

Jørgen BREDSORFF, Fhv. rigsrevisor, Audit Department, Copenhagen

## **Members**

Jørgen BREDSORFF

Albert HANSEN, Secrétaire Général du Conseil du Gouvernement, Luxembourg

Konstantin THANOPOULOS

# Board of Directors

*Situation at 1 June 1985*

## Chairman

Ernst-Günther BRÖDER

## Vice-Chairmen

C. Richard ROSS

Arie PAIS

Lucio IZZO

Noel WHELAN

Alain PRATE

Messrs Yves LE PORTZ and Horst-Otto STEFFE served as Chairman and Vice-Chairman until July 1984, when they were appointed Honorary Chairman and Honorary Vice-Chairman respectively

## Directors

Luigi ARCUTI	Presidente dell'Istituto Mobiliare Italiano, Rome
Paul ARLMAN	Directeur, plaatsvervangend hoofd van de Directie Buitenlandse Financiële Betrekkingen, Ministry of Finance, the Hague
Richard BRANTNER	Sprecher des Vorstands der Kreditanstalt für Wiederaufbau, Frankfurt, <i>from September 1984</i>
Karl BREDAHL	Fhv. Afdelingschef, Ministry of Finance, Copenhagen
Ernst-Günther BRÖDER	Sprecher des Vorstands der Kreditanstalt für Wiederaufbau, Frankfurt, <i>until July 1984</i>
Corneille BRÜCK	Président-Directeur de la Caisse d'Épargne de l'État, Luxembourg
Michel CAMDESSUS	Directeur du Trésor, Ministry of Economic, Financial and Budgetary Affairs, Paris, <i>until September 1984</i>
David DELL	Deputy Secretary, Department of Trade and Industry, London, <i>from August 1984</i>
Paolo GNES	Condirettore Centrale, Banca d'Italia, Rome
Philippe JURGENSEN	Directeur Adjoint du Trésor, Chef du Service des Affaires Internationales, Ministry of Economic, Financial and Budgetary Affairs, Paris, <i>from October 1984 until April 1985</i>
Robert LION	Directeur Général de la Caisse des Dépôts et Consignations, Paris, <i>until February 1985</i>
David McCUTCHEON	Second Secretary, Department of Finance, Dublin
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 Trade and Industry, London, <i>until July 1984</i>
Waldemar MÜLLER-ENDERS	Ministerialdirektor, Federal Ministry of Finance, Bonn
Yves ROLAND-BILLECART	Directeur-Général de la Caisse Centrale de Coopération Économique, Paris, <i>from March 1985</i>
Massimo RUSSO	Director-General for Economic and Financial Affairs, Commission of the European Communities, Brussels
Jean SAINT-GEOURS	Président Directeur Général du Crédit National, Paris
Gerassimos SAPOUNZOGLOU	Adviser to the Minister for National Economy, Ministry for National Economy, Athens, <i>from May 1984</i>
Mario SARCINELLI	Direttore Generale del Tesoro, Ministry of the Treasury, Rome
Stavros THOMADAKIS	Adviser to the Minister for National Economy, Ministry for National Economy, Athens, <i>until February 1984</i>
Jean-Claude TRICHET	Chargé du Service des Affaires Internationales à la Direction du Trésor, Ministry of Economic, Financial and Budgetary Affairs, Paris, <i>from May 1985</i>
James Brian UNWIN	Deputy Secretary (Overseas Finance), H.M. Treasury, London
Sir Malcolm WILCOX	Chairman, Rea Brothers plc, London
<b>Alternates</b>	
Sven BOYER-SØGAARD	Prokurist, National Bank of Denmark, Copenhagen, <i>until March 1984</i>
Berardo CLEMENTE	Ex-Dirigente Superiore, Ministry of the Treasury, Rome
Jacques DELMAS-MARSALET	Directeur Général-adjoint de la Caisse des Dépôts et Consignations, Paris, <i>from March 1985</i>
Flemming FARUP-MADSEN	Kontorchef, National Bank of Denmark, Copenhagen, <i>from March 1984</i>
Geoffrey FITCHEW	Under-Secretary (Overseas Finance), H.M. Treasury, London
Winfried HECK	Ministerialdirigent, Federal Ministry of Finance, Bonn
Philippe JURGENSEN	Directeur Adjoint du Trésor, Chef du Service des Affaires Internationales, Ministry of Economic, Financial and Budgetary Affairs, Paris, <i>until September 1984</i>
Pierre MATHIJSEN	Director-General for Regional Policy, Commission of the European Communities, Brussels
Horst MOLTRECHT	Ministerialdirektor i. e. R., Federal Ministry for Economic Cooperation, Bonn
Ian PLENDERLEITH	Head of Gilt-Edged Division, Bank of England, London
Yves ROLAND-BILLECART	Directeur Général de la Caisse Centrale de Coopération Économique, Paris, <i>until February 1985</i>
Denis SAMUEL-LAJEUNESSE	Sous-Directeur des Affaires Multilatérales, Direction du Trésor, Ministry of Economic, Financial and Budgetary Affairs, Paris, <i>from October 1984</i>
Savino SPINOSI	Direttore Generale, Ministry of the Treasury, Rome
Jan VANORMELINGEN	Eerste Adviseur bij de Administratie der Thesaurie, Ministry of Finance, Brussels

# Management Committee

*Situation at 1 June 1985 (1)*

Ernst-Günther BRÖDER, President  
 C. Richard ROSS, Vice-President  
 Arie PAIS, Vice-President  
 Lucio IZZO, Vice-President  
 Noel WHELAN, Vice-President  
 Alain PRATE, Vice-President

## Organisation Structure of the Bank

*Situation at 1 June 1985 (1)*

Manager General Administration Directorate	Head of Department	Head of Division	
	<b>Secretariat and General Affairs</b> Bruno EYNARD, Deputy Manager	Thomas CRANFIELD Jan VOORDECKERS, Adviser Christopher SIBSON Karl Georg SCHMIDT, Principal Adviser Klaus WOSZCZYNA, Adviser Manfred TEICHERT, Principal Adviser Michel HATTERER	
		Coordination Internal Audit Secretariat Information-Public Relations Translation Representative Office in Brussels Internal Services	
	<b>Personnel</b> Hans HITZLBERGER, Co-Manager, Head of Personnel	Ronald STURGES, Adviser Jean-Claude CARREAU Arnout BRANDT CORSTIUS	
		Recruitment-Training Personnel Administration Regulations	
	<b>Management Services</b> Jean EQUINET, Adviser	Penrhyn TURNER, Adviser Ernest ERPELDING, Adviser Rémy JACOB (2)	
		Organisation and Methods Data Processing Budget	
	<b>Directorate for Operations in the Community</b> Eugenio GREPPI		Francis CARPENTER, Deputy Adviser
		<b>Operations in Belgium, Denmark, Germany, France, Greece, Luxembourg and the Netherlands</b> Gérard d'ERM, Deputy Manager	Jean-Pierre LACAILLE, Principal Adviser Jean-Marie PAYEN, Principal Adviser Fridolin WEBER-KREBS, Adviser Konstantin ANDREOPOULOS, Deputy Adviser (3)
		Alessandro MORBILLI, Adviser Filippo MANZI, Adviser Alain BELLAVOINE, Deputy Adviser	
<b>Operations in Italy, Rome</b> Giorgio RATTI, Central Manager Ernest LAMERS, Adviser, Deputy Head of Department <b>Operations in Ireland, the United Kingdom and the North Sea</b> Dennis KIRBY, Associate Manager		André DUNAND, Deputy Adviser Joseph VAN KAAM Guy BAIRD ( <i>Head of Office</i> )	
	Liaison Office in London	Giovanni TORELLI, Adviser Brian FEWKES, Deputy Adviser	
	<b>Monitoring</b> Thomas HALBE, Adviser		
<b>Directorate for Operations outside the Community</b> Dieter HARTWICH		Terence BROWN	
	<b>Operations in the ACP-OCT</b> Jacques SILVAIN, Co-Manager	Thomas OURSIN, Principal Adviser John AINSWORTH, Adviser Jean-Louis BIANCARELLI Martin CURWEN	
	<b>Operations in the Mediterranean Countries</b> Christopher LETHBRIDGE, Deputy Manager	Pietro PETTOVICH, Adviser Manfred KNETSCH, Adviser Roger ADAMS, Adviser Rex SPELLER, Adviser	
	<b>Monitoring</b> Robert CORNEZ, Deputy Manager	Alfred KAWAN, Adviser Nicolas URMES, Deputy Adviser Jacqueline NOEL	

(1) changes between 1 January 1984 and 1 June 1985 concerning Managers and Heads of Department are mentioned in the section headed "Administration" on page 84 of this report.

(2) acting Head of Division.

(3) also responsible for legal affairs relating to Bank operations in Greece.



# Organisation Structure of the Bank *(cont.)*

*Situation at 1 June 1985 (1)*

Manager	Head of Department	Head of Division
<b>Finance and Treasury Directorate</b> Philippe MARCHAT	<b>Issues</b> Wolfgang THILL, Associate Manager	Coordination Henri-Pierre SAUNIER
	<b>Treasury</b> John VAN SCHIL, Deputy Manager	Jean-Claude BRESSON, Adviser Ulrich MEIER, Deputy Adviser Thomas HACKETT Joseph VOGTEN
	<b>General Accountancy</b> François ROUSSEL, Adviser	Lucio RAGUSIN, Deputy Adviser Eberhard UHLMANN
<hr/>		
<b>Research Directorate</b> Henri LEROUX	<b>Economic Research</b> Herbert CHRISTIE, Co-Manager	Jean-Paul JACQUOT, Adviser Klaus ACKERMANN, Adviser Joachim MÜLLER-BORLE, Adviser Luigi GENAZZINI, Deputy Adviser
	<b>Financial Research</b> Desmond G. McCLELAND, Deputy Manager	Anthony CLOVER, Adviser
	Documentation and Library	Francis THOUVENEL, Principal Adviser
<hr/>		
<b>Legal Directorate</b> Jörg KÄSER	Xavier HERLIN, Deputy Manager	Konstantin ANDREOPOULOS (2), Deputy Adviser Giannangelo MARCHEGIANI Roderick DUNNETT

## Technical Advisory Service

Group A: Special Projects	Hellmuth BERGMANN, Chief Technical Adviser Filippo BARILLI, Deputy Chief Technical Adviser Jean-Jacques SCHUL, Deputy Technical Adviser
Group B: Operations in the Community	Walter LÖWENSTEIN-LOM, Deputy Chief Technical Adviser Giuseppe DURANTE, Principal Technical Adviser Thomas FLYNN, Technical Adviser Peter BOND, Technical Adviser Jean-Pierre DAUBET, Deputy Technical Adviser
Group C: Operations outside the Community	Robert VERMEERSCH, Group Leader Zdenek HAVELKA, Technical Adviser J. Garry HAYTER, Technical Adviser Gerhart GERECHT, Deputy Technical Adviser

(1) changes between 1 January 1984 and 1 June 1985 concerning Managers and Heads of Department are mentioned in the section headed "Administration" on page 84 of this report.

(2) also responsible for the Representative Office in Athens.

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## Unit of account

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 (Official Journal of the European Communities L 311 of 30 October 1981):

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

The drachma has now been included in the basket of currencies determining the value of the ECU, the composition of which was revised as from 17 September 1984 by Decision of the Council of the European Communities (see p. 97).

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 1984, these were as follows:

---

	during the 1st quarter	during the 2nd quarter	during the 3rd quarter	during the 4th quarter
1 ECU =				
DM	2.25748	2.22862	2.23601	2.23453
Ffrs	6.90358	6.86146	6.86199	6.85877
£	0.570600	0.597645	0.593933	0.592711
Lit	1 371.99	1 385.62	1 376.26	1 387.72
Fl	2.53713	2.51226	2.51938	2.51939
Bfrs	46.0969	45.6313	45.4920	45.3114
Dkr	8.18269	8.18346	8.19966	8.08762
Dr	81.7773	88.6917	88.5804	92.1597
IR£	0.728961	0.728055	0.730807	0.720910
Lfrs	46.0969	45.6313	45.4920	45.3114
US\$	0.827370	0.859832	0.803888	0.738933
Sfrs	1.80408	1.85053	1.87000	1.84659
Yen	191.743	193.007	190.521	181.075
CAN\$	1.03024	1.09878	1.05912	0.972362
Sch.	15.9103	15.6747	15.7080	15.7023
£Leb.	4.54226	4.65599	4.82735	5.29815

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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 concerned (see p. 97).

# Financing provided in 1984

In the main, the European Investment Bank grants loans from its own resources (principally the proceeds of its borrowings on capital markets) and furnishes guarantees. It also acts as agent of the Community in providing financing from Community 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 on Bank activity when the decision to provide financing is the responsibility of the Bank's Board of Directors.

Financing provided by the Bank in 1984 totalled 6 903.2 million ECUs <sup>(1)</sup> compared with 5 947.8 million in 1983 and 4 695.7 million in 1982. The increase over the 1983 figure is equivalent to 16 % at current prices and about 9 % in real terms. Financing from own resources, amounting in all to 5 633.8 million, was 20 % up on 1983 (4 682.9 million), while Special Section operations (see p. 90) came to 1 269.4 million, as against 1 264.9 million in 1983 (+ 0.4 %).

<sup>(1)</sup> Except where otherwise indicated, all amounts quoted are expressed in ECUs (see p. 8). Differences between totals shown and the sum of individual amounts are due to rounding.

As shown in Table 1, operations within the Community financed from own resources amounted to 5 013.1 million in 1984 and those from NCI resources to 1 181.8 million, making a total of 6 194.9 million, or 89.7 % of new financing overall. Lending in Member Countries from the Bank's own resources pursues the objectives set out in Article 130 of the Treaty of Rome (see p. 27). Lending from NCI resources is applied to the purposes specified in the various decisions taken by the Council of the European Communities since the NCI facility was introduced in October 1978 (see p. 29).

Operations outside the Community financed from the Bank's own resources came to 620.7 million

Table 1: **Financing provided in 1984, from 1980 to 1984 and from 1959 to 1984**

Broad breakdown by origin of resources and project location

	1984		1980—1984		1959—1984 <sup>(1)</sup>	
	million ECUs	%	million ECUs	%	million ECUs	%
<b>Loans from EIB own resources and guarantees</b>						
within the Community	5 013.1	72.6	18 281.2	73.5	29 864.4	77.4
of which, guarantees	—	—	393.9	1.6	622.1	1.6
outside the Community	620.7	9.0	2 225.9	8.9	3 391.7	8.8
<b>Total</b>	<b>5 633.8</b>	<b>81.6</b>	<b>20 507.1</b>	<b>82.4</b>	<b>33 256.1</b>	<b>86.2</b>
<b>Financing <sup>(2)</sup> provided from other resources</b> (accounted for in the Special Section)						
within the Community, from the resources of the New Community Instrument for borrowing and lending (NCI)	1 181.8	17.1	3 922.1	15.8	4 199.2	10.9
outside the Community from Member States' or Community budgetary funds	87.6	1.3	448.1	1.8	1 115.6	2.9
<b>Total</b>	<b>1 269.4</b>	<b>18.4</b>	<b>4 370.2</b>	<b>17.6</b>	<b>5 314.8</b>	<b>13.8</b>
<b>Grand Total</b>	<b>6 903.2</b>	<b>100.0</b>	<b>24 877.3</b>	<b>100.0</b>	<b>38 570.9</b>	<b>100.0</b>
of which: — within the Community	6 194.9	89.7	22 203.3	89.3	34 063.6	88.3
— outside the Community	708.3	10.3	2 674.0	10.7	4 507.3	11.7

<sup>(1)</sup> Amounts at current prices and exchange rates. A summary of financing provided over such a long period should be interpreted cautiously; data for individual years are affected by price movements and exchange rate variations occurring between 1959 and 1984.

<sup>(2)</sup> Excluding Euratom loans and loans on special conditions made available under the Lomé Conventions as decided by the Commission of the European Communities.

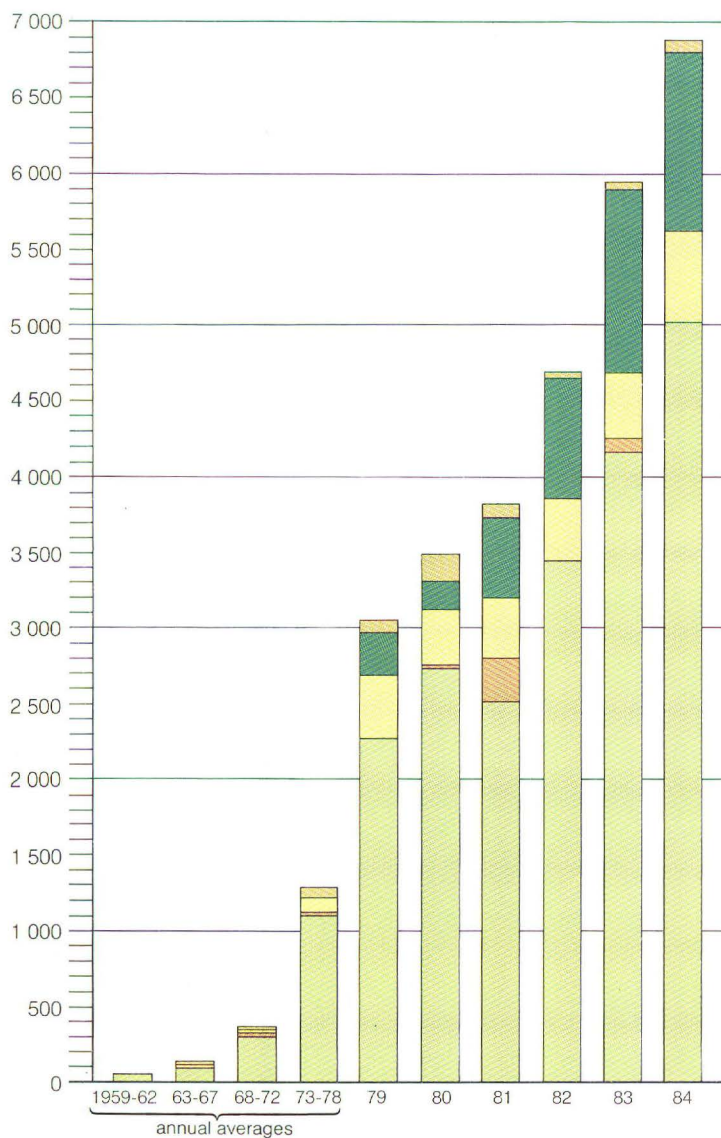
*Financing provided in 1984*

and those from the budgetary resources of the Community to 87.6 million, making 708.3 million in all, in contrast to 480.3 million in 1983. Financing in non-member countries is provided in support of investment consonant with the objectives set out in the Agreements and Financial Protocols signed with them.

The Bank made calls on the market for a total of 4 360.9 million ECUs (3 619.4 million in 1983). To finance its lending from own resources, the Bank had

recourse mainly to the international capital markets and the national markets of certain Member and non-member countries where it raised 4 049.7 million by means of public loan issues and private placings. Of this amount, 632.3 million was raised in Deutsche Mark, 479.4 million in Guilders, 455 million in ECUs, 284.9 million in pounds sterling, 174.9 million in French francs, 153.2 million in Belgian francs, 108.3 million in Italian lire and 27.1 million in Luxembourg francs. Borrowings in United States dollars totalled 1 066 million, while 346 million was

million ECUs



**Development of the Bank's activities**

- Lending within the Community from own resources
- Loans on mandate and guarantees provided within the Community
- Lending outside the Community from own resources
- Lending within the Community from the resources of the New Community Instrument for borrowing and lending (NCI)
- Operations outside the Community financed from budgetary resources

raised in Yen and 322.6 million in Swiss francs. In addition, the Bank raised 189.1 million by way of commercial paper, 100 million via ECU-denominated short-term notes and 22.1 million from the allotment of certificates providing participations in its loans (see p. 79 et seq.).

Disbursements on loans from own resources totalled 5 321.8 million, comprising 4 986.6 million for lending in the Community and 335.2 million for operations outside the EEC.

The amount of loans from own resources and guarantees outstanding <sup>(1)</sup> rose from 25 659 million at 31 December 1983 to 31 167 million at 31 December 1984, an increase of 21.5 %. Particulars of the principal forms of guarantee attaching to loans outstanding are given in Annex B (Note 2) to the Financial Statements (see p. 95).

At 31 December 1984, the balance sheet total stood at 34 960 million compared with 29 543.7 million at the end of 1983.

Disbursements during 1984 in respect of financing from Community resources came to 1 372.8 million, 1 194 million being accounted for by NCI operations and 178.8 million by operations outside the Community.

The amount outstanding <sup>(1)</sup> in respect of Special Section operations (see p. 90) rose from 5 915.9 million at 31 December 1983 to 7 551.3 million at 31 December 1984, an increase of 27.6 %.

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(1) Original amount of loans and guarantees corrected to allow for principal repayments, terminations, cancellations, exchange adjustments and, in the case of operations mounted from own resources, third party participations in Bank loans (see p. 95, footnote 3 to Annex B of the Financial Statements).

## **Economic background**

The activity of the Bank in 1984 took place within an international economic environment that was generally improving, albeit somewhat unevenly. In the industrialised countries of the OECD taken as a whole, the growth of real output (nearly 5%) and trade (9%) were the highest recorded since 1976; employment increased by some 5 million people, most of the new jobs being in the USA; and the average inflation rate (5%) was the lowest since 1972. On the other hand very serious and deep-rooted problems remained. In Europe the average rate of unemployment continued to rise, reaching a record post-war level. In the USA budget and current external deficits were at levels which may be unsustainable in the medium term. At the same time the slow growth and high levels of indebtedness of developing countries remained a serious threat to the consolidated revival of the world economy.

Rising output stemmed mainly from private domestic demand with private consumption providing the

greater part of the impetus. From a medium term point of view, however, the increasing strength of investment may be the most promising aspect of the upturn in economic activity. While much of this investment has been of a traditional kind, high technology goods have become increasingly important and could have a pervasive and more-than-proportionate effect on the potential for economic growth in the future.

Widespread progress in reducing rates of inflation — down to about 5% in 1984 from 13% in 1980 — was achieved by a combination of policies and accompanied by wage moderation, an acceleration of productivity growth and a weakening of commodity prices. Real oil prices in local currencies for instance were down by between 3% and 20% compared to their 1982 levels in most major industrialised countries. Non-oil commodity prices also experienced a big fall, despite the increasing strength of the general economic recovery, and they are now well below their peak of the early '70s.

The increased deficit on current account of the balance of payments of industrialised countries as a whole — nearly three times the 1983 figure — was fully accounted for by the USA. It reflected the faster growth of aggregate demand in the USA as well as efforts on the part of other countries to restrain their activity as part of an adjustment process.

The **United States** of America experienced one of the sharpest upturns of economic activity in its recent history: real output increased by nearly 7% and industrial production by more than 10%. This upsurge — much stronger in the first half of the year than in the second — was broadly based, its fastest growing components being business fixed investment, residential investment, private consumption and, to a lesser degree, government consumption. This was met by increased home production and an upsurge of imports, the latter in part due also to a strongly rising dollar exchange rate — about 10% effective appreciation during the year. Although exports increased quite substantially, the current balance of payments deficit widened to about 2.3% of the gross domestic product.

Federal and general government deficits remained high during 1984 despite the sharp cyclical upturn in the economy. Financing these deficits caused interest rates to remain high in real as well as in nominal terms. These high rates, together with better growth prospects in equity markets, attracted a large net capital inflow into the US. One result of this was that real interest rates also continued to be high in Europe with a negative effect on European investment.

Rapid output growth continued to be associated with an exceptionally strong employment performance. Employment has increased by 7 million persons since end-1982, when the recovery began; and registered unemployment has dropped from a peak of 10.6% to 7.5% of the labour force. In some of the industries most affected by the recession (e.g. metals and textiles), employment remains below earlier levels. On the other hand, there have been fast expansions in output and employment both in the motor industry, which had previously suffered heavy job losses, and in industries producing other consumer durables and electronic equipment. Increased demand stemmed from a substantial rise in real disposable income,

derived from a combination of moderate increases in nominal wages, low inflation (about 3.5%), income tax reductions, higher employment and longer working hours.

**Japan's** economy experienced substantial growth in 1984 in a context of near price stability, substantial trade surplus and relatively high employment levels. The faster growth in 1984 was export-led and it applied also to business investment and, more recently and to a lesser extent, private consumption, with government expenditure showing a moderate decrease. Imports also increased substantially in real terms, bringing a further increase in Japan's involvement in foreign trade. The balance on current account was in increased surplus, but long-term capital outflows led to a negative basic balance and a small fall of the effective rate of exchange of the yen.

Rising capacity utilisation, technical progress, a revival of corporate profits and rapid modernisation of the industrial structure have been salient features of the Japanese economy. Industrial production rose by more than 10%, largely led by high-technology sectors. Output of electrical machinery, for instance, rose by no less than 28%.

The economy of the **European Community** as a whole has also shown some improvement, though the upswing was too weak to stem a further rise in unemployment.

The recovery of growth gained momentum later than in the USA or Japan and on a much more limited scale. In 1984 gross domestic product increased by 2.4%. This global result was negatively influenced, inter alia, by the metalworkers' strike in Germany and, to a lesser degree, the coalminers' strike in the United Kingdom. Taking the year as a whole, the production of consumption goods increased more strongly than that of investment and of intermediate goods and the rate of growth of industrial production in total was about 3%. This was much less than the corresponding increases in the US and Japan.

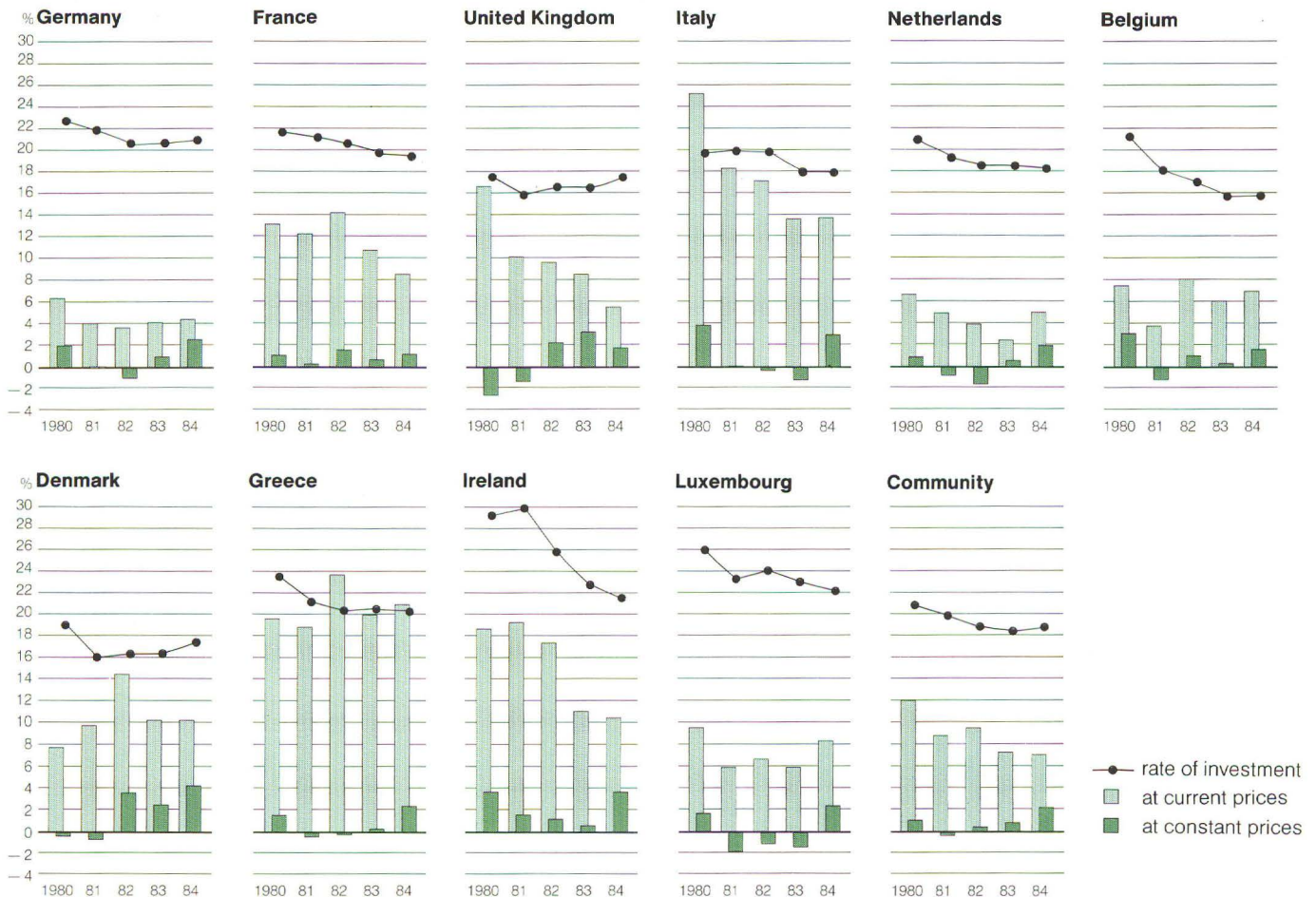
The Community's exports increased faster than its imports (+ 6.9% as compared with + 6.2%) and there were also increases in fixed investment

(+ 2.1%) and, to a lesser degree, private consumption (+ 1.1%). Public consumption remained relatively stagnant.

Public expenditure rose from 32% of gross domestic product in 1958 to 48% in 1983, or from 38% to 52% if investment and capital transfers are included. On either definition there was a small fall in 1984 reflecting in part measures taken by national

authorities to limit public spending. These measures included a reduction of subsidies for non-profitable firms and a certain streamlining of social aid mechanisms. The subsidisation of capital investment became increasingly questioned on the grounds that it may bias technical choices in favour of capital-intensive processes whereas in general there is an excess supply of labour. In any case, there seems to be a wider recognition of the importance of concentrating public spending, both capital and

**Gross domestic product in the Community**  
variations by comparison with the previous year (1)



(1) Derived from aggregates expressed in national currencies in the case of Member Countries and in ECUs in the case of the Community.

## Economic background

current, on those areas which are most promising in terms of future growth potential and overall productivity.

Higher rates of capacity utilisation and an improvement in industrial cashflows, as wage increases moderated, have contributed to an increase of **overall investment** of about 2%, with growth rates varying from country to country within the range of -2% to +12%.

**Investment in construction** increased by about 2.5% in the Community as a whole, the biggest increases taking place in Denmark, the United Kingdom and Germany. In the last two countries,

modifications in the incentives mechanisms possibly brought forward the timing of project implementation. In the other countries construction has either declined or only marginally increased. Housing and public works have been adversely affected by constraints on public spending, general deflationary policies and high interest rates.

Growth has been stronger for **investment in equipment** (+2.8%), which has thus been the main component of the upswing in fixed capital formation. The low level of investment in the previous three to four years created a widespread need for replacement, and the technological innovations introduced in recent years added to this replacement demand. The private sector seems to

Table 2: **Summary data, 1975—1984: EEC — USA — Japan**

	EEC					USA					Japan				
	Average 1975—1980	1981	1982	1983	1984	Average 1975—1980	1981	1982	1983	1984	Average 1975—1980	1981	1982	1983	1984
Annual rates of change															
Volume (%)															
GDP	3.1	-0.3	0.5	0.9	2.2	3.4	2.5	-2.1	3.7	6.8	5.1	4.0	3.3	3.0	5.8
GFCF	2.6	-4.5	-1.8	-0.1	3.2	4.5	1.4	-6.8	7.7	18.8	4.9	4.0	1.8	0.5	4.1
Per capita GDP															
Volume indices (EEC 1975 = 100)	109	114	115	115	117	154	162	157	161	170	108	123	126	127	133
in purchasing power parities	5 989	8 827	9 747	10 593	n.a.	8 568	12 685	13 414	14 743	n.a.	5 738	9 128	10 280	11 339	n.a.
in ECUs	5 740	8 148	8 883	9 491	10 144	7 313	11 419	13 393	15 738	19 344	5 440	8 772	9 169	10 882	12 807
GFCF as % of GDP	20.6	19.9	18.9	18.5	18.7	18.1	17.9	16.6	16.9	18.8	32.4	31.0	29.9	28.4	27.9
Productivity (1)	2.8	0.7	1.6	1.9	2.3	0.8	1.4	-1.3	2.4	2.5	3.7	3.2	2.2	1.3	5.3
Trade balances (fob) bn ECUs	-0.3(2)	-1.2	3.5	11.9	10.8	-22.9(2)	-25.0	-37.3	-68.6	-140.6	9.4(2)	17.9	18.5	35.4	53.6
Public sector borrowing requirements (% GDP)	-3.6(3)	-5.4	-5.6	-5.5	-5.4	-0.1(4)	-0.9	-3.8	-4.1	-3.2	-4.9(4)	-4.0	-3.4	-3.3	-2.2
Employment (% change)	0.3	-1.2	-1.0	-0.8	0.0	2.9	1.1	-0.9	1.3	4.3	1.3	0.8	1.0	1.7	0.8
Unemployment rates	5.2	7.8	9.5	10.4	11.0	7.0	7.6	9.7	9.6	7.3	2.0	2.2	2.4	2.6	2.8

(1) Gross domestic product per person employed.

(2) Average 1977—1980 (EEC: EUR 9).

(3) Average 1976—1980.

(4) Average 1978—1980.

Sources: Commission of the European Communities; OECD.



have accounted for most of the rise which took place. For example, business investment increased by 13 % in the United Kingdom. New equipment has been bought mostly for the modernisation of existing plants and the consolidation of innovative activities. In Germany, though the rate of increase of investment in equipment in general has only been about 2%, that for office and data processing equipment has been 22 %.

**Inflation** has continued to decelerate substantially and was 5.6 % in 1984 against 7.6 % in 1983. Although divergences between Member Countries have narrowed since 1980, they are still very wide: whereas in Germany the GDP price deflator increase was below the 2 % mark (1.9 %), it stood at 4.2 % in the United Kingdom, 7 % in France, 10 % in Italy and 18.1 % in Greece.

The most disappointing aspect of economic trends in 1984 is that there was no improvement in overall **employment** and that unemployment rates continued to rise. Total civilian employment decreased from 108.2 million persons in 1980 to 105.2 million in 1983. This fall occurred as job losses in industry (-4 million during the past four years) outpaced new job creation in the services sectors, which now account for about 59 % of the total number of employees. Falling employment combined with increases in the labour force to cause further increases in unemployment and in unemployment rates: at end-1984, about 12.9 million were registered as unemployed, against 12.2 million a year before and 7 million at end 1980. The increases took place mainly in Ireland, France, Italy and the United Kingdom, while the figures stabilised in Germany and slightly improved in the Netherlands, Denmark and Belgium. The average unemployment rate stood at 11 % at year-end.

There has been some convergence of Member Countries' **balance of payments** position. For the Community as a whole, the current account has been in equilibrium. Germany, the Netherlands, Belgium, Luxembourg and, at a much lower level, the United Kingdom — though the latter was affected by the coal strike — had a surplus position, whereas France was almost in equilibrium; the others had deficits ranging from about 0.7 % of

GDP for Italy to 3 % for Denmark, 4 % for Greece and 5 % for Ireland. The German surplus towards its EEC partners has diminished quite substantially.

In terms of productivity, employment and infrastructure endowment very large differences continue to exist between the **less favoured areas** and the rest of the Community. Since the first oil shock in 1973, the traditionally less developed regions, often rural in character and peripheral in location, have had a much reduced inflow of new industries; and some of the better developed, industrialised areas are experiencing problems of high unemployment, derelict infrastructure and urban decay.

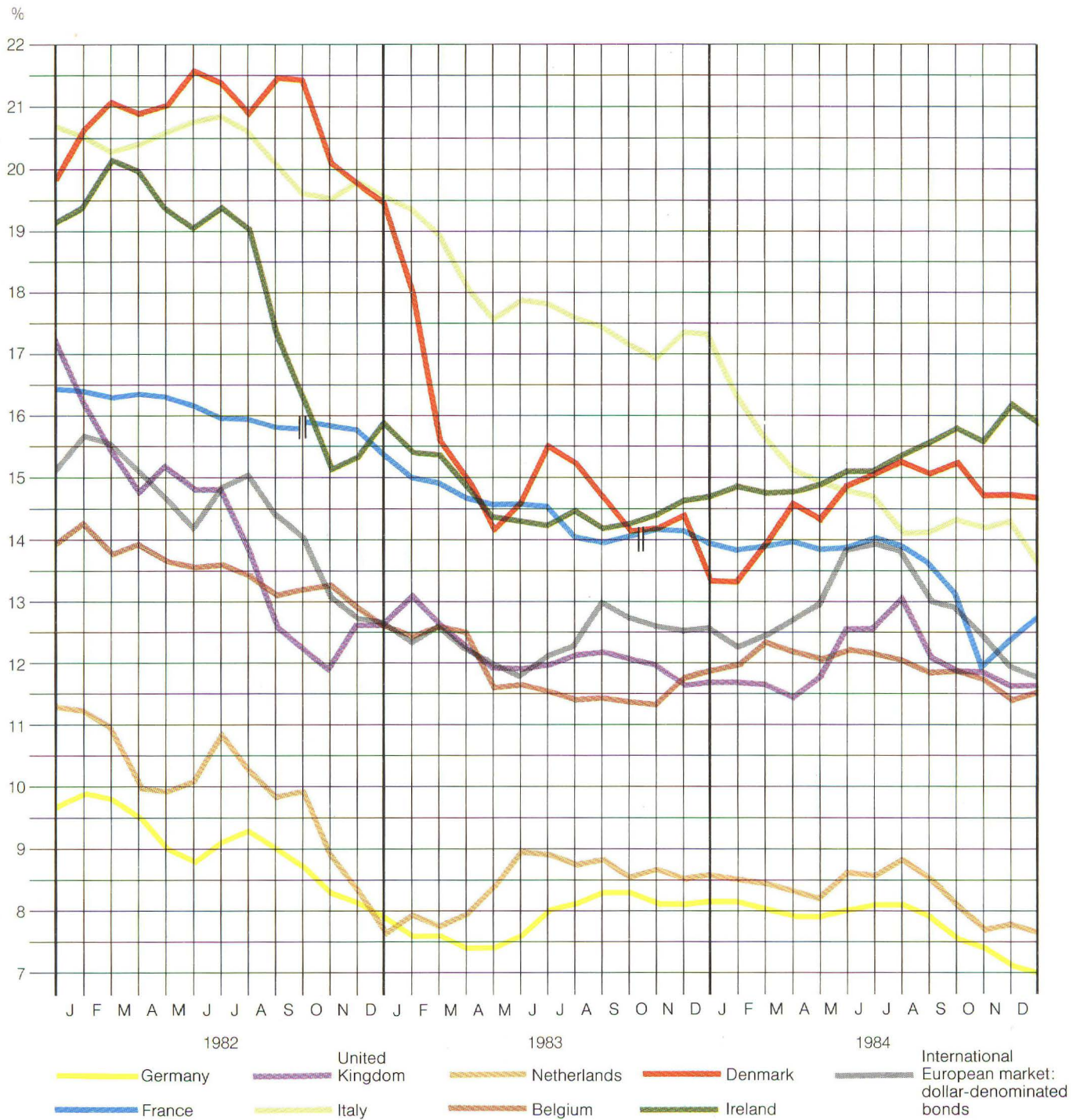
In the Community many sectors of traditional **industry** have had to adapt to severe price competition, following big changes in relative factor prices and in market demands. In many sectors production capacity has had to be scaled down and restructured as, for instance, in steel, textiles, clothing, shipbuilding and motor vehicle construction. Consequential job losses have been heavy. For example in basic metallurgy (ferrous and non-ferrous) there has been a fall in employment by 25 % between 1980 and 1984, while production decreased by only 3 %, implying a very rapid increase in labour productivity. In textiles, a 20 % reduction in employment accompanied a 6 % fall in production.

**High technology** industries in themselves account for only a limited share of the industrial production and employment in any large economy. Nevertheless they have a strategic relevance for long-term developments. Although good progress has been made in electronics, bio- and space techniques and information technologies, the diffusion of innovative equipment and techniques in many fields still lags behind that of Japan and the USA.

The **energy** situation of the Community has much improved over the last decade. Although during 1984 energy and oil demand increased for the first time since 1979, total internal demand is about 4 % lower than in 1973, while GDP in volume terms has increased by nearly 20 %. Oil consumption has diminished by nearly one third and net imports of oil

### 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 and Ireland, yields have been calculated, for purposes of comparability, on the basis of an annual rather than a semi-annual compounding of interest.



have halved. Energy supplies are much more secure, too, since there has been some increase in internal primary energy production (from 450 million toe in 1979 to 510 million in 1983) and a diversification of external suppliers. The trend towards a more efficient use of energy and more diversified sources appears to be now well established.

In spite of the prospect of a more stable energy market, the Community is, however, still confronted with major energy problems, including the large size of the oil bill, the continued financial burden of investment, and the difficulty of reconciling energy production, transformation and consumption with the protection of the environment.

The uncertainty that prevailed during 1983 on **capital markets** continued in 1984. Following a short period when credit eased, conditions tightened — led by developments in the USA which subsequently were transferred to other markets — before the rise in interest rates was reversed in the second half of the year. Strong demand for credit from both the private and the public sectors in the USA combined with the Federal Reserve's continued efforts to reduce inflation to add to the upward pressure on interest rates until the summer months. The subsequent decline was induced by the moderation of growth in economic activity and signs of a containment of inflationary pressures which from then onwards led to a more accommodating posture by the Federal Reserve. Interest rate movements in other markets remained heavily influenced by those of the dollar markets. The room for manoeuvre left for other monetary authorities to lead rates lower was further limited by the almost continuous strengthening of the US dollar on the foreign exchange markets whereas domestic elements in several other markets pointed towards the desirability of a further easing of credit conditions.

In spite of the uncertain and volatile interest rate developments and unsettled conditions on foreign exchange markets, borrowings through the public issue of bonds on the international market and of foreign bonds on national markets rose to an

historical high. The widely feared effect on the activity of the Eurodollar-bond market of the repeal of the 30 % withholding tax on interest payments on US domestic bonds held by foreigners has turned out — at least so far — to be of little importance, mainly because foreign investors were concerned that complete anonymity could not be secured. Issues by the US Treasury specially targeted for the Eurobond investor thus only met with a lukewarm reception as they were still registered securities. On the other hand, Eurobond activity was given new impetus as US corporations — following the abolition — increased their Eurobond activity as they no longer had to go through offshore financing subsidiaries to sell overseas bonds on a tax-exempt basis. Contributing to the rise in activity was the markets' ability to adapt to changing circumstances and offer borrowing vehicles — often newly developed and highly sophisticated — which matched the preferences of the borrowers as well as attracting the growing pool of long-term investible funds.

Interest rate uncertainty increased the attraction to investors of floating rate notes (FRN), and spreads tended to narrow. First-class sovereign borrowers found it advantageous to refinance more expensive syndicated credits with FRNs at steadily decreasing costs, and commercial banks continued to secure long-term finance through FRN issues. The share of "traditional" straight bonds therefore declined in spite of increased issue activity in the second half of the year when interest rates fell. The launch of equity-linked issues slowed in the course of the year while the autumn saw a flood of bonds with warrants to buy further bonds subsequently.

Continuing financial innovation and the more extensive use of swaps have increasingly blurred the lines of demarcation between the different instruments for raising capital. The tendency towards a global market has been further supported by liberalisation measures — in particular by the Japanese authorities — and the abolition of withholding tax for foreign investors in Germany and France as well as the USA, which in principle should reduce or even eliminate yield differentials between domestic and Euromarkets.

In contrast to the increased activity on external bond markets, borrowing through traditional syndicated credits declined further. The slow progress in solving the debt problems of the Third World continued largely to exclude borrowers from these countries while credits arranged for East European and Far East countries picked up. As a further contribution to the decline in traditionally arranged credits, there was rapidly increasing use by first-class borrowers of lower cost note issuance facilities which involve the sale of short-term notes during the lifetime of the facility.

The German bond market has increasingly benefited from favourable domestic conditions, amongst which may be mentioned the reduction in the inflation rate, consolidation of the public finances, modest private sector demand for credit and a favourable external balance. Developments in the USA more than offset these influences for most of the first half of the year, though they did not impede a decline in interest rates in the last two quarters. The removal of the 25% withholding tax on non-resident bond holdings, in reaction to a similar move by the US authorities, led to a sharper decline in yields on domestic bonds than those on Eurobonds in the latter part of the year.

In the Netherlands, interest rate movements followed much the same pattern as in Germany profiting from a similarly favourable domestic and balance of payments situation and being exposed on the other hand to interest rate developments in the USA. The abolition of the German withholding tax appears not to have drawn foreign investors away as these investors increasingly placed funds in Guilder bonds.

Currency movements were limited within the EMS and no serious tensions built up. On the French and Italian capital markets, which remain rather protected (although foreign exchange regulations were eased in both countries), interest rates dropped in the latter part of the year mainly because of a reduction in inflationary pressures and more satisfactory external accounts. In France the repeal of withholding tax on foreign purchases of French

securities further supported the decline in interest rates while the announcement of possible issues of CDs made for short-lived yield fluctuations towards the end of the year.

Under the influence of rising dollar interest rates and industrial problems, United Kingdom interest rates moved towards a peak in the summer, but subsequently fell back.

After rising at the beginning of the year in response to temporary exchange rate pressures, bond yields in Belgium and Luxembourg entered a prolonged period of stability, but they started to decline in the fourth quarter when the flow of issues slackened. In Denmark the initial rise in interest rates reflected political uncertainties and foreign developments; the large deficit in the balance of payments necessitated the maintenance of rates at a high level.

Interest rates in Ireland moved higher in the second half of the year, owing to the pressure being exerted by the government's turning more to the domestic market to meet its borrowing requirement as well as by events on the UK market. In Greece, credit conditions eased.

The amount of foreign issues launched on the New York market increased. Fixed rate issues were mainly concentrated in the second half of the year when conditions eased, while a major FRN issue was launched in the spring when rates were rising. While interest rate developments in Canada were similar to those in the USA, fluctuations on the Japanese market were much more moderate in absolute terms, as part of the tensions due to foreign interest rates was absorbed by a depreciation of the Yen against the US dollar. Easier access to the bond market in Japan and to the European market led to a larger flow of new issues. In Switzerland interest rates tended to rise in response to the weakening of the currency against the dollar and heavy domestic and foreign demand for credits.

The use of the ECU in capital issues continued to expand remarkably. In line with rates on its component currencies, ECU bond yields rose slightly until mid-year after which a sharp decline took place. The recomposition of the weights of the currencies comprised by the ECU — a rearrangement which is foreseen at intervals of five years but is optional — had little impact on yields as the probable resulting rise in the weighted average yield had already been discounted by the market well ahead of the change in September. The sharply rising flow of new ECU issues (3.4 billion in bond issues in 1984 against 1.9 billion in 1983) was absorbed by a steadily widening range of private and institutional investors. In addition to "traditional" Euro-issues, new borrowings were successfully launched aimed at investors on particular national markets, such as Switzerland, Denmark, the Netherlands and the USA. The amount of syndicated credits and note issuance facilities denominated in ECUs grew even more sharply than that of ECU bond issues.

\* \* \*

In those **non-member countries** where the Bank extends loans on the basis of financial cooperation agreements concluded with the Community, the economic situation remains in general difficult. While for some Mediterranean countries economic growth has resumed, for most ACP countries GDP has either stagnated or declined.

Three non-member Northern Mediterranean countries (Portugal, Turkey and Yugoslavia) continued stabilisation programmes, which were developed with the IMF, with varying degrees of success. Growth resumed strongly in Turkey; there were moderate increases in output in Spain and Yugoslavia; but in Portugal a stagnation of GDP occurred. In all the Mediterranean countries unemployment remained a serious general problem. In most of these countries, too, public sector deficits proved difficult to control and tended to rise to levels higher than planned. Related to this, inflation was a major problem, particularly in Israel, Yugoslavia and Turkey, where it accelerated to rates

of 50 % a year and more. Nevertheless in certain Mediterranean countries exports rose strongly and balances of payments improved. Spain registered its first external current surplus in five years. Despite these improvements, many of the Mediterranean countries remain in difficulties with their external indebtedness. For example Yugoslavia and Morocco continue to seek the assistance of the IMF, creditor governments and commercial banks.

Most of the problems which had caused difficulties for the **ACP countries** in 1983 persisted into 1984. Among these adverse factors were the fall in food production in connection with an intensification of the catastrophic drought in several regions of Africa and a further rise in the value of the US dollar. ACP countries did not benefit perceptibly from the world economic recovery and the growth of international trade, one reason being that export crop production was poor so that the slight improvement which occurred in some market-prices was insufficient to ensure satisfactory receipts.

Many ACP countries experienced difficulties in borrowing through commercial channels and most of the external assistance, which was reduced in volume, came by way of aid on favourable terms. Such aid was frequently used to finance current expenditure, to fund financial commitments previously contracted, to support restructuring of enterprises or to rehabilitate existing equipment. Thus, opportunities for investment in new fixed assets were very scarce. Budgetary deficits persisted or worsened, requiring additional corrective programmes and adjustment policies with World Bank and IMF assistance. Due to increasing external deficits, some countries were forced to restrain imports further, leading to a shortage of raw materials and spare parts, which caused difficulties for many enterprises. This trend is less marked in countries where the currency is freely convertible or tied to a monetary zone. Nevertheless periodic rescheduling of external debt maturities has become necessary for a growing number of ACP countries.

The continued worsening of the economic situation in these countries over the last five years has led to

frequent revision of economic policies on the part of national authorities. This has required an increasing coordination amongst international financial institutions and bilateral donors to assure consistency of actions, now frequently linked to some policy conditionality. Exchange rate adjustments, deregulation and a renewed emphasis on the role that the private sector could play have been amongst the most common changes in the

economic management of several ACPs. In addition, the prices paid to foodstuff producers have often been increased with the longer term aim of raising the standard of living of rural populations, encouraging domestic production and reducing food imports. In the case of productive investment, there has been little room for expansion of capacity, and the emphasis remains on improving the working of viable existing projects rather than on new ventures.

## **Community guidelines**

Against the background of a modest economic upturn in Europe and still rising unemployment, the **European Council** at their spring, summer and winter meetings held respectively in Brussels, Fontainebleau and Dublin, adopted several important guidelines and orientations for the administration and development of the European Community. The following are of particular relevance to the Bank:

— convergence of economic policies and Community action, capable of promoting productive investment and thereby a vigorous and lasting economic recovery;

— development, in close consultation with the Community industries and bodies concerned, of Europe's scientific and technological potential;

— strengthening of the internal market, especially through the reduction of technical and administrative barriers to trade, so that European undertakings derive more benefit from the Community. The implementation of a common transport policy and a transport infrastructure programme of Community interest, full use of existing financial instruments to aid Community

policies, including encouragement of productive investment, and opening up of public contracts in the Member States to European undertakings were considered particularly urgent.

Regional development has again been underlined as being of the utmost importance to the Community. The European Council considered that the structural funds should become more effective Community policy instruments aimed at reducing regional development lags and converting regions in industrial decline; promoting dynamic and competitive agriculture by maintaining and developing effective agricultural structures, in particular in the less-favoured regions; combating unemployment, especially youth unemployment. The coordination of the different Community funds is to be improved.

