

**European
Investment Bank
BEI | EIB
annual report 1981**



The European Investment Bank in 1981

Key data

million ECUs

Total financing provided in 1981	3 848.1
of which — loans from own resources and guarantees	3 217.9
loans from other resources (accounted for in the Special Section)	630.2
Operations within the Community	
Total	3 361.3
of which — loans from own resources and guarantees	2 821.5
including	
EMS subsidised loans in Italy and Ireland	911.4
subsidised loans for reconstruction work in Cam- pania and Basilicata	31.8
— loans from the resources of the New Community Instrument for borrowing and lending (NCL)	539.8
including	
EMS subsidised loans in Italy and Ireland	113.7
subsidised loans for reconstruction work in Cam- pania and Basilicata	296.4
Operations outside the Community	
Total	486.8
of which — financing from own resources	396.4
— financing from Community budgetary funds	90.4
<i>Breakdown:</i>	
Financing provided in the Mediterranean region	277.0
of which — Spain, Portugal, Turkey	168.0
— Maghreb and Mashreq countries, Cyprus and Israel	109.0
Financing provided in the African, Caribbean and Pacific (ACP) States and in the Overseas Countries and Territories (OCT)	209.8
Amount outstanding at 31 December 1981 in respect of loans from own resources and guarantees	16 949.3
Amount outstanding at 31 December 1981 in respect of operations accounted for in the Special Section	2 850.5
Subscribed capital at 31 December 1981	14 400.0
of which paid in and to be paid in	1 465.715
Funds raised in 1981	2 309.7
Borrowings outstanding at 31 December 1981	13 481.8
Balance sheet total at 31. 12. 1981	19 571.0

European
Investment Bank



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This annual report is available also
in the following languages:

DA	ISBN 92-861-0040-X
DE	ISBN 92-861-0041-8
FR	ISBN 92-861-0044-2
GR	ISBN 92-861-0042-6
IT	ISBN 92-861-0045-0
NL	ISBN 92-861-0046-9

Text finalised 4 May 1982

ISBN 92-861-0043-4

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Board of Governors

Situation at 1 June 1982

Chairman	Gene FITZGERALD (Ireland) <i>until June 1981</i>
	Beniamino ANDREATTA (Italy)
BELGIUM	Mark Frans EYSKENS, Minister of Finance <i>until April 1981</i>
	Robert VANDEPUTTE, Minister of Finance <i>until December 1981</i>
	Willy DE CLERCQ, Deputy Prime Minister, Minister of Finance and Foreign Trade
DENMARK	Svend JAKOBSEN, Minister of Finance <i>until December 1981</i>
	Knud HEINESEN, Minister of Finance
GERMANY	Hans MATTHÖFER, Minister of Finance <i>until April 1982</i>
	Manfred LAHNSTEIN, Minister of Finance
GREECE	Ioannis PALEOCRASSAS, Alternate Minister for Coordination <i>until October 1981</i>
	Apostolos LAZARIS, Minister for Coordination
FRANCE	René MONORY, Minister for Economic Affairs <i>until May 1981</i>
	Jacques DELORS, Minister for Economic and Financial Affairs
IRELAND	Gene FITZGERALD, Minister for Finance <i>until June 1981</i>
	John BRUTON, Minister for Finance <i>until March