In the field of monetary and financial integration the European Council reaffirmed that the ECU is the central element of the EMS and took note of the growth in the private use of the ECU and of the importance of encouraging greater use of the savings available within the Community for financing investment.

In the field of social policy, the importance of training young people for the professions and skills of the future has been stressed.

## Enlargement

Negotiations between the Community and Spain and Portugal on the accession of these two countries to the European Communities culminated at the end of March 1985 in an agreement submitted for parliamentary ratification. On 1 January 1986, therefore, Spain and Portugal should effectively become Members of the Community and consequently of the European Investment Bank, in subscribing to its capital, and thus have full access to the Bank's loans and guarantees within the ambit of the directives and guidelines handed down by the Board of Governors. During 1984, following a recommendation from the Council of the European Communities, the Bank's Board of Governors authorised continuation of pre-accession financial cooperation, by means of loans from the Bank's own resources, with both Portugal (150 million ECUs, for the period July 1984 — December 1985) and Spain (250 million ECUs, for the same period).

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In 1984, developments in Community policy of relevance to the Bank's activity concerned regional development, energy, transport, environmental protection and relations with countries outside the Community.

The new regulation of the **European Regional Development Fund** entered into force on 1 January 1985. The main features are an increase in subsidy rates, the progressive adoption of programme financing — as distinct from project financing — and the increased importance of an approach combining loans and grants from all the Community's sources in favour of special problem areas. Other features are the replacement of fixed quotas by upper and lower country limits for ERDF intervention and an increased importance for

measures devoted to the development of the regions' endogenous development potential as distinct from a more traditional approach geared to capital transfer for financing investment.

The Council of the European Communities has adopted a resolution on improved programmes for the rational use of **energy** in the Member States, and further discussed new Community objectives governing long-term energy policy. These concern: greater integration and flexibility in the energy system to cope with unexpected changes in supply and price conditions, in particular by the interconnection of electricity and gas transmission systems; improved energy efficiency; pursuit of a more rational pricing policy for energy products; intensified search for new gas and oil deposits; improved mechanisms for tackling oil supply crises, should they develop; encouragement of the use of coal and the development of new combustion technologies that are compatible with a clean environment; modernisation of the European coal industry; encouragement of electricity-for-oil substitution to allow for an increased role for nuclear power and solid fuels; the need for new gas supplies during the 90s and development of new and renewable energy sources. By virtue of its powers under the Euratom Treaty, the Commission has issued a new indicative nuclear energy programme for the years up to 1995 when the share of this source should attain 40 % of overall electricity consumption against 26 % in 1984.

### Total EC finance for energy, 1981—1984

(million ECUs)	
<b>loans and guarantees</b>	<b>7 556·7</b>
EIB	5 416·9
NCI	667·0
ECSC	925·4
Euratom	547·4
<b>grants</b>	<b>3 469·9</b>
ERDF	1 517·6
other	1 952·3
<b>Total</b>	<b>11 026·6</b>

The Council of Ministers has adopted a common approach to **transport** infrastructure development of Community interest including special EEC financial aid and combined use of national and Community financial resources. A limited number of projects aimed at easing traffic on major intra-Community links have been financed from the 1983 and 1984 Community budgets. These financial measures complement the substantial loans extended by the Bank in this category over the years and, more recently, through NCI resources.

The **environmental policy** of the Commission focuses more and more on the implementation of Action Programmes, with a view to concentrating environmental policy on prevention rather than cure (for Bank activity under this heading, see p. 41).

The European Investment Bank hosted from 13—15 June 1984 the fifth meeting of the Committee of International Development Institutions on the Environment (CIDIE). Partly on the basis of papers prepared by EIB staff, the conference had far-reaching discussions on problems related to acid rain, pesticide use in less developed countries, health protection in industry, soil conservation and integrated planning procedures.

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### Guidelines handed down by the Board of Governors

These policy decisions and guidelines have influenced the lending policy of the European Investment Bank in a general way. More specifically, a number of them have been reflected in general lending policy recommendations laid down by the Bank's Board of Governors at its annual meeting on 4 June 1984.

In adopting the conclusions of a **report on the EIB's activity prepared by its Board of Directors, the Board of Governors has established** — in addition

to the general directives of 1958 <sup>(1)</sup> which stay in force — a series of **guidelines** for the future activity of the Bank.

1. In the case of projects involving Bank financing, the ceilings on **Community financing operations** are henceforth set at the following levels of aggregate costs:

— 50 % for loans, whether from a single Community financing instrument or the sum total of financing made available through several of these instruments;

— 70 % in the event of a combination of Community loans and grant aid for financing a particular project.

Higher levels of Community financing could be authorised, if justified, for infrastructure projects in the assisted regions and, provided the project would be jeopardised or seriously delayed in the absence of more extensive financing, for other priority projects (mainly cooperation between firms of different Member States or anti-pollution projects).

2. The Bank will play its part in the implementation of Community policy in the area of **protection of the environment**. This policy is mainly based on the principles of "the polluter pays", and concerted action aimed at harmonising national standards.

The Bank has decided to **extend its eligibility criteria** to projects helping substantially to protect the environment, for example, by making for cleaner air or water, both marine and inland, including anti-pollution installations not only at existing plants, but also at new ones, regardless of their location.

When special circumstances exist, **additional finance** could be granted amounting to up to 10 % of the total cost of such projects for fully financing the installation of anti-pollution equipment offering greater protection than that required under existing standards.

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<sup>(1)</sup> Published in the booklet "Statute and other provisions" edited by the EIB and available upon request.



The Bank will always insist, on the other hand, on strict **application of provisions in national and Community regulations** and, in the absence of binding regulations, strive for increasing awareness among promoters of the problems posed in the environment and the ways of solving them, notably with the aim of getting investors to adopt the least polluting designs they can afford without compromising the economic return on the project, and to plan projects in such a way as to allow the subsequent incorporation of adequate waste treatment facilities.

As part of the moral suasion to which the Bank is committed, promoters' attention will be drawn to ongoing Community deliberations in this area.

When assessing the economic viability of a project, the Bank will give due consideration to the overall impact on the environment and apply particularly strict criteria to projects which demonstrably lead to crossborder pollution and it will refrain from helping to finance them if they are likely to cause serious damage.

The above principles are being gradually applied to projects financed by the Bank in Spain and Portugal prior to their accession. As far as other operations outside the Community are concerned, the Bank will refrain from financing projects which seriously transgress internationally accepted standards, allowance being made for the specific ecological problems of the countries concerned. The Bank will continue to join forces with other international and regional financing organisations and institutions in environmental matters.

3. The Bank considers that international competitive bidding can be an essential step towards efficient project implementation and the establishment of one true European Common Market. It will continue and step up its efforts to persuade promoters to have as extensive recourse as possible to **international competitive bidding**. The basis for this is that the Statute provides that "the Bank shall ensure that its funds are employed as rationally as possible in the interests of the Community"; that "neither the Bank nor the Member States shall impose conditions requiring funds lent by the Bank to be spent within a specified Member State"; and that "the Bank may

make its loans conditional on international invitations to tender being arranged".

In particular, the Bank will continue to ensure that Community directives relating to public contracts are respected in the areas covered by these directives. Moreover, it will urge public and private promoters to have recourse to international competitive bidding even in other areas. These efforts will be developed dynamically and pragmatically, taking account of the nature of the project, the sector concerned and the project's location.

In the last resort, considering progress achieved at a more general level within the Community in opening up the markets for public contracts on a non-discriminatory basis and in conjunction with other Community financing instruments, the Bank is prepared to reduce the amount of a requested loan or to refuse it where a significant proportion of the project was not put out for international competitive bidding and no satisfactory justification was given.

4. In addition to the objectives to which it has traditionally given priority (regional development, energy, infrastructure of common interest), the Bank will endeavour to help to finance projects fostering important **advanced technology developments** in the Community where these are in accordance with Community and national industrial policies.

Such projects should contain a significant element of technology not yet widely diffused throughout the Community, or involve the manufacture of technologically advanced products not yet widely diffused throughout the Community or bring about the development of technologically new production processes, i.e. projects not confined solely to modernising existing production processes or to applying technologies already in common use.

Particular attention will be given to industrial cooperation projects between firms in different Member States.

5. The Board of Governors has approved a continuation of the Bank's policy of consolidating its **excellent standing on the world's capital markets**, while being alert to the development of new markets and new techniques. In this context, the Bank has

been authorised, as an experiment, to borrow at floating rates and to onlend on matching terms to suitable clients within a global ceiling of up to 500 million ECUs. As in the past, the Bank should raise an appropriate part of its resources from the various Member Countries — including ECU borrowings as opportune — taking account of conditions prevailing on these markets.

## Development cooperation

The conventions, protocols and agreements presently applicable and implying financial cooperation are listed in Table 9 on page 68.

**The third Lomé Convention**, associating the ten EEC Member States with 65 countries in Africa, the Caribbean and the Pacific (the ACP States), was signed on 8 December 1984 for a period of five years. Mozambique now numbers among the signatories to the latest Convention which will enter into force once ratification procedures have been completed, probably in early 1986; meanwhile, during the transitional phase, operations will continue to be mounted under the Second Lomé Convention.

The overall aid package planned, comprising 8.5 billion ECUs for the ACP States and 120 million for the Overseas Countries and Territories (OCT), provides for a maximum of 1.12 billion — 1.1 billion in the ACP States plus 20 million for the OCT — in loans from the Bank's own resources carrying a three-point interest subsidy financed from European Development Fund (EDF) grant aid. The Bank has also been entrusted with deploying, on behalf of the Community, 615 million in EDF resources to be advanced in the form of risk capital (600 million in the ACP States plus 15 million in the OCT).

A significant facet of the third Lomé Convention is the quest for greater efficiency in aid programming

in cooperation with each ACP State, the aim being not merely to identify projects and action programmes, but above all to pinpoint sectors where Community support is to be concentrated as well as the development objectives to be pursued and the most suitable, coherent ways and means of attaining these. Under the terms of the Convention, financing for productive projects and action programmes in industry, agricultural processing, tourism and mining along with energy production, transport and telecommunications schemes linked to these sectors is to be provided first and foremost through loans from the EIB's own resources and from risk capital funds. However, this does not preclude lending from the Bank's own resources in support of productive projects and action programmes in other sectors, particularly large-scale crop-growing, where such ventures comply with the EIB's lending criteria. Special emphasis has also been placed on restoring, upgrading, rehabilitating or restructuring facilities deemed economically viable albeit temporarily inoperative or ineffective, as well as on equipment and plant maintenance. With these aims in mind, cooperation should focus, much more than in the past, on assistance for the start-up or rehabilitation of undertakings.

During the transitional phase, the Bank will join with the Commission of the European Communities in conducting preparatory work and establishing initial contacts to pave the way for implementation of the new Convention, notably by participating in Community aid programming missions to each of the ACP States concerned.

The Council of the European Communities has started discussing Commission proposals concerning a **global policy** approach towards the **Mediterranean countries** in the context of the enlargement of the Community and future commercial and financial cooperation between the "Twelve" and their Mediterranean partners.

A second financial protocol between **Cyprus** and the EEC entered into force on 1 May 1984 and expires on 31 December 1988; it provides for financial assistance amounting to 44 million ECUs, 28 million in loans from the Bank's own resources and 16 million

from the Community budget (10 million as loans on special conditions and 6 million as grant aid).

Preliminary discussions with **Yugoslavia** in order to prepare a second financial protocol took place in

October and November 1984. In addition to the amounts available under the first protocol, the Board of Governors, in April 1984, authorised the Bank to extend a loan from its own resources for financing further sections of the Trans-Yugoslav Highway (see p. 69).

Lending for productive investment, particularly in industry, demonstrated vigorous growth in 1984, running to 2 140 million as against 1 565 million in 1983. Most of the funds advanced (1 587 million, including 771 million from NCI resources) were channelled in support of projects mounted by smaller businesses taking up global loan credit. As many as 4 624 ventures were financed from the proceeds of credit lines already activated (2 600 of these funded from NCI resources).

## Operations within the Community

### General survey

Financing provided by the Bank from its own resources for projects in Member Countries totalled 5 013.1 million in 1984, compared with 4 255.7 million during the previous year (see below); lending from NCI resources came to 1 181.8 million, much on a par with the figure recorded in 1983 (1 211.8 million) <sup>(1)</sup>.

Total financing in the Community thus climbed from 5 467.5 million to 6 194.9 million, reflecting an increase of 13 % following the previous year's rise of 29 %.

The bulk of lending from the Bank's own resources was devoted to capital investment schemes in less developed regions and to projects designed to reduce the Community's dependence on oil; in accordance with current guidelines, financing from NCI resources is focused increasingly on productive investment by small and medium-sized industrial enterprises (SMEs) outside assisted areas.

In 1984, loans totalling 51.9 million from own resources and 14.6 million from NCI resources — all attracting 3 % per annum interest subsidies, financed from the General Budget of the European

<sup>(1)</sup> See page 29.

### Loans from the Bank's own resources and guarantees

The economic policy **objectives** for EIB financing from own resources within the Community are defined in **Article 130 of the Treaty of Rome** and spelled out in the Bank's Statute and the directives and guidelines laid down by its Board of Governors. In practice, the Bank finances:

- first and foremost, projects concerned with production and infrastructure which contribute towards the economic development of **less privileged** regions — **regional development projects**;
- projects of **common interest to several Member Countries or benefiting the Community as a whole** and schemes to **modernise or convert undertakings or create fresh activities** called for by the progressive establishment of the common market.

These categories include:

- projects in the **energy** sector which help to attain the goal of reducing the Community's dependence on oil: development of indigenous resources, rational use of energy, import diversification;
- projects for the **modernisation or conversion of undertakings**, whether called for by the progressive establishment of the common market or necessitated by structural difficulties, specific projects improving the competitiveness of Community industry by **developing or introducing advanced technology**, and projects resulting from close **technical and economic cooperation** between undertakings in different Member Countries;
- **Community infrastructure** projects promoting European **economic integration** (transport and telecommunications schemes improving links within the Community) or helping to attain Community objectives such as **protection of the environment**.

The Bank pays particular heed to ensuring, in accordance with Article 20 of its Statute, that "its funds are employed as rationally as possible in the interests of the Community" and provides financing only "Where the execution of the project contributes to an increase in economic productivity in general and promotes the attainment of the common market".

Communities — were granted for reconstruction in the earthquake-stricken areas of Campania and Basilicata; allowing for financing provided under this heading in previous years, aggregate subsidised lending for reconstruction, for which an overall aid

package of 1 billion was envisaged <sup>(1)</sup>, now amounts to 858.6 million, including 597.5 million from NCI resources.

<sup>(1)</sup> Council Decision 81/19/EEC of 20 January 1981.

## Serving Community policies

Despite significant efforts backed by the Community at both national and regional level, marked regional disparities persist in terms of per capita output, unemployment rates and standards of certain infrastructure and services, problems highlighted in the second periodic report on the Regions of Europe published in 1984 by the Commission of the European Communities. Remedying these imbalances constitutes one of the Community's major objectives and may be considered both conducive to economic integration and vital for the balanced and steady development of the common market.

For these very reasons, **projects fostering the development of the less privileged regions** of the Community have always represented the Bank's

prime sphere of activity, a factor which leads to a predominance of EIB lending in those Member Countries where structural problems are most acute: 57.4 % of all financing provided in 1984 was earmarked for projects in Italy, Greece and Ireland, while 34 % was given over to capital investment in France and the United Kingdom.

In 1984, loans made available from EIB own resources in support of regional development projects came to 3 085.5 million (2 843.2 million in 1983) and accounted for 62 % of total financing within the Community. Allowing for loans from NCI resources (195 million), aggregate Bank funding for projects in this category worked out at 3 280.5 million, two thirds of which was concentrated in regions

Table 3: **Loans from the Bank's own resources in 1984**  
Breakdown by location, economic policy objective and sector

	Economic policy objective						Sector		
	Regional development	Energy policy objectives <sup>(2)</sup>	Community infrastructure	Industrial modernisation and conversion, advanced technology	Deduct <sup>(1)</sup>	Total <sup>(3)</sup>	Industry, agriculture, services	Energy <sup>(2)</sup>	Infrastructure
Belgium	—	32.5	—	—	—	32.5	—	32.5	—
Denmark	8.4	181.6	—	—	—	190.0	4.9	119.8	65.3
Germany	—	134.3	—	—	—	134.3	—	134.3	—
Greece	275.5	88.6	23.8	—	- 112.4	275.5	61.0	88.6	125.9
France	498.0	264.4	156.9	116.6	- 221.9	814.0	160.4	115.7	537.9
Ireland	124.0	—	4.8	46.2	- 51.0	124.0	64.0	—	60.0
Italy	1 724.4	718.7	136.4	175.7	- 217.0	2 538.2	999.4	485.3	1 053.5
Luxembourg	—	—	16.4	—	—	16.4	—	—	16.4
United Kingdom	455.2	577.5	54.8	—	- 199.3	888.2	55.6	577.5	255.1
<b>Total</b>	<b>3 085.5</b>	<b>1 997.6</b>	<b>393.0</b>	<b>338.5</b>	<b>- 801.5</b>	<b>5 013.1</b>	<b>1 345.2</b>	<b>1 553.8</b>	<b>2 114.1</b>

<sup>(1)</sup> To allow for duplication in cases of financing granted on grounds of more than one economic policy objective.

<sup>(2)</sup> The difference between "Energy policy objectives" and "Energy" results from the fact that certain industrial projects serve the aims of energy policy while certain energy projects as such only pursue the objective of regional development.

<sup>(3)</sup> Disbursements made in 1984, partly under contracts signed previously, totalled 4 986.6 million (at conversion rates obtaining on 31 December 1984).

commanding the highest priority as far as Community regional policy is concerned or where per capita output is at least 20 % below the Community average.

Over half the funds advanced was channelled to projects in Italy (1 739 million, including 1 557.7 million in the Mezzogiorno), while the balance benefited assisted areas of France, the United Kingdom, Greece, Ireland and Denmark. Around one third of the total was given over to promoting industrial investment and, to a lesser extent, the tertiary sector and agriculture: 1 110.2 million was provided in all (compared with 871 million in 1983), including 686 million in the form of global loan finance for SMEs which claimed 1 870 allocations totalling 649.5 million.

Loans directed towards improving infrastructure vital for the economic development of assisted areas amounted to 1 745.1 million, two thirds of which was for transport and telecommunications projects.

Member Countries' economies are still feeling, to varying extents, the repercussions of the oil price increases. Although the situation eased somewhat in 1984, the risk of renewed market disturbances and of a further rise in oil prices which persists in the longer term, would compromise both economic growth and European industry's competitive position. Hence, reducing the EEC's dependence on imported oil continues to feature as a major objective, and extensive investment programmes, tying in with Community guidelines, are seeking to bolster indigenous resources and to guarantee both reliable and diversified supplies. Emphasis is being placed increasingly on means of promoting more rational use of energy and establishing a more fully integrated and versatile European energy network.

In 1984, the EIB lent a total of 2 247.7 million (1 997.6 million from own resources plus 250.1 million from NCI resources) for **projects designed to reduce the Community's dependence on oil**. Financing designed to foster **rational use of energy** (762.7 million, as against 613.9 million in 1983) centred on electrification of rail networks, inter-

\* \* \*

### Loans from NCI resources

Since 1979, the Bank has granted loans from the resources of the New Community Instrument for borrowing and lending (NCI). The Council of the European Communities originally authorised two tranches of NCI funds, each for 500 million (NCI I) followed by a tranche of 1 billion (NCI II) and, in 1983 and 1984, two tranches of 1.5 and 1.4 billion respectively (NCI III).

Loans granted by the Bank from these resources must comply with the guidelines laid down by the Council, in the light of which the Commission decides on the eligibility of individual projects. In accordance with the decisions authorising the second tranche of NCI III, lending must centre on:

- **investment projects**, mainly those of **small and medium-sized undertakings**, in industry and directly related services, designed in particular to promote the dissemination of innovation and new techniques and the implementation of which contributes directly or indirectly to the creation of jobs.
- the **rational use of energy**, the replacement of oil by other sources of energy in all sectors and infrastructure projects facilitating such replacement;
- **infrastructure projects** which are associated with the development of productive activities, which contribute to regional development or which are of Community interest, such as telecommunications, including information technology, and transport, including the transmission of energy.

The Bank has received a mandate to grant these loans on behalf, for the account and at the risk of the Community. The Bank finds suitable projects and, following the Commission's decision as to the eligibility of each project, appraises 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 raises the borrowings <sup>(1)</sup> and deposits the proceeds with the Bank.

(1) See "Report on the Borrowing and Lending Activities of the Community" published annually by the Commission in its "European Economy" review.

## Operations within the Community

connection and enhanced management of high voltage power grids, installation of solar panels in buildings, district heating networks and small geothermal and hydroelectric power plants as well as numerous schemes implemented by often smaller industrial undertakings. A substantial proportion of these schemes was financed through global loan credit.

Loans for **developing the Community's indigenous resources** rose from 1 007.3 million in 1983 to 1 232.6 million, mainly in support of nuclear energy projects — six power stations and a fuel reprocessing and storage centre (719.2 million) — and hydroelectric and lignite-fired plant. Financing for **import diversification**, centring mainly on gaslines, came to 252.4 million.

In addition, the Bank, acting as agent for Euratom, signed jointly with the Commission six finance contracts for a total of 183 million for nuclear power stations in France and Belgium. These operations are accounted for off balance sheet in the Bank's Special Section (see p. 90) and, although appraised and managed by the Bank, are not included in its operating statistics since the financing decisions are taken by the Commission.

The total capacity of nuclear power station units financed by the Bank and Euratom in 1984 stands at some 12.3 GW, equivalent to 12.5 % of installed capacity planned for 1990.

Once completed, new projects funded by the Bank should cut back the Community's dependence on oil by around 12 million t.o.e. (tonnes of oil equivalent), including 2.3 million through rational use of energy. This represents about 3.1 % of projected Community oil imports in 1990. The corresponding figures for all projects financed by the Bank between 1977 and 1984 are 112 million t.o.e. (including 16.6 million t.o.e. through more rational use of energy) and 30 % of imports.

\* \* \*

Attainment of a single Community market presupposes further progress on the procurement front, a goal towards which the Bank is striving to contribute in accordance with the guidelines handed down by its Board of Governors (see p. 23). It also involves facilitating the free movement of persons, intellectual property and goods. Indeed, efficient,

Table 4: **Loans from NCI resources in 1984**

Breakdown by location, economic policy objective and sector

	Economic policy objective						Sector		
	Infrastructure of:		Energy policy objectives (2)	SMEs, industrial modernisation, advanced technology	Deduct (1)	Total (3)	Industry, agriculture, forestry	Energy (2)	Infrastructure (4)
	Regional interest (4)	Community interest							
Denmark	—	—	97.7	36.9	—	134.6	36.9	97.9	—
Greece	53.0	—	35.0	16.3	— 35.0	69.3	16.3	35.0	18.0
France	43.7 (5)	—	—	386.3 (5)	— 43.7	386.3	342.5	—	43.7
Ireland	50.0 (6)	4.3	—	19.4 (6)	— 23.7	50.0	19.4 (6)	—	30.6
Italy	14.6	—	117.4	365.3	—	497.3	369.0	61.3	67.0
United Kingdom	33.7	33.8	—	10.5	— 33.8	44.3	10.5	—	33.8
<b>Total</b>	<b>195.0</b>	<b>38.1</b>	<b>250.1</b>	<b>834.8</b>	<b>— 136.2</b>	<b>1 181.8</b>	<b>794.6</b>	<b>194.0</b>	<b>193.2</b>

(1) See Table 3, Note 1.

(2) See Table 3, Note 2.

(3) Disbursements made in 1984, partly under contracts signed previously, totalled 1 194 million (at conversion rates obtaining on 31 December 1984).

(4) The difference between "Infrastructure of regional interest" and "Infrastructure" results from the placing of certain projects in the energy sector financed on the grounds of their regional development benefits in the category "Infrastructure of regional interest".

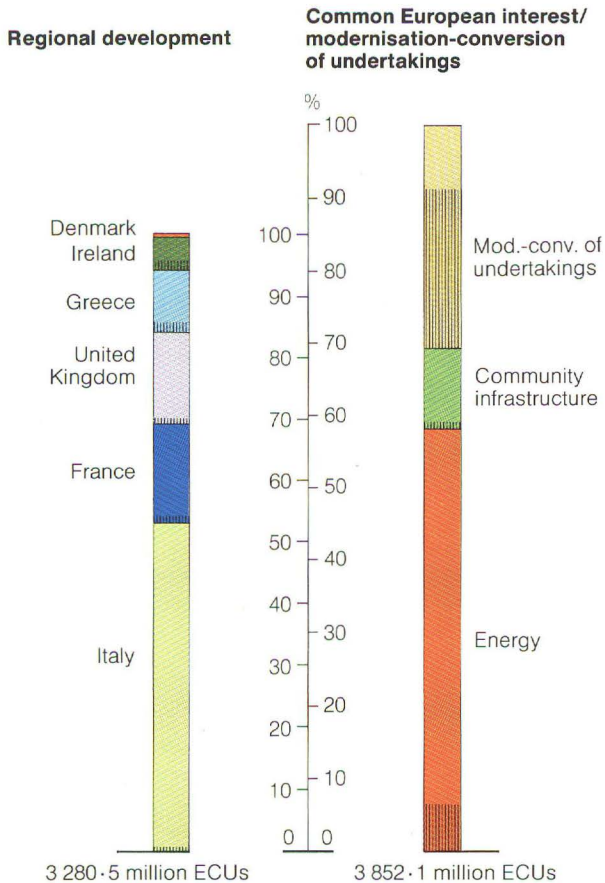
(5) Including 43.7 million for a telecommunications satellite project serving regional interests and developing advanced technology.

(6) Including a loan for 19.4 million for a forestry development scheme financed under Article 130 (a) and (b) (see fourth and seventh columns).

**Financing provided within the Community in 1984**

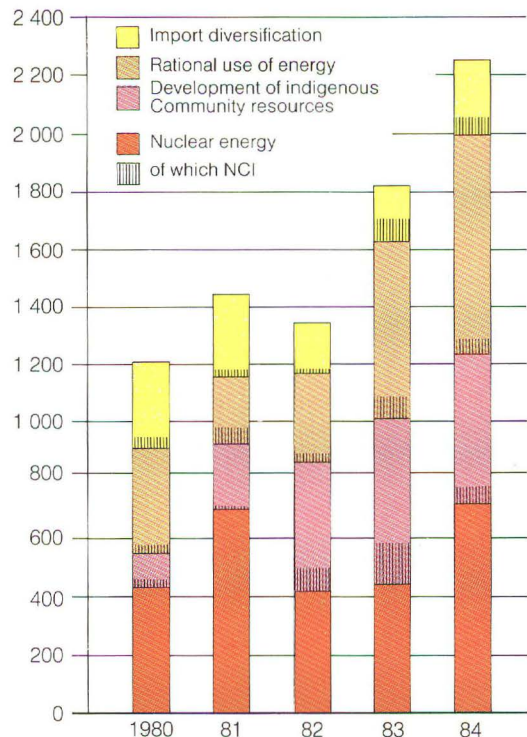
Breakdown by principal economic policy objective (1)

▨ of which NCI



**Financing for projects contributing towards attaining Community energy objectives from 1980 to 1984**

million ECUs



(1) Certain projects contribute simultaneously to more than one objective (see Table 16, p. 106)

broad-based transport and telecommunications networks are of vital importance for the Community's integration and economic growth. It is particularly crucial to remove existing bottlenecks, while more generally enhancing Community links, especially where such improvements entail surmounting natural barriers.

In the sphere of telecommunications, modernising networks and establishing new services incorporating state-of-the-art technology are essential both for strengthening ties between Member Countries and providing European undertakings with the high

tech services required to secure their competitive footing. The need to ensure compatibility of equipment and to open up markets is becoming increasingly evident if the Community is to participate fully in these major technical advances.

EIB financing for projects pursuing these objectives totalled 274.3 million. Of particular note among the various **Community transport infrastructure** schemes backed by the Bank were the roads or motorways between Lorraine and Burgundy, Burgundy and the Valle d'Aosta, Friuli and the Austrian frontier, and Luxembourg and Germany, as well as



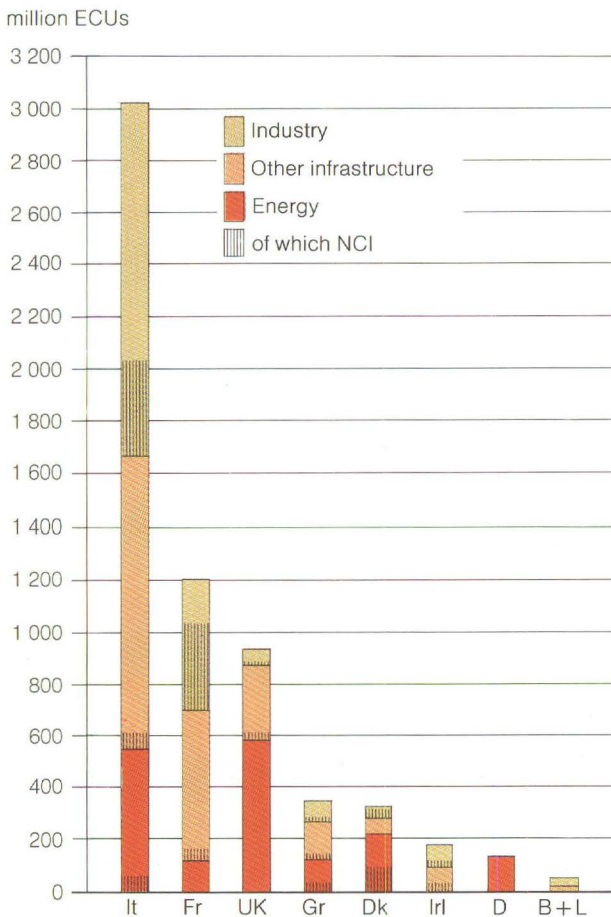
electrification of the rail link between Lyons and Chambéry towards Italy and part of the Trans-Yugoslav highway between Greece and its Community partners (see p. 69). Two of these projects — the motorway in Luxembourg heading towards Germany and the highway towards the Valle d'Aosta via the Mont Blanc tunnel — also attracted grant aid from the Community budget.

Loans made available for a telecommunications satellite project are dealt with in the section concerning Bank support for advanced technology.

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\* \* \*

**Financing provided within the Community in 1984**

Breakdown by project location and major sector



The nature of air and water pollution which extends beyond national frontiers coupled with industrial and urban growth levels within the Community have prompted national and Community authorities to draw up policies for **protecting the environment** and to establish standards applicable in the various Member States. Action taken by the Community in the context of such standards or of international conventions to which it is a party is based on the "polluter pays" principle; it seeks, above all, to secure adoption of preventive measures and to promote the standardisation of regulations, an approach deemed essential for guaranteeing the success of steps to protect the environment at European level and, given the high cost of such measures, avoiding any distortion of competition.

In accordance with the guidelines furnished by its Board of Governors, the Bank supports these policies by attaching utmost importance to assessing the environmental impact of projects submitted to it and by stepping up its support for schemes helping to protect the environment. In 1984, lending for investment under this heading amounted to 153.9 million, including 115.8 million from own resources, and was devoted to sewerage and sewage treatment schemes in the English Midlands and in Ireland as well as to similar works, which will reduce pollution in the Mediterranean, in Italy (Naples and Savona) and in seven large towns in Greece. Furthermore, numerous projects, financed as infrastructural works necessary for the development of assisted areas, particularly in the United Kingdom, indirectly pursued the same objectives inasmuch as they incorporated schemes for treating effluent and urban waste (135 million).

In line with the policy of safeguarding the Community's cultural heritage, the Bank made a loan for 2.9 million for protecting the archaeological sites (see p. 41) of Pompeii, Herculaneum and Stabiae in southern Italy which are of major historical interest and of considerable importance for tourism.

\* \* \*

One crucial objective for the Community's future, its world standing and its ability to overcome employment problems doubtless lies in improving and, in certain cases, restoring European industry's competitive edge. Although these aspects are largely the preserve of undertakings and individual Member States, the Community authorities are placing increasing emphasis on the desirability of

harmonising efforts in certain spheres such as research, standardisation and the wider opening-up of markets for public contracts. Thought is being given to promoting **industrial cooperation** between undertakings in several Member Countries, as exemplified

by Airbus, Ariane and Eurodif; developing and introducing **advanced technology**, not only in growth industries but also in longer-established sectors such as textiles or metallurgy; and backing investment by **SMEs** whose major contribution

### **Environment: sewage treatment along the Mediterranean**

The protection of the environment was not among the objectives written into the Treaty of Rome. Developments in recent years have however highlighted the importance of protecting the environment as a matter of priority from the point of view of the sound growth of the Community. In the Mediterranean area, the absence of tidal currents, the influence of the climate, the concentration, for geographical and historical reasons, of civilisation and economic activity along coastlines, mounting production plus the needs of the consumer society and the changing pattern of life are threatening to turn our forefathers' "Mare Nostrum" into a second Dead Sea. The dangers implicit in allowing the situation to continue as such and the need for immediate action to halt the trend call for wide-ranging measures. The various countries concerned have been compelled to take increasingly stringent steps to reduce pollution from sewage. At international level, on 16 February 1976 the countries bordering the Mediterranean signed the **Barcelona Convention** designed specifically to combat pollution in this region. By signing this Convention, the European Community has made the cause its own.

The provision of sewage treatment plant is also essential from the point of view of the smooth running of the economy; without it, industry, agriculture and tourism would be unable to continue to operate or to develop on a sound basis. The drive against environmental pollution is also an essential component of Community regional policy inasmuch as in most areas of the Mediterranean the race is on to reduce the gap between the level of their economic growth and that of the other regions of the EEC. The climate in this part of the world means that water is in considerable demand, something which makes the cost of harnessing increasingly scarce traditional resources prohibitive so that recycling of waste water has become a necessity.

Recent years have seen a distinct increase in Bank lending for projects centred on protecting the environment in the Mediterranean countries. Since 1975, some 20 schemes, located for the most part in Greece and the Italian Mezzogiorno, have attracted financing worth 235 million in all, of which 56.2 million was made available in 1984. The projects financed include both industrial estate infrastructure and sewerage networks serving urban areas.

Examples of Bank support for projects respecting environmental needs are provided by: the sewerage and waste water disposal system on the Ragusa-Gela industrial estate in Sicily where a large number of petrochemical industries are established; a project to treat effluent from several textile mills on the new industrial estate at Prato, near Florence, and installations at the port of Marseilles for flushing out oil tankers and treating their ballast water, projects funded to the tune of some 40 million in total.

In Greece, the EIB has lent 89 million towards the construction of sewerage mains and waste water treatment facilities in Athens, Thessaloniki and a number of other medium-sized towns in the provinces of Epirus, Macedonia, Thessaly, Thrace and Crete.

In Italy, since 1975 the EIB has granted loans totalling some 131.3 million for a project to clean up the Bay of Naples, one of the country's most densely inhabited regions, with a population of six million located within an area of 2 800 sq. km. Credit has also been made available for sewage treatment facilities in the Rome area (population of 3.5 million) and centred on reducing pollution in the Tiber, as well as for sewage disposal and treatment facilities at Savona on the Ligurian coast.

Major waste water treatment works to reduce pollution in the basin of the Po river and in the Venice Lagoon attracted loans from the Bank in early 1985.

towards innovation, job creation and training the industrial pioneers of the future is universally acknowledged.

Bank operations in these various spheres are grouped together in Tables 3, 4 and 16 under the heading **“Modernisation and conversion of undertakings”** and encompass:

— global loans from NCI resources for financing productive investment by SMEs outside assisted areas (771.6 million in contrast to 485.3 million in 1983). Last year saw 2 593 allocations worth a total of 685.2 million drawn from these global loans or other such lines of credit concluded previously (see Table 20);

— loans totalling 250.7 million, mainly from the Bank’s own resources, for projects featuring the development or introduction of advanced technology: automated production lines, development of electronic components, digital control equipment at various factories in Italy, and, in France, launching of telecommunications satellites also providing data transmission facilities for their customers;

— loans for the manufacture, by Italian and French aeronautical engineering firms who have pooled their resources, of a medium-range aircraft, the ATR 42 (63.6 million);

— loans for modernising or restructuring the textiles sector and for forestry projects (87.3 million).

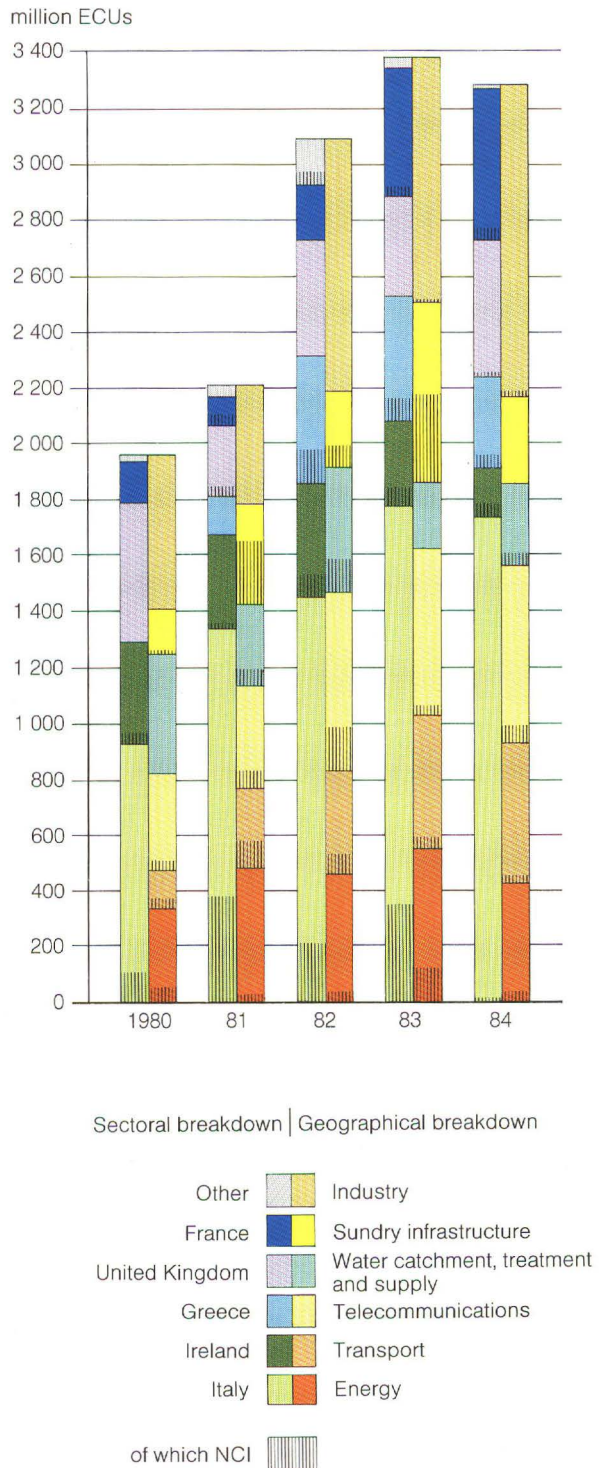
This category also embraces:

— a sizeable number of operations in support of projects in assisted areas aimed at improving industrial and service undertakings’ productivity and competitiveness (887 million in individual loans and global loan allocations);

— credit for infrastructural works designed to attract fresh economic activities into older industrial areas and financed in the light of their regional benefits (499.7 million);

— a loan for the Superphénix nuclear power station, a project bringing together electricity generating concerns in several countries and notable for its contribution towards attaining Community energy objectives.

**Financing provided for regional development within the Community from 1980 to 1984**



A survey of financing for industry and global loans for SMEs, including credit made available in assisted areas, is given below.

\* \* \*

Bank financing in 1984 contributed towards total investment of 19 billion, of which the industrial component came to 5.1 billion; the EIB's average contribution ran to 32 %.

According to appraisal data, this aggregate capital investment should directly create around 44 000 permanent jobs, including 37 000 in industry. Of these, some 35 000 should be generated by smaller-scale ventures financed in conjunction with global loans. Funding for industrial modernisation as such helped to enhance productivity and consolidate the position

of firms, largely small companies, with a total payroll of around 600 000.

At the same time, the orders and works required to implement projects provide employment for a substantial number of workers in various sectors during sometimes fairly lengthy construction periods. This temporary boost, both direct and indirect, to employment should yield an average of 180 000 jobs over the first two years and progressively less thereafter. If similar account is taken of projects financed in previous years, the contribution towards safeguarding employment in 1984 is equivalent to some 500 000 to 550 000 jobs.

The average term of loans signed in 1984 was around 13 years in the case of infrastructure projects and energy installations, and 11 years for industrial projects.

Four fifths of the latter were mounted by private industry; needless to say, allocations from global

Table 5: **Financing provided within the Community in 1984, 1983 and from 1980 to 1984**  
Geographical breakdown

	1984						1983						1980—1984					
	From own resources		From NCI resources		Total		From own resources		From NCI resources		Total		From own resources		From NCI resources		Total	
	million ECUs	%	million ECUs	%	million ECUs	%	million ECUs	%	million ECUs	%	million ECUs	%	million ECUs	%	million ECUs	%	million ECUs	%
Belgium	32.5	0.7	—	—	32.5	0.5	—	—	—	—	—	—	428.7	2.3	—	—	428.7	1.9
Denmark	190.0	3.8	134.6	11.4	324.6	5.2	259.7	6.1	105.4	8.7	365.1	6.7	883.0	4.8	354.2	9.0	1 237.2	5.6
Germany	134.3	2.7	—	—	134.3	2.2	152.2	3.6	—	—	152.2	2.8	613.6	3.4	—	—	613.6	2.8
Greece	275.5	5.5	69.3	5.9	344.8	5.6	364.3	8.6	85.3	7.0	449.6	8.2	1 117.1	6.1	279.6	7.1	1 396.6	6.3
France	814.0	16.2	386.3	32.7	1 200.3	19.4	707.9	16.6	186.2	15.4	894.1	16.4	2 451.9	13.4	650.4	16.6	3 102.3	14.0
Ireland	124.0	2.5	50.0	4.2	174.0	2.8	234.6	5.5	69.4	5.7	304.0	5.6	1 343.7	7.4	261.5	6.7	1 605.2	7.2
Italy	2 538.2	50.6	497.3	42.1	3 035.5	49.0	1 945.7	45.7	665.4	54.9	2 611.1	47.7	8 476.4	46.4	2 198.2	56.0	10 674.6	48.1
Luxembourg	16.4	0.3	—	—	16.4	0.3	—	—	—	—	—	—	16.4	0.1	—	—	16.4	0.1
Netherlands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
United Kingdom	888.2	17.7	44.3	3.7	932.5	15.0	591.3	13.9	100.1	8.3	691.4	12.6	2 876.8	15.7	178.3	4.6	3 055.1	13.7
Non-member countries <sup>(1)</sup>	—	—	—	—	—	—	—	—	—	—	—	—	73.6	0.4	—	—	73.6	0.3
<b>Total</b>	<b>5 013.1</b>	<b>100.0</b>	<b>1 181.8</b>	<b>100.0</b>	<b>6 194.9</b>	<b>100.0</b>	<b>4 255.7</b>	<b>100.0</b>	<b>1 211.8</b>	<b>100.0</b>	<b>5 467.5</b>	<b>100.0</b>	<b>18 281.2</b>	<b>100.0</b>	<b>3 922.1</b>	<b>100.0</b>	<b>22 203.3</b>	<b>100.0</b>
<i>of which guarantees</i>	—	—	—	—	—	—	97.6	2.3	—	—	—	—	393.9	2.2	—	—	—	—

(1) Loans granted 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.

loans to public or semi-public finance institutions serve, almost entirely, to channel funds into private enterprise. In the energy sector, 90 % of projects were mounted by public undertakings, as was the case with almost all infrastructural investment

whether for major schemes financed through individual loans or less ambitious projects attracting global loan credit. Overall lending broke down as to approximately 30 % for the corporate sector and 70 % for the public sector.

## Sectoral breakdown

The most salient feature of Bank financing was the upturn in lending for the productive sector which claimed 2 139.8 million, as against 1 565.3 million in 1983. Of this sum, 87.5 % was channelled to Italy and France via 32 individual loans (552.2 million) and 105 global loans (1 587.6 million) in support of SMEs (see Tables 6 and 7). Individual loans focused chiefly on the motor vehicle and aircraft construction industries along with mechanical engineering, foodstuffs and the service sector, particularly tourism.

Some 32 % of all individual loans and allocations went into consumer goods manufacturing, 41 % into semi-manufactures and 27 % into capital goods industries.

Financing in the energy sector came to 1 747.8 million (1 553.8 million from own and 194 million from NCI resources), the funds being earmarked for electricity generation and development of oil and natural gas deposits as well as gaslines and high voltage power lines.

Lending for transport and telecommunications infrastructure, water schemes and similar projects reached a high level (2 307.3 million, comprising 2 114.1 million from own and 193.2 million from NCI

resources), while the 15 global loans designed to finance small items of infrastructure and energy installations totalled 334.9 million.

## Global loans and allocations

In 1984, 48 intermediary institutions attracted 120 global loans, including 50 in France (42 lines of credit for 16 regional development companies) and 47 in Italy. The total of 1 922.5 million (1 535.9 million in 1983) advanced in the form of global loan finance comprised:

— 675 million from own resources for smaller-scale industrial, service-sector and tourism ventures plus 123.4 million for fairly modest infrastructural works in less privileged areas; in addition, 325.3 million were earmarked for industrial investment or small energy installations designed to foster rational use of energy;

— 771.6 million from NCI resources for productive investment by SMEs outside assisted areas and a further 27.2 million for ventures promoting rational use of energy.

Table 6: **Contribution made by global loans from own and NCI resources to total financing for industry, agriculture and services from 1980 to 1984**

	1980	1981	1982	1983	1984
Allocations from current global loans:					
number	515	845	1 185	3 183	4 624
amount (a) — million ECUs	128.2	282.0	439.0	1 015.4	1 431.6
Individual loans and global loan allocations:					
amount (b) — million ECUs	448.1	435.9	898.5	1 387.7	1 983.8
Contribution of global loan allocations to total financing					
(a)/(b) — %	29	65	49	73	72

From global loans currently under drawdown, 5 258 allocations were made for a total of 1 773.9 million in contrast to 3 727 sub-loans worth 1 216.6 million in 1983. This fresh surge was particularly significant in the case of allocations from NCI resources for investment outside assisted areas (2 593 sub-loans worth 685.2 million compared with 1 496 totalling 466 million in 1983) and allocations from own resources for regional or energy infrastructure (634 sub-loans, double the previous year's figure, totalling 342.3 million as against 173.4 million in 1983).

SMEs in assisted areas received 1 870 allocations worth 649.5 million in all — close on three quarters going to France — compared with 1 608 sub-loans totalling 486.4 million in 1983.

A sectoral breakdown of the 4 624 allocations (1 431.6 million) approved under various headings in support of industrial investment reveals a bias towards ventures in the metalworking and mechanical engineering sectors and food processing, followed by chemicals, textiles and leather, printing and publishing and construction materials.

In smaller firms receiving global loan finance, the investment outlay per job created works out at about 63 500 ECUs, compared with 363 000 ECUs for larger-scale industrial projects financed by individual loans. Around 98 % of allocations by number and 94 % by amount was channelled to independent firms employing less than 500 persons; 89 % of the sub-loans and 75 % of the amount advanced went to firms with less than 200 persons on their payroll, while 64 % of credits, accounting for 45 % of the total, benefited those with a workforce of under 50.

**Financing provided within the Community in 1984**

Sectoral breakdown

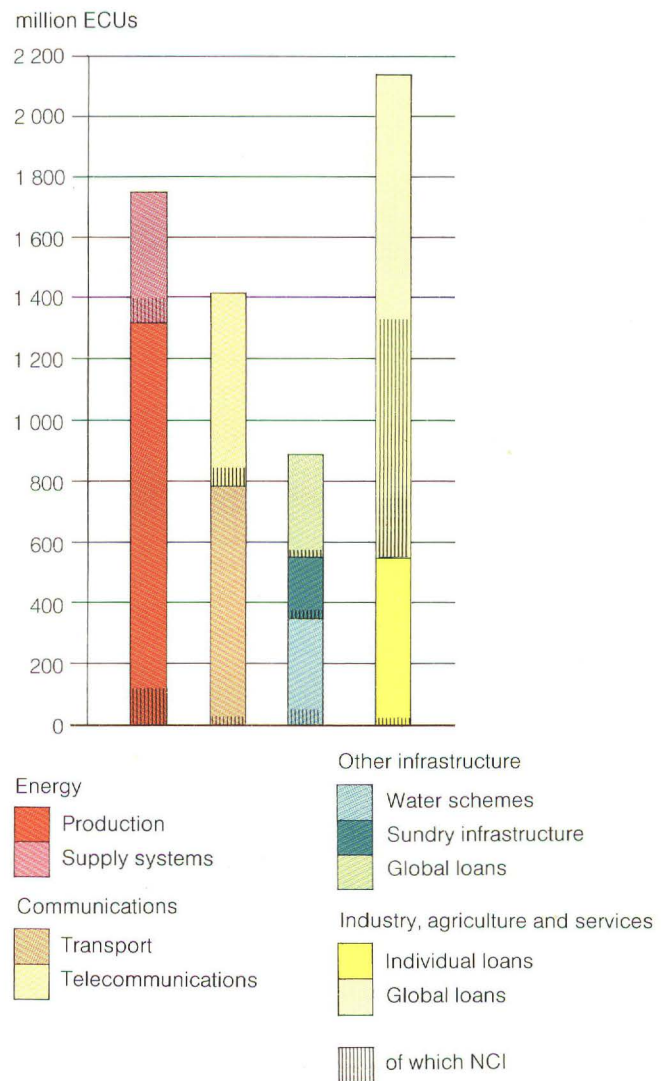
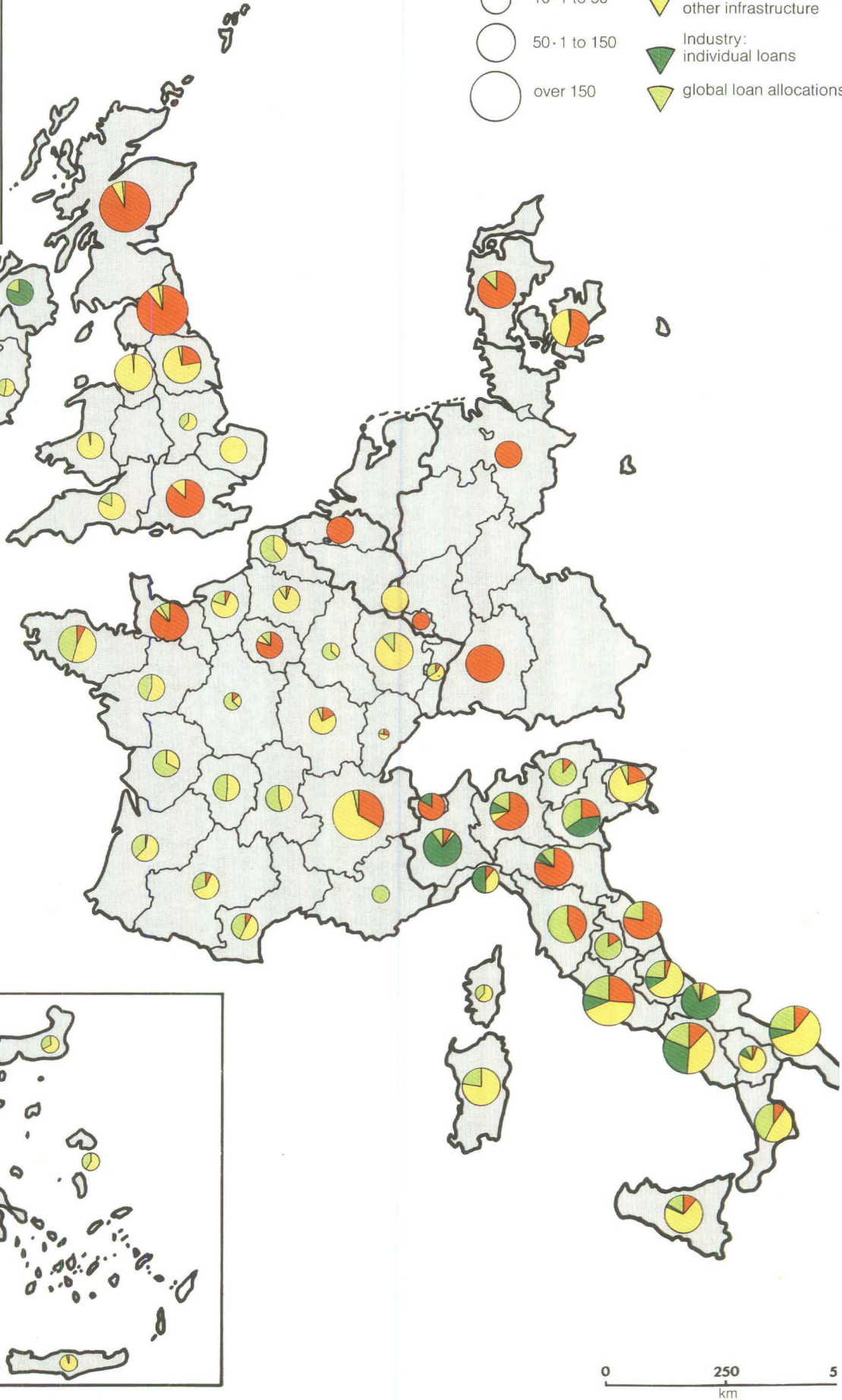
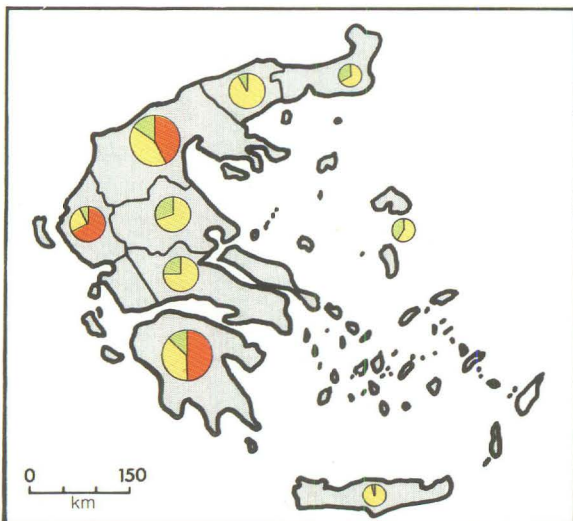
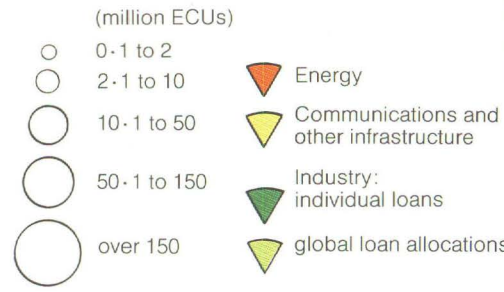
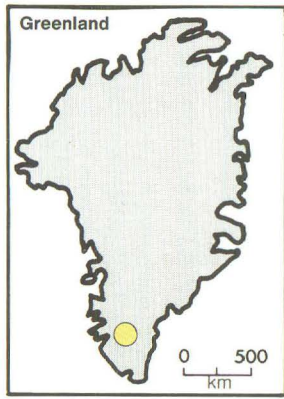


Table 7: **Global loans in 1984: new lines of credit and allocations granted**

Destination	Global loans signed in 1984		Allocations from current global loans	
	Number	Amount	Number	Amount
<b>Productive sectors</b>	<b>105</b>	<b>1 587.6</b>	<b>4 624</b>	<b>1 431.6</b>
in assisted areas	49	675.0	1 870	649.5
outside assisted areas (NCI)	47	771.6	2 593	685.2
rational use of energy	9	141.0	161	97.0
<b>Infrastructure</b>	<b>15</b>	<b>334.9</b>	<b>634</b>	<b>342.3</b>
rational use of energy	11	211.5	133	153.0
in assisted areas	4	123.4	501	189.3
<b>Total</b>	<b>120</b>	<b>1 922.5</b>	<b>5 258</b>	<b>1 773.9</b>

Projects financed within the Community from own resources in 1984



## Financing operations by country

### Italy

Lending in Italy from the Bank's own resources increased by 30.5 % to reach 2 538.2 million, close on 68 % of which went to projects fostering regional development. Loans from NCI resources, totalling 497.3 million against 665.4 million in 1983, were channelled chiefly into capital investment schemes promoted by small and medium-sized productive enterprises outside assisted areas; to a lesser extent NCI credit also funded projects making more rational use of energy and natural gas transmission and distribution schemes.

Aggregate lending climbed to 3 035.5 million from 1983's figure of 2 611.1 million. A detailed breakdown is given in Table 8.

The most striking trend in Bank activity in Italy is the emergence of a vigorous surge in lending for productive enterprise (up 32 %), which, promoted by the Bank's close contacts with a growing number of credit institutions and enterprises, rose to 1 368.4 million, representing 45 % of total lending. Two thirds of the individual loans, worth 460.1 million from own resources, benefited projects in Southern Italy given over largely to motor and industrial vehicle production (203.5 million) and the aeronautics industry (99.8 million); the balance was accounted for by projects in the electronics, foodstuffs, plastics processing, textiles and tourism sectors. The thrust of global loan financing (37 credit lines totalling 908.2 million) was directed towards ventures mounted by SMEs, mostly in the industrial sector, in the Mezzogiorno (283.6 million) and Central and Northern Italy (515.6 million, more than two thirds of which from NCI resources deployed in non-assisted areas) and towards schemes making more efficient use of energy in industry (109 million). Current global loans were drawn on to the extent of 757.6 million in support of 1 427 SMEs: the geographical breakdown shows 525 credits (303.4 million) having gone to the Mezzogiorno and 902 credits (454.2 million) to Central and Northern Italy (244 allocations for 109.5 million from own resources and 658 allocations for 344.7 million from NCI resources).

Financing for **regional development** totalled 1 739 million, 1 724.4 million drawn from own and

the balance from NCI resources. The Bank continues to attach considerable priority to the Mezzogiorno, which absorbed nine tenths of this funding. Demand for loan finance in 1984 in support, in particular, of major infrastructural schemes, was depressed by the stagnating investment climate and by the changeover from a system of special State assistance for the Mezzogiorno. Nonetheless, new projects have been submitted to the Bank within the context of programmes adopted by the authorities under the FIO (Investment and Job-creation Fund). Together with loans amounting to 66.5 million granted in 1984, over 90 % of the Community aid set aside for reconstruction in areas of Campania and Basilicata struck by the November 1980 earthquakes has now been deployed.

In regional terms, lending was split up as follows: 372.8 million in Campania, 154.1 million in Latium, 145.2 million in Sicily, 134.5 million in Apulia, 130.6 million in Molise, 108.5 million in Sardinia, 104 million in Abruzzi, 87 million in Basilicata and Calabria; added to this are global loans directed towards small and medium-scale ventures in industry, the service sector and tourism throughout the Mezzogiorno (222.4 million) or modest infrastructural schemes (24.8 million) plus a loan for the purchase of commuter aircraft (59.1 million).

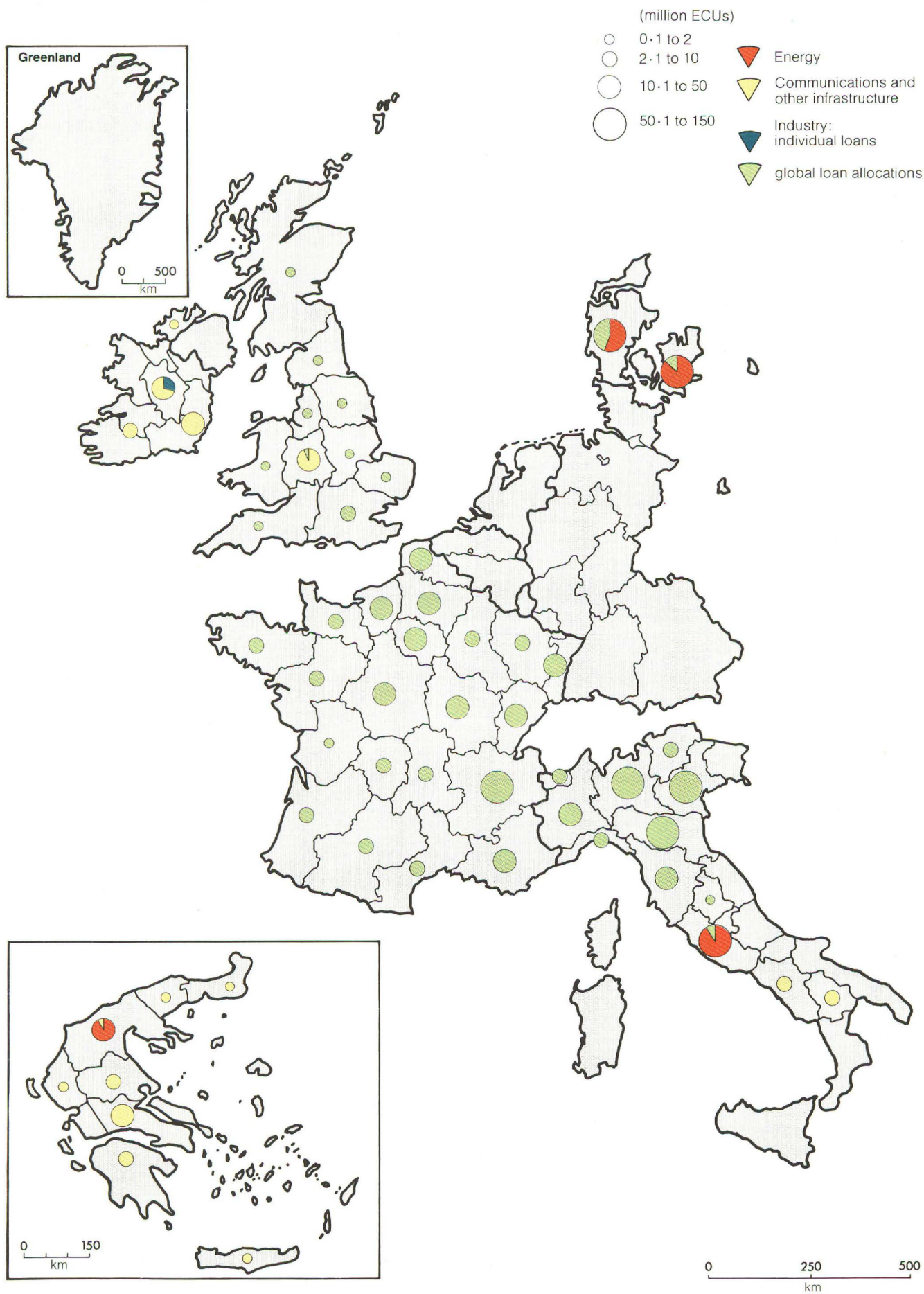
The Bank pressed ahead with its lending for energy installations and infrastructure underpinning the development of various regions of the Mezzogiorno: 428.2 million for connection of 400 000 subscribers to the telephone network; 56.7 million for natural gas distribution networks in more than 40 communes and 7.3 million for developing the high-voltage electricity transmission system.

The breakdown by region of other projects financed by the Bank is as follows:

In **Campania**, several loans were advanced for the development programme for the Greater Naples area embracing the suburban railway system, extension of an urban motorway by-pass, provision of basic infrastructure for a new business district, further expansion of water supply facilities and construction of a network of sewage treatment plants. Funds also went to finance modernisation of an oil refinery at Naples and construction of a power



Projects financed within the Community from NCI resources in 1984



station at Presenzano. Industrial projects financed included aeronautics plants at Pomigliano d'Arco, Casoria and Capodichino, one of which was damaged in the earthquakes; a motor vehicle components plant in Naples destroyed by the same earthquakes; factories producing video recording equipment in the province of Caserta; a brewery in Naples and an ice cream factory at Caivano.

An innovation for the Bank's loan portfolio was a project to preserve the excavations at Pompeii, Herculaneum and Stabiae, all very popular tourist sites and an important part of the Community's archaeological heritage. Again in the tourism sector, the Bank put up a loan for modernising hotels at Avellino and Caserta. A further 85.9 million was deployed in the form of global loan credit for some 170 SMEs.

The Bank also lent its support to restoration of electricity and telephone networks and parts of the railway system seriously damaged in the earthquakes.

In **Latium**, lending was given over to the motorway by-pass to the east of Rome, an important link in the north-south motorway route serving the Mezzogiorno, various road improvement schemes in the south of the region and a plant at Anagni producing cathode ray tubes for televisions. A further 72 smaller-scale enterprises received an aggregate 56.5 million in global loan finance.

Sicily's share of Bank financing went to road improvements, infrastructure on industrial estates at Syracuse, Gela, Ragusa and Enna, and for modernisation of hotels at Catania, Palermo and Syracuse; drawn from credit lines opened with two local institutions, 22.8 million was made available for 65 SMEs in the industrial and tourism sectors.

Loans in **Apulia** helped to upgrade various sections of coast road 16, construct a breakwater in the outer harbour at Brindisi and to develop industrial estates, again in Brindisi but also at Bari where, in addition, credit was made available for introducing advanced technology at a motor vehicle components plant. Forty-six global loan allocations (37.7 million) funded smaller-scale industrial ventures.

In **Molise**, finance was provided for agricultural development schemes and continuation of a modernisation programme at a major motor vehicle

plant at Termoli; 18 allocations (10.2 million) were drawn from credit lines in support of smaller-scale ventures.

In **Sardinia**, apart from a loan for developing the industrial estate at Olbia, financing centred on harnessing water resources for irrigation purposes and for supplying Cagliari and the northern part of the island; CIS, the Bank's global loan intermediary for this part of Italy, passed on 21 allocations worth 15.1 million.

Lending in **Abruzzi** was given over to funding irrigation work, equipping industrial estates at Sangro Aventino and Val Pescara and introducing modern, automated production methods at a car windscreen plant; in addition, 34.7 million, split amongst 48 allocations, helped SMEs to cover their investment financing requirements.

In **Basilicata**, funds were aimed at restoration of railway lines and power and telephone networks destroyed in the earthquakes as well as construction of a seaside holiday village in the Metaponto plain; finance was advanced for irrigation schemes both in this region and in **Calabria**, where SMEs took up 33.6 million in all under 66 global loan allocations.

In **Central and Northern Italy**, Bank funding for projects offering regional development benefits ran to 159.6 million, including five global loans (128.4 million) earmarked for smaller businesses. Ongoing global loans were drawn down to the extent of 109.5 million through 244 credits. Individual loans were advanced for a reforestation programme in the Valle d'Aosta, modernisation of a refinery at Falconara in The Marches and expansion of a brewery at Pedavena in Belluno province. An innovation on the global loan front was a credit line in support of smaller-scale craft undertakings throughout Italy's assisted areas.

Investment attracting finance on the grounds of its contribution to attaining the **Community's energy objectives** absorbed 836.1 million (718.7 million from own and 117.4 million from NCI resources); several of the projects in question have already been mentioned by virtue of their contribution to regional development.

Virtually half of this total (402.5 million) was devoted to promoting more efficient use of energy through improved management of the power network between the north and south of the country and

through expansion of the existing links with the French power grid, installation of solar panels on buildings, recycling of urban waste for feeding into Bergamo's district heating system, modernisation of refineries in Campania and The Marches and production of a more energy-efficient design of diesel engine at Turin.

A further seven global loans were earmarked for financing energy-saving equipment in smaller businesses for a total of 108.9 million (73.9 million taken up in 1984 under 87 credits) and small-scale energy infrastructural schemes for a total of 147.1 million. Ongoing global loans were drawn down to the extent of 96.2 million to finance

Table 8: **Financing in Italy in 1984**

Breakdown by origin of resources, economic policy objective and major sector

	From own resources		From NCI resources		Total	
	Amount		Amount		Amount	%
<b>Total Italy</b>	<b>2 538.2</b>		<b>497.3</b>		<b>3 035.5</b>	<b>100.0</b>
<b>Breakdown by economic policy objective</b>						
Regional development	1 724.4		14.6		1 739.0	57.3
of which Mezzogiorno		1 543.1		14.6	1 557.7	51.3
<i>Reconstruction</i>		51.9		14.6	66.5	2.2
Energy <sup>(1)</sup>	718.7		117.4		836.1	27.5
Hydroelectric		53.9		—	53.9	1.8
Nuclear		58.1		—	58.1	1.9
Dev. of oil and natural gas deposits		124.3		—	124.3	4.1
Rational use of energy		346.4		56.1	402.5	13.2
Gaslines		136.0		61.3	197.3	6.5
Communications and other Community infrastructure	136.4		—		136.4	4.5
Modernisation and conversion of undertakings	175.7		365.3		541.0	17.8
Modernisation and conversion		21.8		—	21.8	0.7
Advanced technology		90.4		—	90.4	3.0
Industrial cooperation		63.5		—	63.5	2.1
Productive investment by SMEs		—		365.3	365.3	12.0
<i>Deduct <sup>(2)</sup></i>	<i>— 217.0</i>		<i>—</i>		<i>— 217.0</i>	<i>— 7.1</i>
<b>Breakdown by major sector</b>						
Energy, communications and other infrastructure	1 538.8		128.3		1 667.1	54.9
Energy		485.3		61.3	546.6	18.0
Communications		741.1		14.6	755.7	24.9
Water schemes		88.8		—	88.8	2.9
Other infrastructure		93.3		28.8	122.1	4.0
Infrastructure and energy global loans		130.3		23.6	153.9	5.1
<i>Allocations from current global loans</i>		102.9		—	102.9	3.4
Industry, agriculture, services	999.4		369.0		1 368.4	45.1
Individual loans		460.1		—	460.1	15.2
Global loans		539.2		369.0	908.2	29.2
<i>Allocations from current global loans</i>		484.9		346.5	831.4	27.4

(1) See Table 3, Note 2.

(2) Deduct to take account of duplication in the case of financing justified on the basis of several objectives.

96 installations, notably 12 small hydroelectric plants.

The other operations mounted related to five power stations, development of some ten small gas deposits (236.3 million) and further extension of the country's natural gas supply and distribution network both in the south and in several central and northern regions (197.3 million).

Projects financed under the heading of **Community infrastructure** included several new sections of the Friuli motorway heading towards the Austrian border (101 million) and sewerage and sewage treatment facilities for Naples and Savona in the interests of combating pollution along the Tyrrhenian and Ligurian coastline (32.5 million).

## France

Lending in France was stepped up by 34 % against 1983, climbing to 1 200.3 million, of which 814 million was from own resources and 386.3 million from NCI resources.

Financing tended to polarise around two types of operation: global loans concluded with 20 intermediary institutions, 16 of which were "sociétés de développement régional" (regional development agencies), for an aggregate of 677.8 million, half of this from NCI resources. The other main focus was road, railway and telecommunications infrastructure claiming 406.7 million. A further 115.7 million went on two nuclear power stations and district heating facilities.

Three quarters of the global loan finance (502.9 million) was channelled, on the one hand, to productive investment by small and medium-sized enterprises, mainly in the industrial sector, for which own resources (128.3 million) were drawn on within assisted areas and NCI resources (342.5 million) outside these areas, and, on the other, to investment schemes making more efficient use of energy in industry (32.1 million), in this case assisted area status having no bearing on eligibility for EIB finance.

In all, 2 702 allocations from current global loans were deployed in 1984 for investment in the industrial and service sectors, going to 906 beneficiaries (148.4 million) in the assisted areas and 1 722

(287.3 million) outside these areas. These beneficiaries were primarily businesses in the metalworking, mechanical engineering, agricultural-processing and service sectors located for the most part in the Rhône-Alpes, Ile-de-France, Provence-Côte d'Azur, Franche-Comté and Centre regions as regards credit from NCI resources, and the Brittany, Pays de la Loire, Aquitaine and Midi-Pyrénées regions in the case of finance from the Bank's own resources. Added to this, 74 schemes relating to energy-saving industrial equipment attracted allocations worth 23.1 million.

In the field of infrastructure, the Bank gave its backing to construction of the Nancy—Dijon and Mâcon—Chatillon motorways and, within the context of a loan to the Fonds Spécial des Grands Travaux, about 20 other sections of road (320 km in all) intended to improve communications with the less developed regions, especially their links with bordering countries (188 million). Funds were made available for construction and launching of telecommunications satellites (160.4 million) which will provide a business sector data transmission service encompassing not only a number of regions in mainland France but also the overseas departments. Part of the system's capacity will be leased to Eutelsat (the European Space Agency) and West Germany's post office, the Bundespost. The Bank also advanced finance for electrification of the railway line linking Lyons with Grenoble and Chambéry. This will make for a marked improvement in communications between France and Italy, as well as a considerable reduction in energy consumption. Continuing the practice of previous years, CAECL, a state-owned development agency, deployed Bank global loan funds in support of 493 infrastructural schemes, mostly concerning the road network, undertaken by local authorities (142.4 million).

In the field of energy, loans were made available for nuclear power stations at Flamanville, on the Cherbourg peninsula, and at Creys-Malville, in the Ain department, and for two district heating schemes, one making use of waste heat from a uranium enrichment plant in the Drôme department and the other connecting the Doua university campus network to the main Lyons system.

Lastly, global loans worth 58.3 million will help to finance small-scale infrastructural schemes designed to produce and distribute new or alternative forms of energy. 1984 saw 37 projects in this category attract financing to the tune of 56.9 million.

### **Interconnecting the Community's high voltage electricity grids**

One area within Europe where frontiers have virtually ceased to exist is the energy sector. For more than 30 years now, Member Countries' electricity networks have been linked together by an enormous web of high voltage power lines.

Electricity is coming to occupy an increasingly important place both in the life of our economies and in the day-to-day activities of the man in the street. This consideration, plus the fact that, unlike other forms of energy, electricity cannot economically be stored, has prompted a pooling of efforts to make optimum use of ways and means of generating and transmitting electricity and promoting exchanges of energy. The need for adaptability has become all the greater with the growth in nuclear power stations which are vying with conventional plant, particularly on the strength of their steadier and more constant operation.

The primary advantage of having an interconnected network of different national grids is that this enhances the **security** of individual countries' supply systems. It enables them to cope with any serious disruption such as the simultaneous breakdown of a number of generating units within one country. The support system can also be called upon over periods when too much of a strain is placed on the grid during particularly harsh winters, or to cope with generating difficulties brought about in the case of hydroelectric plant, for example, by drought.

But cooperation between electricity-generating concerns is more than a matter of security of supply. It is also designed to **save operating costs**. The composition of generating plant within the Community varies from one country to the next: some Member States have laid greater stress on hydroelectric power stations, others on oil or coal-fired plant and others still on nuclear power stations. It is also often the case that neighbouring countries do not share the same peak periods. It is precisely in circumstances such as these, when the marginal production cost of one country is higher at a given moment than that in an adjoining country that the latter can be called on to pass over electricity at a lower cost because its own power is being generated by a plant with a higher performance. Transfers of this kind make for overall fuel savings.

Such a mutual support system constitutes a real advantage for each of the participants, given that they can offer guaranteed supply with less standby capacity than would be necessary were they operating completely on their own. Indeed, certain power stations constructed on a joint basis supply electricity via the integrated grid to companies in the different EEC countries which have stakes in them.

Conscious of the key role played within Europe by integrated grids and of the Community's concern to see that increased versatility and efficiency is built into its energy system, the European Investment Bank has made a point of contributing finance towards projects linking up national power line systems inside the EEC. It has also provided funds in Yugoslavia for this country's high-voltage grid, as well as for installation of a computerised control system improving links with the Greek and Italian grids.

But lending under this heading represents only one arm of the Bank's panoply of financing in support of Community energy policy. Recent years have seen the EIB putting up funds towards other forms of energy exchange such as a Community-wide network of gaslines aimed at diversifying energy imports and at making the most rational use of these. It has also provided credit for power stations, at Revin (in the Ardennes), Iffesheim (on the Rhine) and Zillergründl (in the Austrian Tyrol), part of whose output is fed into neighbouring countries' grids. Similarly, the EIB has put up finance towards the laying of a submarine cable linking Denmark's Bornholm Island to the Swedish electricity network.

#### **The cross-Channel power link**

In 1983 and 1984, the EIB provided three loans from its own resources (for a total of 232.2 million) and two loans from NCI resources (for a total of 46.6 million) to finance capital investment, estimated at over 1 billion in all, aimed at establishing a reliable and efficient link between the UK and French power grids, thereby opening up scope for exchanges with the entire West European system. The joint promoters of the project are the Central Electricity Generating Board (CEGB) and Electricité de France (EDF). Eight high-voltage cables with a nominal capacity of 2 000 MW are being laid between the two countries

(continued)

over a distance of 69 km, including 45 km in four trenches under the Channel, between Bonningues, 8 km from Calais, and Sellindge, 24 km from Dover. The project also includes construction of two converter stations, control centres and various ancillary installations.

#### France-Italy power link

A similar project is that to connect the French and Italian 380 kV high-voltage electricity networks by means of overhead transmission lines conveying three-phase current. The capacity of the connection will be 2000 MW and the power lines will cross the frontier between the two countries at the Little St Bernard Pass. The technology employed is fairly conventional for a link of this kind, although there is the additional challenge of having to erect the lines over extremely mountainous terrain where frost and snow are the norm for more than six months of the year, landslides and avalanches pose a permanent threat and upkeep and repair work are hindered by the relative inaccessibility of the installations. The EIB has advanced two loans from its own resources for this project, the cost of which could run to some 190 million. One of these loans, for 29.1 million, has gone to ENEL and the other, for 20.5 million, was made available to EDF at the beginning of 1985.

## United Kingdom

Lending in the United Kingdom increased by 35 % over 1983's figure, rising to 932.4 million, including 44.2 million from NCI resources. This trend is essentially a reflection of increased investment in the energy sector which, at 577.5 million, was almost double last year's figure. Funding for industry fell back (66.1 million), whilst in the infrastructural sector it remained high (288.9 million).

Loans in the energy sector were predominantly aimed at developing indigenous resources: Torness Point nuclear power station in Scotland, spent fuel storage and reprocessing facilities at Sellafield in Cumbria (438 million) and development of a natural gas field off the Yorkshire coast in the southern section of the North Sea. In addition, a loan for interconnection of the British and French high-voltage power grids will make for more efficient use of both countries' energy supplies (see box on page 44).

As regards infrastructure, the thrust of Bank lending was targeted on development in traditional industrial areas on the decline, particularly in the Midlands and South Wales. Under this heading, 192.3 million went towards major water supply, sewerage and sewage treatment schemes in the Midlands, East Anglia, Yorkshire and Humberside, the North West, the North and the South West. Several multi-purpose projects for an amount of 72.8 million encompassed a range of works including road, airport and industrial estate infrastructure, sewerage facilities and solid waste treatment installations in Strathclyde in Scotland, Lancashire and Merseyside in the North West and Devon in the South West.

In Wales, particularly in the old-established industrial areas in the South, lending was focused principally on road and small-scale industrial and tourism infrastructure; in Yorkshire and Humberside, funds were provided for extension of Leeds-Bradford airport and expansion of the telephone network in the Hull area.

In the industrial sector, one loan was channelled to an aeronautics plant in Belfast, Northern Ireland, along with several global loans earmarked for SMEs both within the Assisted Areas (38.7 million from own resources) and outside these (10.5 million from NCI resources); 134 enterprises attracted allocations from ongoing global loans amounting to 16.5 million from the Bank's own resources and 14.4 million from NCI resources.

## Greece

Total lending in Greece came to 344.8 million, of which 275.5 million from own resources and 69.3 million from NCI resources compared with 364.3 million and 85.3 million respectively in 1983.

103.4 million of this went on communications infrastructure: improving the road network, particularly the link between Thessaloniki in Macedonia and Alexandroupolis on the Turkish border, modernising several regional airports, extending and updating the telecommunications network. Other loans provided support for irrigation schemes in several areas of Macedonia, development of nine industrial estates and sewerage and sewage treatment facilities in seven large towns — of particular importance in the fight against pollution along the Aegean coast.

*One of the Community's top priorities is to make the Ten less dependent on outside sources for their oil supply needs. The Bank directed loans totalling 2 248 million in 1984 to capital projects achieving this end. Many of the projects financed centred on harnessing indigenous resources. Interconnecting Member Countries' electricity grids is a further way of enhancing security of supply (see Box, pages 44/45).*

## Operations within the Community

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Loans in the energy sector (123.7 million) went towards hydroelectric installations at Sfikia-Assomata, Pigai and Stratos and open-cast mining at Amynteon; these power plants will offer a total combined capacity of some 1 200 MW. The Bank also provided a loan for uprating a refinery at Corinth designed to boost light fuel production.

Global loan contracts signed, for 77.2 million in all, will contribute towards building up the country's industrial fabric and developing the agricultural and agricultural-processing sectors. In 1984, 74 small enterprises received global loan funding for an aggregate 57.8 million. Credit totalling 28.5 million was extended in support of some 85 smaller-scale road and water schemes.

### Denmark

With lending coming to a total of 324.6 million (190 million from own resources and 134.6 million from NCI resources), financing in Denmark was once again directed principally towards projects helping to attain the Community's energy objectives (217.5 million): tapping of Danish North Sea oil and natural gas fields, gas transmission and processing facilities and the associated distribution network throughout the country, electrification of the section of the railway system crossing Zealand via Copenhagen, which will make for considerable energy savings, and a global loan in support of energy infrastructural schemes.

Other credit included a loan contributing towards expansion of Greenland's telecommunications network, including links with Denmark, and global loans backing small and medium-sized enterprises both in regional development areas (4.9 million from the Bank's own resources) and outside these (36.9 million from NCI resources). Current global loans were drawn on to the extent of 147 allocations (46.6 million) taken up mainly by promoters located outside assisted areas.

### Ireland

Total lending in Ireland ran to 174 million, 124 million of which came from own resources and 50 million

from NCI resources, as compared with 234.6 million and 69.4 million in 1983. All the projects financed offered benefits in terms of regional development, the main emphasis being on correcting the lack of basic infrastructure in certain parts of the country: reafforestation schemes and related infrastructure (65.6 million), improvements to the road network (51 million), development of water supply and sewage treatment facilities (39.5 million).

One rather more unusual operation for the Bank was a loan of 9.6 million for extending the National Institute for Higher Education's facilities at the Plassey Technological Park near Limerick. Two new global loans were concluded for financing smaller items of investment in industry (8.3 million); 53 global loan allocations were deployed for a total of 6.6 million.

### Germany

Lending in Germany totalled 134.4 million, devoted exclusively to energy-sector projects: finance went towards two nuclear power stations, one at Emsland in Lower Saxony and the other at Neckarwestheim in Baden-Württemberg (80.6 million), a section of the MEGAL gasline for conveying natural gas from the Soviet Union to the Community's grid, and a heat transmission system in Saarland making use of waste heat from a power station and various industrial plants by feeding it into Saarbrücken's district heating network.

### Belgium

In Belgium, the Bank provided two loans for a total of 32.5 million, both going towards construction of Doel nuclear power station near Antwerp.

### Luxembourg

In the Grand Duchy of Luxembourg, the Bank advanced 16.4 million to part-finance construction of two sections of the motorway which, when complete, will link Luxembourg's capital to Trier, just over the border in Germany, representing an important link in Europe's motorway system.

# List of loans provided within the Community <sup>(1)</sup>

## A. Loans provided from the Bank's own resources

Contracts signed in 1984

Loans from the Bank's own resources for which contracts were signed in 1984 in respect of projects within the Community totalled 5 013·1 million. All these operations, the principal economic aspects of which are outlined on pages 27 to 47, give rise to financial commitments for the Bank and are included on its balance sheet.

The symbols in the columns to the right of each operation listed below refer back to the economic policy objective headings featured in Table 2.

Some of the projects financed also received loans from the resources of the NCI (see page 29); these are preceded by a plus sign (+). Reconstruction loans for the earthquake-damaged areas of Italy have an asterisk against the amount; these loans attracted a 3 % interest subsidy.

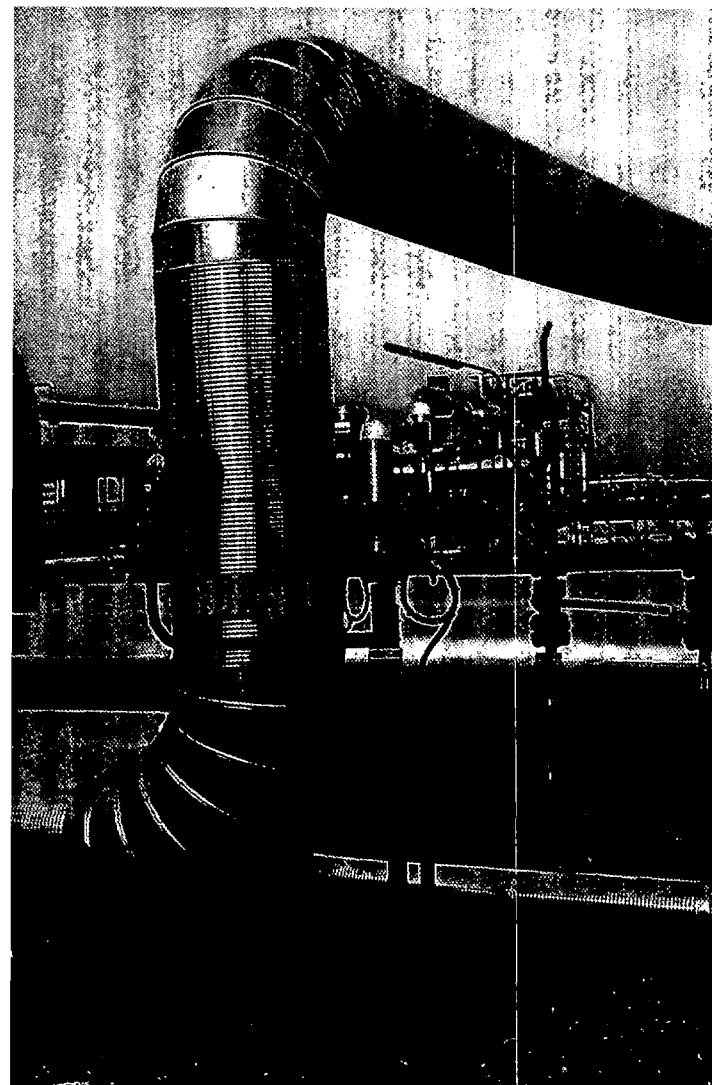
Energy		Energy	
Community Infrastructure		Community Infrastructure	
Modernisation — Conversion		Modernisation — Conversion	
Regional Development		Regional Development	
million ECUs		million ECUs	
<b>BELGIUM</b>	<b>32·5</b>		
1 500 million Belgian francs			
1.—2. Construction of Unit 4 (1 003 MW) of Doel Nuclear Power Station (East Flanders) <b>EBES</b> through <b>Belgelectric Finance BV.</b>		7. Electrification of the Helsingør—Korsør line through Copenhagen (Zealand) <b>Danske Statsbaner-DSB</b> through intermediary of <b>Danish Government (Ministry of Finance)</b>	55·6
Bfrs 900 million	19·5	8. Improvement of Greenland telecommunications network and its links with Denmark <b>Danish Government (Ministry of Finance)</b>	3·6
Bfrs 600 million	13·0	9. Global loan to the <b>Danish Government (Ministry of Finance)</b> for financing small and medium-scale industrial and tourism ventures in regional development areas	4·9
<b>DENMARK</b>	<b>190·0</b>	10. Global loan to <b>Privatbanken International SA</b> for financing small and medium-scale infrastructure projects pursuing the Community's energy objectives	6·1
1 546·3 million Danish kroner			
3.+ Construction of an oil production platform at the Gorm field in the North Sea; laying of a 220 km submarine pipeline and a 110 km onshore pipeline across Jutland; installation of an oil terminal at Fredericia <b>Dansk Olierør A/S — DORAS</b>	48·9	<b>GERMANY</b>	<b>134·3</b>
Dkr 400 million		300 million Deutsche Mark	
4. Laying of regional natural gas transmission and distribution system in the Counties of West Jutland and Storstrøm <b>Naturgas Sjælland I/S</b> through intermediary of <b>Kongeriget Danmarks Hypotekbank og Finansforvaltning</b>	30·5	11.—12. Construction of the 1 230 MW Emsland Nuclear Power Station at Lingen in Lower Saxony <b>Kernkraftwerke Lippe-Ems GmbH</b>	22·4
Dkr 250 million		DM 50 million	22·4
5. Laying of gasline to supply natural gas distribution systems in 21 municipalities of South Jutland, Ribe and Vejle <b>Naturgas Syd I/S</b> through intermediary of <b>Kongeriget Danmarks Hypotekbank og Finansforvaltning</b>	3·3	DM 50 million	
Dkr 27 million		13. Construction of Unit 2 (1 230 MW) of Neckarwestheim Nuclear Power Station in Baden-Württemberg <b>Gemeinschaftskernkraftwerk Neckarwestheim</b> through <b>EVS Kernkraft Neckarwestheim GmbH</b>	35·8
6.+ Laying of natural gas transmission and distribution system to serve 47 municipalities in the Greater Copenhagen area <b>Hovedstadsregionens Naturgas I/S</b> through <b>Kongeriget Danmarks Hypotekbank og Finansforvaltning</b>	37·1	DM 80 million	
Dkr 300 million			

(1) Finance contracts are generally denominated in the equivalent of the national currency concerned.



Energy	Community Infrastructure	Modernisation — Conversion	Regional Development	million ECUs
<b>14.—16.</b> Laying of heat mains between the Fenne generating station and the district heating network serving Saarbrücken (Saar)				
<b>Fernwärme-Verbund Saar GmbH</b>				
DM 5 million				2.2
DM 10 million				4.5
DM 5 million				2.2
<b>17.</b> Laying of 447 km of gasline to convey Soviet natural gas from Waidhaus on the Czechoslovak border to Medelsheim on the French border				
<b>Mittel-Europäische Gasleitungsgesellschaft mbH</b> through intermediary of <b>Megel Finance Co. Ltd</b>				
DM 100 million				44.8
<b>GREECE</b>				
<b>275.5</b>				
24 935 million Drachmas				
<b>18.</b> Construction of dams on the Aliakmon and of the 315 MW Sfikia and 108 MW Assomata hydroelectric power stations to the South West of Thessaloniki (Macedonia)				
<b>PPC</b>				
Dr 1 100 million				12.4
<b>19.</b> Construction of Stratos hydroelectric power station (150 MW) on the Achloos (Western Central Greece)				
<b>PPC</b>				
Dr 1 800 million				20.3
<b>20.</b> Construction of Pigai hydroelectric power station (210 MW), North of Ioannina (Epirus)				
<b>PPC</b>				
Dr 1 750 million				19.0
<b>21.+</b> Construction of Amynteon power station (2 × 300 MW) to be fuelled by lignite from nearby mine in Western Macedonia				
<b>PPC</b>				
Dr 1 800 million				19.5
<b>22.</b> Uprating of catalytic cracking capacity at refinery in Corinth (Peloponnese) to produce light fractions from heavy fuel oil				
<b>Motor Oil (Hellas) Corinth Refineries SA</b>				
Dr 920 million				10.4
<b>23.+</b> Open-cast working of lignite deposit at Amynteon to supply fuel to nearby power station (Western Macedonia)				
<b>PPC</b>				
Dr 650 million				7.1

Energy	Community Infrastructure	Modernisation — Conversion	Regional Development	million ECUs
<b>24.</b> Improvements to about 3 000 km of regional and trunk roads				
<b>Hellenic Republic (Ministry of Public Works)</b>				
Dr 2 000 million				21.7
<b>25.</b> Road improvements and structural works on 225 km of highway chiefly serving the N 2 Thessaloniki—Alexandroupolis road in Macedonia and Thrace				
<b>Hellenic Republic (Ministry of National Economy)</b>				
Dr 2 800 million				30.4
<b>26.</b> Improvements to nearly 500 km of trunk, regional and local roads in the Peloponnese				
<b>Hellenic Republic (Ministry of Public Works)</b>				
Dr 750 million				8.5
<b>27.</b> Modernisation and enlargement of the airports of Kastoria (Macedonia), Heraklion and Hania in Crete and on the islands of Lemnos, Mytilena, Santorin, Kefallinia, Skiathos, Cythera and Mykonos				
<b>Hellenic Republic (Ministry of Public Works)</b>				
Dr 600 million				6.8
<b>28.+</b> Expansion and modernisation of telephone and telex networks				
<b>OTE</b>				
Dr 1 600 million				18.0
<b>29.</b> Irrigation of 1 200 ha in the Plain of Drama (Eastern Macedonia)				
<b>Hellenic Republic (Ministry of National Economy)</b>				
Dr 400 million				4.5
<b>30.</b> Irrigation of 1 500 ha on the coastal plain west of Nestos (Eastern Macedonia)				
<b>Hellenic Republic (Ministry of National Economy)</b>				
Dr 145 million				1.6
<b>31.</b> Irrigation of the Pieria, Aghitis, Nea Magnissia, and Axioupolis sectors (4 575 ha) (Macedonia)				
<b>Hellenic Republic (Ministry of National Economy)</b>				
Dr 270 million				3.0
<b>32.</b> Sewerage and sewage treatment schemes in the towns of Ioannina (Epirus), Larissa (Thessaly), Kastoria and Ptolemais (Western Macedonia)				
<b>Municipal water and sewerage utilities in the towns concerned, through intermediary of the State (Ministry of National Economy)</b>				
Dr 950 million				10.7



Energy  
 Community Infrastructure  
 Modernisation — Conversion  
 Regional Development

million ECUs

33. Sewerage and sewage treatment schemes in the towns of Thessaloniki (Macedonia), Volos (Thessaly) and Aghios Nikolaos (Crete)  
**Local authorities responsible** under the aegis of the **Ministry of Public Works**, through the intermediary of the **Hellenic Republic**  
 Dr 1 200 million 13.0 ● ●

34. Development of industrial estates at Larissa (Thessaly), Lamia (Central), Ioannina (Epirus), Kilkis (Central Macedonia), Serres, Kavala and Drama (Eastern Macedonia), Komotini (Thrace) and Patras (Peloponnese)  
**ETBA**  
 Dr 700 million 7.6 ●

35. Global loan to **NIBID** for financing small and medium-scale industrial ventures  
 Dr 1 500 million 16.9 ●

36. Global loan to the **Investment Bank** for financing small and medium-scale ventures in industry, tourism and the service sector  
 Dr 1 500 million 16.9 ●

37. Global loan to **ETBA** for financing small and medium-scale industrial ventures  
 Dr 1 000 million 10.9 ●

38. Global loan to the **Agricultural Bank of Greece** for financing small and medium-scale agro-industrial ventures and on-farm investment  
 Dr 1 500 million 16.3 ●

**FRANCE** 814.0

5 585.8 million French francs

39.—40. Construction of Units 1 and 2 (2 × 1 300 MW) of the Flamanville nuclear power station on the Cotentin Peninsula in Lower Normandy  
**EDF**  
 Contracts denominated in FI  
 Amount equivalent to  
 Ffrs 204.8 million 29.9 ●  
 Ffrs 204.8 million 29.9 ●

41. Construction of the 1 200 MW Super-Phénix nuclear power station at Creys-Malville (Rhône-Alpes)  
**Centrale Nucléaire Européenne à Neutrons Rapides (NERSA)**  
 Ffrs 345 million 50.3 ●

Energy		Community Infrastructure		Modernisation — Conversion		Regional Development	
				million ECUs			
42.	Modernisation of the district heating system serving the La Doua university campus and interconnection of the heat distribution grids of Villeurbanne and the conurbation of Lyons						
	City of Villeurbanne through intermediary of CAECL						
	Ffrs 15.5 million	2.3	●				
43.	Recuperation of waste heat from the Eurodif uranium enrichment plant to provide hot water for supply to heating circuits serving residential users in Pierrelatte and hothouses						
	Syndicat Mixte d'Aménagement Rural de la Drôme through intermediary of CAECL						
	Ffrs 23.7 million	3.5	●				
44.—45.	Construction of the Choiseul—Toul (81 km) and Gemeaux — Tilchâtel (8.5 km) sections of the A 31 Lorraine—Burgundy autoroute						
	Société des Autoroutes Paris Rhin—Rhône through intermediary of the CNA						
	Ffrs 350 million	50.7	●	●			
	Ffrs 200 million	29.1	●	●			
46.	A 40 autoroute: construction of the Mâcon—Châtillon (96 km) section to complete the link with the Mont-Blanc Tunnel (Rhône-Alpes)						
	Société des Autoroutes Paris Rhin—Rhône through the intermediary of the CNA						
	Ffrs 330 million	48.1	●				
47.	Improvements to 20 sections of trunk road and autoroute (132.6 km)						
	Fonds Spécial de Grands Travaux						
	Ffrs 412 million	60.1	●	●			
48.+	Construction and launching of satellites and installation of earth stations and transmission grids to provide advanced data transmission services to business users and links with the French Overseas Departments						
	Administration des Postes et Télécommunications through intermediary of the CNT						
	Ffrs 800 million	116.6	●	●			
49.	Electrification of railway lines from Lyons to Chambéry (98 km) and Grenoble (63 km)						
	Société Nationale des Chemins de Fer						
	Ffrs 400 million	58.3	●				

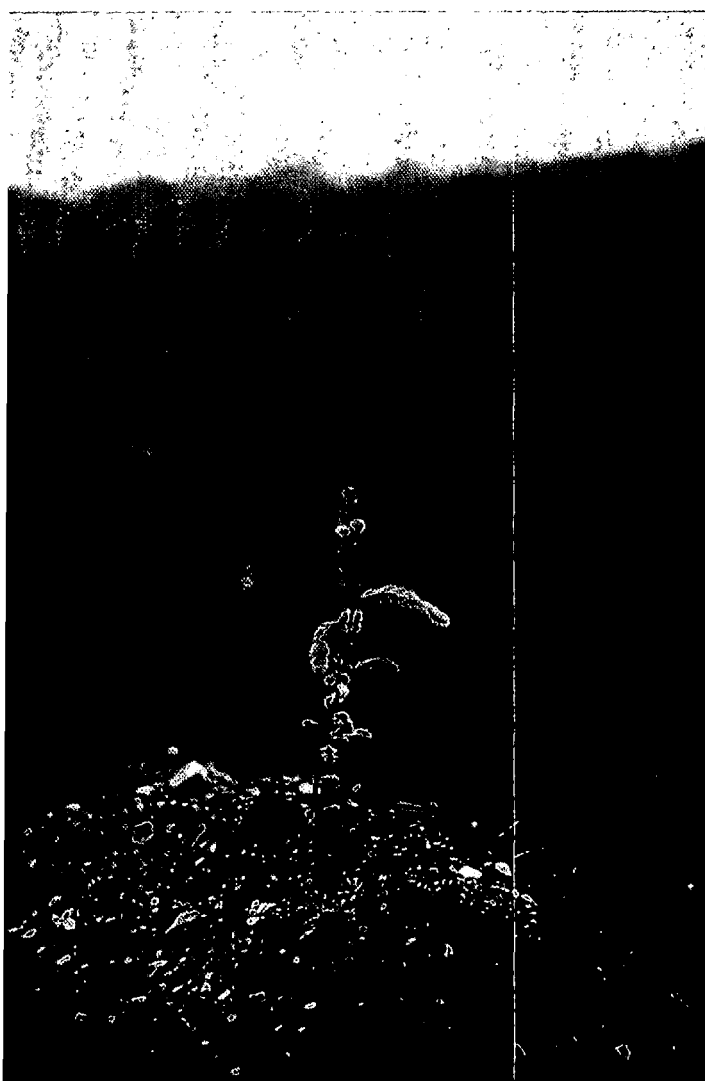
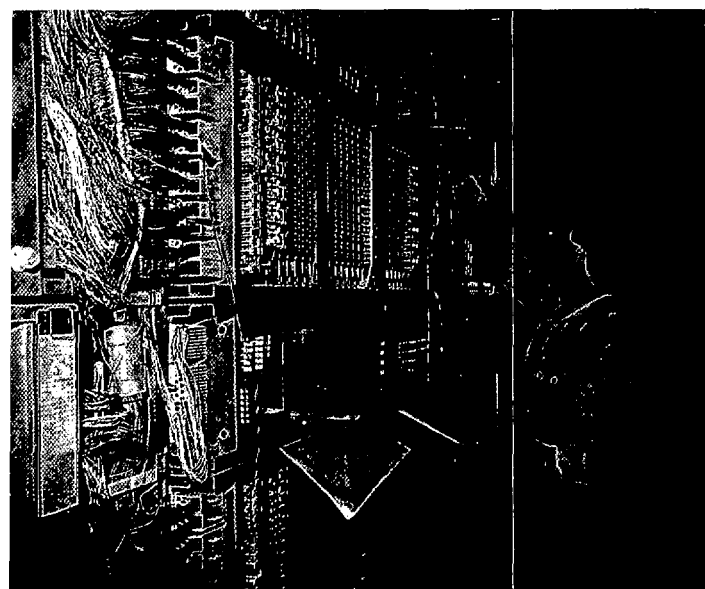
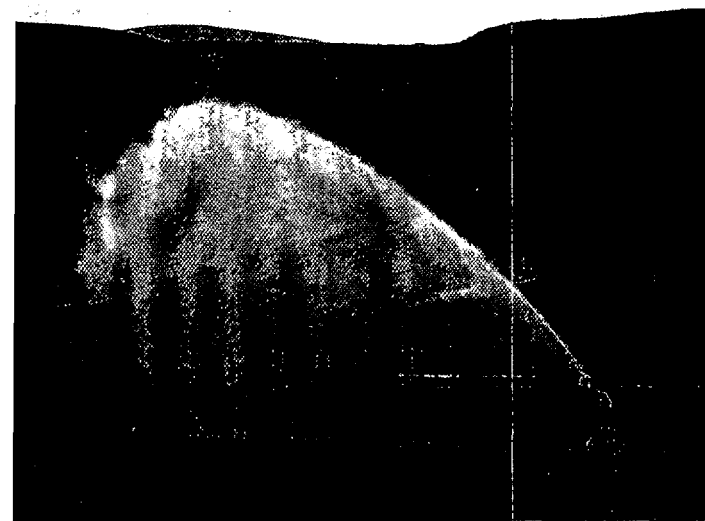
Energy		Community Infrastructure		Modernisation — Conversion		Regional Development	
				million ECUs			
50.—51.	Global loans to CEPME for financing small and medium-scale ventures in industry, tourism and the service sector and building and public works undertakings in assisted areas						
	Ffrs 270 million	39.3	●				
	Ffrs 130 million	19.0	●				
52.—69.	Global loans to 9 regional development companies (SDR) for financing small and medium-scale ventures in industry and the building and public works sectors, tourism and non-trading services in assisted areas						
	— SDR de Bretagne						
	Ffrs 20 million	2.9	●				
	Ffrs 20 million	2.9	●				
	— SDR du Sud-Ouest — Expanso						
	Ffrs 20 million	2.9	●				
	Ffrs 20 million	2.9	●				
	— SDR du Centre et du Centre-Ouest — Sodecco						
	Ffrs 25 million	3.6	●				
	Ffrs 25 million	3.6	●				
	— SDR du Sud-Ouest — Tofinso						
	Ffrs 17.5 million	2.6	●				
	Ffrs 17.5 million	2.6	●				
	— SDR de Lorraine — Lordex						
	Ffrs 20 million	2.9	●				
	Ffrs 20 million	2.9	●				
	— SDR du Languedoc-Roussillon — Sodler						
	Ffrs 15 million	2.2	●				
	Ffrs 15 million	2.2	●				
	— SDR du Nord-Pas-de-Calais						
	Ffrs 25 million	3.6	●				
	Ffrs 25 million	3.6	●				
	— SDR de l'Ouest — Sodero						
	Ffrs 15 million	2.2	●				
	Ffrs 15 million	2.2	●				
	— Caisse de Développement de Corse — CDC						
	Ffrs 7.5 million	1.1	●				
	Ffrs 7.5 million	1.1	●				
70.	Global loan to Caisse Centrale de Crédit Coopératif to finance smaller-scale ventures in the fisheries sector in assisted coastal areas						
	Ffrs 150 million	21.9	●				
71.—72.	Global loans to CAECL to finance infrastructural works by local authorities or public agencies in assisted areas						
	Ffrs 300 million	43.7	●				
	Ffrs 500 million	72.9	●				
73.—74.	Global loans to CAECL for financing investment by local authorities or public establishments in smaller schemes to produce or distribute new or substitute forms of energy						
	Ffrs 200 million	29.1	●				
	Ffrs 200 million	29.2	●				

Energy		
Community Infrastructure		
Modernisation — Conversion		
Regional Development		
	million ECUs	
<b>75.—76.</b> Global loans to <b>Crédit National</b> to finance investment by small and medium-sized industrial enterprises and compact hydro plants designed to make more rational use of energy		
Ffrs 100 million	14.6	●
Ffrs 120 million	17.5	●
<b>IRELAND</b>	<b>124.0</b>	
90.4 million Irish pounds		
<b>77.+</b> Improvements to the national road network <b>Ireland (Minister for Finance)</b>		
IR£8 million	11.0	●
<b>78.—79.</b> Local improvements to the national road network <b>Local authorities responsible</b> through intermediary of <b>Irish Government (Minister for Finance)</b>		
IR£5 million	6.9	●
IR£13 million	18.0	●
<b>80.—81.+</b> Water supply and sewage disposal schemes <b>Ireland (Minister for Finance)</b>		
IR£5 million	6.9	●
IR£12.35 million	17.1	●
<b>82.+</b> Development of 15 800 ha of forest: roads, tourist amenities and technical facilities <b>Forest and Wildlife Service of the Department for Fisheries and Forestry</b> through intermediary of <b>Irish Government (Minister for Finance)</b>		
£27.6 million sterling, equivalent to IR£33.6 million	46.2	● ●
<b>83.</b> Extensions to higher educational and vocational training establishment in Limerick <b>National Institute for Higher Education</b> through intermediary of <b>Irish Government (Minister for Finance)</b>		
IR£7 million	9.6	●
<b>84.—85.</b> Global loans to the <b>Industrial Credit Company Ltd (ICC)</b> for financing small and medium-scale industrial ventures		
IR£3 million	4.1	●
IR£3 million	4.2	●

Energy		
Community Infrastructure		
Modernisation — Conversion		
Regional Development		
	million ECUs	
<b>ITALY</b>	<b>2 538.2</b>	
3 508.8 billion Lire		
<b>86.—87.</b> Construction of second (982 MW) Unit of Montalto di Castro nuclear power station (Latium) <b>ENEL</b>		
Lit 30 billion	21.9	●
Lit 50 billion	36.3	●
<b>88.</b> Construction and expansion of hydroelectric plants of app. 70 MW aggregate capacity in Friuli (Cellina complex), Emilia-Romagna (Ridracoli-sola) and Lombardy (Mera and Tagliano) <b>ENEL</b>		
Lit 60 billion	43.1	●
<b>89.</b> Construction of 18.6 MW hydroelectric power station on the Braulio in Lombardy <b>Commune of Milan</b> through intermediary of <b>IMI</b>		
Lit 15 billion	10.8	●
<b>90.</b> Construction of 1 000 MW pumped storage facility at Presenzano in Campania <b>ENEL</b>		
Lit 40 billion	29.2	●
<b>91.—92.</b> Tapping of natural gas deposits: the offshore Basil field near Pesaro (Marches), Merlino-Caleppio-Premenugo in Lombardy and Porto, Corsini-Terra in Emilia-Romagna <b>AGIP SpA</b> through intermediary of <b>Banco di Roma</b>		
Lit 40 billion	29.2	●
<b>AGIP SpA</b>		
Lit 40 billion	28.9	●
<b>93.</b> Development of natural gas deposits: Cervia Mare in Emilia-Romagna, San Benedetto, Flavia and Fulvia in the Marches, Pessa in Lombardy and Demma-Locantore in Basilicata <b>AGIP SpA</b> through intermediary of <b>ENI</b>		
Lit 92 billion	66.3	●
<b>94.</b> Reduction of energy consumption, upgrading of production and lowering of the environmental impact of an oil refinery at Falconara in the Marches <b>API — Raffineria di Ancona SpA</b> through intermediary of the <b>Special Industrial Credit Section of Banca Nazionale del Lavoro</b>		
Lit 15 billion	10.9	● ●
<b>95.</b> Modification of an oil refinery at Naples to make more rational use of energy (Campania) <b>MOBIL OIL Italiana SpA</b> through intermediary of <b>Centrobanca</b>		
Lit 5.6 billion	4.0	● ●

Energy	Community Infrastructure	Modernisation — Conversion	Regional Development	million ECUs
<b>96.</b> Strengthening of North-South high-voltage transmission system; installation of about 1 000 km of HV lines in the Mezzogiorno				
<b>ENEL</b>				
Lit 10 billion		7.3	●	●
<b>97.</b> Installation of an integrated electricity production and transmission control system				
<b>ENEL</b>				
Lit 29.8 billion		21.8	●	●
<b>98.</b> Interconnection of the French and Italian high-voltage grids: 138 km section from Rondissone in the Val d'Aosta to the Col du Petit Saint-Bernard on the French border				
<b>ENEL</b>				
Lit 40 billion		29.1	●	●
<b>99.</b> Reinstatement of the electricity grid damaged in the November 1980 earthquakes in Campania and Basilicata				
<b>ENEL</b>				
Lit 15 billion		10.8	●	●
<b>100.—101.</b> Laying of natural gas distribution mains to serve almost 100 000 users in six communes in Apulia, four in Calabria and three in Latium				
<b>ITALGAS Sud SpA</b> through intermediary of <b>Banco di Napoli</b>				
Lit 30 billion		21.9	●	●
Lit 10 billion		7.3	●	●
<b>102.</b> Laying of natural gas distribution mains to serve over 35 000 users in 17 communes, some of them already partly equipped, in Latium, Abruzzi, Campania and Apulia				
<b>METANO CITTA SpA</b> through intermediary of <b>Banco di Napoli</b>				
Lit 15 billion		10.9	●	●
<b>103.</b> Laying of natural gas distribution mains in 13 communes in Sicily				
<b>Siciliana Gas</b> through intermediary of <b>Banco di Sicilia</b>				
Lit 23 billion		16.6	●	●
<b>104.</b> Installation of 13 natural gas distribution grids and improvements to 64 others in Lombardy, the Marches, Venezia, Tuscany and Umbria, to provide 58 000 mains connections				
<b>ESTIGAS SpA</b> through intermediary of <b>CARIPO</b>				
Lit 30 billion		21.7	●	●
<b>105.</b> Laying of the 155 km Arezzo (Tuscany) — Minerbio (Emilia-Romagna) section of the Algeria—Italy gasline and construction of the Melizzano compressor station (Campania)				
<b>SNAM SpA</b> through intermediary of <b>ENI</b>				
Lit 80 billion		57.6	●	●

Energy	Community Infrastructure	Modernisation — Conversion	Regional Development	million ECUs
<b>106.</b> Improvements to the Cumana line in the Naples urban rail transport system and installation of storage and workshop facilities (Campania)				
<b>Italian Republic (Ministry of Transport)</b>				
Lit 44 billion		31.7	●	●
<b>107.</b> Improvements to roads in Sicily				
<b>ANAS</b>				
Lit 19.3 billion		14.1	●	●
<b>108.</b> Improvements to several sections of National Highway No 148 between Aprilia and Latina and to No 7 near Terracina in Latium				
<b>ANAS</b>				
Lit 16 billion		11.7	●	●
<b>109.</b> Improvements to several sections of the Apulia coastal highway No 16				
<b>ANAS</b>				
Lit 21 billion		15.3	●	●
<b>110.</b> Rome eastern orbital autostrada (47 km) connecting the A 1 from Milan to the A 2 to Naples (Latium)				
<b>AUTOSTRADA-Concessioni e Costruzioni Autostrade</b> through intermediary of <b>IRI</b>				
Lit 85 billion		61.3	●	●
<b>111.</b> Enlargement of the Vomero interchange on the Naples urban autostrada in Campania				
<b>Campania Regional Authority</b> through intermediary of <b>Italian State</b>				
Lit 10 billion		7.2	●	●
<b>112.—113.</b> Construction of the 25.7 km Pontebba—Tarvisio—Austrian border section of the Friuli Autostrada (Friuli—Venezia Giulia)				
<b>AUTOSTRADA-Concessioni e Costruzioni Autostrade SpA</b> through intermediary of:				
— <b>CREDIOP</b>				
Lit 70 billion		50.5	●	●
— <b>Istituto Bancario San Paolo di Torino</b>				
Lit 70 billion		50.5	●	●
<b>114.</b> Purchase of thirteen MD-82 and six ATR-42 commuter aircraft for regional services				
<b>Aero Trasporti Italiani</b> through intermediary of <b>IRI</b>				
Lit 82 billion		59.1	●	●
<b>115.</b> Construction of a breakwater to protect the outer harbour and coal jetties at Brindisi in Apulia				
<b>Italian Republic (Ministry of Public Works)</b>				
Lit 16 billion		11.6	●	●



Energy  
Community Infrastructure  
Modernisation — Conversion  
Regional Development

million ECUs

116.—118. Extension of the telephone network to connect some 120 000 new subscribers in Abruzzi, Molise and Southern Latium  
SIP through intermediary of:

— <b>Banco di Roma</b> Lit 60 billion	43.7	●
— <b>IRI</b> Lit 60 billion	43.3	●
— <b>Banco di Napoli</b> Lit 60 billion	43.3	●

119. Improvements to the telephone system in Campania, Basilicata, Apulia, Calabria and Sicily to connect over 235 000 new subscribers

SIP through intermediary of IRI Lit 350 billion	252.2	●
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120. Improvements to telephone installations in Sardinia and connection of almost 80 000 subscribers

SIP through intermediary of IRI Lit 60 billion	43.2	●
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121. Connection to the telephone system of 7 000 subscribers installed in resettlement areas following the November 1980 earthquakes in Campania and Basilicata

SIP Lit 3.3 billion	2.4	●
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122. Improvements to drinking water supplies in Naples (city and province), Caserta and the Isle of Ischia, together accounting for a large proportion of the population of Campania: 2.3 million people

<b>Cassa per il Mezzogiorno</b> Lit 20 billion	14.4	●
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123. Construction of dam on the Fluminimannu, laying of water mains and other water supply works in parts of Central and Northern Sardinia having a total population of 220 000

<b>Cassa per il Mezzogiorno</b> Lit 15 billion	10.8	●
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124. Improvement and restructuring of water supplies in Cagliari, Sardinia

<b>Commune of Cagliari</b> with and through intermediary of the <b>Autonomous Region of Sardinia</b> Lit 8 billion	5.8	●
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125. Construction of the Nola and Foce Regi Lagni sewage treatment plants and laying of sewage mains in 62 communes in the Bay of Naples area with a population of more than half a million (Campania)

<b>Cassa per il Mezzogiorno</b> Lit 25 billion	18.0	●
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Energy	Community Infrastructure	Modernisation — Conversion	Regional Development	million ECUs
126. Laying of 52 km of sewers and construction of a sewage treatment plant at Savona with discharge pipeline for domestic and industrial effluent serving a large area in Savona Province, Liguria <b>Liguria Regional Authority</b> through intermediary of <b>Italian State</b> Lit 20 billion				14.4
127. Construction of sewage treatment plant to recycle solid waste, purify effluent and produce biogas for combined steam and power generation, together with laying of district heat grid to serve industrial and domestic users in Lombardy <b>Commune of Bergamo</b> through intermediary of <b>IMI</b> Lit 5.5 billion				4.0
128. Irrigation and drainage works on various tracts of land in Molise, Basilicata, Apulia, Calabria and Sardinia <b>Cassa per il Mezzogiorno</b> Lit 20 billion				14.4
129. Irrigation works on 7 000 ha of land in the Plain of Peligna, Abruzzi <b>Cassa per il Mezzogiorno</b> Lit 15 billion				10.8
130. Construction of roads and rail links, water supply and sewage mains to serve industrial estates in Syracuse, Gela, Ragusa and Enna in Sicily <b>Cassa per il Mezzogiorno</b> Lit 14 billion				10.1
131. Construction of roads and rail links, water supply and sewage mains to serve industrial estates in Olbia (Sardinia), Brindisi and Bari (Apulia), Sangro Aventino and Val Pescara (Abruzzi) <b>Cassa per il Mezzogiorno</b> Lit 24.9 billion				18.0
132. Provision of basic infrastructure for a new commercial precinct in Naples, Campania <b>MEDEDIL — Società Edilizia Mediterranea pA</b> through intermediary of <b>IRI</b> Lit 55 billion				39.6
133. Establishment and fitting-out of industrial estates at Conza, Morra de Sanctis, Porrara and Oliveto Citra, communes which suffered damage in the November 1980 earthquakes in Campania <b>Italian Republic</b> Lit 30 billion				21.6 *

Energy	Community Infrastructure	Modernisation — Conversion	Regional Development	million ECUs
134. Modernisation of car window glass factory with automation of production at San Salvo, Abruzzi <b>S.I.V. — Società Italiana Vetro SpA</b> through intermediary of <b>ISVEIMER</b> Lit 20 billion				14.4
135. Intensive computerisation and robotisation of agricultural diesel engine production at a plant in Pieve di Modolena in Emilia-Romagna <b>LOMBARDINI Fabbrica Italiana Motori SpA</b> through intermediary of <b>IMI</b> Lit 10 billion				7.3
136. Refurbishing of a plant to produce a new, small car engine at Termoli and enlargement of its gear box production capacity (Molise) <b>FIAT AUTO SpA</b> through intermediary of <b>IMI</b> Lit 150 billion				108.3
137. Development of a new range of diesel engine units for agricultural and industrial machinery at a plant in Turin, Piedmont <b>FIAT Veicoli Industriali SpA</b> through intermediary of <b>BNL-Mediocredito</b> Lit 40 billion				28.9
138. Modernisation of a factory supplying mechanical parts to the motor vehicle industry, featuring some technological innovation (Bari, Apulia) <b>WEBER SpA</b> through intermediary of <b>IMI</b> Lit 18 billion				13.0
139. Installation of an automated production line for a new type of carburettor, computerisation of a test laboratory and enlargement of an electronic equipment research and development facility at a factory in Bologna, Emilia-Romagna <b>WEBER SpA</b> through intermediary of <b>IMI</b> Lit 2 billion				1.4
140. Application of advanced technology to the manufacture of rear drive axles for heavy goods vehicles in a plant at Cameri, Piedmont <b>ROCKWELL CVC SpA</b> through intermediary of <b>INTERBANCA</b> Lit 55 billion				39.6
141. Reconstruction of a motor vehicle components factory in Naples, Campania, destroyed in the November 1980 earthquakes <b>Comind SpA and Comind Sud SpA</b> through intermediary of <b>ISVEIMER</b> Lit 7 billion				5.0 *

Energy  
Community Infrastructure  
Modernisation — Conversion  
Regional Development

million ECUs

<b>142.—144.</b> Investment in plants at Pomigliano d'Arco, Casoria and Capodichino in Campania to prime them for production of the Franco-Italian ATR 42 commuter aircraft <b>AERITALIA</b> through intermediary of: — <b>IMI</b> Lit 42.4 billion	30.9	●	●
— <b>INTERBANCA</b> Lit 22.4 billion	16.3	●	●
— <b>Banco di Napoli</b> Lit 22.4 billion	16.3	●	●
<b>145.—146.</b> Construction of testing shed, aircraft engine overhaul shops and spare parts manufacturing capacity at an aero-engine production and maintenance plant at Pomigliano d'Arco in Campania <b>ALFA ROMEO AVIO SpA</b> through intermediary of: — <b>Banco di Napoli (Industrial Credit Section)</b> Lit 26.8 billion	19.3	●	
— <b>IMI</b> Lit 13.4 billion	9.7	●	
<b>147.</b> Reinstatement of plant and equipment damaged in the November 1980 earthquakes at an aero-engine production and maintenance plant at Pomigliano d'Arco in Campania <b>ALFA ROMEO AVIO SpA</b> through intermediary of <b>IRI</b> Lit 10 billion	7.2	●	
<b>148.</b> Restructuring of an electronic component factory at Sestri, Genoa, supplying producers of digital machine tools, image recognition and electronic post sorting equipment and power station control systems (Liguria) <b>Electronica San Giorgio — ELSAG SpA</b> through <b>Istituto Bancario San Paolo di Torino</b> Lit 25 billion	18.2	●	
<b>149.</b> Enlargement, streamlining and automation of a colour TV tube factory at Anagni, Latium <b>VIDEOCOLOR SpA</b> through intermediary of <b>IMI</b> Lit 40 billion	29.2	●	
<b>150.</b> Improvement and expansion of polyester film production plant at San Marco Evangelista in Campania and of equipment producing high quality recording media: video tapes and cassettes and floppy discs for computers <b>3M ITALIA SpA</b> through intermediary of <b>ISVEIMER</b> Lit 21 billion	15.3	●	

Energy  
Community Infrastructure  
Modernisation — Conversion  
Regional Development

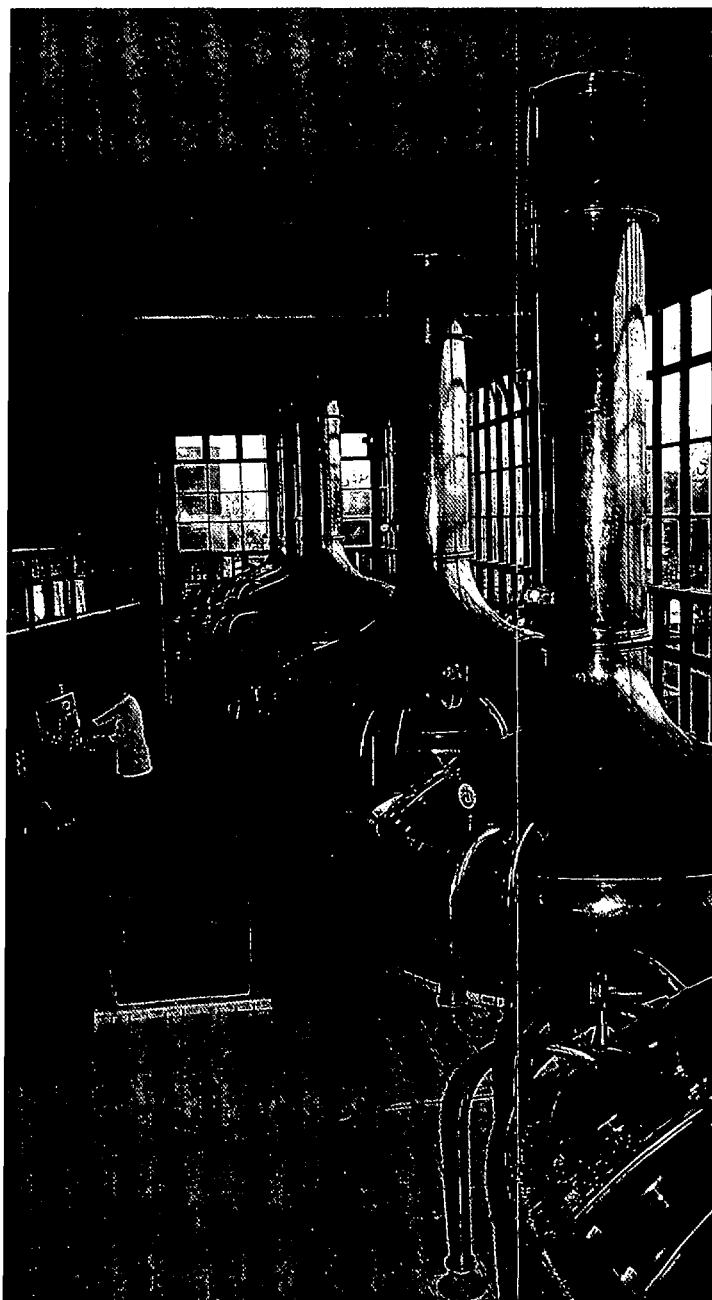
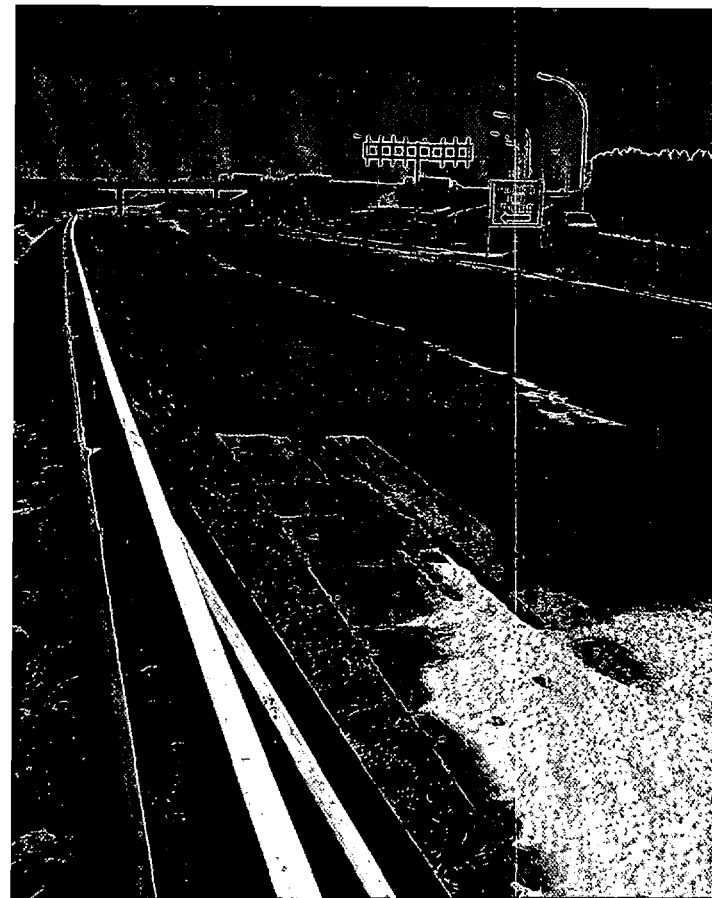
million ECUs

<b>151.</b> Improvements to electronic equipment factories in Piedmont, at Scarmagno (telecommunications), S. Lorenzo d'Ivrea (control equipment), Borgoticino/Dormelletto (industrial automation) and Lein (high-grade floppy discs) <b>Four OLIVETTI Group companies</b> through intermediary of <b>IMI</b> Lit 15 billion	10.8	●	
<b>152.</b> Modernisation and expansion of a brewery at Pedavena in the province of Belluno, Venezia <b>BIRRA DREHER SpA</b> through intermediary of <b>IMI</b> Lit 20 billion	14.4	●	
<b>153.</b> Modernisation and expansion of capacity at a brewery in Naples, Campania <b>BIRRA PERONI INDUSTRIALE SpA</b> through intermediary of <b>Banco di Napoli, Industrial Credit Section</b> Lit 15 billion	10.8	●	
<b>154.</b> Upgrading of production capacity and improvement of marketing facilities at an ice cream factory in Caivano, Campania <b>ALSO SpA</b> through intermediary of <b>ISVEIMER</b> Lit 10 billion	7.2	●	
<b>155.—156.</b> Modernisation of four textile mills at Mortara, Manerbio, Valdarno and Maglio di Sopra and improvement of their central data processing system (Lombardy and Venezia) <b>Manifattura Lane Gaetano MARZOTTO e Figli SpA</b> through intermediary of <b>IMI</b> Lit 15 billion Lit 10 billion	10.9 7.2	● ●	
<b>157.</b> Automation of production and computerisation of management services at nine clothing factories in the provinces of Turin, Asti and Cuneo, Piedmont <b>Gruppo Finanziario Tessile SpA</b> through intermediary of <b>IMI</b> Lit 5 billion	3.6	●	
<b>158.</b> Reafforestation of over 4 000 ha and laying of forest tracks in the Val d'Aosta <b>Autonomous Region of Val d'Aosta</b> through intermediary of <b>Italian State</b> Lit 8 billion	5.8	●	
<b>159.</b> Modernisation of five hotels, at Avellino and Caserta in Campania, and at Catania, Palermo and Syracuse in Sicily <b>ITALJOLLY</b> through intermediary of <b>IMI</b> Lit 2.5 billion	1.8	●	



Energy	Community Infrastructure	Modernisation — Conversion	Regional Development
million ECUs			
<b>160.</b> Construction of a holiday village with 1 100 beds on the Metaponto coast, Basilicata <b>Sviluppo Turistico per Metaponto SpA</b> through intermediary of <b>ISVEIMER</b> Lit 6 billion			
		4.3	●
<b>161.</b> Restoration and protection of archaeological sites at Pompeii, Herculaneum and Stabiae (Campania) <b>Italian Republic (Ministry of Cultural Heritage and the Environment)</b> Lit 4 billion			
		2.9	● ●
<b>162.</b> Global loan to <b>Banco di Napoli — Industrial Credit Section</b> — to finance small and medium-scale ventures in industry and the hotel and service sector in the Mezzogiorno Lit 30 billion			
		21.8	●
<b>163.</b> Global loan to <b>BNL — Industrial Credit Section</b> — to finance small and medium-scale industrial ventures in the Mezzogiorno Lit 50 billion			
		36.3	●
<b>164.</b> Global loan through intermediary of <b>IMI</b> to several companies providing leasing facilities for small and medium-sized industrial and service enterprises in the Mezzogiorno Lit 40 billion			
		28.8	●
<b>165.</b> Global loan to <b>INTERBANCA</b> to finance small and medium-scale ventures in industry and the hotel and service sector in the Mezzogiorno Lit 20 billion			
		14.5	●
<b>166.—167.</b> Global loans to <b>ISVEIMER</b> to finance small and medium-scale ventures in industry and the hotel and service sector in the mainland Mezzogiorno Lit 75 billion Lit 60 billion			
		54.7	●
		43.2	●
<b>168.</b> Global loan to <b>ISVEIMER</b> to finance restoration of the means of production to small and medium-sized enterprises in industry and the hotel sector damaged in the November 1980 earthquakes in Campania and Basilicata Lit 6.6 billion			
		4.8	●
<b>169.—170.</b> Global loans to <b>CIS</b> to finance small and medium-scale industrial and service ventures in Sardinia Lit 35 billion Lit 35 billion			
		25.3	●
		25.2	●

Energy	Community Infrastructure	Modernisation — Conversion	Regional Development
million ECUs			
<b>171.</b> Global loan to <b>Banco di Sicilia</b> to finance small and medium-scale industrial ventures in Sicily Lit 15 billion			
		10.8	●
<b>172.</b> Global loan to <b>IRFIS</b> to finance small and medium-scale industrial ventures in Sicily Lit 15 billion			
		10.9	●
<b>173.</b> Global loan to <b>ARTIGIAN-CASSA</b> to finance craft enterprise projects in assisted areas Lit 30 billion			
		21.8	●
<b>174.</b> Global loan to <b>EFIBANCA</b> to finance small and medium-scale industrial and service ventures in less-developed parts of Central and Northern Italy Lit 15 billion			
		10.9	●
<b>175.—176.</b> Global loans to <b>IMI</b> to finance small and medium-scale ventures in industry and the hotel and service sectors in the less-developed parts of Central and Northern Italy Lit 60 billion Lit 30 billion			
		43.3	●
		21.6	●
<b>177.</b> Global loan to the <b>regional Mediocrediti</b> and <b>INTERBANCA</b> through intermediary of <b>MEDIOCREDITO CENTRALE</b> to finance small and medium-scale industrial and service ventures in the less-developed parts of Central and Northern Italy Lit 60 billion			
		43.6	●
<b>178.—179.</b> Global loans to <b>BNL/SACAT</b> to finance small and medium-scale ventures in the hotel sector and tourism: — in the Mezzogiorno Lit 10 billion — in less-developed parts of Central and Northern Italy Lit 12.5 billion			
		7.3	●
		9.0	●
<b>180.—181.</b> Global loans to <b>CREDIOP</b> to finance small and medium-scale infrastructural works in the Mezzogiorno Lit 3.8 billion Lit 5.6 billion			
		2.7	●
		4.1	●
<b>182.—183.</b> Global loans to <b>BNL</b> for on-lending in the Mezzogiorno to finance — small and medium-scale projects to make rational use of energy in industry Lit 15 billion — energy infrastructure Lit 5 billion			
		10.9	●
		3.6	●



Energy

Community Infrastructure

Modernisation — Conversion

Regional Development

million ECUs

**184.** Global loan to **ISVEIMER** to finance energy infrastructure in the Mezzogiorno  
Lit 20 billion 14.4 ● ●

**185.** Global loan to **regional Mediocrediti** and **INTERBANCA** through intermediary of **MEDIOCREDITO CENTRALE** to finance small and medium-scale ventures designed to make rational use of energy in Central and Northern Italy  
Lit 25 billion 18.2 ● ●

**186.** Global loan to **Istituto Bancario San Paolo di Torino** to finance energy infrastructure in Central and Northern Italy  
Lit 20 billion 14.4 ● ●

**187.—190.** Global loans to **IMI** for on-lending in Central and Northern Italy to finance:  
— small and medium-scale projects to make rational use of energy in industry  
Lit 15 billion 10.9 ● ●  
Lit 20 billion 14.4 ● ●

— small and medium-scale energy infrastructure (gas grids, hydro-electric plants, recycling of urban waste)  
Lit 85 billion 62.0 ● ●  
Lit 10 billion 7.2 ● ●

**191.—193.** Global loans to **BNL** for on-lending in Central and Northern Italy to finance projects making rational use of energy in industry and small and medium-scale energy infrastructure  
Lit 20 billion 14.4 ● ●  
Lit 50 billion 36.4 ● ●  
Lit 30 billion 21.9 ● ●

**LUXEMBOURG 16.4**

750 million Luxembourg francs

**194.** Construction of the Senningerberg—Niederanven (4 km) and Potoschberg—German border (10.5 km) sections of the Luxembourg—Trier Autobahn  
**Grand Duchy of Luxembourg (Fonds des Routes)**  
Lfrs 750 million 16.4 ●

**UNITED KINGDOM 888.2**

521 million pounds sterling

**195.—198.** Construction of Units 1 and 2 (2 × 611 MW) of the Torness Point Nuclear Power Station in Scotland  
**South of Scotland Electricity Board**  
£40 million 70.1 ● ●  
£50 million 83.7 ● ●  
Variable-rate loan contracts denominated in US\$,  
equivalent to: £16.9 million 10.0 ● ●  
£84.5 million 50.1 ● ●

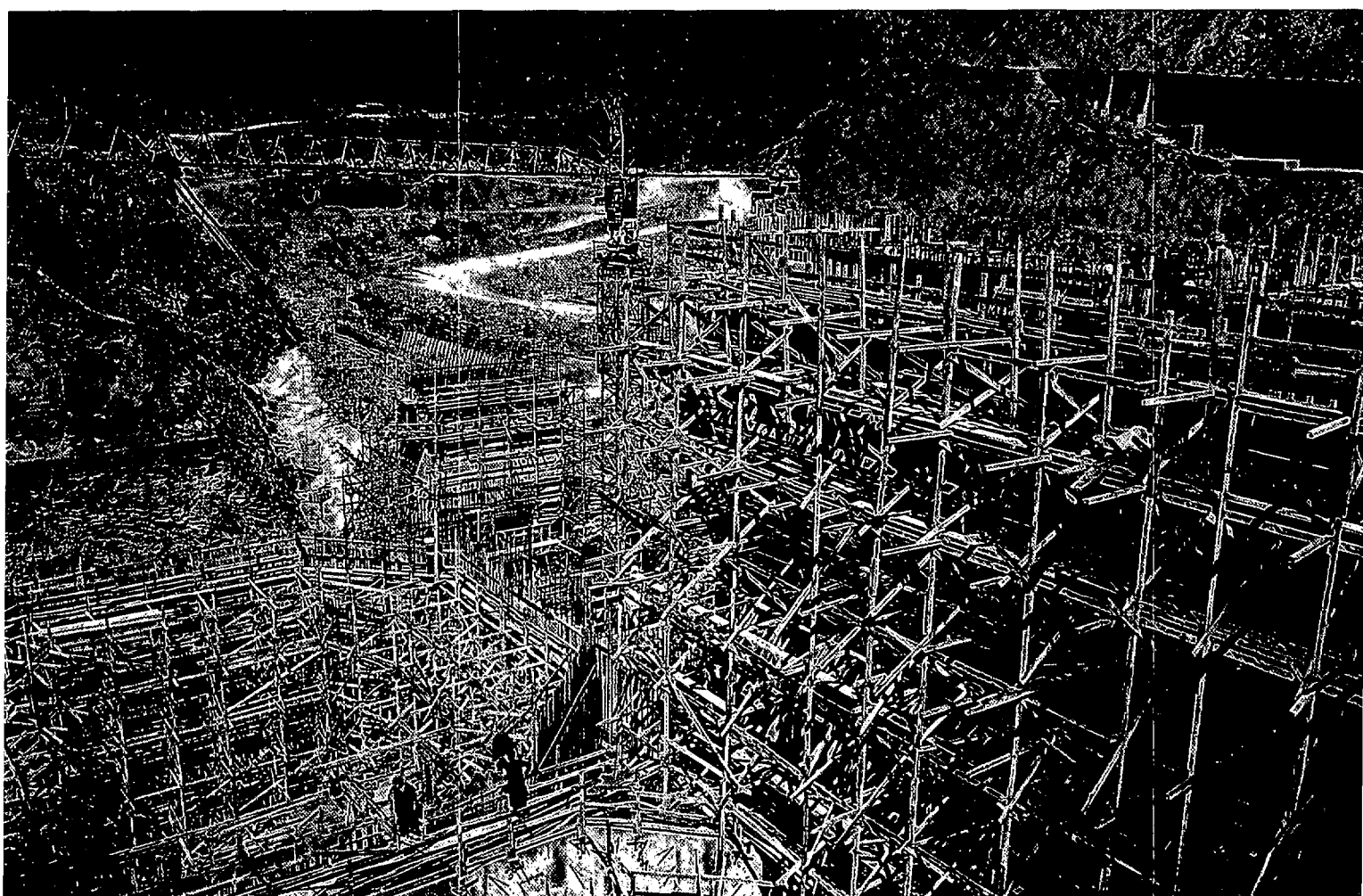
Energy	Community Infrastructure	Modernisation — Conversion	Regional Development
million ECUs			
<b>199.—200.</b> Construction of spent nuclear fuel storage and reprocessing facilities at Sellafield (Northern Region)			
<b>British Nuclear Fuels Limited</b>			
Variable-rate loan contracts denominated in US\$,			
equivalent to: £60.2 million	101.5	●	●
£48.1 million	81.2	●	●
<b>201.</b> Development of Esmond offshore gasfield in the southern area of the British sector of the North Sea			
<b>Hamilton Brothers UK Petroleum Corporation and Hamilton Oil Great Britain PLC</b>			
£10 million	16.8	●	●
<b>202.</b> Interconnection of British and French high-voltage power grids by laying of four pairs of submarine cables under the English Channel between Sellindge in Kent and Bonningues-lès-Calais (Nord-Pas-de-Calais)			
<b>Central Electricity Generating Board</b>			
£70 million	122.7	●	●
<b>203.</b> Construction of 5.5 km relief road from the M4 motorway to Llanelli in South Wales			
<b>Dyfed County Council</b>			
£2 million	3.5	●	●
<b>204.</b> Improvement works on 18 km of the A 467 trunk road from Newport to Abertillery in Wales			
<b>Gwent County Council</b>			
£4 million	7.0	●	●
<b>205.</b> Construction of new local roads in County Durham			
<b>Durham County Council</b>			
£1.6 million	2.7	●	●
<b>206.</b> Improvement and expansion of Leeds & Bradford regional airport (Yorkshire and Humberside)			
<b>Leeds Bradford Airport Joint Committee</b> through intermediary of <b>West Yorkshire Metropolitan County Council</b>			
£5 million	8.8	●	●
<b>207.</b> Extension and modernisation of the Hull telephone network (Yorkshire and Humberside)			
<b>Kingston-upon-Hull City Council</b>			
£1 million	1.7	●	●
<b>208.</b> Sewage treatment and disposal schemes in the South West Region			
<b>South West Water Authority</b>			
£5 million	8.8	●	●

Energy	Community Infrastructure	Modernisation — Conversion	Regional Development
million ECUs			
<b>209.—210.</b> Sewerage and sewage disposal schemes in Merseyside (North West Region)			
<b>North West Water Authority</b>			
£14 million	24.5	●	●
£13 million	21.9	●	●
<b>211.—212.</b> Water supply and sewage disposal schemes in South Yorkshire			
<b>Yorkshire Water Authority</b>			
£8.5 million	14.9	●	●
£8.5 million	14.3	●	●
<b>213.</b> Improvements to sewerage and sewage treatment systems and enhancement of water supplies in the Northern Region			
<b>Northumbrian Water Authority</b>			
£10 million	16.7	●	●
<b>214.</b> Upgrading of sewerage facilities in Prestwick and Monkton and road improvement works in the vicinity of Glasgow in Scotland			
<b>Strathclyde Regional Council</b>			
£13 million	21.9	●	●
<b>215.</b> Extensive water supply, sewerage and sewage treatment scheme serving East Anglia, the East Midlands and Humberside			
<b>Anglian Water Authority</b>			
£34 million	57.4	●	●
<b>216.—217.</b> Upgrading of roads, new port and airport installations and construction of new waste disposal site in Liverpool, North West Region			
<b>Merseyside County Council</b>			
£5 million	8.8	●	●
£5 million	8.4	●	●
<b>218.—219.</b> Road works, construction of drainage and effluent disposal facilities and infrastructure for industrial estates in Lancashire, North West Region			
<b>Lancashire County Council and Rosendale Borough Council</b> through intermediary of <b>Lancashire County Council</b>			
£3 million	5.3	●	●
£3 million	5.1	●	●
<b>220.</b> Road improvement schemes, development of industrial estates in Devon and construction of a catering college and waste disposal site in Plymouth; provision of radar equipment for Exeter Airport (South West Region)			
<b>Devon County Council</b>			
£4 million	6.7	●	●
<b>221.</b> Provision of infrastructure for the establishment of new, job-creating industrial and tourism-related activities in Swansea, South Wales			
<b>Swansea County Council</b>			
£9 million	15.1	●	●

Energy	
Community Infrastructure	
Modernisation — Conversion	
Regional Development	
	million ECUs
<b>222.</b> Provision of infrastructure for a small industrial estate at Scunthorpe, Yorkshire and Humberside <b>Scunthorpe Borough Council</b> £0.89 million	1.5
<b>223.</b> Construction of a link road giving access to the industrial estate south of Alnwick, Northern Region <b>Alnwick District Council</b> £50 000	0.1
<b>224.</b> Development and production of a 36-seater commuter aircraft at Belfast, Northern Ireland <b>Short Bros. plc</b> £10 million	16.9
<b>225.</b> Global loan to the <b>Bank of Scotland</b> to finance small and medium-scale industrial and service ventures in the Assisted Areas excluding Northern Ireland £1 million	1.8

Energy	
Community Infrastructure	
Modernisation — Conversion	
Regional Development	
	million ECUs
<b>226.</b> Global loan to the <b>Royal Bank of Scotland</b> and to <b>Williams &amp; Glyn's Bank plc</b> through intermediary of <b>Royal Bank of Scotland Group plc</b> to finance small and medium-scale industrial and service ventures in the Assisted Areas excluding Northern Ireland £2 million	3.5
<b>227.</b> Contract of mandate and guarantee with the <b>Department of Trade and Industry</b> , the <b>Industry Department for Scotland</b> , the <b>Welsh Office Industry Department</b> and the <b>Northern Ireland Industrial Development Board</b> to finance small and medium-scale ventures in industry, tourism and the service sector in the Assisted Areas £20 million	33.5

Since 1979, the EIB has made a number of loans in Greece towards hydroelectric schemes on the Aliakmon River, including dams (see photos) and hydroelectric power stations at Sfikia and Assomata, North-West of Thessaloniki. The impact on employment of projects financed with Bank support — major infrastructure schemes in particular — is estimated at about 500 000 jobs for 1984.



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

### Contracts signed in 1984

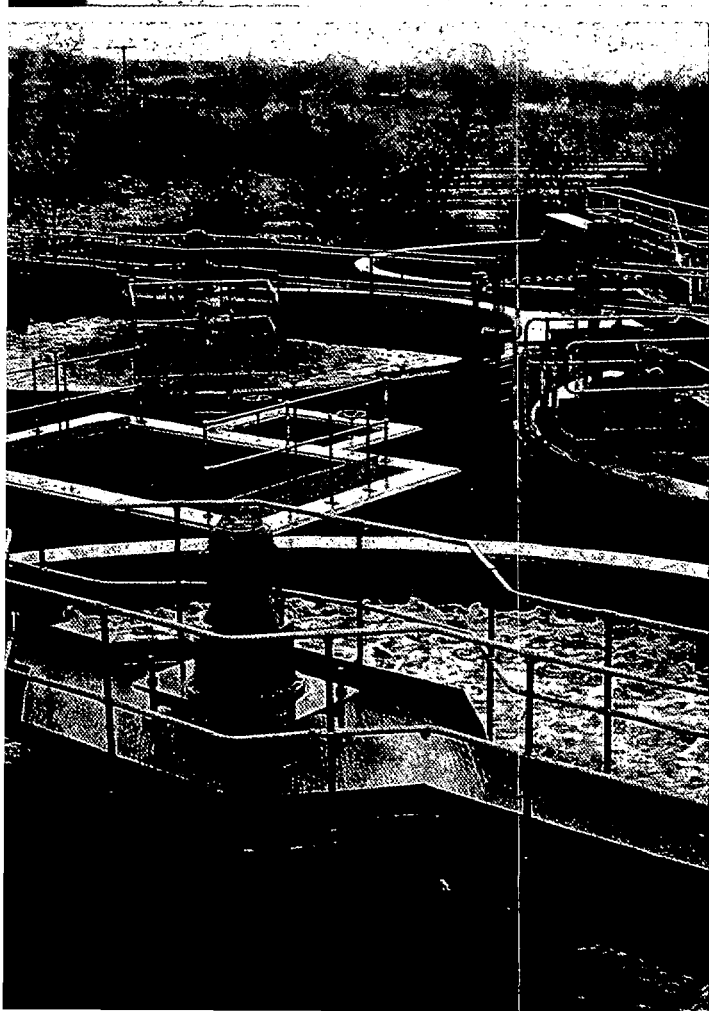
Loans granted from NCI resources are signed jointly by the Commission of the European Communities and the Bank. In 1984, for projects within the Community, they totalled 1 181·8 million.

These operations — the principal economic aspects of which are presented on pages 27 to 47 — are carried out by the Bank under mandate from, on behalf, for the account and at the risk of the European Economic Community (see page 29 for details) and are accounted for off balance sheet in the Bank's Special Section (see page 90): the Bank's responsibility for these loans is limited to proper performance, in conformity with normal banking practice, of the mandate entrusted to it.

The symbols in the columns to the right of each operation listed below refer back to the economic policy objective headings featured in Table 3.

Projects financed from NCI resources which also received loans from the Bank's own resources are preceded by a plus sign (+). Reconstruction loans for the earthquake-damaged areas of Italy have an asterisk against the amount; these loans attracted a 3 % interest subsidy.

	Energy	Community Infrastructure	Investment by SMEs	Regional Development	
	million ECUs				
<b>DENMARK</b>	<b>134·6</b>				
1 100 million Danish kroner					
<b>228.+</b> Construction of oil production platform for the Gorm field in the North sea and laying of 220 km of submarine and 110 km of onshore pipeline across Jutland to the Fredericia terminal					
<b>Dansk Olierør A/S-Doras</b>					
Dkr 300 million				36·7	●
<b>229.—230.+</b> Laying of natural gas transmission and distribution system to serve 47 municipalities in the Greater Copenhagen area					
<b>Hovedstadsregionens Naturgas I/S</b> through intermediary of <b>Kongeriget Danmarks Hypotekbank og Finansforvaltning</b>					
Dkr 250 million				30·5	●
Dkr 250 million				30·5	●
<b>231.—232.</b> Global loans to <b>Finansieringsinstituttet for Industri og Håndværk A/S</b> to finance productive investment by small and medium-sized enterprises in industry and the craft and service sectors					
Dkr 100 million				12·2	●
Dkr 200 million				24·7	●
<b>GREECE</b>	<b>69·3</b>				
6 325·6 million Drachmas					
<b>233.+</b> Construction of Amynteon power station (2 x 300 MW) to be fuelled by lignite from nearby mine in Western Macedonia					
<b>PPC</b> Contract denominated in ECUs, amount equivalent to Dr 1 474·6 million				16·0	●
<b>234.+</b> Open-cast working of lignite deposit at Amynteon to supply fuel to nearby power station in Western Macedonia					
<b>PPC</b> Contract denominated in ECUs, amount equivalent to Dr 1 751 million				19·0	● ●
<b>235.+</b> Expansion and modernisation of telephone and telex networks					
<b>OTE</b> Dr 1 600 million				18·0	●
<b>236.</b> Global loan to the <b>Agricultural Bank of Greece</b> to finance small and medium-scale agro-industrial projects and on-farm investment					
Dr 1 500 million				16·3	●
<b>FRANCE</b>	<b>386·3</b>				
2 650 million French francs					
<b>237.+</b> Construction and launching of satellites and installation of earth stations and transmission grids to provide advanced data transmission services to business users and links with the French Overseas Departments					
<b>Administration des Postes et Télécommunications</b> through intermediary of the <b>CNT</b>					
Ffrs 300 million				43·7	● ●



Energy  
 Community Infrastructure  
 Investment by SMEs  
 Regional Development

million ECUs

**238.—261.** Global loans to 12 regional development companies (SDR) for financing small and medium-scale ventures in industry and the service sector other than tourism and trade outside assisted areas:

— SDR du Centre-Est — Centre-Est			
Ffrs 40 million	5.8	●	
Ffrs 40 million	5.8	●	
— SDR de Champagne-Ardenne — Champex			
Ffrs 15 million	2.2	●	
Ffrs 15 million	2.2	●	
— SDR du Sud-Ouest — Expanso			
Ffrs 10 million	1.5	●	
Ffrs 10 million	1.5	●	
— SDR de Lorraine — Lordex			
Ffrs 10 million	1.5	●	
Ffrs 10 million	1.5	●	
— SDR de Méditerranée			
Ffrs 15 million	2.2	●	
Ffrs 15 million	2.2	●	
— SDR du Nord-Pas-de-Calais			
Ffrs 10 million	1.5	●	
Ffrs 10 million	1.5	●	
— SDR de Normandie			
Ffrs 20 million	2.9	●	
Ffrs 20 million	2.9	●	
— SDR de Picardie			
Ffrs 25 million	3.6	●	
Ffrs 25 million	3.6	●	
— SDR d'Alsace — Sade			
Ffrs 30 million	4.4	●	
Ffrs 30 million	4.4	●	
— SDR du Sud-Est			
Ffrs 40 million	5.8	●	
Ffrs 40 million	5.8	●	
— SDR de l'Ouest — Sodero			
Ffrs 10 million	1.5	●	
Ffrs 10 million	1.5	●	
— SDR du Centre et du Centre-Ouest — Sodecco			
Ffrs 10 million	1.5	●	
Ffrs 10 million	1.5	●	

**262.—263.** Global loans to **Crédit National** to finance productive investment by small and medium-sized enterprises

Ffrs 350 million	51.0	●
Ffrs 430 million	62.7	●

**264.—266.** Global loans to **CEPME** to finance productive investment by small and medium-sized enterprises

Ffrs 400 million	58.3	●
Ffrs 330 million	48.1	●
Ffrs 270 million	39.4	●

**267.** Global loan to **Caisse Centrale de Crédit Coopératif** to finance productive investment by small and medium-sized enterprises in industry and allied services

Ffrs 100 million	14.6	●
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Energy			
Community Infrastructure			
Investment by SMEs			
Regional Development			
	million ECUs		
<b>IRELAND</b>	<b>50.0</b>		
36.2 million Irish pounds			
<b>268.+</b> Improvements to the national road network <b>Ireland (Minister for Finance)</b> IR£11 million	15.1	●	
<b>269.+</b> Water supply and sewage disposal schemes <b>Ireland (Minister for Finance)</b> IR£11.2 million	15.5	●	●
<b>270.+</b> Development of 15 800 ha of forest: roads, tourist amenities and technical facilities <b>Forest and Wildlife Service of the Department for Fisheries and Forestry through intermediary of Irish Government (Minister for Finance)</b> IR£14 million	19.4	●	●
<b>ITALY</b>	<b>497.3</b>		
687.5 billion Lire			
<b>271.</b> Laying of 100 km of the Algeria-Italy gasline between Palliano and Civita Castellana in Latium <b>SNAM SpA through ENI</b> Lit 55 billion	39.7	●	
<b>272.—274.</b> Conversion of the Rome grid to natural gas — final phase — and extension of distribution networks in communes in the Greater Rome area of Latium <b>ITALGAS SpA</b> through intermediary of: — <b>BNL—SAFOP</b> Lit 10 billion — <b>CENTROBANCA</b> Lit 10 billion — <b>EFIBANCA</b> Lit 10 billion	7.2 7.2 7.2	● ● ●	
<b>275.</b> Reinstatement of railway damaged in the November 1980 earthquakes in Campania and Basilicata <b>Azienda Autonoma delle Ferrovie dello Stato (F.S.)</b> Lit 20 billion	14.6 *	●	

Energy			
Community Infrastructure			
Investment by SMEs			
Regional Development			
	million ECUs		
<b>276.—279.</b> Installation of solar panels for heating running water for domestic and tertiary sector users <b>ENEL</b> — in the Mezzogiorno Lit 5 billion Lit 10 billion — in Central and Northern Italy Lit 15 billion Lit 10 billion	3.6 7.2 10.8 7.2		● ● ● ●
<b>280.—282.</b> Global loans to <b>INTERBANCA</b> to finance productive investment by small and medium-sized enterprises in Central and Northern Italy outside less-developed areas Lit 30 billion Lit 20 billion Lit 25 billion	21.9 14.4 18.0		● ● ●
<b>283.</b> Global loan to <b>EFIBANCA</b> to finance productive investment by small and medium-sized enterprises in Central and Northern Italy outside less-developed areas Lit 20 billion	14.6	●	
<b>284.</b> Global loan to <b>BNL</b> to finance productive investment by small and medium-sized enterprises in Central and Northern Italy outside less-developed areas Lit 25 billion	18.2	●	
<b>285.—286.</b> Global loans to <b>MEDIO-CREDITO CENTRALE</b> to finance productive investment by small and medium-sized enterprises in Central and Northern Italy outside less-developed areas Lit 70 billion Lit 80 billion	50.5 57.6		● ●
<b>287.—288.</b> Global loans to <b>CENTROBANCA</b> to finance productive investment by small and medium-sized enterprises in Central and Northern Italy outside less-developed areas Lit 35 billion Lit 30 billion	25.3 21.6		● ●
<b>289.</b> Global loan to <b>ARTIGIAN-CASSA</b> to finance craft enterprise projects in Central and Northern Italy outside less-developed areas Lit 20 billion	14.4	●	
<b>290.—291.</b> Global loans to <b>IMI</b> to finance productive investment by small and medium-sized enterprises, to promote in particular innovative and new-technology projects in Central and Northern Italy outside less-developed areas Lit 70 billion Lit 80 billion	51.0 57.6		● ●

	Energy	Community Infrastructure	Investment by SMEs	Regional Development	million ECUs
<b>292.</b> Global loan to <b>BNL</b> to finance investment in Central and Northern Italy designed to reduce energy consumption and foster the use of alternative energy sources in the building sector Lit 25 billion					18.2
<b>293.—294.</b> Global loans to <b>VENEFONDIARIO</b> to finance small and medium-scale projects in Central and Northern Italy designed to make more rational use of energy in:					
— infrastructure Lit 7.5 billion					5.4
— industry and the construction sector Lit 5 billion					3.6

	Energy	Community Infrastructure	Investment by SMEs	Regional Development	million ECUs
<b>UNITED KINGDOM</b>					<b>44.3</b>
26 million pounds sterling					
<b>295.</b> Installation of sewerage and waste water treatment facilities in Greater Birmingham and river training works on the Tame (West Midlands) <b>Severn Trent Water Authority</b> £20 million					33.7
<b>296.</b> Global loan to the <b>Bank of Scotland</b> to finance productive investment by small and medium-sized enterprises outside the Assisted Areas £2 million					3.5
<b>297.</b> Global loan to the <b>Royal Bank of Scotland Group plc</b> to finance productive investment by small and medium-sized enterprises outside the Assisted Areas £4 million					7.0

#### Abbreviations

<i>Greece</i>	<i>ETBA</i>	<i>Elliniki Trapeza Viomihanikis Anaptixeos</i> <i>Hellenic Industrial Development Bank</i>	<i>CENTROBANCA</i>	<i>Banca Centrale di Credito Popolare</i>
	<i>NIBID — ETEBA</i>	<i>Ethiniki Trapeza Ependyseon Viomichanikis Anaptixeos</i> <i>National Investment Bank for Industrial Development</i>	<i>CIS</i>	<i>Credito Industriale Sardo</i>
	<i>OTE</i>	<i>Organismos Tilepikoinonion tis Ellados</i> <i>Greek Telecommunications Organisation S.A.</i>	<i>CREDIOP</i>	<i>Consorzio di Credito per le Opere Pubbliche</i>
	<i>PPC — DEI</i>	<i>Dimosia Epichirisi Ilektrismou</i> <i>Public Power Corporation</i>	<i>EFIBANCA</i>	<i>Ente Finanziario Interbancario</i>
<i>France</i>	<i>CAECL</i>	<i>Caisse d'Aide à l'Équipement des Collectivités Locales</i>	<i>ENEL</i>	<i>Ente Nazionale per l'Energia elettrica</i>
	<i>CEPME</i>	<i>Crédit d'Équipement des Petites et Moyennes Entreprises</i>	<i>ENI</i>	<i>Ente Nazionale Idrocarburi</i>
	<i>CNA</i>	<i>Caisse Nationale des Autoroutes</i>	<i>IMI</i>	<i>Istituto Mobiliare Italiano</i>
	<i>CNT</i>	<i>Caisse Nationale des Télécommunications</i>	<i>INTERBANCA</i>	<i>Banca per Finanziamenti a Medio e Lungo Termine</i>
	<i>EDF</i>	<i>Électricité de France — Service National</i>	<i>IRFIS</i>	<i>Istituto Regionale per il Finanziamento alle Industrie in Sicilia</i>
<i>Italy</i>	<i>AGIP</i>	<i>Azienda Generale Industria Petroli</i>	<i>IRI</i>	<i>Istituto per la Ricostruzione Industriale</i>
	<i>ANAS</i>	<i>Azienda Nazionale Autonoma delle Strade</i>	<i>ISVEIMER</i>	<i>Istituto per lo Sviluppo Economico dell'Italia Meridionale</i>
	<i>BNL</i>	<i>Banca Nazionale del Lavoro</i>	<i>MEDIOCREDITO CENTRALE</i>	<i>Istituto Centrale per il Credito a Medio Termine</i>
	<i>BNL/SACAT</i>	<i>Sezione Autonoma per l'Esercizio del Credito Alberghiero e Turistico della Banca Nazionale del Lavoro</i>	<i>SIP</i>	<i>Società Italiana per l'Esercizio Telefonico p.A.</i>
			<i>SNAM</i>	<i>Società Nazionale Metanodotti</i>
			<i>VENEFONDIARIO</i>	<i>Istituto di Credito Fondiario delle Venezie</i>



## Operations outside the Community

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Bank financing operations outside the Community in 1984 amounted to 620.7 million from own resources and 87.6 million from budgetary resources, giving a total of 708.3 million in contrast to 480.3 million in 1983.

The Bank lent 220 million in Spain and Portugal, countries which have applied for Community membership, with a view to paving the way for their integration into the Community economy. Lending in Yugoslavia was geared to supporting projects contributing to the growth of the economy and offering mutual benefits to this country and EEC Member States (126.3 million). Funds advanced in the Maghreb and Mashreq countries and Israel (201.3 million in total, including 6 million from budgetary resources) helped to crystallise the aims of financial cooperation agreements between the countries concerned and the Community.

Loans provided in the African, Caribbean and Pacific States under the Second Lomé Convention and in the Overseas Countries and Territories under the Decision of the Council of the European Communities came to 79.1 million from own resources and 81.6 million in risk capital assistance, i.e. a total of 160.7 million.

### Lending in countries which have applied for Community membership

A total of 220 million was made available from the Bank's own resources in loans for projects in Spain and Portugal centred on fostering the growth of small and medium-sized industrial and tourism

enterprises (85 million), strengthening transport infrastructure (80 million) and harnessing indigenous energy resources (55 million).

The Bank mounts operations outside the Community under agreements concluded between individual countries or groups of countries and the European Economic Community. The general approval for such operations is given by the Board of Governors in keeping with Article 18 of the Statute providing for lending outside the Member States (see Table 9) and often, particularly in the ACP States, as part of cofinancing operations mounted with other development aid institutions.

There are two sides to Bank lending outside the Community: on the one hand, the EIB advances **loans from its own resources** drawn from funds raised on the capital markets; the Community or the Member States furnish a blanket guarantee, to the extent of 75 % of credit made available, to cover any risk attaching to commitment of these resources outside the Community; such credit, provided at market rates, can attract interest subsidies from budgetary funds.

On the other hand, the Bank acts as agent for the Community in deploying **budgetary resources**; operations under this heading, in the form of loans on special conditions or risk capital assistance, offer highly concessionary terms and are accounted for separately from other EIB operations off-balance-sheet in the Special Section (see p. 90). Loans on special conditions are provided at a very low rate of interest (1 %, for example) and for a very long term (e.g. 40 years, including a 10-year grace period).

Risk capital is employed for financing acquisition of shareholdings or for lending to a State or a national development agency to bolster enterprises' equity capital. It can also be used for providing quasi-capital assistance in the form of subordinated or conditional loans. Subordinated loans are repayable only after prior-ranking loans have been repaid; 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 contract signature.

The versatility of this medium, the terms and conditions of which are tailored to individual projects, can accommodate a variety of financing needs, chiefly in industry; lesser amounts are also made available for feasibility studies and for technical assistance to firms during the start-up period.

## Spain

The EIB advanced eight loans in Spain for a total of 140 million. The four global loans, concluded with intermediary institutions, were earmarked for capital investment undertaken by small and medium-sized industrial and tourism enterprises, with a spread designed to cover projects in the country's less developed regions (45 million) as well as schemes to modernise firms established in more industrialised areas (25 million). 1984 saw 131 allocations, totalling 44.8 million, being drawn down from ongoing global loans in support of businesses located for the most part in Andalusia, Castile and the Canary Islands.

In addition to the above global loans, a further two lines of credit (30 million) were established with a view to enabling local authorities in less developed regions to improve their infrastructure; 372 sub-

loans, worth 15.2 million in all, aided implementation of smaller-scale road and water supply schemes.

Two projects centred on harnessing indigenous energy resources each attracted an individual loan for 20 million: the Moralets pumped storage hydro-electric complex in the eastern Pyrenees will have a capacity of 210 MW; and the scheme to develop and tap the Gaviota gas field in the Bay of Biscay off Bilbao will help to cut back on imported petroleum products.

## Portugal

The Bank provided five loans in Portugal for a total of 80 million. Two loans worth 50 million in all were aimed at developing transport infrastructure in the north of the country: the new railway bridge over the River Douro will make for considerable improvements in communications between Oporto,

### **A decade of lending in Portugal**

The Community is preparing to welcome two new Member States, Spain and Portugal, into its midst. In many respects, the differences between the newcomers are considerable be it in terms of geographical area, economic weight or level of development.

EIB lending activity in Portugal dates from 1975, since when the Bank has made 625 million available under financial protocols or as part of emergency and pre-accession aid. The ten-year bench mark seems an appropriate time to provide an overview of operations mounted in this country.

The year 1975 saw Portugal emerging from a long reign of authoritarian government to the dawn of an era when its former colonies were regaining their independence and its inward-looking economy was at long last turning to the more competitive framework of the outside world. In the early years, the Community's financial aid was designed to assist the country in overcoming specific economic difficulties. Subsequently, once provision had been made for remedying the most urgent deficiencies, the EEC concentrated its aid on paving the way for the integration of Portugal's economy into the Community structure. This took the form of loans from the Bank's own resources, part of which attracted interest subsidies from budgetary funds, together with grant aid likewise drawn from Community budgetary funds and managed by the Commission.

The main thrust of Bank lending has been directed towards financing capital projects geared to overcoming three major obstacles to the country's economic development: lack of adequate communications infrastructure, excessive dependence on outside energy sources and the generally low level of corporate productivity.

#### **Improving transport infrastructure**

Portugal's long seaboard, mountainous hinterland and position on the periphery of the Community militated in favour of doing the utmost to underpin the country's transport systems. Consequently, Bank lending went to projects ranging from roads, railways and harbours to airports:

— it put up funds for the road between Lisbon and the Algarve; subsequently for highways running across the breadth of the country to link both Aveiro and Oporto with Spain and, beyond this, the Community;

(continued)

- it financed construction work on the railways between Oporto and Lisbon;
- it provided credit for harbour installations at Lisbon, Leixoes-Oporto and Aveiro;
- it funded airport facilities at Oporto, Faro in the south, and Funchal on Madeira.

Whereas Portugal's air and sea transport infrastructure would now appear to be equipped to cater for foreseeable medium-term demand, it is the country's inland areas which continue to be inadequately served by transport facilities, such that the poorest regions are still lagging behind in their development.

#### **Increasing independence on the energy front**

When the Bank started mounting operations in Portugal, this country relied on oil imports for close on 75 % of its energy supplies. There was therefore a vital need to support the drive towards broadening the range of energy sources. The Bank provided loans for hydroelectric power stations on the River Douro, in the north, and in the Azores, as well as for three 300 MW generating sets at Sines coal-fired power station south of Lisbon. It also extended credit for computerising the system for regulating the generation and distribution of electricity throughout the country and for linking up the domestic grid with the Spanish network. This capital investment should help to make for more rational use of generating capacity.

#### **Assisting growth in the manufacturing sector**

Although much has already been done over the years towards remodelling the corporate sector, industry is still plagued by a number of drawbacks, including low productivity levels, the heritage of protectionism within a narrow-based framework of largely undercapitalised, family-run businesses.

Bank lending activity in the manufacturing sector has been two-pronged. In the first place, finance has been made available for modernising and expanding larger firms in key sectors: fertilisers, cement, plastics and copper metallurgy. Secondly, the EIB has made a point of maintaining close contacts with the country's leading investment finance institutions, as a result of which it has been able to conclude a number of credit lines, the proceeds of which have served to fund modernisation of some 185 smaller industrial and tourism undertakings and to prepare them for the demands of the common market.

Viewed as another 'must' by the Bank has been the need to support modernisation schemes in the agricultural sector which has for too long been handicapped by a legacy of landed estates in the south and fragmentation in the north. In an area where much remains to be done, the Bank has focused a large part of its lending on improving productive infrastructure by financing the installation of irrigation networks. EIB credit has also gone towards establishing a new eucalyptus forest north of Lisbon intended to serve the production needs of a nearby paper pulp mill and to diversify agricultural output.

the economic hub of northern Portugal, and Lisbon; construction of a new road link between Oporto and Vila Real will facilitate traffic movements within one of the country's most highly industrialised regions.

A loan for 15 million, part of which attracted an interest subsidy from Community budgetary resources, was given over to upgrading the electricity supply system in the Azores through the installation of one thermal and two hydroelectric power stations (total capacity: 13.2 MW). These will help to cater for the ever-growing demand for electricity on the

islands and to remove an obstacle to their economic development.

Credit made available via two global loans worth 15 million in all will help to fund the capital investment needs of a large number of smaller businesses, notably by financing the leasing of machinery and equipment. During the year, 32 allocations totalling 16.4 million were drawn down from credit lines already on tap in support of firms situated for the most part in northern and central Portugal.

Operations outside the Community

Table 9: Amounts of Community financial aid provided for in conventions, financial protocols and decisions in force or under negotiation at 2 April 1985

(million ECUs)

Agreement	Duration	Loans from EIB own resources (1)	Operations mounted from budgetary funds			Total
			Loans on special conditions	Risk capital operations	Grant aid (2) (3)	
<b>Mediterranean countries</b>						
Spain	Financial cooperation	1. 7. 1984— 31. 12. 1985	250			250
Portugal	Pre-accession aid	1. 7. 1984— 31. 12. 1985	150			150
Yugoslavia	Financial protocol	1. 7. 1980— 30. 6. 1985	200			200
Turkey	Fourth Financial Protocol	awaiting signature	225	325 (5)	50	600
Algeria	Second Financial Protocol	1. 1. 1983— 31. 10. 1986	107		16 (7)	151
Morocco	Second Financial Protocol	1. 1. 1983— 31. 10. 1986	90		42 (7)	199
Tunisia	Second Financial Protocol	1. 6. 1983— 31. 10. 1986	78		24 (7)	139
Egypt	Second Financial Protocol	1. 1. 1983— 31. 10. 1986	150		50 (7)	276
Jordan	Second Financial Protocol	1. 1. 1983— 31. 10. 1986	37		7 (7)	63
Lebanon	Second Financial Protocol	1. 3. 1983— 31. 10. 1986	34		5 (7)	50
	Second advance of exceptional aid	—	50			50
Syria	Second Financial Protocol	1. 2. 1983— 31. 10. 1986	64		11 (7)	97
Malta	Second Financial Protocol	negotiation in prospect				
Cyprus		1. 5. 1984— 31. 12. 1988	28		6 (5)	44
Israel		1. 1. 1984— 31. 10. 1986	40			40
Total Mediterranean countries			1 503	486	320	2 309
<b>ACP States-OCT</b>						
ACP	Second Lomé Convention	1981—1985	685 200 (6)	525 (3)	284 (5)	4 493 200 (6)
OCT	Council Decision	1981—1985	15	20 (3)	7 (5)	80
Total ACP/OCT (4)			900	545 (3)	291 (5)	4 773
<b>Grand Total</b>			<b>2 403</b>	<b>1 031</b>	<b>291</b>	<b>3 357</b>
ACP	Third Lomé Convention	1985—1990 (8)	1 100	600 (3)	600 (5)	7 160
OCT	Council Decision	1985—1990 (9)	20	25 (3)	15 (5)	115
Total (8)			1 120	625	615	7 275

(1) Loans attracting interest subsidies from the European Development Fund in the case of projects in the ACP States and the OCT and from the General Budget of the European Communities in the case of projects in the Mediterranean countries, excluding Spain, Yugoslavia, Turkey and Israel; Lebanon has chosen not to draw on grant aid to finance interest subsidies.

(2) Amounts required for interest subsidies are financed from grant aid.

(3) Financing provided by the Commission.

(4) Excluding STABEX transfers (557 million for the ACP States and 9 million for the OCT) and the special financing facility for mining production in the ACP States (282 million); financing provided by the Commission.

(5) Financing provided by the Bank.

(6) Under the terms of Article 59 of the Second Lomé Convention and Annex XXI thereto, 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 mutual interest to the ACP 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.

(7) Financing provided by either the Commission or the Bank.

(8) Excluding STABEX transfers (925 million for the ACP States and 5 million for the OCT) and the special financing facility for mining production in the ACP States (415 million); financing provided by the Commission.

(9) Period envisaged.

## Financing in the other Mediterranean countries

The two loans provided in **Yugoslavia** centred on improving communications. The first, for 66.3 million, was given over to modernising and electrifying the Trans-Yugoslav Railway, while the second, for 60 million, was devoted to continuing work on the Trans-Yugoslav Highway, a project previously financed by the Bank, together with part of a road tunnel connecting Yugoslavia with Austria. The latter loan was made available outside the context of the EEC—Yugoslavia Financial Protocol under a special authorisation handed down by the Bank's Governors in keeping with Article 18 of the EIB's Statute. The project was seen to offer patent benefits to both Yugoslavia and the Community by virtue of establishing a first-class road link between Greece and the other Member Countries.

In **Morocco**, finance totalling 54 million went partly towards the Ait-Chouarit integrated hydroelectric complex to the east of Marrakesh and also included a global loan in support of smaller-scale on-farm and agricultural processing ventures.

In **Tunisia**, loans (10.5 million) were directed towards construction of 10 fertiliser storage centres (5.5 million, including 1.5 million on special conditions from budgetary resources) and towards funding on-farm and agricultural-processing ventures via a global loan; nine allocations were taken up during the year from this line of credit for a total of 1.3 million.

In **Egypt**, loans totalling 65.5 million (3 million from budgetary resources) were made available for interconnecting Shoubrah El Kheima thermal power station on the outskirts of Cairo, to the national grid, constructing a gypsum calcination plant and setting up a desert clay bricks factory, two projects which will base their production on local raw materials. There was also risk capital assistance for promoting the growth of SMEs in the industrial and tourism sectors.

**Syria** attracted two loans: one for the highway linking the capital, Damascus, to the border with Jordan (18.3 million) and the other for irrigation and drainage works in the lower Euphrates valley (20 million).

Lending operations mounted in **Jordan** (13 million, including 1.5 million from budgetary resources) will contribute towards improving water supplies to two towns in the south and towards financing local, small-scale infrastructural schemes in less developed areas. Six small industrial and tourism enterprises attracted 2.8 million in all in allocations from credit lines already under drawdown, while 1.4 million went to fund 100 or so on-farm investment schemes.

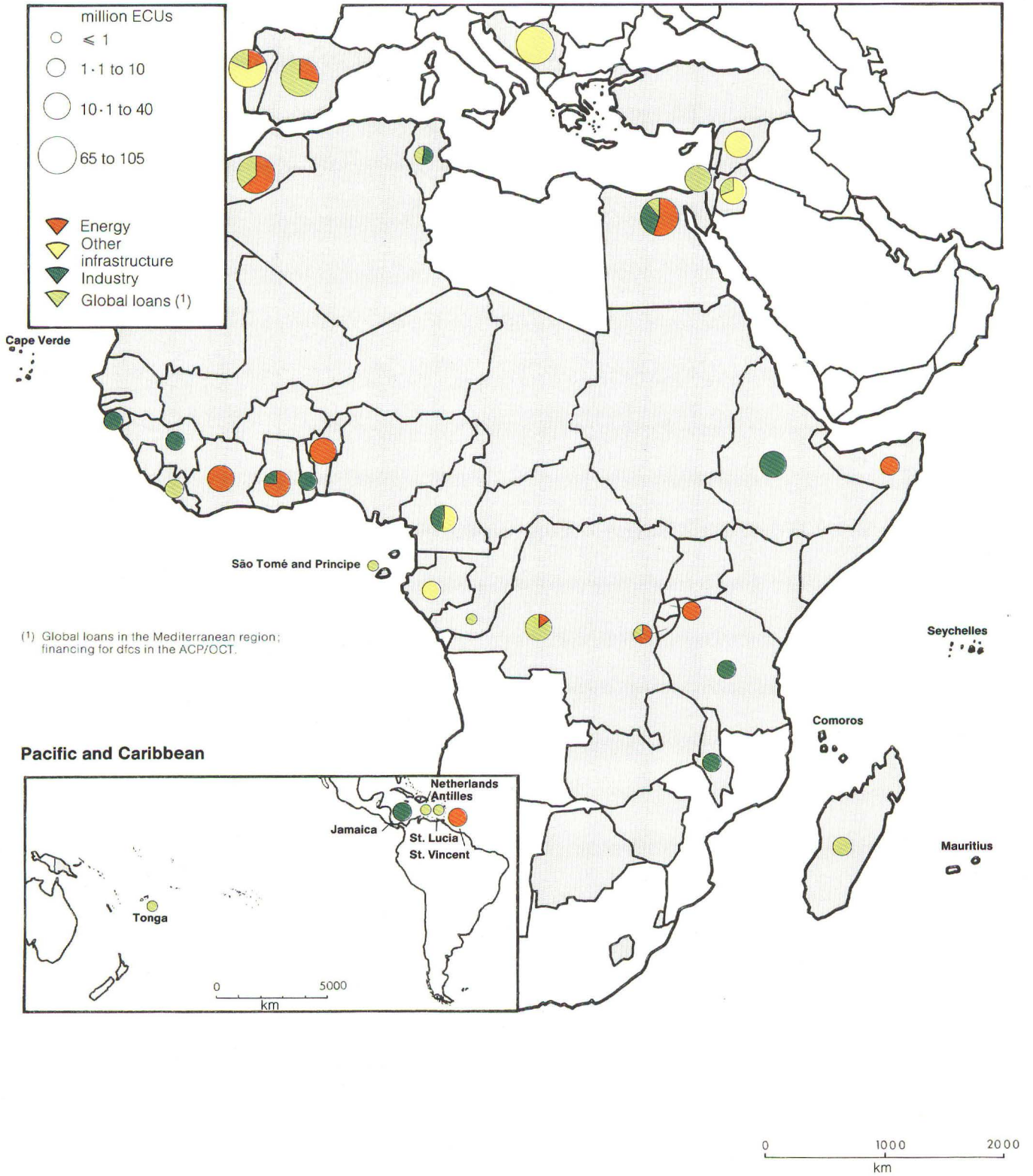
In **Israel**, the proceeds of a global loan for 20 million were earmarked for funding the capital investment needs of 15 smaller businesses in the industrial sector.

Table 10: **Financing provided in the Mediterranean countries in 1984**

Breakdown by project location and origin of resources

	Loans from own resources		Operations mounted from budgetary funds		Total	
	millions ECUs	%	million ECUs	%	millions ECUs	%
<b>Countries which have applied for accession</b>	<b>220.0</b>	<b>40.6</b>	—	—	<b>220.0</b>	<b>40.2</b>
Spain	140.0	25.8	—	—	140.0	25.6
Portugal	80.0	14.8	—	—	80.0	14.6
<b>Other countries</b>	<b>321.6</b>	<b>59.4</b>	<b>6.0</b>	<b>100.0</b>	<b>327.6</b>	<b>59.8</b>
Yugoslavia	126.3	23.3	—	—	126.3	32.1
Morocco	54.0	10.0	—	—	54.0	9.9
Tunisia	9.0	1.7	1.5	25.0	10.5	1.7
Egypt	62.5	11.5	3.0	50.0	65.5	12.0
Jordan	11.5	2.1	1.5	25.0	13.0	2.4
Syria	38.3	7.1	—	—	38.3	7.0
Israel	20.0	3.7	—	—	20.0	3.7
<b>Total</b>	<b>541.6</b>	<b>100.0</b>	<b>6.0</b>	<b>100.0</b>	<b>547.6</b>	<b>100.0</b>

Projects financed in the Mediterranean region, the ACP States and the OCT in 1984



## Financing in the ACP States and the OCT

The Bank mounted operations in 21 African, Caribbean and Pacific States and in one Overseas Territory in 1984. It provided eight loans totalling 79.1 million from own resources and mounted 25 operations from risk capital resources for a total of 81.6 million. This brought aggregate financing for the year to 160.7 million, as against 137.6 million in 1983 and 159.5 million in 1982. The level of funding is still very much conditioned by the limited number of investment opportunities of any great scale and by the continuing adverse economic situation in most of the countries concerned exacerbated by unfavourable climatic conditions. Apart from the loan for Benin's Sémé offshore oil field, every other loan advanced from the EIB's own resources carried an interest subsidy met from the European Development Fund.

More than half the funds made available financed capital investment in industry (89.6 million), principally the manufacturing sector (26.9%), agricultural-processing ventures (10.5%) and support for development finance companies (18.3%). A total of 38.1 million was drawn from current global loans for 92 small and medium-scale ventures, mainly in the agricultural-processing (41%), textiles (16%), woodworking (10%) and tourism (8.5%) sectors, a performance which contrasted favourably with the 21 million taken up in global loan credit in 1983. An important trend emerging in 1984 on the industrial front was the fairly pronounced shift towards backing rehabilitation, renovation and start-up of businesses: schemes of this kind accounted for 38% (31.4 million) of risk capital assistance advanced during the year.

Other lending operations were mainly directed towards exploiting oil and gas deposits, generating power from hydroelectric plant (33.9 million, or 21% of the total) and developing water supplies in two central African capitals, namely Yaoundé in Cameroon and Libreville in Gabon (24.6 million).

The capital investment financed by individual loans or global loan allocations should help directly to create about 4 000 jobs, mostly in industry and agricultural-processing; the average investment cost per job created in industry works out at 360 000 ECUs for individual loans and a tenth of this for global loan allocations. These figures do not allow for rehabilitation or start-up finance aimed

basically at putting firms back on an economically and financially viable footing. The two projects centred on developing hydrocarbon resources will, once fully on-stream, yield the equivalent of some 300 000 t.o.e. a year; the hydroelectric schemes supported by the Bank will help to cut back on imports of petroleum products to the extent of about 35 000 tonnes annually.

The majority of projects in the ACP States involved co-financing operations mounted with the World Bank, the Commission of the European Communities (European Development Fund), bilateral financial institutions in Member Countries and other development aid agencies.

A breakdown of financing according to the level of development of the countries in question shows that almost three quarters of lending operations mounted from own resources went to projects in five ACP States with per capita income greater than US\$ 400 and above average borrowing capacity, while more than 90% of risk capital assistance was channelled to ventures in the most disadvantaged ACP States where per capita GDP amounts to US\$ 400 or less.

The Bank provided financing in 18 African countries in 1984, a year which saw the EIB providing finance for the first time in Guinea-Bissau and in São Tomé and Príncipe.

The breakdown of financing on a country-by-country basis was as follows:

In **Cameroon**, loans totalling 28 million will help to improve and extend water supplies in Yaoundé, the capital, and to develop a latex-processing plant geared to producing rubber for the export market.

In **Benin**, the Bank provided non-subsidised credit from its own resources together with risk capital assistance for development of the Sémé offshore oil field (18 million).

In **Zaire**, a package of two loans totalling 12.2 million was made available to SOFIDE (Société Financière de Développement) in support of small and medium-scale investment schemes in the industrial, agricultural-processing, mining and

*Operations outside the Community*

tourism sectors. This was the Bank's sixth operation concluded with SOFIDE. A loan for 2 million was also advanced to the Government of Zaire towards financing, in tandem with the Governments of Burundi and Rwanda, part of this State's contribution towards funding a regional project, the SINELAC hydroelectric power station (27 MW) on the Ruzizi River.

In the **Ivory Coast**, a loan for 12.6 million was accorded for installation of four gas turbines, offering a combined capacity of 100 MW, at Vridi thermal power station in Abidjan. There was particularly urgent need for this investment in view of the fact that existing hydroelectric plant had been put out of service by the extremely severe drought in 1983.

**Tabel 11: Financing provided in the African, Caribbean and Pacific (ACP) States and the Overseas Countries and Territories (OCT) in 1984**

Breakdown by project location and origin of resources

	Loans from own resources		Risk capital operations mounted from budgetary funds		Total	
	millions ECUs	%	millions ECUs	%	millions ECUs	%
<b>Africa</b>	<b>75.1</b>	<b>94.9</b>	<b>75.9</b>	<b>93.0</b>	<b>151.0</b>	<b>94.0</b>
West Africa	37.1	46.9	22.3	27.3	59.4	37.0
Benin	13.5	17.1	4.5	5.5	18.0	11.2
Ivory Coast	12.6	15.9			12.6	7.8
Ghana			10.03	12.3	10.03	6.3
Guinea	7.5	9.5			7.5	4.7
Guinea-Bissau			3.8	4.7	3.8	2.4
Liberia	3.5	4.4	1.5	1.8	5.0	3.1
Togo			2.43	3.0	2.43	1.5
Central and Equatorial Africa	38.0	48.0	19.1	23.4	57.1	35.5
Burundi			2.94	3.6	2.94	1.8
Cameroon	28.0	35.4			28.0	17.4
Gabon	10.0	12.6			10.0	6.2
Rwanda			2.0	2.4	2.0	1.3
São Tomé			0.04	0.1	0.04	.
Zaire			14.16	17.3	14.16	8.8
East and Southern Africa	—	—	34.5	42.3	34.5	21.5
Ethiopia			12.0	14.7	12.0	7.5
Madagascar			8.0	9.8	8.0	5.0
Malawi			3.5	4.3	3.5	2.2
Somalia			7.0	8.6	7.0	4.3
Tanzania			3.5	4.3	3.5	2.2
Regional			0.5	0.6	0.5	0.3
<b>Caribbean</b>	<b>4.0</b>	<b>5.1</b>	<b>3.9</b>	<b>4.8</b>	<b>7.9</b>	<b>4.9</b>
Jamaica	4.0	5.1			4.0	2.5
St Lucia			1.0	1.2	1.0	0.6
St Vincent			2.9	3.6	2.9	1.8
<b>Pacific</b>	<b>—</b>	<b>—</b>	<b>1.0</b>	<b>1.2</b>	<b>1.0</b>	<b>0.6</b>
Tonga			1.0	1.2	1.0	0.6
<b>Total ACP</b>	<b>79.1</b>	<b>100.0</b>	<b>80.8</b>	<b>99.0</b>	<b>159.9</b>	<b>99.5</b>
<b>Total OCT</b>	<b>—</b>	<b>—</b>	<b>0.8</b>	<b>1.0</b>	<b>0.8</b>	<b>0.5</b>
Netherlands Antilles			0.8	1.0	0.8	0.5
<b>Grand Total</b>	<b>79.1</b>	<b>100.0</b>	<b>81.6</b>	<b>100.0</b>	<b>160.7</b>	<b>100.0</b>



In **Ethiopia**, risk capital assistance worth 12 million will go towards rehabilitating and extending a textile mill, the output from which is earmarked solely for the domestic market.

In **Ghana**, the Bank provided a loan of 7.6 million for renovating the oil refinery at Tema, an investment which will go a long way towards reducing the cost of turning out refined products. A further 2.4 million from risk capital resources will enable the State to increase its holding in CIMAO (Ciments de l'Afrique de l'Ouest), a regional company whose industrial

installations are centred in Togo. This company has already received a number of loans from the Bank.

In **Gabon**, a loan for 10 million was granted for upgrading drinking water treatment and distribution facilities in Libreville, the capital.

In **Madagascar**, 8 million was made available from risk capital resources to enable a development bank to plough funds into rehabilitating small and medium-sized industrial, agricultural processing and mining enterprises.

### **Industrial rehabilitation in the ACP States**

Faced with deteriorating economies and finances in a bleak international climate, a considerable number of the ACP States are seeing more and more of their enterprises up against difficulties in continuing to operate or to continue production at all on a normal basis.

The scope for fresh investment is however made none the easier by a combination of factors ranging from plant maintenance and management problems, and poor productivity to economic constraints attributable to market outlets narrower than originally expected, a dearth of foreign exchange and inappropriate pricing policies. This explains how in certain cases one of the best and quickest ways of reinvigorating the economy in the country concerned is to invest in rehabilitation projects.

It stands to reason that an uncompetitive enterprise is likely to be saddled with high operating costs stemming from inadequate, obsolete or poorly maintained plant; capital investment ploughed into correcting this situation has to be aimed at modernising, converting or adapting plant so that the undertaking becomes an economically viable proposition. The result of setting the enterprise back on the right road might be to reduce the country's import bill and to contribute towards redressing the balance of payments situation. Likewise, in a country where marine and inland shipping is of key importance for the conveyance of foodstuffs, renovation of a ship repair yard is bound to have positive effects, particularly for the agricultural sector.

Not to be embarked upon lightly, rehabilitation schemes call for thoroughgoing scrutiny of the reasons for the difficulties experienced by the enterprise and the appropriate remedies. One drawback frequently encountered in the early stages is that, although putting a capital project back on a sounder economic and financial footing may well serve to advance the cause of the economy in the longer term, it may also mean teething problems from the point of view of creating redundancies or revising prices.

Since 1978, the Bank has helped to get several enterprises back onto their feet. It was particularly active in this field in 1984. Examples of projects assisted in this way are provided by a textile mill in Ethiopia, groundnut husking mills in Senegal and Gambia and a thermal power station on Grenada, all of which had hitherto been operating with obsolete equipment; a ship repair yard in Guinea-Bissau, where installations were ill-adapted to cater for modern-day demand; a dairy in Somalia, a cement works in Zambia and textile mills in Niger and the Central African Republic, where management and upkeep had proved inadequate. In some cases, spiralling raw materials prices warrant further working of an existing mineral deposit, such as the gold mine in Burkina Faso. In other cases, a loan from the Bank helps to make good the shortfall in foreign exchange needed to procure spare parts, operating plant or essential intermediate products: instances of projects financed under this heading being a manganese mine and refinery in Ghana, a textile mill in Tanzania, chromium and graphite mines in Madagascar and manufacturing industry in Uganda.

Building on past experience, the third Lomé Convention makes express provision for rehabilitation schemes as one of the objectives of Community financing in the ACP States.

In **Guinea**, a loan for 7.5 million was advanced with a view to improving the quality of alumina produced by the Friguia company which had already received funds from the Bank in 1980.

In **Somalia**, 7 million was made available from risk capital resources towards drilling wells to develop natural gas deposits; the project offers dual benefits inasmuch as it will serve to prune electricity generating costs in the Mogadishu area and to reduce the country's balance of payments deficit.

In **Liberia**, two risk capital operations were mounted, totalling 5 million, both via a development bank which is passing on the proceeds to finance small and medium-scale ventures, equity participations and feasibility studies.

In **Guinea-Bissau**, a loan for 3.8 million went towards restoring a ship repair yard mainly serving the local fleet which, by virtue of the country's geographical configuration, conveys almost half of the nation's domestic freight traffic.

In **Malawi**, the proceeds of a loan for 3.5 million will help the State to bolster its stake in a sugar refinery with a view to enabling the promoter to weather difficulties stemming both from the unremittingly depressed level of sugar prices and from the country's landlocked situation.

In **Tanzania**, risk capital assistance worth 3.5 million will assist start-up of a canvas mill; faced with a dearth of foreign exchange and the consequent impediments to placing orders overseas for vital intermediate products and spare parts, the promoter has been experiencing difficulty in operating the mill on a normal basis. This project had already been financed by the Bank in 1978.

In **Burundi**, in addition to the provision of risk capital worth 900 000 for an equity participation in the country's development bank, a loan for 2 million was made available to the State towards funding part of its contribution towards the SINELAC hydroelectric power station on the Ruzizi River, a regional project mounted in conjunction with Zaire and Rwanda.

In **Togo**, an amount of 2.43 million was channelled to the State from risk capital resources to permit it to increase its holding in the CIMAO company.

**Rwanda** received a loan for 2 million for the SINELAC project matching the two others for the same amount made available to Zaire and Burundi for this regional project.

Two further risk capital operations were given over to financing feasibility studies; one for 500 000 went to the Banque de Développement des États d'Afrique Centrale (BDEAC) and the other for a palm oil mill study in **São Tomé and Príncipe**.

The Bank provided financing in three Caribbean countries:

In **Jamaica**, a loan for 4 million will go towards funding installation of equipment to boost the productivity of two alumina plants by cutting back on fuel consumption. The project offers the further benefit of reducing pollution from industrial effluent.

The Bank's first operation in **St Vincent and the Grenadines** took the form of 2.9 million worth of risk capital assistance for construction of three hydroelectric power plants with a combined capacity of 3.4 MW. This project will make for considerable savings in imported petroleum products.

In **Saint Lucia**, two loans to the island's development bank will be given over to funding small and medium-scale capital investment projects in the industrial, agricultural processing and tourism sectors (1 million).

In the Pacific, the Bank provided two loans in the Kingdom of **Tonga** for a total of 1 million. The funds went partly towards bolstering the capital of the Tonga Development Bank and partly towards funding by this bank of smaller-scale industrial and tourism ventures as well as acquisition of associated equity participations in these.

In the OCT, the Bank advanced 800 000 in risk capital assistance to the Government of Aruba, one of the islands in the **Netherlands Antilles** group, towards financing a capital increase in a development bank.

# List of financing operations outside the Community (1)

## A. Loans from the Bank's own resources

### Contracts signed in 1984

Loans from the Bank's own resources for which contracts were signed in 1984 in respect of projects outside the Community, totalled 620.7 million, of which 541.6 million went to countries in the Mediterranean region and 79.1 million to the African, Caribbean and Pacific (ACP) States. These operations, the principal economic aspects of which are outlined on pages 65 to 74, are included in the Bank's balance sheet.

In Portugal, part of the loan for the Azores attracted a 3% interest subsidy from the Community's budgetary funds. All loans in the ACP countries carried an interest subsidy financed from the European Development Fund (see page 65), the only exception being a loan for an oilfield development project in Benin.

### 1. Countries which have applied for Membership of the European Communities

million ECUs

#### SPAIN 140.0

17 663.3 million Pesetas

**298.** Construction of pumped storage hydroelectric plants at Moralets on the upper Noguera Ribagorzana in the Eastern Pyrenees, Catalonia  
**Empresa Nacional Hidro-electrica del Ribagorzana SA**  
Ptas 2 557.1 million 20.0

**299.** Development of the off-shore Gaviota gasfield near Bilbao  
**Empresa Nacional de Investigación y Explotación de Petróleo SA**  
Ptas 2 504.5 million 20.0

**300.—301.** Global loans to **Banco de Crédito Industrial** through intermediary of **Instituto de Crédito Oficial** to finance small and medium-scale industrial and service ventures in less-developed areas  
Ptas 1 917.9 million 15.0  
Ptas 1 878.4 million 15.0

**302.** Global loan to **Banco Hipotecario de España** through intermediary of **Instituto de Crédito Oficial** to finance small and medium-scale tourism projects in less-developed areas  
Ptas 1 878.4 million 15.0

**303.** Global loan to **Banco de Crédito Industrial** through intermediary of **Instituto de Crédito Oficial** to finance small and medium-scale industrial and service ventures in industrialised areas  
Ptas 3 130.7 million 25.0

(1) Finance contracts for operations mounted in the way of financial cooperation with countries outside the Community are denominated in ECUs. The amounts shown in national currencies are offered only as a guide; they are based on the equivalents in ECUs used by the Bank at the dates of contract signature (see page 8).

**304.—305.** Global loans to **Banco de Crédito Local de España** through intermediary of **Instituto de Crédito Oficial** to finance small infrastructure projects carried out by local authorities in less-developed areas  
Ptas 1 917.9 million 15.0  
Ptas 1 878.4 million 15.0

#### PORTUGAL 80.0

9 329.3 million Escudos

**306.** Construction of two hydroelectric power stations (0.8 and 0.4 MW) and a thermal generating plant (12 MW) in São Miguel, largest island in the Azores  
**Autonomous Region of the Azores and Empresa de Electricidade dos Açores**  
Esc. 1 708.9 million 15.0

**307.** Construction of the Amarante—Vila Real section of the Oporto—Braganza highway (39 km)  
**Republic of Portugal (Junta Autónoma de Estradas)**  
Esc. 2 128.1 million 18.0

**308.** Construction of a railway bridge over the Douro to carry the Lisbon—Oporto line  
**Republic of Portugal (Gabinete da Ponte Ferroviária sobre o Rio Douro)**  
Esc. 3 783.3 million 32.0

**309.** Global loan to **Companhia Portuguesa de Locação Financeira Mobiliária (LOCAPOR) Sarl** to provide small and medium-sized enterprises with leasing facilities  
Esc. 569.6 million 5.0

**310.** Global loan to **Sociedade Portuguesa de Investimentos** to finance small and medium-scale ventures in industry, tourism and

the non-trading service sector  
Esc. 1 139.3 million 10.0

### 2. Other Mediterranean Countries

million ECUs

#### YUGOSLAVIA 126.3

14 947.4 million Dinars

**311.** Construction of two sections (28 km overall) of the Trans-Yugoslav Highway and of the Slovenia section of the Karawanken Tunnel on the Austrian border  
**Highway authorities** in the Socialist Republics of Croatia, Serbia and Slovenia  
Din. 8 049.5 million 60.0

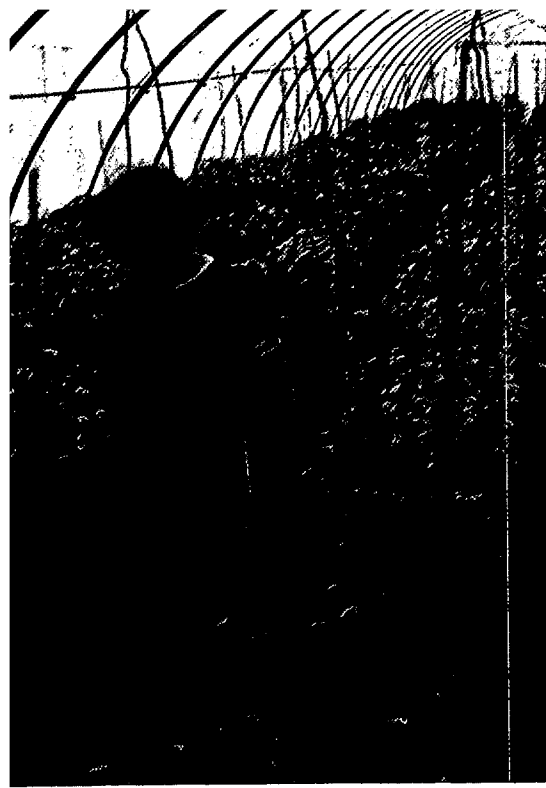
**312.** Repair, improvement and electrification of several sections of the Yugoslav railways  
**Railway authorities** in the Socialist Republics of Slovenia, Croatia, Serbia and Macedonia and the Autonomous Province of Vojvodina  
Din. 6 897.9 million 66.3

#### MOROCCO 54.0

379 million Dirhams

**313.** Construction of a hydroelectric complex at Ait Chouarit Amougez, east of Marrakesh  
**Kingdom of Morocco**  
DH 241.1 million 34.0

**314.** Global loan to **Caisse Nationale de Crédit Agricole** to finance small and medium-scale projects in agriculture and the agro-industrial sector  
DH 137.9 million 20.0



**TUNISIA** 9.0

5.5 million Dinars

315. Construction and fitting-out of ten fertilizer storage centres in Northern and Central Tunisia

**Société Tunisienne d'Engrais Chimiques** through intermediary of the **Banque Nationale de Développement Agricole**  
TD 2.4 million 4.0

316. Global loan to **Banque Nationale de Développement Agricole** to finance investment in agriculture and the agro-industrial sector  
TD 3.1 million 5.0

**EGYPT** 62.5

36.2 million Egyptian pounds

317. Connection of the Shoubrah El Kheima (900 MW) power station in the northern Cairo suburbs to the national grid  
**Egyptian Electricity Authority**  
LE 23.2 million 40.0

318. Construction of a gypsum processing plant at El Sadat City, a new urban development in the desert west of Cairo  
**Egyptian Company for Gypsum, Quarries and Marble**  
LE 8.7 million 15.0

319. Construction of brickworks to use desert clay in place of Nile silt as raw material, located to the North of El Mynia  
**El Mynia Bricks Factory SA** through **Egyptian Company for Gypsum, Quarries and Marble**  
LE 4.3 million 7.5

**SYRIA** 38.3

119.8 million Syrian pounds

320. Construction of highway from Damascus to the Jordanian border (104 km)  
**Arab Republic of Syria**  
LS 61.8 million 18.3

321. Irrigation and drainage works on the right bank of the lower Euphrates  
**Arab Republic of Syria**  
LS 58 million 20.0

**JORDAN** 11.5

3.4 million Dinars

322. Installation of water and sewage mains and treatment plants for the towns of Madaba and Ma'an  
**Jordan Water Authority** through

intermediary of **The Hashemite Kingdom of Jordan**  
JD 2.6 million 9.0

323. Global loan to the **Cities and Villages Development Bank** through intermediary of **The Hashemite Kingdom of Jordan** to finance local economic infrastructure in disadvantaged areas  
JD 0.8 million 2.5

**ISRAEL**

324. Global loan to the **Industrial Development Bank of Israel (IDBI)** to finance small and medium-scale industrial ventures  
2 635.6 million Shekels 20.0

3. ACP States — Africa

million ECUs

**CAMEROON** 28.0

9 602.3 million Communauté Financière Africaine francs (CFA F)

325. Construction of water treatment and distribution installations in Yaoundé  
**Republic of Cameroon** for **Société Nationale des Eaux du Cameroun**  
CFA F 5 006.9 million 14.6

326. Extension of latex processing facilities: final phase of investment in the agro-industrial complex near Kribi, south-west of Yaoundé  
**Republic of Cameroon** for **Société de Développement Hévéa-Cameroun — Hevecam**  
CFA F 4 595.4 million 13.4

**BENIN**

327. Development of the Sémé offshore oilfield — second phase  
**People's Republic of Benin**  
CFA F 4 631.9 million 13.5

**IVORY COAST**

328. Installation of four gas-turbine generator sets at Abidjan (total capacity 100 MW) to compensate for the hydroelectric energy shortfall in the Ivory Coast  
**Republic of the Ivory Coast**  
CFA F 4 349.3 million 12.6

GABON		with international standards		4. ACP States — Caribbean	
<b>329.</b> Extension of the Libreville water supply and distribution system		<b>Friguia</b>		million ECUs	
<b>Société d'Énergie et d'Eau du Gabon</b>		Guinean sylis 136.8 million			
CFA F 3 429.4 million	10.0				
GUINEA		LIBERIA			
<b>330.</b> Modification to the Fria-Kimbo plant to uprate the quality of alumina produced to comply		<b>331.</b> Global loan to the <b>Liberian Bank for Development and Investment</b> to finance small and medium-scale ventures in industry, the agro-industrial sector and tourism			
		3 million Liberian dollars		3.5	
				<b>JAMAICA</b>	
				<b>332.</b> Modernisation of two alumina plants, at Kirkvine and Ewarton; installation of equipment to reduce kiln fuel consumption and to process and dispose of pollutant red mud	
				<b>Jamaica Bauxite Mining Limited</b>	
				12.7 million Jamaican dollars	
				4.0	

## B. Financing operations from Community budgetary resources

### Contracts signed in 1984

Operations concluded in 1984 from Community budgetary resources totalled 87.6 million, of which 6.0 million took the form of loans on special conditions in the Mediterranean region, while 81.6 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 90); the Bank's responsibility for these operations — the principal economic aspects of which are presented on pages 65 to 74 — is limited to proper performance of the mandate entrusted to it.

#### 1. Loans on special conditions in Mediterranean Countries

million ECUs

TUNISIA	
<b>333.</b> Construction and fitting-out of ten fertilizer storage centres in Northern and Central Tunisia	
<b>Société Tunisienne d'Engrais Chimiques</b> through intermediary of the <b>Banque Nationale de Développement Agricole</b>	
0.9 million Dinars	1.5
EGYPT	
<b>334.</b> Conditional loan to the <b>Development Industrial Bank</b> to part-finance purchase of share-holdings in small and medium-sized enterprises in industry and tourism	
1.7 million Egyptian pounds	3.0
JORDAN	
<b>335.</b> Global loan to the <b>Cities and Villages Development Bank</b> through intermediary of <b>The Hashemite Kingdom of Jordan</b>	
0.5 million Dinars	1.5

#### 2. Risk capital provided from European Development Fund resources

##### ACP States — Africa

million ECUs

ZAIRE	
401.7 million Zaires	
<b>336.</b> Construction of a hydro-electric power station (2 × 13.3 MW units) on the Ruzizi	
Conditional loan to the <b>Republic of Zaire</b> to finance equity participation in the <b>Sinelac company</b>	
Z 60.9 million	2.0
<b>337.—338.</b> Global loans to finance new or rehabilitation investment by industrial, agro-industrial, tourism and mining enterprises	
— Conditional loan to <b>Société Financière de Développement — Sofide</b>	
Z 336.4 million	12.0
— Equity participation in an increase in <b>Sofide</b> capital	
Z 4.4 million	0.157

#### ETHIOPIA

<b>339.</b> Rehabilitation of the Bahr Dar cotton mill to the North of Addis Ababa	
<b>National Textile Corporation</b> through intermediary of <b>Ethiopian Government</b>	
18.4 million birrs	12.0

#### GHANA

257.0 million cedis	
<b>340.</b> Rehabilitation of Tema oil refinery east of Accra	
Conditional loan to the <b>Republic of Ghana</b> for the <b>Ghanaian Italian Petroleum Company Limited</b>	
¢ 196.6 million	7.6
<b>341.</b> Restructuring of a regional cement complex in Togo	
Conditional loan to the <b>Republic of Ghana</b> to part-finance an increase in the capital of <b>CIMAO</b> — <b>Société des Ciments de l'Afrique de l'Ouest</b>	
¢ 60.3 million	2.43

**MADAGASCAR**

342. Global loan to the **Bankin'ny Industria** to finance rehabilitation of small and medium-scale industrial, agro-industrial and mining projects  
 Conditional loan to the **Democratic Republic of Madagascar**  
 3 843.5 million Malagasy francs 8.0

**SOMALIA**

343. Development of the Afgoy gasfield near the capital city of Mogadishu, first phase  
 Conditional loan to the **Democratic Republic of Somalia**  
 98.8 million Somali shillings 7.0

**BENIN**

344. Development of the Sémé offshore oilfield, second phase  
 Conditional loan to the **People's Republic of Benin**  
 CFA F 1 544 million 4.5

**GUINEA-BISSAU**

345. Rehabilitation of a ship-repair yard at Bissau  
 Conditional loan to the **Republic of Guinea-Bissau** to fund the input of equity for financing the **Guinave** yard  
 307.9 million pesos 3.8

**MALAWI**

346. Supplementary financing for the Dwangwa Sugar Corporation to sustain production capacity  
 Conditional loan to the **Republic of Malawi** for the **Agricultural Development and Marketing Corporation and Press Holdings Limited**  
 3.9 million kwachas 3.5

**TANZANIA**

347. Assistance for starting up canvas mill at Morogoro  
 Conditional loan to the **Republic of Tanzania** for **Tanzania Leather Associated Industries**  
 45.9 million Tanzanian shillings 3.5

**BURUNDI**

283.2 million Burundi francs 2.9

348. Construction of hydro-electric power station (2 × 13.3 MW units) on the Ruzizi  
 Conditional loan to the **Republic of Burundi** to fund equity participation in the **Sinelac company**  
 F Bur 198.2 million 2.0

349. Conditional loan to the **Republic of Burundi**; contribution to increase in capital of **Banque Nationale pour le Développement Économique**  
 F Bur 85 million 0.937

**TOGO**

350. Restructuring of a regional cement complex in Togo  
 Conditional loan to the **Republic of Togo** to part-finance an increase in the capital of **CIMAO — Société des Ciments de l'Afrique de l'Ouest**  
 CFA F 838.8 million 2.43

**RWANDA**

351. Construction of hydro-electric power station (2 × 13.3 MW units) on the Ruzizi  
 Conditional loan to the **Republic of Rwanda** to fund equity participation in the **Sinelac company**  
 165.9 million Rwanda francs 2.0

**LIBERIA**

352. Global loan to finance studies and equity participations  
 Conditional loan to the **Liberian Bank for Development and Investment**  
 1.3 million Liberian dollars 1.5

**SÃO TOME**

353. Design study for a palm oil mill  
 Conditional loan to the **Democratic Republic of São Tomé and Príncipe**  
 1.3 million dobras 0.04

**REGIONAL**

354. Global loan to finance studies in industry, agro-industry, mining, tourism and the energy sector  
 Conditional loan to the **Banque de Développement des États de l'Afrique Centrale — BDEAC**  
 0.5

**ACP States — Caribbean**

million ECUs

**SAINT VINCENT AND THE GRENADINES**

355. Construction of hydro-electric power stations (run-of-river type; total capacity 3.37 MW) at three separate sites in the Cumberland sector and installation of grid connection line  
 Conditional loan to **Government of St Vincent and the Grenadines** for **St Vincent Electricity Services Limited**  
 6.3 million East Caribbean dollars 2.9

**ST LUCIA 1.0**

356.—357. Conditional loans to:  
 — **SLDB: St Lucia Development Bank** to finance projects in the industrial and agro-industrial sectors and tourism by small and medium-sized enterprises  
 1.4 million East Caribbean dollars 0.60  
 — **St Lucia** to fund its contribution to an increase in the capital of **SLDB**  
 0.9 million East Caribbean dollars 0.40

**ACP States — Pacific****TONGA 1.0**

358.—359. Global loan to finance equity participations in, and secondary loans to, small and medium-sized enterprises in industry, the agro-industrial sector, transport and tourism  
 — Conditional loan to the **Tonga Development Bank — TDB**  
 0.6 million pa'angas (T\$) 0.70  
 — Conditional loan to the **Kingdom of Tonga** to increase its shareholding in **TDB**  
 T\$ 0.3 million 0.30

**OCT**

million ECUs

**NETHERLANDS ANTILLES**

360. Conditional loan to the **Government of the Island of Aruba** to fund its contribution to an increase in the capital of **Banco Arubano di Desaroyo NV**  
 1.2 million Antilles guilders (Fl Ant) 0.80

# Resources

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## Own funds and market borrowing

*This section deals with funds raised by the Bank for lending operations mounted from its own resources accounted for in its balance sheet and for which it assumes financial responsibility. Details of these operations in 1984 appear on pages 48 to 60 and 75 to 77. The "Resources" section, however, 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 90), in particular loans from NCI resources and financing provided in the ACP States and the Mediterranean countries from Community budgetary funds, details of which for 1984 appear on pages 61 to 64 and 77-78.*

At 31 December 1984, the Bank's total resources (comprising paid-in capital, reserves and provisions, the balance of the profit and loss account and borrowing proceeds, including the amount outstanding on the EIB's commercial paper programme in the United States and on short-term notes denominated in ECUs) stood at 28 810.5 million compared with 23 695.3 million at 31 December 1983.

The rise was made up of a net increase in borrowed funds of 4 545.4 million, taking into account adjustments in conversion rates, 434.8 million in net income and 135 million in the form of Member States' contributions to the capital increase decided by the Governors on 15 June 1981. The first two semi-annual instalments of 67.5 million each were paid in April and October 1984. The remaining six instalments totalling 405 million are to be paid in on 30 April and 31 October over the years 1985 to 1987, bringing paid-in capital to 1 465.715 million (see Annex A to the Financial Statements, page 93).

In 1984, the Bank approached the markets for 4 360.9 million, an increase of almost 21 % on the 1983 figure of 3 619.4 million. Of this, 3 227.5 million was raised through public issues, 822.2 million by means of private placings, 189.1 million through commercial paper issued on the American market, 22.1 million from the allocation to third parties of participations in Bank loans, guaranteed by the EIB, and 100 million through short-term notes denominated in ECUs.

As in previous years, the relative weighting of the different currencies comprising the Bank's borrowing portfolio was governed by developments

on the financial markets where it raises its funds, as well as by the policy of seeking out the best borrowing terms on offer for the currencies, maturities and amounts corresponding to borrowers' requirements.

Details of the main developments occurring in 1984 on the markets of interest to the Bank are given on pages 16 to 19 of this Report.

Table 13 provides a breakdown of funds raised by the Bank from 1961 to 1984.

The Bank raised funds in 10 national currencies as well as in ECUs in 1984. The relative weighting of these currencies compared with the previous years is illustrated in the bar chart on page 80. Issues denominated in Community currencies and in ECUs continued to account for the majority (57 %) of total EIB public issues and private placings, confirming, with the exception of 1981, an established trend. Private placings followed considerably behind public issues which represented almost 80 % of aggregate long-term borrowings in 1984 as against 66 % over the period 1980—1984. The shift towards public issues was explained by cost factors, the need to strike the right balance on certain markets between public and private operations, and the requirements of the queue system.

Outstanding medium and long-term borrowings at 31 December 1984 — see page 96, Annex C to the Financial Statements for amounts and average weighted rates of interest — were denominated in the following currencies: United States dollar — 37.6 %, Deutsche Mark — 18.3 %, Yen — 9.8 %, Guilder — 9.7 %, Swiss franc — 8.3 %, French franc — 3.9 %, pound sterling — 3.7 %, ECU — 3.5 %, Belgian franc — 2.5 %, with the remaining 2.7 % shared between the Luxembourg franc, Italian lira, Austrian Schilling, Canadian dollar, EURCO and Lebanese pound, these last two relating to operations mounted a number of years ago.

Bringing in a total of 632.3 million, the DM remains the leading Community currency borrowed despite a downturn compared with 1983's performance of 705.6 million. The Bank focused its activity on the public issues sector, raising 580.8 million in all, more than 60 % of this during the second half of the year when interest rates on the capital markets eased.

The EIB tapped the Guilder-denominated bond market for 479.4 million in 1984, or over 34 % more than the 357.6 million raised in 1983. Borrowings

## Resources

were split fairly evenly between public issues and private placings. In May and October 1984, the EIB floated two public issues on the Netherlands domestic market for FI 300 million each, something of a record, realising a total of 238.5 million ECUs. Private placings ran to 240.9 million ECUs, compared with 189.7 million in 1983, and were

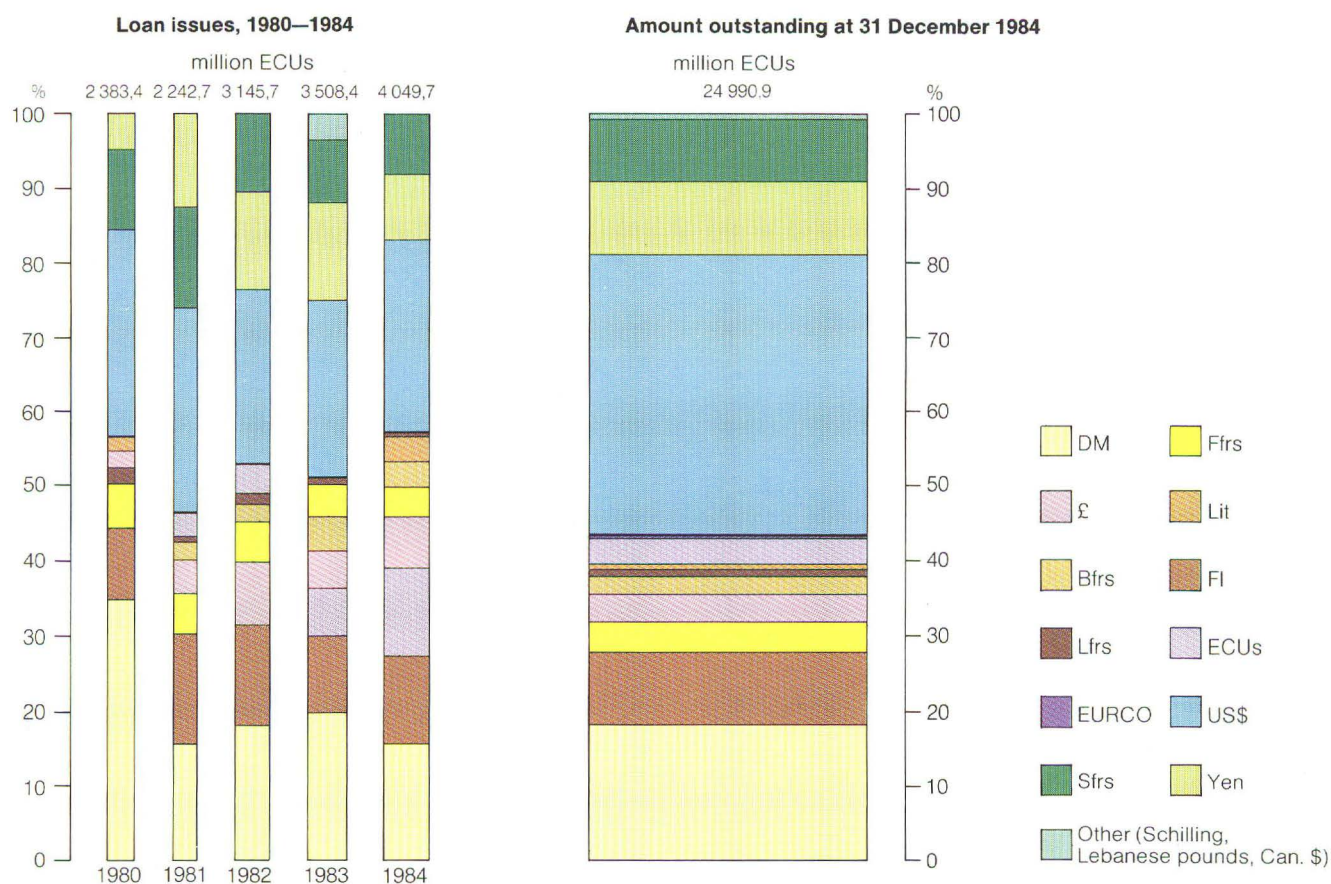
concentrated within the last quarter of the year reflecting loan disbursement requirements over this period.

Consisting entirely of public loan issues, the Bank's ECU borrowings on the capital markets in 1984 amounted to almost twice as much as in the

Table 12: Medium and long-term Bank borrowings in 1984 — breakdown by currency

	Member States' currencies									Other currencies				Grand Total
	DM	FI	ECUs	£	Ffrs	Bfrs	Lit	Lfrs	Total	US\$	Yen	Sfrs	Total	
million ECUs	632.3	479.4	455.0	284.9	174.9	153.2	108.3	27.1	2 315.1	1 066.0	346.0	322.6	1 734.6	4 049.7
%	15.6	11.8	11.2	7.0	4.3	3.8	2.7	0.7	57.1	26.3	8.6	8.0	42.9	100.0

## Medium and long-term borrowings





previous year, climbing from 230 million to 455 million (or 555 million including an issue of short-term notes on the money market). Always concerned to avoid any compartmentalisation, the Bank, whenever possible, endeavoured to widen the geographical spread of the ECU market. At the beginning of the year, for example, it made a call on the Italian capital market for 50 million as part of a wider-based international operation. Again, towards the end of the year, it conducted a similar operation for an amount of 130 million on the Swiss capital market.

With a view to diversifying its portfolio of borrowings, the Bank continued to mount operations for lesser amounts on the Community's other capital markets. Taking advantage of thriving growth on the Eurosterling market and on the "bulldog market", the UK domestic market in foreign securities, the Bank launched two public issues; at the beginning of the year, it availed itself of the favourable climate on the Eurosterling market with an issue, and towards the end of the third quarter it once again entered the "bulldog market". Through both public bond issues and private placings, the EIB succeeded in raising an aggregate of 284.9 million in sterling, making for a 62% increase compared with the 175.7 million borrowed in this currency in 1983.

The amounts raised in French and Belgian francs remained much the same as in the previous year. Whereas in Belgium, the EIB raised funds via one public issue and a number of private placings, in

France, as in 1983, its sole call was on the domestic market where it launched one public issue. Alert to an easing in rates on the Italian capital market, the EIB made a comeback here by launching a fixed-rate public issue which was well received by subscribers. As in the past, the Bank featured on the Luxembourg capital market where it collected funds through one public issue and one private placing.

The overall volume of funds raised by the Bank in US dollars in 1984, including the commercial paper programme, registered an upturn of more than 50% compared with the previous year, climbing to 1 255.1 million (834.3 million in 1983). Throughout the year, the EIB was active on the market in bonds denominated in US dollars, concluding fixed-rate public issues and private placings bringing in a total of 1 066 million ECUs; at the beginning of 1984, it mounted a public issue on the Asian dollar market, the bulk of which was floated in the Far East; it also made two calls on the Eurodollar market and another on the "yankee bond market", the American domestic market in foreign securities. With a view to offering its borrowers floating-rate funds in US dollars, following an authorisation by the Board of Governors (see p. 23) the Bank launched its first US\$ 250 million commercial paper programme on the American market accompanied by a 10-year revolving underwriting facility.

The Yen once again ranked second in terms of amounts borrowed in non-Community currencies, although at 346 million the volume raised was less substantial than in 1983 when it ran to 468.5 million.

Table 13: Funds raised from 1961 to 1984

(million ECUs)

Year	Number	Long and medium-term borrowings				Short-term operations		Participations by third parties in EIB loans	Total funds raised
		Private issues	Interbank operations	Public issues	Total	Commercial paper	Short-term ECU-denominated notes		
1961 to 1979	313	3 813.8	128.4	6 321.9	10 264.1			319.2	10 583.3 (1)
1980	73	874.5	—	1 509.0	2 383.5			83.3	2 466.8
1981	57	882.1	92.8	1 267.8	2 242.7			67.0	2 309.7
1982	91	1 213.7	105.7	1 826.3	3 145.7			59.5	3 205.2
1983	81	1 130.9	62.1	2 315.4	3 508.4			111.0	3 619.4
1984	104	822.2	—	3 227.5	4 049.7	189.1	100.0	22.1	4 360.9
<b>1961—1984</b>	<b>721</b>	<b>8 737.2</b>	<b>389.0</b>	<b>16 467.9</b>	<b>25 594.1</b>	<b>189.1</b>	<b>100.0</b>	<b>662.1</b>	<b>26 545.3</b>

(1) Annual average: 557 million ECUs.

Resources

Table 14: List of borrowings in 1984

I. MEDIUM AND LONG-TERM OPERATIONS

Public borrowing operations

Month of issue	Place of issue	Subscription currency	Amount in national currency (million)	Amount in ECUs (million)	Life (years)	Coupon (%)
January	United Kingdom	US\$	73.000	88.231	7	11.625
January	United Kingdom	US\$	77.000	93.066	15	11.625
January	Italy	ECU	50.000	50.000	12	11.250
February	United Kingdom	£	50.000	87.627	8	10.750
February	Germany	DM	250.000	110.743	10	8.000
February	Switzerland	Sfrs	100.000	55.430	12	6.000
February	Luxembourg	Lfrs	1 000.000	21.693	10	10.500
February	Belgium	Bfrs	3 500.000	75.927	7	11.750
February	Luxembourg	ECU	100.000	100.000	10	10.625
April	Italy	Lit	150 000.000	108.255	7	14.000
April	Luxembourg	US\$	100.000	116.302	6	12.500
April	Luxembourg	US\$	100.000	116.302	10	12.875
April	Japan	Yen	20 000.000	103.623	10	7.300
May	Germany	DM	250.000	112.195	10	8.000
May	Netherlands	Fl	300.000	119.414	10	8.750
May	France	Ffrs	1 200.000	174.890	10	13.700
May	Switzerland	Sfrs	100.000	54.039	10	6.250
June	Luxembourg	ECU	75.000	75.000	8	11.125
July	Germany	DM	200.000	89.445	10	8.250
July	Japan	Yen	20 000.000	104.975	10	7.700
August	Luxembourg	US\$	200.000	248.791	12	13.000
September	Germany	DM	300.000	134.168	10	7.875
September	United Kingdom	£	100.000	168.369	20	10.375
October	Switzerland	Sfrs	120.000	64.985	10	5.875
October	Luxembourg	ECU	50.000	50.000	6	10.750
October	Luxembourg	ECU	50.000	50.000	10	11.250
October	United States	US\$	200.000	270.661	15	12.625
October	Netherlands	Fl	300.000	119.076	15	7.750
December	Germany	DM	300.000	134.256	10	7.250
December	Luxembourg	ECU	130.000	130.000	9	10.125
<b>(30)</b>				<b>3 227.460</b>		

Private borrowing operations

Number	Subscription currency	Amount in national currency (million)	Amount in ECUs (million)	Life (years)	Rate of interest (%)
4	DM	115.000	51.438	5-15	7.860-8.550
2	£	16.496	28.910	10	11.250
52	Fl	607.500	240.933	10-15	7.750-8.875
2	Bfrs	3 500	77.243	12-15	11.625-12.000
1	Lfrs	250	5.423	7	11.000
8	US\$	110	132.688	5-15	11.250-13.200
3	Sfrs	270	148.129	4-8	5.500-5.875
2	Yen	26 000	137.441	7-10	7.600-8.000
<b>74</b>			<b>822.210</b>		
<b>Total</b>	<b>104</b>		<b>4 049.670</b>		

II. SHORT-TERM OPERATIONS

<b>Commercial paper</b>	US\$	140.000	189.085	10	variable
<b>Short-term notes</b>	ECU	100.000	100.000		
<b>Total (I + II)</b>			<b>4 338.755</b>		

The Bank floated two public loan issues, totalling 207.2 million, on the "Samurai bond market", the Japanese domestic market in foreign securities. It also repeated its practice of harvesting resources through Yen-denominated bank loans, raising 138.8 million through this channel.

Faced with increased demand for Swiss francs and the relative abundance of funds on the Swiss capital

market, the Bank borrowed 322.6 million in this currency, or 13 % more than the 284.7 million raised the previous year. As in the past, the Bank approached both the public and private sectors where it took up 174.4 million and 148.2 million respectively.

Table 12 provides a breakdown by currency of the 4 049.7 million ECUs raised in medium and long-term borrowings in 1984.

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## Results for the year

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The use made of the Bank's own funds and, to a lesser extent, the growth in its lending activity had a beneficial effect on the EIB's operating results in 1984.

Receipts of interest and commission on loans ran to 2 719.2 million compared with 2 218.8 million in 1983, whilst interest and charges on borrowings totalled 2 478.6 million as against 2 002.5 million in 1983. Management commission increased from 12 million to 15.4 million.

Despite the lower interest rates on most currencies, investment income (interest and commission) rose to 242.2 million (205.6 million in 1983), reflecting the need to hold an increased volume of funds in liquid form by virtue of the growth in Bank lending activity.

At 43.4 million, the margin between financial income and financial charges, very much a product of management of the Bank's investment portfolio, showed little change over 1983's figure of 44 million.

Administrative expenses and charges rose from 42.9 million in 1983 to 49.4 million in 1984.

After allowing for a gain of 1.1 million as a result of exchange differences, amortisation of issuing charges and redemption premiums totalling 49.9 million, depreciation of property, fixtures and fittings amounting to 3.5 million and the net decrease of 5.2 million arising from re-evaluation of net Bank assets not subject to adjustment under Article 7 of the Statute, the balance of the profit and loss account amounted to 434.8 million compared with 392.9 million in 1983.

The Board of Directors has recommended that the Governors decrease the provision for conversion rate adjustments by an amount of 5.2 million, representing the net decrease arising at 31 December 1984 from re-evaluation of net Bank assets not subject to adjustment under Article 7 of the Statute, and appropriate the 1984 operating surplus of 440 million to the Additional Reserves, bringing aggregate reserves and provisions to 2 455.3 million.

At 31 December 1984, the balance sheet total stood at 34 960 million compared with 29 543.7 million at 31 December 1983, an increase of 18 %.

# Administration

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## Board of Governors

At its Annual Meeting on 4 June 1984, the Board of Governors endorsed a number of recommendations concerning the future direction and shape of Bank activity. These recommendations had been formulated by a Board of Directors' Working Party chaired by Mr Paul ARLMAN (see pp. 20 et seq.).

## Board of Directors

Mr Stavros THOMADAKIS, Mr Sven BOYER-SØGAARD, Miss Anne MUELLER, Mr Ernst-Günther BRÖDER and Mr Michel CAMDESSUS left the Board during 1984, and Mr Robert LION and Mr Philippe JURGENSEN in 1985. To fill the vacancies so occurring, the Board of Governors appointed Mr Gerassimos SAPOUNZOGLOU, Mr David DELL and Mr Richard BRANTNER as Directors, and Mr Flemming FARUP-MADSEN, Mr Denis SAMUEL-LAJEUNESSE and Mr Jacques DELMAS-MARSALET as Alternate Directors, each to complete his predecessor's term of office. Mr Yves ROLAND-BILLECART, Alternate Director, was appointed a full Member of the Board. Appointed Director in succession to Mr Michel CAMDESSUS, Mr Philippe JURGENSEN subsequently resigned from the Board and was replaced by Mr Jean-Claude TRICHET.

The Board of Directors wishes to thank Miss MUELLER and Messrs CAMDESSUS, THOMADAKIS, BOYER-SØGAARD, LION and JURGENSEN for their valued contributions to Bank activity.

## Audit Committee

At its Annual Meeting on 4 June 1984, the Board of Governors decided to renew the term of office of the outgoing member of the Audit Committee, Mr THANOPOULOS, for the 1984, 1985 and 1986 financial years. Mr BREDSORFF has taken over chairmanship of the Committee from Mr THANOPOULOS until the Bank's balance sheet and profit and loss account for the 1984 financial year are approved at the 1985 Annual Meeting.

## Management Committee

At its Annual Meeting on 4 June 1984, the Board of Governors appointed two new members to the EIB's Management Committee: Mr Ernst-Günther BRÖDER, formerly Sprecher des Vorstands at the Kreditanstalt für Wiederaufbau and Director of the EIB since 1980, was made President of the Bank in succession to Mr Yves LE PORTZ; Mr Alain PRATE, formerly First Deputy Governor at the Banque de France, was made Vice-President following the departure of Mr Horst-Otto STEFFE. These appointments took effect from 1 August 1984.

Both the Board of Governors and the Board of Directors expressed their sincere gratitude to Mr Yves LE PORTZ, President of the EIB for 14 years, and to Mr Horst-Otto STEFFE, Vice-President for 12 years, for the eminent part which they had played in the life of the Bank throughout their terms of office.

In recognition of their long and distinguished service, the Board of Governors made Mr LE PORTZ an Honorary President of the Bank and Mr STEFFE an Honorary Vice-President; the Management Committee presented President Yves LE PORTZ with a commemorative book entitled "Bene Meritus de Europa".

## Staff

At 31 December 1984, the Bank's staff numbered 638, comprising 287 female and 351 male employees, as against 596 at 31 December 1983.

Certain changes occurred between 1 January 1984 and 1 June 1985:

Mr Paul DIRIX served as Secretary-General and Manager of the General Administration Directorate until 1 April 1985 since when he has assumed the function of General Adviser to the Management Committee.

The following relinquished their duties at their own request:

Mr Herman PABBRUWE, Manager of the Legal Directorate until 31 July 1984, who has been replaced by Mr Jörg KÄSER, formerly Deputy Manager of this Directorate;

Mr Michel LAUCHE, Head of the Secretariat and General Affairs Department of the General Administration Directorate until 28 February 1984, who has been replaced by Mr Bruno EYNARD, formerly Principal Adviser in the Legal Directorate;

Mr Helmuth CRAMER, Co-Manager and Head of the Department for Operations in Belgium, Denmark, Germany, Greece, France, Luxembourg and the Netherlands of the Directorate for Operations in the Community until 31 May 1984, who has been replaced by Mr Gérard d'ERM, formerly Head of the Monitoring Department of this Directorate.

Mr Gérard d'ERM's previous post has been taken over by Mr Thomas HALBE, formerly Head of Division in the Department for Operations in the Mediterranean Countries of the Directorate for Operations outside the Community.

In the Department for Operations in Italy of the Directorate for Operations in the Community, Mr Giorgio RATTI has been appointed Central Manager and Mr Ernest LAMERS, Deputy to the Head of the Department for Operations in Italy.

Mr Dennis KIRBY, Head of the Department for Operations in Ireland, the United Kingdom and the North Sea, has been appointed Associate Manager.

Mr Filippo BARILLI and Mr Walter LOWENSTEIN-LOM have been appointed Deputy Chief Technical Advisers.

Since 1980, staff have had the option of working part-time subject to the Bank's consent. At the end of 1984, 40 female employees had taken advantage of this possibility, 25 working half-time and 15 three-quarter time. Of the 287 women employed by the Bank, 26 hold executive posts, including 10 in the Translation Division, and 261 are in non-executive and secretarial posts.

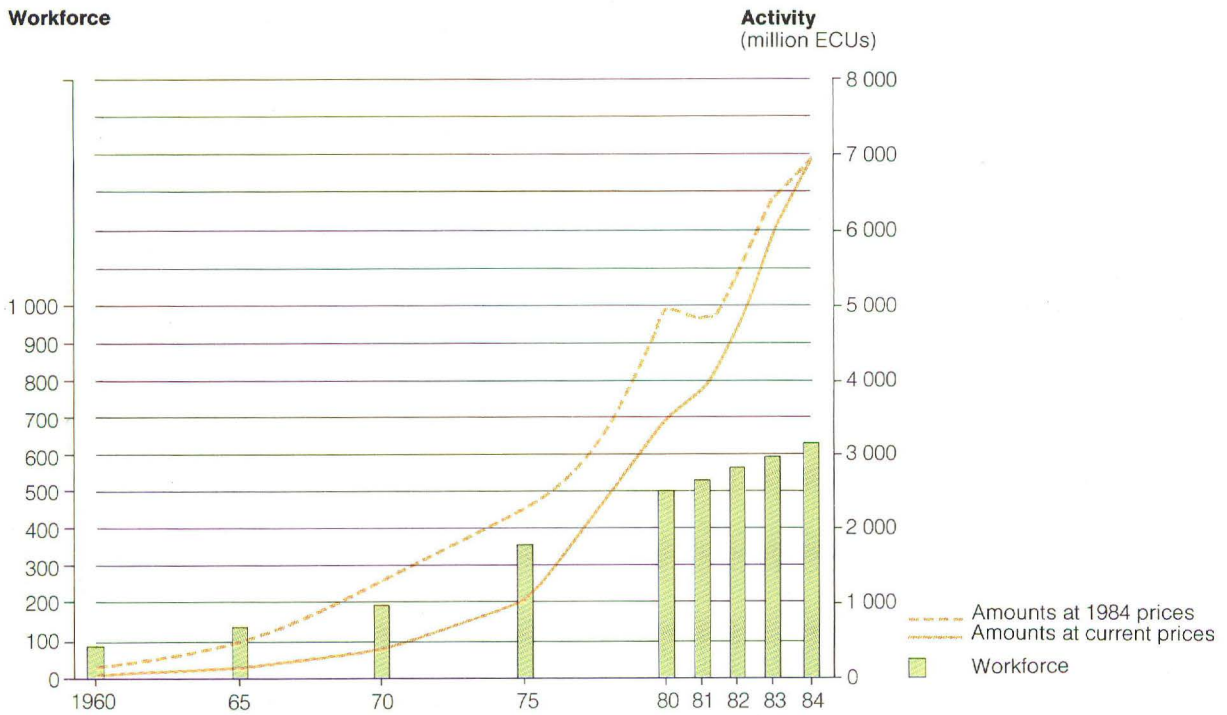
In 1984, some 3 100 days were given over to ongoing in-service training ranging from seminars on banking and economics to a variety of courses designed, for example, to increase familiarisation with data-processing, to acquaint secretaries with new word-processing technology or to enable new recruits to perfect their linguistic skills.

The general interests of the staff are promoted by nine staff representatives elected for three years. Partial elections were held on 19 November 1984 resulting in the appointment of seven staff representatives.

The breakdown between executive and other staff over the past five years is as follows:

Year	Executive staff		Non-executive staff, secretaries, technicians	
	M	F	M	F
1980	181	16	96	205
1981	196	16	99	217
1982	209	16	104	232
1983	223	22	108	243
1984	240	26	111	261
Total 1984	266 (42 %)		372 (58 %)	

**Staff complement related to total Bank activity (1960—1984)**



To mark its 25th anniversary, in 1983 the Bank inaugurated an "EIB prize" for the purpose of fostering research into capital investment at universities throughout the Community. The prize is to be awarded to the winning author of a thesis on investment and its financing. The jury responsible for adjudicating the prize was set up in 1984 under the chairmanship of Lord ROLL of IPSDEN with, as members, Professor Beniamino ANDREATTA, Professor Arnold HEERTJE, Professor Jacques LESOURNE, Professor Michael MacCORMAC and Professor Wolfgang STÜTZEL. The prize will be awarded for the first time at the Annual Meeting of the Board of Governors in June 1985.

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The Board of Directors thanks the Bank's staff for their unstinting efforts throughout 1984 and for the extent and quality of their work performed to the highest professional standards.

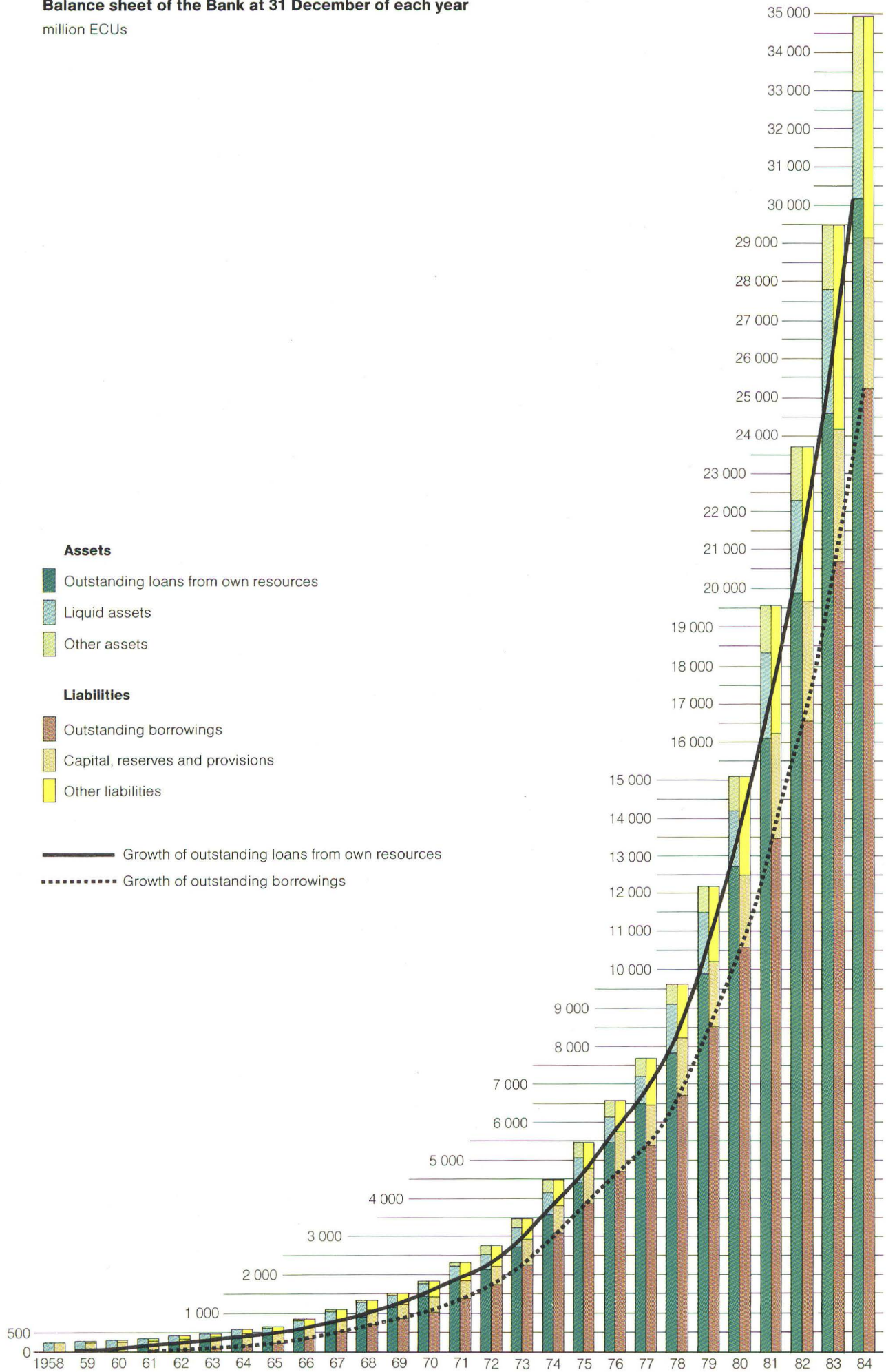
Luxembourg, 14 May 1985

The Chairman of the Board of Directors

Ernst-Günther BRÖDER

**Balance sheet of the Bank at 31 December of each year**

million ECUs



# Balance Sheet at 31 December 1984

in ECUs — see notes to the financial statements, Annex E

Assets	31. 12. 1984	31. 12. 1983
<b>Receivable from Member States on account of called capital</b> (Annex A) . . . . .	<b>405 000 000</b>	540 000 000
<b>Cash and bank deposits</b>		
At sight and up to one year's notice . . . . .	1 515 688 248	1 973 588 603
At more than one year's notice . . . . .	802 673	850 780
	<b>1 516 490 921</b>	1 974 439 383
<b>Investments</b> (Note B)		
For not more than one year . . . . .	41 681 724	29 850 117
For more than one year . . . . .	583 500 980	516 506 014
	<b>625 182 704</b>	546 356 131
<b>Borrowing proceeds to be received</b> . . . . .	<b>270 450 477</b>	156 137 237
<b>Receivable from Member States for adjustment of capital</b> (Annex D) . . . . .	<b>6 519 442</b>	2 229 304
<b>Loans</b> (Annex B)		
disbursed . . . . .	27 695 742 251	22 558 003 042
undisbursed . . . . .	2 496 298 699	2 090 156 300
	<b>30 192 040 950</b>	24 648 159 342
<b>Contra accounts to guarantees</b>		
In respect of loans under mandate . . . . .	34 172 581	45 816 574
excluding those in respect of loans granted by third parties: 1984: 561 798 760; 1983: 563 712 542		
in respect of participations by third parties in Bank loans: 1984: 379 366 118; 1983: 401 326 724		
<b>Land and buildings</b> (Note C) . . . . .	<b>43 902 457</b>	45 569 457
<b>Accrued interest and commission</b> . . . . .	<b>767 105 117</b>	631 473 467
<b>Receivable in respect of EMS interest subsidies paid in advance</b> (Note H) . . . . .	<b>305 302 733</b>	324 065 328
<b>Unamortised issuing charges</b> . . . . .	<b>309 245 445</b>	244 230 284
<b>Unamortised redemption premiums</b> . . . . .	<b>12 853 541</b>	275 588
	<b>322 098 986</b>	244 505 872
<b>Special deposits for service of borrowings</b> (Note D) . . . . .	<b>415 925 002</b>	355 871 894
<b>Miscellaneous</b> (Note G) . . . . .	<b>55 770 517</b>	29 112 058
	<b>34 959 961 887</b>	<u>29 543 736 047</u>



# Liabilities

	31. 12. 1984	31. 12. 1983
<b>Capital (Annex A)</b>	<b>14 400 000 000</b>	<b>14 400 000 000</b>
Subscribed	<u>12 934 285 000</u>	<u>12 934 285 000</u>
Uncalled	1 465 715 000	1 465 715 000
<b>Reserve fund (Note N)</b>	<b>1 440 000 000</b>	<b>1 440 000 000</b>
<b>Additional reserves (Note N)</b>	<b>560 617 455</b>	<b>172 926 017</b>
<b>Provision for conversion rate adjustments (Note N)</b>	<b>19 832 369</b>	<b>14 587 000</b>
<b>Staff pension fund (Note E)</b>	<b>49 926 352</b>	<b>39 406 937</b>
<b>Payable to Member States for adjustment of capital (Annex D)</b>	<b>5 781 576</b>	<b>1 931 402</b>
<b>Short-term notes (Annex C)</b>	<b>287 530 192</b>	<b>—</b>
<b>Medium and long-term borrowings (Annex C)</b>	<b>20 055 070 621</b>	<b>16 259 068 329</b>
Bonds and notes	<u>4 935 885 841</u>	<u>4 487 237 865</u>
Other	<u>24 990 956 462</u>	<u>20 746 306 194</u>
	<u>16 076 509</u>	<u>2 826 741</u>
Redemption premiums	25 007 032 971	20 749 132 935
	416 719 148	619 039 588
	2 496 298 699	2 090 156 300
<b>Sundry creditors (Note F)</b>	<b>34 172 581</b>	<b>45 816 574</b>
<b>Undisbursed balance of loans</b>		
<b>Guarantees</b>		
on loans under mandate		
on loans granted by third parties: 1984: 561 798 760; 1983: 563 712 542		
on participations by third parties in Bank loans: 1984: 379 366 118; 1983: 401 326 724		
<b>Interest subsidies received in advance (Note H)</b>	<b>1 044 967 352</b>	<b>1 073 690 682</b>
<b>Interest subsidies received in advance for the account of third parties (Note H)</b>	<b>152 882 929</b>	<b>159 305 021</b>
<b>Accrued interest and commission and interest received in advance</b>	<b>1 197 850 281</b>	<b>1 232 995 703</b>
<b>Coupons and bonds due and not yet paid (Note D)</b>	<b>1 074 806 431</b>	<b>876 750 708</b>
<b>Miscellaneous (Note G)</b>	<b>415 925 002</b>	<b>355 871 894</b>
<b>Balance of profit and loss account (Note N)</b>	<b>52 934 824</b>	<b>46 469 182</b>
	<b>434 819 006</b>	<b>392 936 807</b>
	<u>34 959 961 887</u>	<u>29 543 736 047</u>
<b>Memorandum accounts</b>		
Special Section		
Trust management fund	313 636 265	319 891 360
— for the account of Member States	6 378 531 652	4 752 620 976
— for the account of the European Communities	20 618 256	23 778 727
Securities received as guarantee for loans under mandate	98 738 127	84 605 437
Securities received on deposit		

# Statement of Special Section (1) at 31 December 1984

in ECUs — see notes to the financial statements, Annex E

Assets	31. 12. 1984	31. 12. 1983
<b>Member States</b>		
<i>From resources of the European Atomic Energy Community</i>		
Euratom loans disbursed . . . . . Total (2)	1 858 119 755	1 649 557 032
<i>From resources of the European Economic Community (New Community Instrument for borrowing and lending)</i>		
Loans		
— undisbursed . . . . .	638 666 192	634 371 642
— disbursed . . . . .	4 034 101 208	2 687 570 429
Total (3)	4 672 767 400	3 321 942 071
<b>Turkey</b>		
<i>From resources of Member States</i>		
Loans		
— disbursed . . . . .	313 636 265	319 891 360
Total (4)	313 636 265	319 891 360
<b>Mediterranean Countries</b>		
<i>From resources of the European Economic Community</i>		
Loans		
— undisbursed . . . . .	89 960 576	119 604 062
— disbursed . . . . .	190 339 424	157 695 938
	280 300 000	277 300 000
Risk capital operations <sup>5</sup>		
Amounts to be paid up . . . . .	3 000 000	—
— Amounts disbursed . . . . .	5 000 000	5 000 000
	8 000 000	5 000 000
Total (5)	288 300 000	282 300 000
<b>African, Caribbean and Pacific States and Overseas Countries and Territories</b>		
<i>From resources of the European Economic Community</i>		
<b>First and Second Yaoundé Conventions</b>		
Loans		
— undisbursed . . . . .	70 699	1 663 624
— disbursed . . . . .	110 113 937	112 563 263
	110 184 636	114 226 887
Contributions to the formation of risk capital		
— Amounts disbursed . . . . .	1 244 382	1 231 245
Total (6)	111 429 018	115 458 132
<b>First and Second Lomé Conventions</b>		
Risk capital operations		
— Amounts to be paid up . . . . .	127 393 828	87 724 674
— Amounts disbursed . . . . .	179 612 946	139 003 069
Total (7)	307 006 774	226 727 743
<b>Grand Total</b>	<b>7 551 259 212</b>	<b>5 915 876 338</b>

**N.B.**

Total amounts outstanding on loans on special conditions made available by the Commission in respect of which the Bank has accepted an EEC mandate for recovering principal and interest:

- (a) Under the First and Second Lomé Conventions: 31 December 1984: 481 859 133; 31 December 1983: 394 758 268.
- (b) Under Financial Protocols signed with the Mediterranean Countries: 31 December 1984: 59 070 731; 31 December 1983: 43 448 410.

(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 for the account of and under mandate from third parties.

(2) Initial amount of contracts signed under the Decisions of the Council of the European Communities of 29 March 1977 (77/271/Euratom) and 15 March 1982 (82/170/Euratom) providing for an

amount of two billion for financing commercially rated nuclear power stations within the Community under mandate, for the account and at the risk of the European Atomic Energy Community:

Add: exchange adjustments	+ 135 139 518
Less: repayments	— 45 275 591
	<u>1 858 119 755</u>

# Liabilities

	31. 12. 1984	31. 12. 1983
<b>Trust management funds</b>		
<i>Under mandate from the European Communities</i>		
European Atomic Energy Community . . . . .	1 858 119 755	1 649 557 032
European Economic Community		
— New Community Instrument . . . . .	4 034 101 208	2 687 570 429
— Financial Protocols with the Mediterranean Countries . . . . .	195 339 424	162 695 938
— First and Second Yaoundé Conventions . . . . .	111 358 319	113 794 508
— First and Second Lomé Conventions . . . . .	179 612 946	139 003 069
	<b>6 378 531 652</b>	4 752 620 976
<i>Under mandate from Member States</i> . . . . .	<b>313 636 265</b>	319 891 360
Total	<b>6 692 167 917</b>	5 072 512 336
<b>Funds to be paid up</b>		
On New Community Instrument loans . . . . .	638 666 192	634 371 642
On loans and risk capital operations in the Mediterranean Countries . . . . .	92 960 576	119 604 062
On loans under the Second Yaoundé Convention . . . . .	70 699	1 663 624
On loans and risk capital operations under the First and Second Lomé Conventions . . . . .	127 393 828	87 724 674
Total	<b>859 091 295</b>	843 364 002
<b>Grand Total</b>	<b>7 551 259 212</b>	<b>5 915 876 338</b>

(3) Initial amount of contracts signed under Council Decisions 78/870/EEC of 16 October 1978 (New Community Instrument), 82/169/EEC of 15 March 1982 and 83/200/EEC of 19 April 1983 for promoting investment within the Community, as well as 81/19/EEC of 20 January 1981 for reconstructing the areas of Campania and Basilicata (Italy) struck by an earthquake on 23 November 1980, and 81/1013/EEC of 14 December 1981 for reconstructing areas struck by earthquakes in Greece in February and March 1981, under mandate, for the account and at the risk of the European Economic Community: 4 188 984 467

Add: exchange adjustments + 517 618 320

Less: cancellations 6 129 954

repayments 27 705 433 — 33 835 387

4 672 767 400

(4) Initial amount of 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 + 21 294 256

Less: cancellations 215 000

repayments 77 657 991 — 77 872 991

313 636 265

(5) Initial amount of contracts signed for financing projects in the Maghreb and Mashreq countries, Malta, Cyprus, Turkey and Greece (10 million lent prior to accession to EEC on 1 January 1981) under mandate, for the account and at the risk of the European Economic Community: 288 300 000

(6) Initial amount of 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 4 205 638 + 5 383 910

Less:

— cancellations 1 502 910

— repayments 34 437 653 — 35 940 563

111 429 018

(7) Initial amount of 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 305 068 000

— equity participations 8 321 630

— subscription of convertible bonds 2 499 606 315 889 236

Add:

— capitalised interest + 11 371

Less:

— repayments 2 531 749

— cancellations 6 182 480

— exchange adjustments 179 604 — 8 893 833

307 006 774

# Profit and Loss Account for the year ended 31 December 1984

in ECUs — see notes to the financial statements, Annex E

Income	1984	1983
<b>Interest and commission on loans</b> . . . . .	2 719 196 226	2 218 756 422
<b>Interest and commission on investments</b> . . . . .	242 226 951	205 602 037
<b>Management commission</b> (Note I) . . . . .	15 376 864	12 018 630
<b>Financial and other income</b> (Note M) . . . . .	43 544 224	44 130 902
<b>Exchange differences</b> (Note J) . . . . .	1 175 879	—
	3 021 520 144	2 480 507 991
Expenditure		
<b>Administrative expenses and charges</b> (Note L) . . . . .	49 394 559	42 875 230
<b>Interest and charges on borrowings</b> . . . . .	2 478 616 906	2 002 459 840
<b>Amortisation of issuing charges and redemption premiums</b> . . . . .	49 924 062	38 969 790
<b>Financial charges</b> (Note M) . . . . .	147 299	137 260
<b>Depreciation</b>		
— of net purchases of furniture and equipment . . . . .	1 788 859	1 252 462
— of building . . . . .	1 667 000	1 667 000
<b>Exchange differences</b> (Note J) . . . . .	—	28 785
	2 581 538 685	2 087 390 367
<b>Operating surplus</b> . . . . .	439 981 459	393 117 624
<b>Net increase/decrease arising from re-evaluation of net Bank assets not subject to adjustment under Article 7 of the Statute</b> (Note K) . . . . .	— 5 162 453	+ 5 245 369
<b>Exceptional charge</b> (Note C) . . . . .	—	— 5 426 186
<b>Balance</b> (Note N) . . . . .	434 819 006	392 936 807

# Statement of changes in financial position as at 31 December 1984

in ECUs — see notes to the financial statements, Annex E

	1984	1983
<b>Source of funds</b>		
Balance of profit and loss account . . . . .	434 819 006	392 936 807
Items not involving movement of funds:		
Depreciation of building, net purchases of furniture and equipment . . . . .	3 455 859	2 919 462
Amortisation of issuing charges and redemption premiums . . . . .	49 924 062	38 969 790
Exceptional charge . . . . .	—	5 426 186
Increase in accrued interest and commission payable and interest received in advance . . . . .	198 055 723	183 147 129
Increase in accrued interest and commission receivable . . . . .	— 135 631 650	— 151 679 131
	550 623 000	471 720 243
Other sources:		
Borrowing proceeds . . . . .	4 234 985 710	3 438 437 466
Loan repayments to the Bank . . . . .	1 561 393 563	1 208 386 243
Capital paid in by Member States . . . . .	135 000 000	95 150 082
Exchange adjustments in respect of borrowings . . . . .	1 521 370 609	1 562 989 193
Decrease (increase) in cash, bank balances and investments . . . . .	379 121 889	— 811 890 942
<b>Total</b>	<b>8 382 494 771</b>	<b>5 964 792 285</b>
<b>Use of funds</b>		
Cash was used for:		
Net loan disbursements . . . . .	5 200 105 323	4 082 026 203
Redemption of borrowings . . . . .	1 325 239 331	892 367 822
Issuing costs in respect of borrowings . . . . .	127 517 176	86 044 369
Additions to land, building and furniture . . . . .	1 788 859	6 678 648
Exchange adjustments in respect of loans . . . . .	1 499 027 449	1 502 477 981
Net increase (decrease) in capital adjustment accounts of Member States . . . . .	439 964	— 7 615 736
Decrease (increase) in sundry creditors, miscellaneous liabilities, staff pension fund and net interest subsidies . . . . .	201 718 210	— 598 174 778
Increase in sundry debtors . . . . .	26 658 459	987 776
<b>Total</b>	<b>8 382 494 771</b>	<b>5 964 792 285</b>

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

at 31 December 1984

in '000 ECUs — see notes to the financial statements, Annex E

Member States	Subscribed capital (1)	Available for call (2)	Paid in at 31 December 1984	To be paid in (1)	Total paid in and to be paid in
Germany . . . . .	3 150 000	2 829 375	232 031·25	88 593·75	320 625
France . . . . .	3 150 000	2 829 375	232 031·25	88 593·75	320 625
United Kingdom . . . . .	3 150 000	2 829 375	232 031·25	88 593·75	320 625
Italy . . . . .	2 520 000	2 263 500	185 625	70 875	256 500
Belgium . . . . .	829 500	745 068·75	61 101·5625	23 329·6875	84 431·25
Netherlands . . . . .	829 500	745 068·75	61 101·5625	23 329·6875	84 431·25
Denmark . . . . .	420 000	377 250	30 937·5	11 812·5	42 750
Greece . . . . .	225 000	202 097·5	16 574·375	6 328·125	22 902·5
Ireland . . . . .	105 000	94 312·5	7 734·375	2 953·125	10 687·5
Luxembourg . . . . .	21 000	18 862·5	1 546·875	590·625	2 137·5
<b>Total</b>	<b>14 400 000</b>	<b>12 934 285</b>	<b>1 060 715</b>	<b>405 000</b>	<b>1 465 715</b>

(1) By decision of the Board of Governors of 15 June 1981, the subscribed capital was increased from 7 200 000 000 ECUs to 14 400 000 000 ECUs as from 31 December 1981. Each Member State will pay in, in its national currency, 7·5% of the increase, i.e. the equivalent of 405 000 000 ECUs, in six equal instalments of 67 500 000 ECUs on 30 April and 31 October of the years 1985-1987.

(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 1984

in ECUs — 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)	%
<b>1. Loans for projects within the Community and related loans</b>					
Germany . . . . .	40	484 031 233	35 846 148	519 877 381	1.72
France . . . . .	184	3 727 481 248	96 671 054	3 824 152 302	12.67
United Kingdom . . . . .	275	5 171 560 651	127 450 047	5 299 010 698	17.55
Italy . . . . .	609	11 443 056 670	733 771 424	12 176 828 094	40.33
Belgium . . . . .	22	623 053 584	—	623 053 584	2.06
Netherlands . . . . .	3	18 567 822	—	18 567 822	0.06
Denmark . . . . .	91	832 640 449	235 727 117	1 068 367 566	3.54
Greece . . . . .	98	1 337 861 042	88 601 948	1 426 462 990	4.73
Ireland . . . . .	120	2 023 798 322	44 544 022	2 068 342 344	6.85
Luxembourg . . . . .	2	18 089 122	—	18 089 122	0.06
Related loans (*) . . . . .	7	222 172 815	—	222 172 815	0.74
Sub-total	1 451	25 902 312 958	1 362 611 760	27 264 924 718	90.31
<b>2. Loans for projects outside the Community</b>					
Mediterranean Countries (including Portugal)					
Algeria . . . . .	2	22 365 368	10 000 000	32 365 368	0.11
Cyprus . . . . .	2	19 522 200	2 084 600	21 606 800	0.07
Egypt . . . . .	8	92 713 315	91 434 827	184 148 142	0.61
Spain . . . . .	23	311 846 615	101 320 000	413 166 615	1.37
Jordan . . . . .	10	26 696 378	19 648 617	46 344 995	0.15
Lebanon . . . . .	7	40 764 294	—	40 764 294	0.13
Malta . . . . .	1	2 487 184	—	2 487 184	0.01
Morocco . . . . .	7	67 909 386	72 744 200	140 653 586	0.47
Portugal . . . . .	33	400 950 990	212 370 880	613 321 870	2.03
Syria . . . . .	3	16 393 099	38 300 000	54 693 099	0.18
Tunisia . . . . .	7	39 879 323	12 033 000	51 912 323	0.17
Turkey . . . . .	9	102 824 269	—	102 824 269	0.34
Yugoslavia . . . . .	6	103 326 502	231 820 000	335 146 502	1.11
ACP Countries/OCT					
West Africa . . . . .	1	1 735 317	3 275 000	5 010 317	0.02
Barbados . . . . .	3	8 620 988	2 011 000	10 631 988	0.03
Belize . . . . .	1	463 738	1 560 000	2 023 738	0.01
Benin . . . . .	1	—	13 500 000	13 500 000	0.04
Botswana . . . . .	4	12 226 694	12 877 053	25 103 747	0.08
Burkina Faso . . . . .	1	6 636 104	1 902 343	8 538 447	0.03
Cayman Islands . . . . .	1	3 261 881	—	3 261 881	0.01
Cameroon . . . . .	12	43 884 428	59 795 917	103 680 345	0.34
Congo . . . . .	1	463 474	3 540 000	4 003 474	0.01
Ivory Coast . . . . .	19	81 316 685	18 360 929	99 677 614	0.33
Fiji . . . . .	3	35 196 014	3 020 181	38 216 195	0.13
Gabon . . . . .	5	23 647 907	11 566 247	35 214 154	0.12
Ghana . . . . .	2	18 089 321	—	18 089 321	0.06
Guinea . . . . .	2	4 066 590	7 500 000	11 566 590	0.04
Jamaica . . . . .	1	—	4 000 000	4 000 000	0.01
Kenya . . . . .	11	62 365 031	11 537 990	73 903 021	0.24
Liberia . . . . .	3	7 606 139	3 500 000	11 106 139	0.04
Malawi . . . . .	3	11 442 255	2 353 000	13 795 255	0.05
Mauritius . . . . .	5	14 674 609	2 912 000	17 586 609	0.06
Mauritania . . . . .	1	25 383 620	2 923 434	28 307 054	0.09
Niger . . . . .	3	14 516 841	2 000 000	16 516 841	0.05
Nigeria . . . . .	3	28 542 522	54 610 000	83 152 522	0.28
New Caledonia . . . . .	2	10 136 518	—	10 136 518	0.03
Papua New Guinea . . . . .	3	10 057 752	45 556 000	55 613 752	0.18
Caribbean region . . . . .	1	2 302 935	—	2 302 935	0.01
Senegal . . . . .	5	33 569 965	2 071 666	35 641 631	0.12
Swaziland . . . . .	3	18 328 630	1 000 000	19 328 630	0.06
Tanzania . . . . .	1	794 372	—	794 372	0.01
Togo . . . . .	4	26 660 132	822 541	27 482 673	0.09
Trinidad and Tobago . . . . .	3	13 858 842	4 793 200	18 652 042	0.06
Zaire . . . . .	1	10 477 709	4 194 314	14 672 023	0.05
Zambia . . . . .	4	15 423 357	25 748 000	41 171 357	0.14
Zimbabwe . . . . .	2	—	35 000 000	35 000 000	0.12
Sub-total	233	1 793 429 293	1 133 686 939	2 927 116 232	9.69
<b>Grand Total</b>	<b>1 684</b>	<b>27 695 742 251</b>	<b>2 496 298 699</b>	<b>30 192 040 950</b>	<b>100.00</b>

(\*) Operations relating to 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.

(1) Currencies in which loans are repayable:

Currency	Amount
Currencies of Member States . . . . .	12 153 077 707
Other currencies . . . . .	<u>15 542 664 544</u>
Disbursed portion of loans . . . . .	27 695 742 251
Add: undisbursed portion of loans:	
fixed rate of interest and standard currency mix, as specified in finance contract . . . . .	397 725 207
fixed rate of interest, as specified in finance contract, with the Bank selecting the currency mix . . . . .	1 218 402 092
open rate, with the Bank selecting the rate of interest and currency mix . . . . .	<u>880 171 400</u>
	<u>2 496 298 699</u>
	<u><u>30 192 040 950</u></u>

Scheduled repayments on loans outstanding ('000 ECUs)

Repayable	Out-standing at 31. 12. 1984	Repayable	Out-standing at 31. 12. 1983
Year 1985 . . . . .	1 812 437	Year 1984 . . . . .	1 417 090
Year 1986 . . . . .	2 135 726	Year 1985 . . . . .	1 659 258
Year 1987 . . . . .	2 460 106	Year 1986 . . . . .	1 951 808
Year 1988 . . . . .	2 577 739	Year 1987 . . . . .	2 143 790
Year 1989 . . . . .	2 790 660	Year 1988 . . . . .	2 185 087
Years 1990 to 1994	12 868 977	Years 1989 to 1993	10 563 522
Years 1995 to 1999	4 871 814	Years 1994 to 1998	4 174 821
Years 2000 to 2004	629 333	Years 1999 to 2003	<u>552 783</u>
Years 2005 to 2009	<u>45 249</u>		
Total	<u><u>30 192 041</u></u>	Total	<u><u>24 648 159</u></u>

(2) Breakdown of loans outstanding at 31 December 1984 by principal form of guarantee (I)

A. Loans for projects within the Community (and related loans) (II)

Loans granted to, or guaranteed by, Member States . . . . .	20 773 425 820 (VI)
Loans granted to, or guaranteed by, public institutions in the Community . . . . .	4 181 092 998
Loans granted to, or guaranteed by, financial institutions (banks, long-term credit institutions, insurance companies) . . . . .	839 562 810
Loans guaranteed by companies outside the financial sector under majority control of Member States or public institutions in the Community . . . . .	208 320 956
Loans secured by fixed charge on real estate . . . . .	150 578 094
Loans guaranteed by non-bank companies in the private sector . . . . .	667 260 744
Loans secured by fixed charge on assets other than real estate, or other security . . . . .	<u>444 683 296</u>
Sub-total	<u>27 264 924 718</u>

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 . . . . .	1 930 890
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2. Loans granted under the Second Yaoundé Convention

Loans granted to, or guaranteed by, AASMM States which were signatories to the Convention . . . . .	42 329 612
Loans secured by other guarantees . . . . .	<u>2 749 386</u>
	<u>45 078 998 (III)</u>

3. Loans granted under the First Lomé Convention

Loans granted to, or guaranteed by, ACP States which were signatories to the Convention . . . . .	372 416 895
Loans secured by other guarantees . . . . .	<u>9 690 067</u>
	<u>382 106 962 (IV)</u>

4. Loans granted under the Second Lomé Convention

Loans granted to, or guaranteed by, ACP States which were signatories to the Convention . . . . .	415 302 455
Loans secured by other guarantees . . . . .	3 261 881
Loans granted for mining and energy development projects (Article 59) . . . . .	<u>40 000 000</u>
	<u>458 564 336 (V)</u>

5. Loans granted under EEC financial agreements with Mediterranean countries, including Portugal

Loans guaranteed by the six founder Member States of the EIB . . . . .	6 592 842
Loans guaranteed by the EEC . . . . .	143 354 661
Loans granted to, or guaranteed or counter-guaranteed by, Mediterranean countries which were signatories to these agreements . . . . .	1 710 287 333 (VI)
Loans secured by other guarantees . . . . .	<u>179 200 210 (VI)</u>
	<u>2 039 435 046</u>
Sub-total	<u>2 927 116 232</u>
Aggregate lending outstanding . . . . .	<u><u>30 192 040 950</u></u>

(I) Certain loans are covered by several types of guarantee or security.

(II) 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.

(III) 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.

(IV) Guarantees provided by Member States to cover any risk attaching to these financial commitments amount to 114 924 738.

(V) Guarantees provided by Member States to cover any risk attaching to these financial commitments amount to 337 164 400.

(VI) The blanket guarantee provided by the EEC to cover any risk attaching to these financial commitments and to those in Greece (249 757 362) arising from loans granted prior to that country's accession to the EEC amounted to 1 574 167 400 at 31 December 1984 compared to 1 174 357 500 at 31 December 1983.

In the event of these guarantees being invoked, the guarantors' obligations will be determined on the basis of the rates of conversion between the ECU 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

	32 819 628 035
Add:	
exchange adjustments . . . . .	<u>+ 5 050 056 824</u>
	37 869 684 859
Less:	
terminations and cancellations . . . . .	222 474 189
principal repayments to the Bank . . . . .	7 075 803 602
third party participations in Bank loans . . . . .	<u>379 366 118</u>
	<u>- 7 677 643 909</u>
Loans outstanding . . . . .	<u><u>30 192 040 950</u></u>

The aggregate amount outstanding of loans and guarantees granted by the Bank, which under Article 18 (5) of the Statute must not exceed 250 % (i.e. 36 billion at present) of its subscribed capital, came at 31 December 1984 to:

loans . . . . .	30 192 040 950
guarantees:	
in respect of loans under mandate . . . . .	34 172 581
in respect of loans granted by third parties . . . . .	561 798 760
in respect of third party participations in Bank loans . . . . .	<u>379 366 118</u>
Total . . . . .	<u>975 337 459</u>
Total amount of loans and guarantees outstanding . . . . .	<u><u>31 167 378 409</u></u>

## Annex C — Summary statement of borrowings

at 31 December 1984

in ECUs — see notes to the financial statements, Annex E

Short-term notes		Unamortised principal		Average weighted rate of interest	
Payable in	at 31. 12. 1983	at 31. 12. 1984			
ECU	—	100 000 000			9.52
US\$ nominal value	—	189 085 848			8.46
less:					
amount of unamortised discounts	—	— 1 555 656			
<b>Total</b>		<b>287 530 192</b>			

Medium and long-term borrowings		Operations during the financial year			Unamortised principal at 31 December 1984		
Payable in	Unamortised principal at 31. 12. 1983	Borrowings	Redemptions	Exchange adjustments	Amount (')	Rate of interest (weighted average)	Due dates
EURCO (2)	79 954 741	—	6 898 824	232 709 +	73 288 626	8.13	1985/1989
ECU	426 323 000	455 000 000	8 375 000	—	872 948 000	11.48	1985/1999
DM	4 017 076 563	632 245 809	119 354 516	47 416 988 +	4 577 384 844	8.18	1985/2001
Ffrs	819 465 506	174 889 892	20 060 823	9 442 556 +	983 737 131	13.91	1985/1996
£	706 643 884	284 905 630	12 433 148	57 032 586 —	922 083 780	11.86	1985/2004
Lit	92 825 604	108 254 788	13 641 440	1 104 845 +	188 543 797	12.26	1985/1995
Bfrs	506 797 637	153 170 269	51 216 800	18 072 034 +	626 823 140	11.26	1985/2000
Fl	2 031 098 525	479 422 693	109 450 352	14 789 854 +	2 415 860 720	9.54	1985/2004
Lfrs	207 847 382	27 116 791	15 919 319	7 001 174 +	226 046 028	10.46	1985/1994
US\$	7 878 211 867	1 066 041 440	885 294 783	1 331 225 265 +	9 390 183 789	11.45	1985/2000
Sfrs	1 820 725 799	322 582 654	29 483 186	35 018 761 —	2 078 806 506	6.28	1985/1996
£Leb	2 950 954	—	1 378 396	498 540 —	1 074 018	7.13	1985/1985
Yen	1 982 531 305	346 040 215	47 179 769	173 334 958 +	2 454 726 709	8.31	1985/2000
Sch	96 143 379	—	3 726 206	1 480 464 +	93 897 637	8.02	1985/1993
Can\$	77 710 048	—	—	7 841 689 +	85 551 737 (3)	12.13	1991/1991
<b>Total</b>	<b>20 746 306 194</b>	<b>4 049 670 181</b>	<b>1 324 412 562</b>	<b>1 519 392 649 +</b>	<b>24 990 956 462</b>		
Redemption premiums	2 826 741	12 098 577	826 769	1 977 960 +	16 076 509		
<b>Grand Total</b>	<b>20 749 132 935</b>	<b>4 061 768 758</b>	<b>1 325 239 331</b>	<b>1 521 370 609 +</b>	<b>25 007 032 971</b>		

(1) The following table shows in '000 ECUs the total capital sums required for redemption of borrowings over the period 1984-2004:

For redemptions during	Sums required at 31. 12. 1984	For redemptions during	Sums required at 31. 12. 1983
year 1985	1 400 429	year 1984	1 287 160
year 1986	1 554 618	year 1985	1 284 453
year 1987	2 336 083	year 1986	1 436 106
year 1988	2 438 182	year 1987	2 117 579
year 1989	2 447 151	year 1988	2 173 650
years 1990 to 1994	12 961 006	years 1989 to 1993	11 064 103
years 1995 to 1999	1 561 096	years 1994 to 1998	1 121 086
years 2000 to 2004	308 468	years 1999 to 2003	264 208
		year 2004	788
<b>Total</b>	<b>25 007 033</b>	<b>Total</b>	<b>20 749 133</b>

(2) The EURCO consists of the sum of fixed amounts of the currencies of the first nine Member States of the European Economic Community: 1 EURCO = DM 0.9 + Ffrs 1.2 + £0.075 + Lit 80 + Fl 0.35 + Bfrs 4.5 + Dkr 0.2 + IR£0.005 + Lfrs 0.5.

(3) During 1984, the Can\$ borrowing was converted into DM.

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

at 31 December 1984

in ECUs — see notes to the financial statements, Annex E

Receivable from: United Kingdom	6 519 442
Payable to:	
Germany	2 439 670
France	1 180 374
Italy	179 295
Belgium	1 072 989
Netherlands	180 785
Denmark	385 632
Greece	203 332
Ireland	112 089
Luxembourg	27 410
	<b>5 781 576</b>

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:

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 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 1984 — in ECUs

## Note A — Significant accounting policies

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

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

On 13 May 1981, the Board of Governors adopted a decision redefining the Bank's unit of account as the ECU used by the European Communities. 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.

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

DM	0.719	Bfrs	3.71
£	0.0878	Lfrs	0.14
Ffrs	1.31	Dkr	0.219
Lit	140.0	Ir£	0.00871
Fl	0.256	Dr	1.15

The drachma has been included in the basket of currencies making up the value of the ECU readjusted as from 17 September 1984 in line with the decision adopted by the Council of the European Communities. Hitherto, the ECU had comprised the following amounts:

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

The Bank applies the above 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 1984 and 1983:

1 ECU =	1984	1983
Deutsche Mark	2.23176	2.25748
French francs	6.83069	6.90358
Pounds sterling	0.609846	0.570600
Italian lire	1 371.10	1 371.99
Belgian francs	44.7168	46.0969
Dutch guilders	2.51853	2.53713
Danish kroner	7.98805	8.18269
Drachmas	91.0428	81.7773
Irish pounds	0.715023	0.728961
Luxembourg francs	44.7168	46.0969
United States dollars	0.708946	0.827370
Swiss francs	1.8383	1.80408
Lebanese pounds	6.28481	4.54226
Japanese yen	178.052	191.743
Austrian Schilling	15.6677	15.9103
Canadian dollars	0.935808	1.03024
CFA francs	341.535	345.179

The gain or loss arising from translation of the Bank's assets and liabilities into ECUs 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 normally included at cost, or at nominal or market value where this is less than their original cost.

## 3. Land and buildings

Land and buildings are stated at cost less both initial write-down of the Kirchberg headquarters and accumulated depreciation.

Office furniture and equipment are 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

Investments comprise:	1984	1983
treasury bonds, notes and bonds at the lowest of cost, nominal or market value (market value:		
1984: 595 475 431		
1983: 527 084 097)	577 847 439	512 320 156
the Bank's own bonds at their repurchase cost	5 403 565	7 938 148
bank bills at their nominal value	41 931 700	26 097 827
	<u>625 182 704</u>	<u>546 356 131</u>

The breakdown according to maturity is as follows:

not exceeding 3 months	23 931 700	26 780 317
over 3 months but not exceeding 6 months	1 767 146	325 037
over 6 months but not exceeding 12 months	15 982 878	2 744 763
over 12 months	<u>583 500 980</u>	<u>516 506 014</u>
	<u>625 182 704</u>	<u>546 356 131</u>

## Note C — Land and Buildings

The item "Land and Buildings" on the balance sheet, i.e. 43 902 457, represents the value of the building at Kirchberg after accumulated depreciation of 30 568 036. The exceptional charge of 5 426 186 on the profit and loss account for the year ended 31 December 1983 represents final settlement of the construction cost of the building as agreed between the contractor and the Bank.

**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 bonds 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 1984 was 8 549 025 (7 548 822 for the year ended 31 December 1983).

**Note F — Sundry creditors**

	1984	1983
Sundry creditors comprise:		
short-term deposits from other banks . . . . .	45 087 720	—
European Economic Community accounts:		
for Special Section operations and related unsettled sundry amounts . . . . .	343 132 192	549 277 679
deposit accounts . . . . .	25 535 019	66 991 045
other creditors . . . . .	2 964 217	2 770 864
	<u>416 719 148</u>	<u>619 039 588</u>

**Note G — Miscellaneous balance sheet accounts**

	1984	1983
These accounts comprise:		
on the assets side:		
staff housing loans and advances on salaries . . . . .	22 774 944	18 681 893
net amounts of swap operations . . . . .	16 841 272	—
sundry debtors . . . . .	16 154 301	10 430 165
	<u>55 770 517</u>	<u>29 112 058</u>
on the liabilities side:		
accrued and sundry expenses	<u>52 934 824</u>	<u>46 469 182</u>

**Note H — Interest subsidies received in advance**

(a) This item relates to amounts in respect of interest subsidies for loans granted for projects outside the Community, under Protocols concluded with the ACP States and Mediterranean Countries, as well as interest subsidies, concerning certain lending operations mounted within the Community from the Bank's own resources, made available in conjunction with the European Monetary System under Regulation (EEC) No 1736/79 of the Council of the European Communities of 3 August 1979.

(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' Decisions (78/870) of 16 October 1978 (New Community Instrument), (82/169) of 15 March 1982 and (83/200) of 19 April 1983 and Regulation (EEC) No 1736/79 of 3 August 1979 as amended by Regulation (EEC) No 2790/82 of 18 October 1982.

(c) 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".

**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 and accounted for in the Special Section.

**Note J — Exchange differences**

The amount of 1 175 879 at 31 December 1984 represents the net gain arising from financial operations during the year (net loss of 28 785 in 1983), calculated at the exchange rates in force at the date of these operations.

**Note K — Net increase/decrease arising from re-evaluation 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 1984 results in a net decrease in the value of net Bank assets of 5 162 453 (5 245 369 in 1983). The re-evaluation does not take account of assets expressed in the national currencies of Member States 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**

	1984	1983
Staff costs:		
Salaries and allowances . . . . .	32 261 588	28 347 659
Bank's contribution to pension, health insurance and other social costs . . . . .	7 571 058	5 742 467
Other costs . . . . .	2 234 588	1 852 906
	<u>42 067 234</u>	<u>35 943 032</u>
General and administrative expenses . . . . .	7 327 325	6 932 198
	<u>49 394 559</u>	<u>42 875 230</u>

The number of personnel employed by the Bank was 638 at 31 December 1984 (596 at 31 December 1983).

**Note M — Financial and other income, financial charges**

	1984	1983
Financial and other income	1984	1983
comprises:		
realised gains on portfolio operations . . . . .	41 297 242	42 706 125
decrease in unrealised write-down of investments . . . . .	1 731 993	996 156
other income . . . . .	514 989	428 621
	<u>43 544 224</u>	<u>44 130 902</u>
Financial charges . . . . .	<u>147 299</u>	<u>137 260</u>

**Note N — Reserves and provisions and appropriation of operating surplus**

On 4 June 1984, the Board of Governors decided (a) to increase the provision for conversion rate adjustments by an amount of 5 245 369, representing the net increase arising from revaluation of net Bank assets not subject to adjustment under Article 7 of the Statute, and (b) to appropriate the 1983 operating surplus, less the amount of the exceptional charge, i.e. a total of 387 691 438, to the Additional Reserves.

**Statement of movements in the reserves and provisions for the year ended 31 December 1984**

	Situation at 31.12.1983	Appro- priation of balance of profit and loss account for the year ended 31.12.1983	Situation at 31.12.1984
Reserve Fund . . . . .	1 440 000 000	—	1 440 000 000
Additional Reserves . . . . .	172 926 017	387 691 438	560 617 455
Provision for conversion rate adjustments . . . . .	14 587 000	+ 5 245 369	19 832 369
	<u>1 627 513 017</u>	<u>392 936 807</u>	<u>2 020 449 824</u>

The Management Committee has decided to propose that the Board of Directors recommend the Governors: (a) to decrease the provision for conversion rate adjustments by an amount of 5 162 453, representing the net decrease arising at 31 December 1984 from re-evaluation of net Bank assets not subject to adjustment under Article 7 of the Statute, and (b) to appropriate the 1984 operating surplus of 439 981 459 to the Additional Reserves.

## Report by Messrs Price Waterhouse

The President  
European Investment Bank  
Luxembourg

In our opinion, the accompanying financial statements present fairly the financial position of the European Investment Bank at 31 December 1984 and 1983, and 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. Our examinations of these statements 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.

The financial statements covered by our opinion are the following:

Balance sheet	
Special Section	
Profit and loss account	
Statement of changes in financial position	
Statement of subscriptions to the capital of the Bank	Annex A
Analysis of loans outstanding	Annex B
Summary statement of borrowings	Annex C
Amounts receivable from and payable to Member States for adjustment of capital contributions	Annex D
Notes to the financial statements	Annex E

Luxembourg, 22 February 1985

PRICE WATERHOUSE

# Statement by the Audit Committee

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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 22 February 1985 drawn up by Messrs Price Waterhouse,

considering the 1984 Annual Report, the balance sheet of the Bank and the statement of Special Section as at 31 December 1984 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 on 4 May 1985,

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

hereby certifies:

that the Bank's operations during the 1984 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, 14 May 1985

The Audit Committee

J. BREDSORFF      A. HANSEN      K. THANOPOULOS

# Historical pattern of financing

The vigorous growth in Bank financing is evidenced by the surge from 500 million in 1972, just prior to the initial enlargement of the Community, to 3.5 billion in 1980 and a pronounced rise to close on 7 billion in 1984. The trend is delineated in Table 15, the graphs on page 10 and the graph below.

The following maps and graphs highlight certain aspects of Bank activity in the Member Countries over the past five years, as well as operations mounted outside the Community under cooperation agreements.

## Operations within the Community (1980-1984)

Between 1980 and the end of 1984, the EIB provided a total of 18 281.1 million in loans from its own resources and guarantees in support of capital investment in the Community. In addition, 3 922 million was made available from NCI resources (see page 29).

In the rest of this chapter, Bank activity is dealt with in the round, including lending from NCI resources which is accounted for in the Bank's Special Section.

**Financing provided inside and outside the Community from 1959 to 1984**



(1) Financing outside the Community and, as from 1979, financing within the Community from NCI resources.

Tables 5, 16 and 18 and the graphs below and on page 103 provide a breakdown by economic policy objective, project location and sector of financing under this heading.

### Breakdown by project location

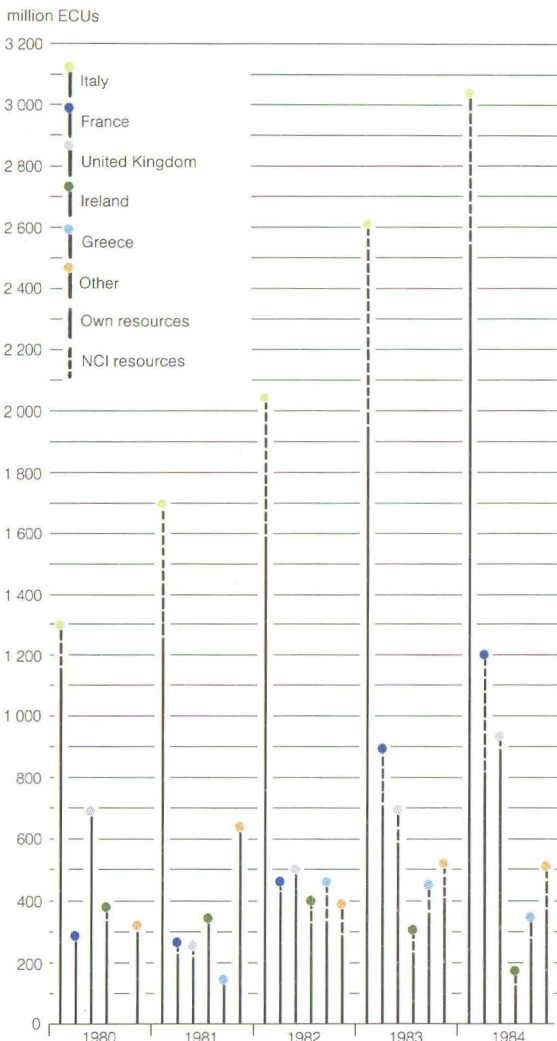
Close on 62 % of projects financed since 1980 have been located in countries with the most serious regional problems: Italy, Greece and Ireland. Loans in the Mezzogiorno alone have accounted for 30 % of all financing in Member Countries. The United Kingdom and France have attracted the next largest

share (28 % between them), followed by Denmark, Germany, Belgium and Luxembourg.

### Breakdown by economic policy objective

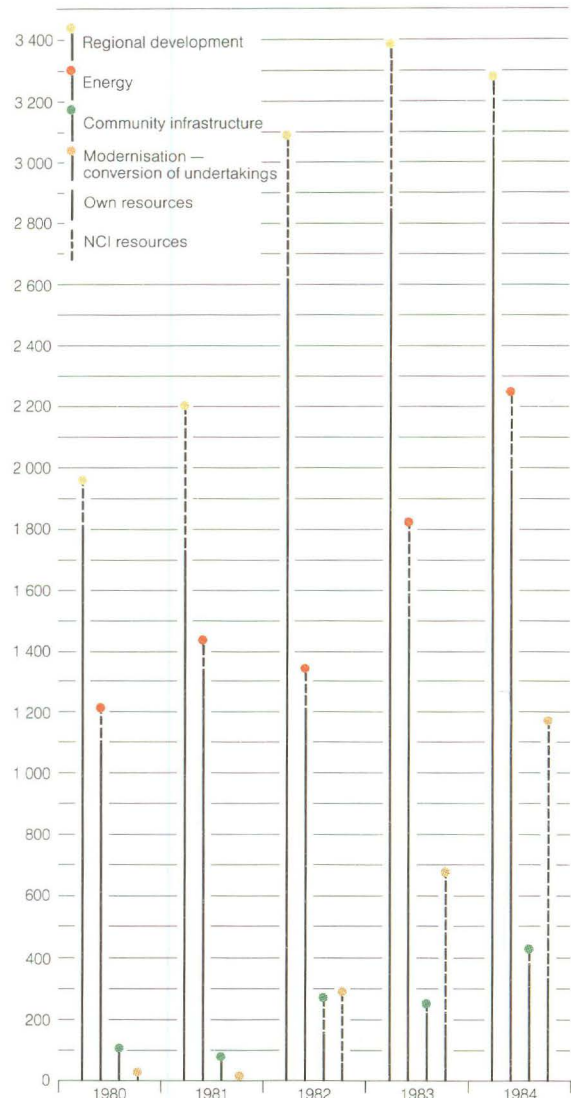
Overall lending since 1980 for projects fostering **regional development** accounts for 63 % of Bank financing within Member Countries. Finance for projects promoting the Community's **energy policy**

#### Breakdown by project location



#### Breakdown by economic policy objective

million ECUs



**objectives** has focused chiefly on development of indigenous resources (57 %) and schemes aimed at making more rational use of energy (28 %). An increasing volume of funds has gone towards financing Community infrastructure centred on improving communications between Member Countries, projects designed to protect the environment, ventures seeking to develop or introduce advanced technology and schemes for the modernisation or conversion of mostly small and medium-sized undertakings.

### Sectoral breakdown

Credit for productive enterprise stands at 6.1 billion, equivalent to 27 % of total financing provided, having forged ahead mainly under the impetus of increasing use of the global loan facility. This has given rise to over 9 000 allocations for industrial ventures and 1 250 for agriculture and tertiary sector investment.

Financing for the energy sector runs to 7.2 billion, or 33 %, while transport, telecommunications and other infrastructure has claimed 8.1 billion, or 40 %.

### Breakdown by major sector

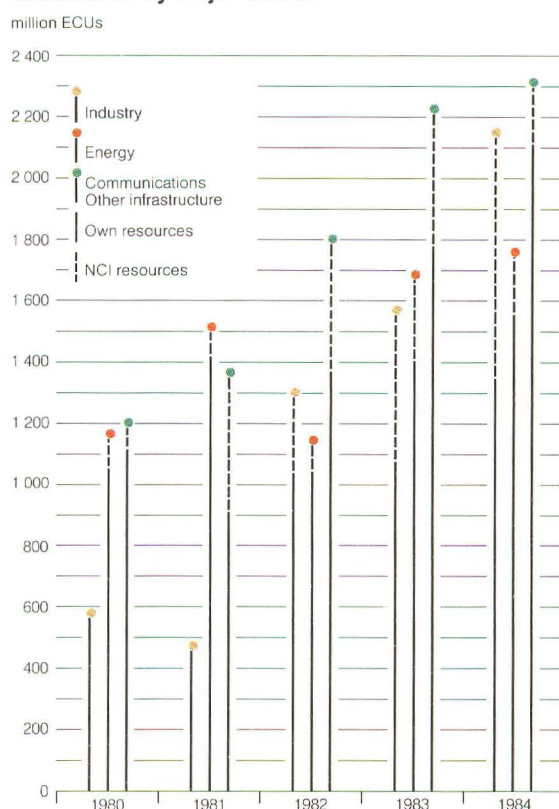


Table 15: **Financing from 1959 to 1984**

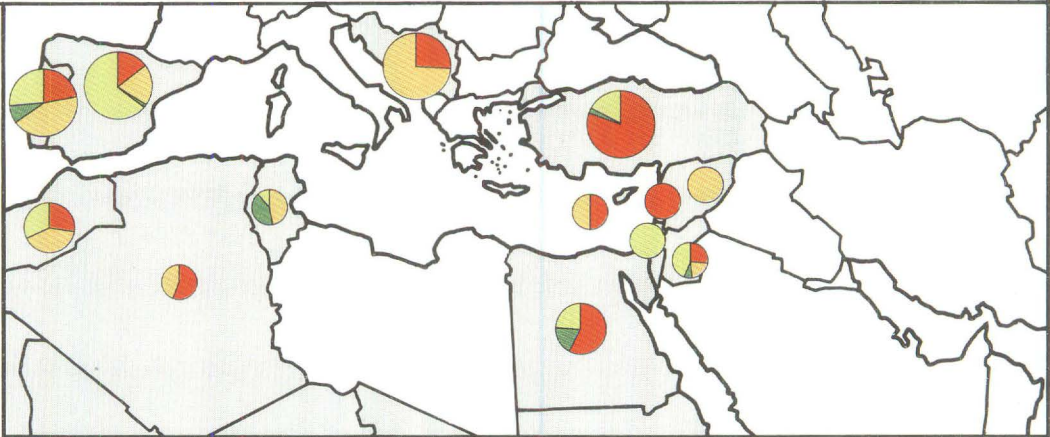
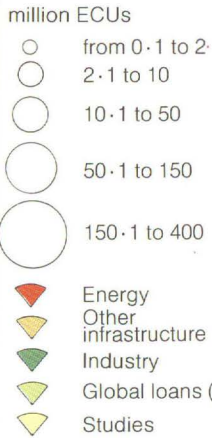
Year	Total financing	(million ECUs)				
		Lending from own resources	Loans under mandate and guarantees	Within the Community	Outside the Community	
				Lending from NCI resources	Lending from own resources	Operations mounted from budgetary resources
1959—1979 <i>annual average</i>	13 693.6 <i>652.1</i>	11 355.0 <i>540.7</i>	228.2 <i>10.9</i>	277.0 <i>13.2</i>	1 165.8 <i>55.5</i>	667.6 <i>31.8</i>
1980	3 498.5	2 739.0	14.2	197.6	371.4	176.3
1981	3 831.9	2 523.8	282.1	539.8	396.4	89.8
1982	4 695.8	3 453.2	—	791.1	410.2	41.3
1983	5 947.8	4 158.1	97.6	1 211.8	427.2	53.1
1984	6 903.2	5 013.1	—	1 181.8	620.7	87.6
<b>Total</b>	<b>38 570.9</b>	<b>29 242.3</b>	<b>622.1</b>	<b>4 199.2</b>	<b>3 391.7</b>	<b>1 115.6</b>

## Operations in the Mediterranean region (1980-1984)

Since 1963, the Bank has been instrumental in implementing the Community's policy of economic and financial cooperation with almost every country in the Mediterranean region; around 58 % of financing advanced in this region has been made available over the period 1980-1984, comprising

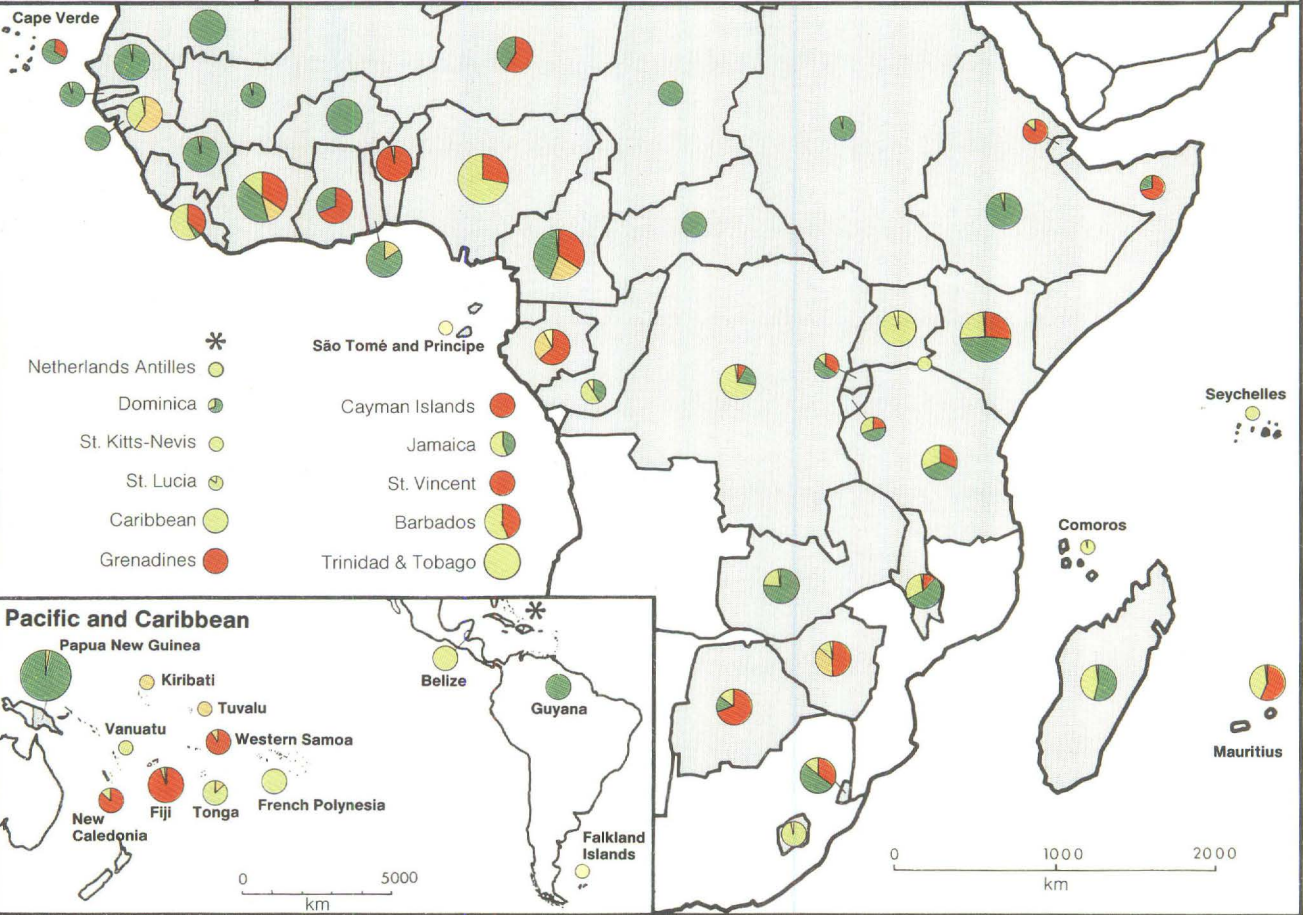
1 550.8 million from the Bank's own resources, including 784 million in Spain and Portugal, and 209.5 million from budgetary resources. The map on page 104 illustrates the geographical and sectoral spread of financing (see also Tables 21 and 22).

Projects financed in the Mediterranean region from 1980 to 1984



(1) Global loans in the Mediterranean region; financing for dcfs in the ACP/OCT

Projects financed in the ACP States and the OCT from 1976 to 1984 (Lomé Conventions)



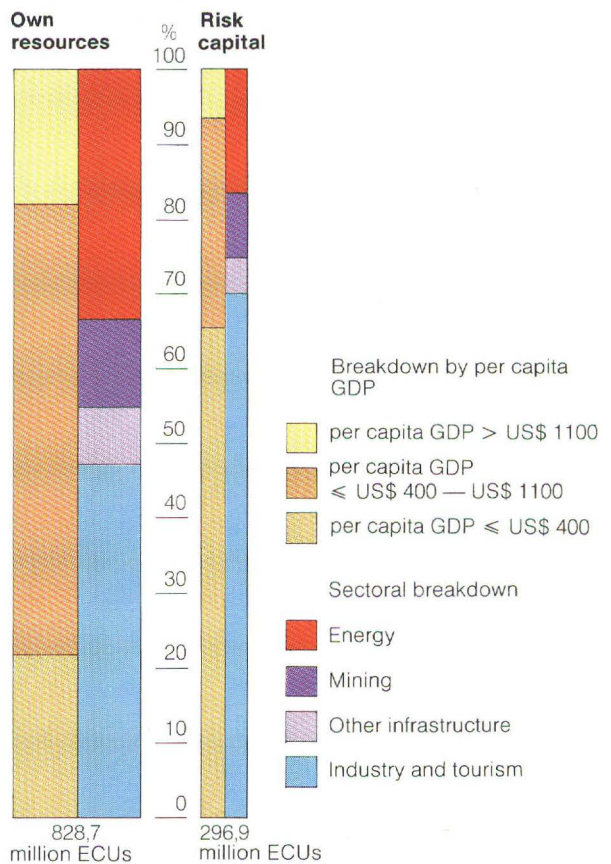


## Operations in the African, Caribbean and Pacific States under the Lomé Conventions

Since 1976, the Bank has been funding investment in the African, Caribbean and Pacific States under the Lomé Conventions as well as in the Overseas Countries and Territories under Council Decisions.

Operations in these parts of the world have totalled 1 162 million, or 45 % of aggregate EIB financing outside the Community. They break down as to 846.7 million in loans from own resources and 315.5 million in the form of risk capital from European Development Fund resources. Tables 23 and 24 and the map on page 104 show the geographical and sectoral breakdown of this financing, while the bar chart below points up the share of funds between the countries concerned differentiated in terms of income levels.

**Financing provided in the ACP States from 1976 to 1984**



Excluding regional projects for amounts of 8 million from own resources and 11.3 million from risk capital resources.

Table 16: **Financing provided within the Community in 1984 and from 1980 to 1984** <sup>(1)</sup>

Breakdown by economic policy objective

Objective	From own resources		From NCI resources million ECUs	1984	
	million ECUs	%		million ECUs	Total
					%
<b>Regional development</b>	<b>3 085.5</b>	<b>100.0</b>	<b>195.0</b>	<b>3 280.5</b>	<b>100.0</b>
Belgium	—	—	—	—	—
Denmark	8.4	0.3	—	8.4	0.3
Germany	—	—	—	—	—
Greece	275.5	8.9	53.0	328.5	10.0
France	498.0	16.1	43.7	541.7	16.5
Ireland	124.0	4.0	50.0	174.0	5.3
Italy	1 724.4	55.9	14.6	1 739.0	53.0
Luxembourg	—	—	—	—	—
Netherlands	—	—	—	—	—
United Kingdom	455.2	14.8	33.7	488.9	14.9
<b>Common European interest/ modernisation — conversion of undertakings</b>	<b>2 729.1</b>	<b>100.0</b>	<b>1 123.0</b>	<b>3 852.1</b>	<b>100.0</b>
Energy policy objectives <sup>(2)</sup>	1 997.6	73.2	250.1	2 247.7	58.4
Development of Community resources	1 099.9	40.3	132.7	1 232.6	32.0
Hydroelectric	93.1	3.4	—	93.1	2.4
Nuclear	719.2	26.4	—	719.2	18.7
Dev. of oil and natural gas deposits	261.0	9.6	97.7	358.7	9.3
Coal, lignite, peat	26.6	1.0	35.0	61.6	1.6
Rational use of energy	706.6	25.9	56.1	762.7	19.8
Import diversification	191.1	7.0	61.3	252.4	6.6
Natural gas	180.7	6.6	61.3	242.0	6.3
Electricity	—	—	—	—	—
Coal	10.4	0.4	—	10.4	0.3
Communications and other	—	—	—	—	—
Community infrastructure	393.0	14.4	38.1	431.1	11.2
Transport	274.3	10.1	—	274.3	7.1
Railways	—	—	—	—	—
Roads, bridges and tunnels	274.3	10.1	—	274.3	7.1
Shipping	—	—	—	—	—
Airlines	—	—	—	—	—
Telecommunications	—	—	—	—	—
Protection of the environment and other	118.7	4.3	38.1	156.8	4.1
Modernisation and conversion of undertakings	338.5	12.4	834.8	1 173.3	30.4
Modernisation and conversion	67.9	2.5	19.4	87.3	2.3
Advanced technology	207.0	7.6	43.7	250.7	6.5
Industrial cooperation	63.6	2.3	—	63.6	1.6
Productive investment by SMEs	—	—	771.6	771.6	20.0
<i>Deduct to allow for duplication in the case of financing justified on the basis of several objectives</i>	— 801.5		— 136.2	— 937.7	
<b>Total</b>	<b>5 013.1</b>		<b>1 181.8</b>	<b>6 194.9</b>	

<sup>(1)</sup> See Note 1 to Table 1.<sup>(2)</sup> See Note 2 to Table 3.

1980—1984

from own resources		from NCI resources million ECUs	Total		Objective
million ECUs	%		million ECUs	%	
<b>12 096.1</b>	<b>100.0</b>	<b>1 821.0</b>	<b>13 917.1</b>	<b>100.0</b>	<b>Regional development</b>
24.0	0.2	—	24.0	0.2	Belgium
171.8	1.4	48.6	220.4	1.6	Denmark
22.9	0.2	—	22.9	0.1	Germany
1 107.2	9.2	263.3	1 370.5	9.8	Greece
1 334.8	11.0	113.8	1 448.6	10.4	France
1 320.8	10.9	261.6	1 582.4	11.4	Ireland
6 167.0	51.0	1 066.0	7 233.0	52.0	Italy
—	—	—	—	—	Luxembourg
—	—	—	—	—	Netherlands
1 947.6	16.1	67.7	2 015.3	14.5	United Kingdom
<b>8 775.6</b>	<b>100.0</b>	<b>2 622.3</b>	<b>11 397.9</b>	<b>100.0</b>	<b>Common European interest/ modernisation — conversion of undertaking</b>
7 162.6	81.6	898.5	8 061.1	70.7	Energy policy objectives (?)
					Development of Community resources
4 162.8	47.4	406.2	4 569.0	40.0	Hydroelectric
205.0	2.3	—	205.0	1.8	Nuclear
2 713.9	30.9	—	2 713.9	23.8	Dev. of oil and natural gas deposits
1 010.6	11.5	259.5	1 270.1	11.1	Coal, lignite, peat
233.3	2.7	146.7	380.0	3.3	Rational use of energy
2 013.3	23.0	262.0	2 275.3	20.0	Import diversification
986.5	11.2	230.3	1 216.8	10.7	Natural gas
737.8	8.4	183.6	921.4	8.1	Electricity
33.6	0.4	—	33.6	0.3	Coal
215.1	2.4	46.7	261.8	2.3	Communications and other
970.8	11.1	173.5	1 144.3	10.0	Community infrastructure
675.8	7.7	78.8	754.6	6.6	Transport
—	—	—	—	—	Railways
487.8	5.6	78.8	566.6	5.0	Roads, bridges and tunnels
23.4	0.3	—	23.4	0.2	Shipping
164.6	1.8	—	164.6	1.4	Airlines
19.2	0.2	—	19.2	0.2	Telecommunications
275.8	3.2	94.7	370.5	3.2	Protection of the environment and other
642.2	7.3	1 550.3	2 192.5	19.3	Modernisation and conversion of undertakings
147.7	1.7	19.4	167.1	1.5	Modernisation and conversion
420.4	4.8	43.7	464.1	4.1	Advanced technology
67.6	0.7	—	67.6	0.6	Industrial cooperation
—	—	1 487.2	1 487.2	13.0	Productive investment by SMEs
6.5	0.1	—	6.5	0.1	Protection of the environment
— 2 590.5		— 521.2	— 3 111.7		<i>Deduct to allow for duplication in the case of financing justified on the basis of several objectives</i>
<b>18 281.2</b>		<b>3 922.1</b>	<b>22 203.3</b>		<b>Total</b>

Table 17.1: **Financing provided within the Community from EIB own resources in 1984**

Sectoral breakdown

Sector	Loans			Allocations from ongoing global loans		Total individual loans and allocations from ongoing global loans	
	Number	million ECUs	%	Number	million ECUs	million ECUs	%
<b>Energy, communications and other infrastructure</b>	<b>139</b>	<b>3 667.9</b>	<b>73.2</b>	<b>631</b>	<b>313.8</b>	<b>3 670.4</b>	<b>74.2</b>
Energy	52	1 553.8	31.0	129	145.3	1 699.1	34.3
Production	43	1 207.6	24.1	121	130.8	1 338.4	27.0
Nuclear	16	719.2	14.3	—	—	719.2	14.5
Thermal power stations	1	19.5	0.4	—	—	19.5	0.4
Hydroelectric power stations	6	134.7	2.7	32	15.5	150.2	3.0
Geothermal power stations and district heating plant	5	14.7	0.3	14	47.1	61.8	1.2
Dev. of oil and natural gas deposits	14	312.4	6.2	75	68.2	380.6	7.7
Solid fuel extraction	1	7.1	0.2	—	—	7.1	0.2
Supply systems	9	346.2	6.9	8	14.5	360.7	7.3
Power lines	5	191.6	3.8	6	11.7	203.3	4.1
Gaslines and oil pipelines	4	154.6	3.1	2	2.8	157.4	3.2
Communications	39	1 324.8	26.4	492	142.0	1 466.8	29.7
Transport	29	756.7	15.1	492	142.0	898.7	18.2
Railways	3	145.7	2.9	7	8.2	153.9	3.1
Roads, bridges and tunnels	22	524.8	10.5	472	126.0	650.8	13.2
Shipping and inland waterways	1	11.6	0.2	13	7.8	19.4	0.4
Airlines	3	74.6	1.5	—	—	74.6	1.5
Telecommunications	10	568.1	11.3	—	—	568.1	11.5
Water schemes	21	304.4	6.1	6	18.7	323.1	6.5
Agricultural development	5	34.5	0.7	—	—	34.5	0.7
Water catchment, treatment and supply	16	269.9	5.4	6	18.7	288.6	5.8
Other infrastructure	14	173.6	3.5	4	7.8	181.4	3.7
Infrastructure and energy global loans	13	311.3	6.2	—	—	—	—
<b>Industry, agriculture and services</b>	<b>88</b>	<b>1 345.2</b>	<b>26.8</b>	<b>2 024</b>	<b>744.6</b>	<b>1 277.4</b>	<b>25.8</b>
Industry	25	462.3	9.2	1 632	595.9	1 058.2	21.4
Mining and quarrying	—	—	—	43	11.8	11.8	0.2
Metal production and semi-processing	—	—	—	17	10.8	10.8	0.2
Construction materials	—	—	—	150	67.6	67.6	1.4
Woodworking	—	—	—	153	28.4	28.4	0.6
Glass and ceramics	1	14.4	0.3	37	27.4	41.8	0.8
Chemicals	1	15.3	0.3	87	70.3	85.6	1.7
Metalworking and mechanical engineering	4	65.2	1.3	314	85.1	150.3	3.0
Motor vehicles, transport equipment	12	284.0	5.7	61	22.7	306.7	6.2
Electrical engineering, electronics	1	29.2	0.6	78	33.1	62.3	1.3
Foodstuffs	3	32.5	0.6	299	125.3	157.8	3.2
Textiles and leather	—	—	—	89	38.5	38.5	0.8
Paper and pulp, printing	3	21.7	0.4	108	27.0	48.7	1.0
Rubber and plastics processing	—	—	—	95	28.0	28.0	0.6
Other	—	—	—	40	11.6	11.6	0.2
Building — civil engineering	—	—	—	60	8.2	8.2	0.2
Industrial estates and buildings	—	—	—	1	0.1	0.1	—
Agriculture, forestry, fishing	2	51.9	1.0	90	37.7	89.6	1.8
Services	4	18.6	0.4	302	111.0	129.6	2.6
Tourism	2	6.1	0.1	218	77.0	83.1	1.7
Other	2	12.5	0.3	84	34.0	46.5	0.9
Industry, agriculture and service sector global loans	57	812.4	16.2	—	—	—	—
<b>Total</b>	<b>227</b>	<b>5 013.1</b>	<b>100.0</b>	<b>2 655</b>	<b>1 058.4</b>	<b>4 947.8 (1)</b>	<b>100.0</b>

(1) The difference (65.3 million) between this amount and the total lending figure represents the as yet unallocated portion of ongoing global loans.

Table 17.2: **Financing provided within the Community from NIC resources in 1984**

Sectoral breakdown

Sector	Loans			Allocations from ongoing global loans		Total individual loans and allocations from ongoing global loans	
	Number	million ECUs	%	Number	million ECUs	million ECUs	%
<b>Energy, communications and other infrastructure</b>	<b>160</b>	<b>4 055.1</b>	<b>65.5</b>	<b>634</b>	<b>342.3</b>	<b>4 062.5</b>	<b>67.2</b>
Energy	61	1 747.8	28.2	129	145.3	1 893.1	31.3
Production	50	1 325.3	21.4	121	130.8	1 456.1	24.1
Nuclear	16	719.2	11.6	—	—	719.2	11.9
Thermal power stations	2	35.5	0.6	—	—	35.5	0.6
Hydroelectric power stations	6	134.7	2.2	32	15.5	150.2	2.5
Geothermal power stations and district heating plant	5	14.7	0.2	14	47.1	61.8	1.0
Dev. of oil and natural gas deposits	19	395.1	6.4	75	68.2	463.3	7.7
Solid fuel extraction	2	26.1	0.4	—	—	26.1	0.4
Supply systems	11	422.5	6.8	8	14.5	437.0	7.2
Power lines	6	191.6	3.1	6	11.7	203.3	3.4
Gaslines and oil pipelines	5	230.9	3.7	2	2.8	233.7	3.8
Communications	43	1 416.3	22.9	493	146.2	1 562.5	25.8
Transports	31	786.4	12.7	493	146.2	932.6	15.4
Railways	4	160.3	2.6	7	8.2	168.5	2.8
Roads, bridges and tunnels	23	539.9	8.7	473	130.2	670.1	11.1
Shipping and inland waterways	1	11.6	0.2	13	7.8	19.4	0.3
Airlines	3	74.6	1.2	—	—	74.6	1.2
Telecommunications	12	629.9	10.2	—	—	629.9	10.4
Water schemes	23	353.6	5.7	8	43.0	396.6	6.6
Agricultural development	5	34.5	0.6	—	—	34.5	0.6
Water catchment, treatment and supply	18	319.1	5.1	8	43.0	362.1	6.0
Other infrastructure	18	202.5	3.3	4	7.8	210.3	3.5
Infrastructure and energy global loans	15	334.9	5.4	—	—	—	—
<b>Industry, agriculture and service</b>	<b>137</b>	<b>2 139.8</b>	<b>34.5</b>	<b>4 624</b>	<b>1 431.6</b>	<b>1 983.8</b>	<b>32.8</b>
Industry	25	462.3	7.5	4 009	1 231.8	1 694.1	28.0
Mining and quarrying	—	—	—	68	19.1	19.1	0.3
Metal production and semi-processing	—	—	—	40	19.2	19.2	0.3
Construction materials	—	—	—	230	90.6	90.6	1.5
Woodworking	—	—	—	351	70.6	70.6	1.2
Glass and ceramics	1	14.4	0.2	88	52.0	66.4	1.1
Chemicals	1	15.3	0.2	184	103.4	118.7	2.0
Metalworking and mechanical engineering	4	65.2	1.1	976	227.9	293.1	4.8
Motor vehicles, transport equipment	12	284.0	4.6	137	42.6	326.6	5.4
Electrical engineering, electronics	1	29.2	0.5	204	67.1	96.3	1.6
Foodstuffs	3	32.5	0.5	553	216.4	248.9	4.1
Textiles and leather	—	—	—	236	95.1	95.1	1.6
Paper and pulp, printing	3	21.7	0.4	375	92.6	114.3	1.9
Rubber and plastics processing	—	—	—	269	75.8	75.8	1.2
Other	—	—	—	132	30.4	30.4	0.5
Building — civil engineering	—	—	—	164	28.3	28.3	0.5
Industrial estates and buildings	—	—	—	2	0.7	0.7	—
Agriculture, forestry, fishing	3	71.3	1.1	91	37.8	109.1	1.8
Services	4	18.6	0.3	524	162.0	180.6	3.0
Tourism	2	6.1	0.1	243	87.1	93.2	1.5
Other	2	12.5	0.2	281	74.9	87.4	1.5
Industry, agriculture and service sector global loans	105	1 587.6	25.6	—	—	—	—
<b>Total</b>	<b>297</b>	<b>6 194.9</b>	<b>100.0</b>	<b>5 258</b>	<b>1 773.9</b>	<b>6 046.3 (1)</b>	<b>100.0</b>

(1) The difference (148.6 million) between this amount and the total lending figure represents the as yet unallocated portion of ongoing global loans.

Table 17.3: **Financing provided within the Community from EIB own and NCI resources in 1984**

Sectoral breakdown

Sector	Loans			Allocations from ongoing global loans		Total individual loans and allocations from ongoing global loans	
	Number	million ECUs	%	Number	million ECUs	million ECUs	%
<b>Energy, communications and other infrastructure</b>	<b>160</b>	<b>4 055.1</b>	<b>65.5</b>	<b>634</b>	<b>342.3</b>	<b>4 062.5</b>	<b>67.2</b>
Energy	61	1 747.8	28.2	129	145.3	1 893.1	31.3
Production	50	1 325.3	21.4	121	130.8	1 456.1	24.1
Nuclear	16	719.2	11.6	—	—	719.2	11.9
Thermal power stations	2	35.5	0.6	—	—	35.5	0.6
Hydroelectric power stations	6	134.7	2.2	32	15.5	150.2	2.5
Geothermal power stations and district heating plant	5	14.7	0.2	14	47.1	61.8	1.0
Dev. of oil and natural gas deposits	19	395.1	6.4	75	68.2	463.3	7.7
Solid fuel extraction	2	26.1	0.4	—	—	26.1	0.4
Supply systems	11	422.5	6.8	8	14.5	437.0	7.2
Power lines	6	191.6	3.1	6	11.7	203.3	3.4
Gaslines and oil pipelines	5	230.9	3.7	2	2.8	233.7	3.8
Communications	43	1 416.3	22.9	493	146.2	1 562.5	25.8
Transports	31	786.4	12.7	493	146.2	932.6	15.4
Railways	4	160.3	2.6	7	8.2	168.5	2.8
Roads, bridges and tunnels	23	539.9	8.7	473	130.2	670.1	11.1
Shipping and inland waterways	1	11.6	0.2	13	7.8	19.4	0.3
Airlines	3	74.6	1.2	—	—	74.6	1.2
Telecommunications	12	629.9	10.2	—	—	629.9	10.4
Water schemes	23	353.6	5.7	8	43.0	396.6	6.6
Agricultural development	5	34.5	0.6	—	—	34.5	0.6
Water catchment, treatment and supply	18	319.1	5.1	8	43.0	362.1	6.0
Other infrastructure	18	202.5	3.3	4	7.8	210.3	3.5
Infrastructure and energy global loans	15	334.9	5.4	—	—	—	—
<b>Industry, agriculture and service</b>	<b>137</b>	<b>2 139.8</b>	<b>34.5</b>	<b>4 624</b>	<b>1 431.6</b>	<b>1 983.8</b>	<b>32.8</b>
Industry	25	462.3	7.5	4 009	1 231.8	1 694.1	28.0
Mining and quarrying	—	—	—	68	19.1	19.1	0.3
Metal production and semi-processing	—	—	—	40	19.2	19.2	0.3
Construction materials	—	—	—	230	90.6	90.6	1.5
Woodworking	—	—	—	351	70.6	70.6	1.2
Glass and ceramics	1	14.4	0.2	88	52.0	66.4	1.1
Chemicals	1	15.3	0.2	184	103.4	118.7	2.0
Metalworking and mechanical engineering	4	65.2	1.1	976	227.9	293.1	4.8
Motor vehicles, transport equipment	12	284.0	4.6	137	42.6	326.6	5.4
Electrical engineering, electronics	1	29.2	0.5	204	67.1	96.3	1.6
Foodstuffs	3	32.5	0.5	553	216.4	248.9	4.1
Textiles and leather	—	—	—	236	95.1	95.1	1.6
Paper and pulp, printing	3	21.7	0.4	375	92.6	114.3	1.9
Rubber and plastics processing	—	—	—	269	75.8	75.8	1.2
Other	—	—	—	132	30.4	30.4	0.5
Building — civil engineering	—	—	—	164	28.3	28.3	0.5
Industrial estates and buildings	—	—	—	2	0.7	0.7	—
Agriculture, forestry, fishing	3	71.3	1.1	91	37.8	109.1	1.8
Services	4	18.6	0.3	524	162.0	180.6	3.0
Tourism	2	6.1	0.1	243	87.1	93.2	1.5
Other	2	12.5	0.2	281	74.9	87.4	1.5
Industry, agriculture and service sector global loans	105	1 587.6	25.6	—	—	—	—
<b>Total</b>	<b>297</b>	<b>6 194.9</b>	<b>100.0</b>	<b>5 258</b>	<b>1 773.9</b>	<b>6 046.3 (1)</b>	<b>100.0</b>

(1) The difference (148.6 million) between this amount and the total lending figure represents the as yet unallocated portion of ongoing global loans.

Table 18.1: **Financing provided within the Community from EIB own resources from 1980 to 1984** <sup>(1)</sup>

Sectoral breakdown

Sector	Loans and guarantees			Allocations from ongoing global loans		Total individual loans and allocations from ongoing global loans	
	Number	million ECUs	%	Number	million ECUs	million ECUs	%
<b>Energy, communications and other infrastructure</b>	<b>588</b>	<b>13 762.0</b>	<b>75.3</b>	<b>1 274</b>	<b>606.8</b>	<b>13 611.0</b>	<b>77.5</b>
Energy	221	6 474.1	35.4	190	254.2	6 728.3	38.3
Production	168	4 835.9	26.4	165	218.1	5 054.0	28.8
Nuclear	54	2 713.9	14.9	—	—	2 713.9	15.5
Thermal power stations	19	442.5	2.4	—	—	442.5	2.5
Hydroelectric power stations	23	554.6	3.0	49	31.1	585.7	3.3
Geothermal power stations and district heating plant	22	191.4	1.0	29	89.0	280.4	1.6
Dev. of oil and natural gas deposits <sup>(2)</sup>	46	884.1	4.8	87	98.0	982.1	5.6
Solid fuel extraction	4	49.4	0.3	—	—	49.4	0.3
Supply systems	52	1 638.2	9.0	25	36.1	1 674.3	9.5
Power lines	22	611.2	3.4	23	33.2	644.4	3.7
Gaslines and oil pipelines	30	1 027.0	5.6	2	2.9	1 029.9	5.8
Communications	166	4 260.5	23.3	1 074	326.1	4 586.6	26.1
Transports	111	2 031.9	11.1	1 074	326.1	2 358.0	13.4
Railways	11	330.9	1.8	7	8.2	339.1	1.9
Roads, bridges and tunnels	68	1 332.9	7.3	1 036	289.4	1 622.3	9.2
Shipping and inland waterways	18	98.3	0.5	30	28.3	126.6	0.7
Airlines	14	269.8	1.5	1	0.1	269.9	1.6
Telecommunications	55	2 228.6	12.2	—	—	2 228.6	12.7
Water schemes	106	1 530.5	8.4	6	18.7	1 549.2	8.8
Agricultural development	31	363.9	2.0	—	—	363.9	2.1
Water catchment, treatment and supply	75	1 166.6	6.4	6	18.7	1 185.3	6.7
Other infrastructure	59	739.1	4.0	4	7.8	746.9	4.3
Infrastructure and energy global loans	36	757.8	4.2	—	—	—	—
<b>Industry, agriculture and services</b>	<b>328</b>	<b>4 519.2</b>	<b>24.7</b>	<b>6 266</b>	<b>2 139.7</b>	<b>3 962.2</b>	<b>22.5</b>
Industry	143	1 681.6	9.2	5 415	1 833.7	3 515.3	20.0
Mining and quarrying	—	—	—	160	46.0	46.0	0.3
Metal production and semi-processing	3	62.2	0.3	86	63.8	126.0	0.7
Construction materials	14	171.6	0.9	505	200.0	371.6	2.1
Woodworking	1	4.2	—	558	107.7	111.9	0.6
Glass and ceramics	9	87.3	0.5	119	82.0	169.3	0.9
Chemicals	16	119.2	0.7	283	173.5	292.7	1.7
Metalworking and mechanical engineering	24	233.3	1.3	1 123	310.7	544.0	3.1
Motor vehicles, transport equipment	25	565.0	3.1	188	83.0	648.0	3.7
Electrical engineering, electronics	11	92.9	0.5	257	93.5	186.4	1.1
Foodstuffs	22	148.3	0.8	895	342.1	490.4	2.8
Textiles and leather	4	28.2	0.2	280	98.0	126.2	0.7
Paper and pulp, printing	4	23.8	0.1	343	96.2	120.0	0.7
Rubber and plastics processing	3	23.0	0.1	306	94.2	117.2	0.6
Other	1	2.4	—	129	26.2	28.6	0.2
Building — civil engineering	—	—	—	182	16.7	16.7	0.1
Industrial estates and buildings	6	120.2	0.7	1	0.1	120.3	0.7
Agriculture, forestry, fishing	3	62.4	0.3	224	86.8	149.2	0.8
Services	13	78.5	0.4	627	219.2	297.7	1.7
Tourism	4	10.0	0.1	485	164.1	174.1	1.0
Research and development	2	7.4	—	—	—	7.4	—
Other	7	61.1	0.3	142	55.1	116.2	0.7
Global loans	169	2 696.7	14.8	—	—	—	—
<b>Total</b>	<b>916</b>	<b>18 281.2</b> <sup>(3)</sup>	<b>100.0</b>	<b>7 540</b>	<b>2 746.5</b>	<b>17 573.2</b> <sup>(3)</sup>	<b>100.0</b>

<sup>(1)</sup> See Note 1 to Table 1.<sup>(2)</sup> Including oil refining (187.4 million).<sup>(3)</sup> The difference between these two amounts represents the as yet unallocated portion of ongoing global loans.

Table 18.2: **Financing provided within the Community from NCI resources from 1980 to 1984** <sup>(1)</sup>

Sectoral breakdown

Sector	Loans			Allocations from ongoing global loans		Total individual loans and allocations from ongoing global loans	
	Number	million ECUs	%	Number	million ECUs	million ECUs	%
<b>Energy, communications and other infrastructure</b>	<b>93</b>	<b>2 377.1</b>	<b>60.6</b>	<b>170</b>	<b>64.9</b>	<b>2 350.5</b>	<b>66.4</b>
Energy	38	775.0	19.8	—	—	775.0	21.9
Production	25	409.3	10.5	—	—	409.3	11.6
Nuclear	—	—	—	—	—	—	—
Thermal power stations	8	147.6	3.8	—	—	147.6	4.2
Hydroelectric power stations	1	32.9	0.9	—	—	32.9	0.9
Geothermal power stations and district heating plant	2	21.1	0.5	—	—	21.1	0.6
Dev. of oil and natural gas deposits	9	141.0	3.6	—	—	141.0	4.0
Solid fuel extraction	5	66.7	1.7	—	—	66.7	1.9
Supply systems	13	365.7	9.3	—	—	365.7	10.3
Power lines	3	63.6	1.6	—	—	63.6	1.8
Gaslines and oil pipelines	10	302.1	7.7	—	—	302.1	8.5
Communications	24	643.3	16.4	1	4.2	647.5	18.3
Transport	11	282.2	7.2	1	4.2	286.4	8.1
Railways	4	79.9	2.0	—	—	79.9	2.3
Roads, bridges and tunnels	7	202.3	5.2	1	4.2	206.5	5.8
Shipping and inland waterways	—	—	—	—	—	—	—
Airlines	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Telecommunications	13	361.1	9.2	—	—	361.1	10.2
Water schemes	7	230.1	5.9	2	24.3	254.4	7.2
Water catchment, treatment and supply	7	230.1	5.9	2	24.3	254.4	7.2
Other infrastructure	20	637.2	16.2	167	36.4	673.6	19.0
Infrastructure and energy global loans	4	91.5	2.3	—	—	—	—
<b>Industry, agriculture and services</b>	<b>79</b>	<b>1 545.0</b>	<b>39.4</b>	<b>4 086</b>	<b>1 156.5</b>	<b>1 191.8</b>	<b>33.6</b>
Industry	4	15.9	0.4	3 686	1 061.6	1 077.5	30.4
Mining and quarrying	—	—	—	35	10.9	10.9	0.3
Metal production and semi-processing	—	—	—	36	19.0	19.0	0.5
Construction materials	1	6.8	0.2	142	52.1	58.9	1.7
Woodworking	—	—	—	301	68.3	68.3	1.9
Glass and ceramics	—	—	—	93	55.9	55.9	1.6
Chemicals	—	—	—	180	70.1	70.1	2.0
Metalworking and mechanical engineering	—	—	—	1 020	239.4	239.4	6.8
Motor vehicles, transport equipment	1	5.4	0.1	120	40.6	46.0	1.3
Electrical engineering, electronics	—	—	—	214	57.6	57.6	1.6
Foodstuffs	—	—	—	369	135.6	135.6	3.8
Textiles and leather	—	—	—	215	88.2	88.2	2.5
Paper and pulp, printing	—	—	—	417	104.6	104.6	3.0
Rubber and plastics processing	—	—	—	238	61.3	61.3	1.7
Other	—	—	—	135	27.7	27.7	0.8
Building — civil engineering	—	—	—	170	29.7	29.7	0.8
Industrial estates and buildings	2	3.7	0.1	1	0.6	4.3	0.1
Agriculture, forestry, fishing	1	19.4	0.5	1	0.1	19.5	0.5
Services	—	—	—	399	94.8	94.8	2.7
Tourism	—	—	—	133	35.6	35.6	1.0
Research and development	—	—	—	—	—	—	—
Other	—	—	—	266	59.2	59.2	1.7
Global loans	74	1 509.7	38.5	—	—	—	—
<b>Total</b>	<b>172</b>	<b>3 922.1</b> <sup>(3)</sup>	<b>100.0</b>	<b>4 256</b>	<b>1 221.4</b>	<b>3 542.3</b> <sup>(3)</sup>	<b>100.0</b>

<sup>(1)</sup> and <sup>(3)</sup> See Notes to Table 18.1.



Table 18.3: **Financing provided within the Community from EIB own and NCI resources from 1980 to 1984** (1)

Sectoral breakdown

Sector	Loans and guarantees			Allocations from ongoing global loans		Total individual loans and allocations from ongoing global loans	
	Number	million ECUs	%	Number	million ECUs	million ECUs	%
<b>Energy, communications and other infrastructure</b>	<b>681</b>	<b>16 139.1</b>	<b>72.7</b>	<b>1 444</b>	<b>671.7</b>	<b>15 961.5</b>	<b>75.6</b>
Energy	259	7 249.1	32.7	190	254.2	7 503.3	35.5
Production	193	5 245.2	23.6	165	218.1	5 463.3	25.9
Nuclear	54	2 713.9	12.2	—	—	2 713.9	12.9
Thermal power stations	27	590.1	2.7	—	—	590.1	2.8
Hydroelectric power stations	24	587.5	2.6	49	31.1	618.6	2.9
Geothermal power stations and district heating plant	24	212.5	1.0	29	89.0	301.5	1.4
Dev. of oil and natural gas deposits (2)	55	1 025.1	4.6	87	98.0	1 123.1	5.3
Solid fuel extraction	9	116.1	0.5	—	—	116.1	0.6
Supply systems	65	2 003.9	9.1	25	36.1	2 040.0	9.6
Power lines	25	674.8	3.1	23	33.2	708.0	3.3
Gaslines and oil pipelines	40	1 329.1	6.0	2	2.9	1 332.0	6.3
Communications	190	4 903.8	22.1	1 075	330.3	5 234.1	24.8
Transport	122	2 314.1	10.4	1 075	330.3	2 644.4	12.5
Railways	15	410.8	1.9	7	8.2	419.0	2.0
Roads, bridges and tunnels	75	1 535.2	6.9	1 037	293.6	1 828.8	8.7
Shipping and inland waterways	18	98.3	0.4	30	28.3	126.6	0.6
Airlines	24	269.8	1.2	1	0.1	269.9	1.3
Telecommunications	68	2 589.7	11.7	—	—	2 589.7	12.3
Water schemes	113	1 760.6	7.9	8	43.0	1 803.6	8.6
Agricultural development	31	363.9	1.6	—	—	363.9	1.8
Water catchment, treatment and supply	82	1 396.7	6.3	8	43.0	1 439.7	6.8
Other infrastructure	79	1 376.3	6.2	171	44.2	1 420.5	6.7
Infrastructure and energy global loans	40	849.3	3.8	—	—	—	—
<b>Industry, agriculture, and services</b>	<b>407</b>	<b>6 064.2</b>	<b>27.3</b>	<b>10 352</b>	<b>3 296.2</b>	<b>5 154.0</b>	<b>24.4</b>
Industry	147	1 697.5	7.6	9 101	2 895.3	4 592.8	21.8
Mining and quarrying	—	—	—	195	56.9	56.9	0.3
Metal producing and semi-processing	3	62.2	0.3	122	82.8	145.0	0.7
Construction materials	15	178.4	0.8	647	252.1	430.5	2.0
Woodworking	1	4.2	—	859	176.0	180.2	0.8
Glass and ceramics	9	87.3	0.4	212	137.9	225.2	1.1
Chemicals	16	119.2	0.5	463	243.6	362.8	1.7
Metalworking and mechanical engineering	24	233.3	1.1	2 143	550.1	783.4	3.7
Motor vehicles, transport equipment	26	570.4	2.6	308	123.6	694.0	3.3
Electrical engineering, electronics	11	92.9	0.4	471	151.1	244.0	1.2
Foodstuffs	22	148.3	0.7	1 264	477.7	626.0	3.0
Textiles and leather	4	28.2	0.1	495	186.2	214.4	1.0
Paper and pulp, printing	4	23.8	0.1	760	200.8	224.6	1.1
Rubber and plastics processing	3	23.0	0.1	544	155.5	178.5	0.8
Other	1	2.4	—	264	53.9	56.3	0.3
Building — civil engineering	—	—	—	352	46.4	46.4	0.2
Industrial estates and buildings	8	123.9	0.5	2	0.7	124.6	0.6
Agriculture, forestry, fishing	4	81.8	0.4	225	86.9	168.7	0.8
Services	13	78.5	0.4	1 026	314.0	392.5	1.8
Tourism	4	10.0	—	618	199.7	209.7	1.0
Research and development	2	7.4	—	—	—	7.4	—
Other	7	61.1	0.3	408	114.3	175.4	0.8
Global loans	243	4 206.4	18.9	—	—	—	—
<b>Total</b>	<b>1 088</b>	<b>22 203.3</b> (3)	<b>100.0</b>	<b>11 796</b>	<b>3 967.9</b>	<b>21 115.5</b> (3)	<b>100.0</b>

(1), (2) and (3) See Notes to Table 18.1.

Table 19: Global loans provided within the Community from 1980 to 1984

Breakdown by economic policy objective and location

	Global loan contracts signed (1) from 1980—1984		Allocations made from 1980—1984	
	Number	million ECUs	Number	million ECUs
<b>REGIONAL DEVELOPMENT — INDUSTRY</b>				
Italy . . . . .	63	1 479.8	2 653	1 192.0
Greece . . . . .	17	259.0	270	188.5
Ireland . . . . .	17	158.0	1 249	148.2
France . . . . .	28	288.2 (2)	1 466	261.8
United Kingdom . . . . .	13	159.2	168	69.5
Denmark . . . . .	7	33.1	114	30.6
Belgium . . . . .	3	24.0	18	24.0
<b>REGIONAL DEVELOPMENT — INFRASTRUCTURE</b>				
<b>Own resources</b>				
France . . . . .	15	340.9	1 092	348.0
Greece . . . . .	1	31.5	2	11.6
Italy . . . . .	2	6.8	3	6.8
<b>NCI resources</b>				
Greece . . . . .	1	31.5	3	28.5
<b>Sub-total: Regional Development</b>	<b>167</b>	<b>2 812.2</b>	<b>7 038</b>	<b>2 309.5</b>
<b>RATIONAL USE OF ENERGY</b>				
<b>Own resources</b>				
<i>Industry</i>				
Italy . . . . .	15	221.0	191	175.2
France . . . . .	3	53.9	121	41.8
Greece . . . . .	1	9.8	9	6.8
Denmark . . . . .	1	6.1	—	—
Ireland . . . . .	1	4.5	7	1.3
<i>Infrastructure</i>				
Italy . . . . .	11	239.9	116	156.1
Denmark . . . . .	4	51.1	6	10.2
France . . . . .	3	87.7	55	74.1
<b>NCI resources</b>				
<i>Industry</i>				
Italy . . . . .	2	22.5	33	17.3
<i>Infrastructure</i>				
France . . . . .	1	36.4	167	36.4
Italy . . . . .	2	23.6	—	—
<b>Sub-total: Rational Use of Energy</b>	<b>44</b>	<b>756.5</b>	<b>705</b>	<b>519.2</b>
<b>PRODUCTIVE INVESTMENT BY SMEs</b>				
<b>NCI resources</b>				
Italy . . . . .	23	847.5	1 140	641.9
France . . . . .	36	485.7	2 564	425.1
United Kingdom . . . . .	7	78.6	165	25.4
Denmark . . . . .	5	59.1	184	46.8
Greece . . . . .	1	16.3	—	—
<b>Sub-total: Productive Investment by SMEs</b>	<b>72</b>	<b>1 487.2</b>	<b>4 053</b>	<b>1 139.2</b>
Sub-total — own resources	205	3 454.5	7 540	2 746.5
Sub-total — NCI resources	78	1 601.2	4 256	1 221.4
<b>Grand Total</b>	<b>283</b>	<b>5 055.7</b>	<b>11 796</b>	<b>3 967.9</b>

(1) Sum of lines of credit opened under finance contracts signed.

(2) Including 18.1 million ECUs under the heading of modernisation and conversion of undertakings.

Table 20: Allocations from global loans within the Community in 1984 and from 1980 to 1984

Breakdown by economic policy objective and region

	1984		1980—1984		1984		1980—1984	
	Number	million ECUs	Number	million ECUs	Number	million ECUs	Number	million ECUs
<b>REGIONAL DEVELOPMENT — INDUSTRY</b>								
<b>Belgium</b>	—	—	<b>18</b>	<b>24.0</b>				
Antwerp			3	4.5				
Hainaut			5	8.2				
Liege			4	3.7				
Limburg			1	0.9				
Luxembourg			1	0.8				
Namur			1	1.2				
Eastern Flanders			2	2.7				
Western Flanders			1	1.9				
<b>Denmark</b>	<b>25</b>	<b>7.8</b>	<b>114</b>	<b>30.6</b>				
East of the Great Belt (excl. Copenhagen)	2	0.3	15	3.1				
West of the Great Belt	23	7.5	99	27.5				
<b>Greece</b>	<b>74</b>	<b>57.8</b>	<b>270</b>	<b>188.5</b>				
Crete	1	0.3	16	13.6				
Epirus	3	2.0	8	6.7				
Central Greece (East)	13	7.6	65	33.4				
Aegean Islands (East)	1	1.1	9	9.6				
Central and Western Macedonia	16	14.7	53	38.5				
Eastern Macedonia	3	1.6	20	10.8				
Peloponnese —								
Central Greece (West)	17	7.3	44	22.2				
Thessaly	12	7.3	32	26.6				
Thrace	5	2.5	11	5.1				
Multiregional projects	3	13.4	12	22.0				
<b>United Kingdom</b>	<b>43</b>	<b>16.1</b>	<b>168</b>	<b>69.5</b>				
Scotland	3	0.7	14	5.6				
Northern England	5	2.2	21	11.8				
North-West England	8	1.0	31	4.5				
South-West England	9	3.3	17	11.6				
Yorkshire & Humber-side	7	2.2	33	16.3				
East Midlands	2	2.1	10	6.3				
Wales	3	0.3	23	4.8				
Northern Ireland	6	4.2	19	8.6				
<b>Ireland</b>					<b>53</b>	<b>6.6</b>	<b>1 249</b>	<b>148.2</b>
<b>France</b>					<b>906</b>	<b>148.4</b>	<b>1 466</b>	<b>261.8</b>
Alsace					2	0.3	2	0.3
Aquitaine					100	14.2	171	25.7
Auvergne					78	11.6	136	21.6
Basse-Normandie					30	5.9	66	11.2
Brittany					143	26.6	249	52.0
Centre					9	2.0	13	2.6
Champagne-Ardenne					4	0.3	5	0.3
Corsica					8	2.2	28	5.7
Franche-Comté					—	—	1	0.1
Haute-Normandie					10	1.7	16	4.0
Languedoc-Roussillon					73	12.2	88	15.8
Limousin					49	6.1	67	9.0
Lorraine					47	9.5	75	13.0
Midi-Pyrénées					83	11.3	110	18.7
Nord-Pas de Calais					67	14.2	91	20.0
Pays de la Loire					87	14.1	145	26.2
Picardy					3	0.6	28	7.4
Poitou-Charentes					77	11.8	126	22.6
Provence-Côte d'Azur					5	0.7	9	1.8
Rhône-Alpes					31	3.1	40	3.8
<b>Italy</b>					<b>769</b>	<b>412.8</b>	<b>2 653</b>	<b>1 192.0</b>
Abruzzi					48	34.7	207	107.2
Basilicata					8	4.4	45	13.1
Calabria					66	33.6	168	56.3
Campania					170	85.9	453	239.1
Friuli-Venezia Giulia					6	6.9	68	27.9
Lazio					72	56.5	257	171.6
The Marches					61	18.6	196	77.8
Molise					18	10.2	53	24.0
Apulia					46	37.7	272	111.8
Sardinia					21	15.1	206	65.4
Sicily					65	22.8	281	86.5
Tuscany					70	34.0	157	63.8
Trentino-Alto Adige					44	26.9	102	60.8
Umbria					56	15.7	154	68.9
Veneto					18	9.8	34	17.8
<b>Sub-total Regional Development — Industry: from own resources</b>					<b>1 870</b>	<b>649.5</b>	<b>5 938</b>	<b>1 914.6</b>
<b>REGIONAL DEVELOPMENT — INFRASTRUCTURE</b>								
<b>France</b>	<b>493</b>	<b>142.4</b>	<b>1 092</b>	<b>348.0</b>				
Aquitaine	70	21.2	116	38.0				
Auvergne	34	9.8	118	30.3				
Basse-Normandie	3	1.4	15	11.7				
Brittany	73	21.8	124	53.9				
Centre	1	1.3	4	4.9				
Champagne-Ardenne	7	1.5	7	1.5				
Corsica	17	2.8	19	3.8				
Franche-Comté	2	0.7	2	0.7				
Haute-Normandie	20	8.1	28	11.9				
Ile de France	20	4.2	20	4.2				
Languedoc-Roussillon	33	12.4	77	25.7				
<b>Italy</b>					<b>3</b>	<b>6.8</b>	<b>3</b>	<b>6.8</b>
Basilicata					2	2.7	2	2.7
Sicily					1	4.1	1	4.1
<b>Sub-total Regional Development — Infrastructure: from own resources</b>					<b>498</b>	<b>160.8</b>	<b>1 097</b>	<b>366.4</b>
<b>Sub-total Regional Development — Infrastructure: from NCI resources (Greece)</b>					<b>3</b>	<b>28.5</b>	<b>3</b>	<b>28.5</b>
<b>Total Regional Development</b>					<b>2 371</b>	<b>838.8</b>	<b>7 038</b>	<b>2 309.5</b>
<b>RATIONAL USE OF ENERGY</b>								
— From own resources					287	248.2	505	465.5
Denmark					—	—	6	10.2
Greece					—	—	9	6.8
Italy					176	168.3	307	331.4
France					111	79.9	176	115.8
Ireland					—	—	7	1.3
— From NCI resources	7	1.8	200	53.7				
France	—	—	167	36.4				
Italy	7	1.8	33	17.3				
<b>Total Rational Use of Energy</b>					<b>294</b>	<b>250.0</b>	<b>705</b>	<b>519.2</b>
of which Industry					161	97.0	361	242.5
of which Infrastructure					133	153.0	344	276.7
<b>PRODUCTIVE INVESTMENT BY SMEs</b>								
From NCI resources								
Denmark					122	38.8	184	46.8
France					1 722	287.3	2 564	425.1
Italy					658	344.7	1 140	641.9
United Kingdom					91	14.4	165	25.4
<b>Total Productive Investment by SMEs</b>					<b>2 593</b>	<b>685.2</b>	<b>4 053</b>	<b>1 139.2</b>
<b>Grand Total</b>					<b>5 258</b>	<b>1 773.9</b>	<b>11 796</b>	<b>3 967.9</b>
of which from own resources					2 655	1 058.4	7 540	2 746.5
of which from NCI resources					2 603	715.5	4 256	1 221.4

Table 21: **Financing provided from 1980 to 1984 in the Mediterranean region**

Breakdown by project location and origin of resources

	Loans from own resources		Operations mounted from budgetary funds		Total	
	million ECUs	%	million ECUs	%	million ECUs	%
<b>Candidates for accession</b>	<b>784.0</b>	<b>50.6</b>	—	—	<b>784.0</b>	<b>44.5</b>
Spain	390.0	25.2	—	—	390.0	22.1
Portugal	394.0	25.4	—	—	394.0	22.4
<b>Other countries</b>	<b>766.8</b>	<b>49.4</b>	<b>209.5</b>	<b>100.0</b>	<b>976.3</b>	<b>55.5</b>
Northern Mediterranean (1)	314.0	20.2	174.0	83.0	488.0	27.8
Yugoslavia	260.0	16.7	—	—	260.0	14.8
Turkey	54.0	3.5	174.0	83.0	228.0	13.0
Maghreb	176.0	11.4	21.5	10.3	197.5	11.2
Algeria	30.0	1.9	—	—	30.0	1.7
Morocco	120.0	7.8	5.0	2.4	125.0	7.1
Tunisia	26.0	1.7	16.5	7.9	42.5	2.4
Mashreq	206.8	13.3	10.0	4.8	216.8	12.3
Egypt	115.5	7.4	3.0	1.4	118.5	6.7
Jordan	33.0	2.1	7.0	3.4	40.0	2.3
Lebanon	20.0	1.3	—	—	20.0	1.1
Syria	38.3	2.5	—	—	38.3	2.2
Other	70.0	4.5	4.0	1.9	74.0	4.2
Cyprus	20.0	1.3	4.0	1.9	24.0	1.4
Israel	50.0	3.2	—	—	50.0	2.8
Malta	—	—	—	—	—	—
<b>Total</b>	<b>1 550.8</b>	<b>100.0</b>	<b>209.5</b>	<b>100.0</b>	<b>1 760.3</b>	<b>100.0</b>

(1) Additional to 101.0 million from own resources in respect of lending in Greece in 1980.

Table 22: Financing provided from 1980 to 1984 in the Mediterranean region <sup>(1)</sup> <sup>(2)</sup>

Sectoral breakdown

Sector	Financing operations			Allocations from ongoing global loans		Total individual loans and allocations from ongoing global loans	
	Number	million ECUs	%	Number	million ECUs	million ECUs	%
<b>Energy, communications and other infrastructure</b>	<b>56</b>	<b>1 211.9</b>	<b>68.8</b>	<b>45</b>	<b>54.1</b>	<b>1 193.0</b>	<b>71.7</b>
Energy	25	557.6	31.7	4	6.2	563.8	33.9
Production	17	391.1	22.2	3	6.0	397.1	23.9
<i>Thermal power stations</i>	10	202.0	11.5	—	—	202.0	12.1
<i>Hydroelectric power stations</i>	4	139.0	7.9	—	—	139.0	8.4
<i>Dev. of oil and natural gas deposits</i>	3	50.1	2.8	1	0.7	50.8	3.1
<i>Solid fuel extraction</i>	—	—	—	2	5.3	5.3	0.3
Supply systems	8	166.5	9.5	1	0.2	166.7	10.0
<i>Power lines</i>	7	151.5	8.6	1	0.2	151.7	9.1
<i>Gaslines and oil pipelines</i>	1	15.0	0.9	—	—	15.0	0.9
Communications	17	505.3	28.7	15	10.3	515.6	31.0
Transport	17	505.3	28.7	15	10.3	515.6	31.0
<i>Railways</i>	6	178.3	10.1	—	—	178.3	10.7
<i>Roads, bridges and tunnels</i>	7	229.0	13.0	15	10.3	239.3	14.4
<i>Shipping and inland waterways</i>	3	63.0	3.6	—	—	63.0	3.8
<i>Airlines</i>	1	35.0	2.0	—	—	35.0	2.1
Water schemes	6	59.0	3.3	15	17.7	76.7	4.6
Agricultural development	1	20.0	1.1	—	—	20.0	1.2
Water catchment, treatment and supply	5	39.0	2.2	15	17.7	56.7	3.4
Other infrastructure	1	17.0	1.0	11	19.9	36.9	2.2
Global loans	7	73.0	4.1	—	—	—	—
<b>Industry, agriculture and services</b>	<b>46</b>	<b>548.4</b>	<b>31.2</b>	<b>753</b>	<b>388.5</b>	<b>470.4</b>	<b>28.3</b>
Industry	8	51.9	3.0	680	353.0	404.9	24.3
Mining and quarrying	—	—	—	27	13.1	13.1	0.8
Metal production and semi-processing	—	—	—	12	7.8	7.8	0.5
Construction materials	3	37.5	2.1	70	47.5	85.0	5.1
Woodworking	—	—	—	68	29.6	29.6	1.8
Glass and ceramics	1	1.9	0.1	25	17.7	19.6	1.2
Chemicals	2	5.5	0.3	54	42.4	47.9	2.9
Metalworking and mechanical engineering	—	—	—	98	49.9	49.9	3.0
Motor vehicles, transport equipment	—	—	—	33	8.3	8.3	0.5
Electrical engineering, electronics	—	—	—	27	18.5	18.5	1.1
Foodstuffs	—	—	—	134	56.0	56.0	3.4
Textiles and leather	—	—	—	47	14.2	14.2	0.8
Paper and pulp	1	4.0	0.3	31	15.6	19.6	1.2
Rubber and plastics processing	—	—	—	38	19.2	19.2	1.1
Other	—	—	—	8	2.4	2.4	0.1
Building — civil engineering	—	—	—	5	4.7	4.7	0.3
Industrial estates and buildings	1	3.0	0.2	3	6.1	9.1	0.5
Agriculture, forestry	4	30.0	1.7	17	2.9	32.9	2.0
Services	—	—	—	56	32.6	32.6	2.0
Tourism	—	—	—	42	29.7	29.7	1.8
Other	—	—	—	14	2.9	2.9	0.2
Global loans	34	466.5	26.5	—	—	—	—
<b>Total</b>	<b>102</b>	<b>1 760.3</b>	<b>100.0</b>	<b>798</b>	<b>442.6</b>	<b>1 663.4</b>	<b>100.0</b>

(1) See Note 1 to Table 1.

(2) Loans from own resources (1 550.8 million) and operations on special conditions (209.5 million) financed from Member States' or Community budgetary funds and accounted for off balance sheet in the Bank's Special Section.

Table 23: **Financing provided from 1976 to 1984 in the African, Caribbean and Pacific (ACP) States and the Overseas Countries and Territories (OCT) under the Lomé Conventions**

Breakdown by project location and origin of resources

(million ECUs)

	Loans from own resources			Risk capital operations mounted from budgetary funds			Total financing (1)		
	1st Lomé Convention	2nd Lomé Convention	Total	1st Lomé Convention	2nd Lomé Convention	Total	1st Lomé Convention	2nd Lomé Convention	Total
	AFRICA	338.5	368.8	707.3	94.26	172.98	267.24	432.76	541.78
<i>West Africa</i>	192.5	139.1	331.6	41.14	49.46	90.6	233.64	188.56	422.2
Benin	—	13.5	13.5	0.35	4.5	4.85	0.35	18.0	18.35
Burkina Faso	8.0	—	8.0	7.93	—	7.93	15.93	—	15.93
Cape Verde	—	—	—	3.58	1.8	5.38	3.58	1.8	5.38
Ivory Coast	47.4	34.2	81.6	2.93	2.43	5.36	50.33	36.63	86.96
The Gambia	—	—	—	2.39	—	2.39	2.39	—	2.39
Ghana	16.0	—	16.0	2.25	16.03	18.28	18.25	16.03	34.28
Guinea	4.4	7.5	11.9	0.3	—	0.3	4.7	7.5	12.2
Guinea Bissau	8.0	—	—	—	3.8	3.8	—	3.8	3.8
Liberia	7.4	3.5	10.9	0.29	2.2	2.49	7.69	5.7	13.39
Mali	—	—	—	6.36	—	6.36	6.36	—	6.36
Mauritania	25.0	—	25.0	—	—	—	25.0	—	25.0
Niger	6.0	10.0	16.0	0.9	—	0.9	6.9	10.0	16.9
Nigeria	50.0	40.0	90.0	—	—	—	50.0	40.0	90.0
Senegal	12.0	21.0	33.0	8.47	4.65	13.12	20.47	25.65	46.12
Togo	16.3	4.4	20.7	5.25	2.43	7.68	21.55	6.83	28.38
Regional	—	5.0	5.0	0.14	11.62	11.76	0.14	16.62	16.76
<i>Central and Equatorial Africa</i>	32.6	109.7	142.3	24.96	39.22	64.18	57.56	148.92	206.48
Burundi	—	—	—	0.5	8.24	8.74	0.5	8.24	8.74
Cameroon	32.6	73.7	106.3	5.0	—	5.0	37.6	73.7	111.3
Central African Republic	—	—	—	—	5.1	5.1	—	5.1	5.1
Congo	—	4.0	4.0	3.32	0.48	3.8	3.32	4.48	7.8
Gabon	—	32.0	32.0	—	2.5	2.5	—	34.5	34.5
Rwanda	—	—	—	3.0	2.7	5.7	3.0	2.7	5.7
São Tomé	—	—	—	—	0.04	0.04	—	0.04	0.04
Chad	—	—	—	7.5	—	7.5	7.5	—	7.5
Zaire	—	—	—	5.64	20.16	25.8	5.64	20.16	25.8
<i>East and Southern Africa</i>	113.4	120.0	233.4	28.16	84.3	112.46	141.56	204.3	345.86
Botswana	6.5	19.0	25.5	1.75	—	1.75	8.25	19.0	0.18
Comoros	—	—	—	0.02	0.16	0.18	0.02	0.16	3.26
Djibouti	—	—	—	1.0	2.26	3.26	1.0	2.26	12.5
Ethiopia	—	—	—	—	12.5	12.5	—	12.5	78.7
Kenya	52.4	23.5	75.9	1.25	1.55	2.8	53.65	25.05	3.1
Lesotho	—	—	—	0.1	3.0	3.1	0.1	3.0	17.62
Madagascar	—	—	—	2.45	15.17	17.62	2.45	15.17	25.55
Malawi	14.5	—	14.5	1.55	9.5	11.05	16.05	9.5	17.03
Mauritius	12.5	4.0	16.5	0.03	0.5	0.53	12.53	4.5	10.35
Uganda	—	—	—	0.35	10.0	10.35	0.35	10.0	1.58
Seychelles	—	—	—	0.58	1.0	1.58	0.58	1.0	9.81
Somalia	—	—	—	0.25	9.56	9.81	0.25	9.56	6.7
Sudan	—	—	—	6.5	0.2	6.7	6.5	0.2	20.15
Swaziland	12.0	7.0	19.0	1.15	—	1.15	13.15	7.0	23.75
Tanzania	5.0	—	5.0	7.75	11.0	18.75	12.75	11.0	46.93
Zambia	10.5	31.5	42.0	3.43	1.5	4.93	13.93	33.0	40.4
Zimbabwe	—	35.0	35.0	—	5.4	5.4	—	40.4	—
Regional Dev. Bank	—	—	—	—	1.0	1.0	—	1.0	1.0
CARIBBEAN	20.5	18.0	38.5	3.38	12.9	16.28	23.88	30.9	54.78
Regional Dev. Bank	3.0	—	3.0	—	—	—	3.0	—	3.0
Barbados	7.5	4.0	11.5	—	—	—	7.5	4.0	11.5
Belize	—	2.0	2.0	—	0.6	0.6	—	2.6	2.6
Dominica	—	—	—	—	1.0	1.0	—	1.0	1.0
Grenada	—	—	—	—	2.4	2.4	—	2.4	2.4
Guyana	—	—	—	3.2	5.0	8.2	3.2	5.0	8.2
Jamaica	—	4.0	4.0	—	—	—	—	4.0	4.0
St. Lucia	—	—	—	0.18	1.0	1.18	0.18	1.0	1.18
St. Vincent	—	—	—	—	2.9	2.9	—	2.9	2.9
Trinidad and Tobago	10.0	8.0	18.0	—	—	—	10.0	8.0	18.0
PACIFIC	31.0	59.9	90.9	2.07	22.58	24.65	33.07	82.48	115.55
Fiji	24.0	12.0	36.0	0.17	1.8	1.97	24.17	13.8	37.97
Kiribati	—	—	—	—	0.2	0.2	—	0.2	0.2
Papua New Guinea	7.0	47.9	54.9	1.9	13.8	15.7	8.9	61.7	70.6
Western Samoa	—	—	—	—	3.33	3.33	—	3.33	3.33
Tonga	—	—	—	—	2.32	2.32	—	2.32	2.32
Tuvalu	—	—	—	—	0.13	0.13	—	0.13	0.13
Vanuatu	—	—	—	—	1.0	1.0	—	1.0	1.0
<b>ACP States: Total</b>	<b>390.0</b>	<b>446.7</b>	<b>836.7</b>	<b>99.71</b>	<b>208.46</b>	<b>308.17</b>	<b>489.71</b>	<b>655.16</b>	<b>1 144.87</b>
<b>OCT</b>	<b>7.0</b>	<b>3.0</b>	<b>10.0</b>	<b>2.05</b>	<b>5.14</b>	<b>7.19</b>	<b>9.05</b>	<b>8.14</b>	<b>17.19</b>
<b>Grand Total</b>	<b>397.0</b>	<b>449.7</b>	<b>846.7</b>	<b>101.76</b>	<b>213.6</b>	<b>315.36</b>	<b>498.76</b>	<b>663.3</b>	<b>1 162.06</b>

(1) Excluding financing provided between 1964 and 1976 under the two Yaoundé Conventions, amounting to 146.1 million from own resources and 142 million from EDF resources.

Table 24: **Financing provided from 1976 to 1984 in the African, Caribbean and Pacific (ACP) States and the Overseas Countries and Territories (OCT) under the Lomé Convention** <sup>(1)</sup> <sup>(2)</sup>

Sectoral breakdown

Sector	Financing operations			Allocations from ongoing global loans		Total individual loans and allocations from ongoing global loans	
	Number	million ECUs	%	Number	million ECUs	million ECUs	%
<b>Energy, communications and other infrastructure</b>	<b>54</b>	<b>414.1</b>	<b>35.6</b>	<b>6</b>	<b>3.6</b>	<b>417.7</b>	<b>38.8</b>
Energy	41	335.5	28.9	5	2.6	338.1	31.4
Production	36	282.5	24.3	4	2.0	284.5	26.4
Nuclear	1	15.0	1.3	—	—	15.0	1.4
Thermal power stations	12	78.5	6.8	3	1.8	80.3	7.5
Hydroelectric power stations	17	139.9	12.0	1	0.2	140.1	13.0
Geothermal power stations	1	9.0	0.8	—	—	9.0	0.8
Dev. of oil and natural gas deposits <sup>(3)</sup>	5	40.1	3.4	—	—	40.1	3.7
Supply systems	5	53.0	4.6	1	0.6	53.6	5.0
Power lines	5	53.0	4.6	1	0.6	53.6	5.0
Communications	11	54.0	4.6	1	1.0	55.0	5.1
Transport	8	19.0	1.6	—	—	19.0	1.8
Railways	1	10.0	0.8	—	—	10.0	0.9
Shipping	7	9.0	0.8	—	—	9.0	0.9
Telecommunications	3	35.0	3.0	1	1.0	36.0	3.3
Water schemes	2	24.6	2.1	—	—	24.6	2.3
Water catchment, treatment and supply	2	24.6	2.1	—	—	24.6	2.3
<b>Industry, agriculture and services</b>	<b>215</b>	<b>748.0</b>	<b>64.4</b>	<b>334</b>	<b>144.3</b>	<b>659.4</b>	<b>61.2</b>
Industry	87	459.7	39.6	274	131.5	591.2	54.9
Mining and quarrying	9	123.7	10.6	9	4.1	127.8	11.9
Metal production and semi-processing	6	31.5	2.7	9	4.0	35.5	3.3
Construction materials	14	59.3	5.1	13	6.1	65.4	6.1
Woodworking	1	3.2	0.3	18	10.4	13.6	1.3
Glass and ceramics	2	4.0	0.3	6	4.4	8.4	0.8
Chemicals	11	46.9	4.1	13	8.6	55.5	5.1
Metalworking and mechanical engineering	1	0.5	0.1	21	7.8	8.3	0.8
Motor vehicles, transport equipment	2	7.3	0.6	12	4.6	11.9	1.1
Electrical engineering, electronics	—	—	—	4	3.1	3.1	0.3
Foodstuffs	29	121.8	10.5	73	36.9	158.7	14.7
Textiles and leather	9	36.9	3.2	41	16.0	52.9	4.9
Paper and pulp	—	—	—	28	14.0	14.0	1.3
Rubber and plastics processing	3	24.6	2.1	24	11.2	35.8	3.3
Other	—	—	—	3	0.3	0.3	.
Agriculture	—	—	—	3	0.9	0.9	0.1
Services	50	34.0	2.9	55	11.8	45.8	4.2
Tourism	7	19.3	1.7	38	9.7	29.0	2.7
Research and technical assistance	43	14.7	1.2	17	2.1	16.8	1.5
Global loans	56	232.9	20.0	—	—	—	—
Development finance companies	22	21.4	1.9	2	0.1	21.5	2.0
<b>Total</b>	<b>269</b>	<b>1 162.1</b> <sup>(4)</sup>	<b>100.0</b>	<b>340</b>	<b>147.9</b>	<b>1 077.1</b> <sup>(4)</sup>	<b>100.0</b>

(1) See Note 1 to Table 1.

(2) Loans from own resources (846.7 million) and operations from risk capital resources (315.4 million) financed from Member States' budgetary funds through the EDF and accounted for off balance sheet in the Bank's Special Section.

(3) Including oil refining.

(4) The difference between these two amounts represents the as yet unallocated portion of ongoing global loans.

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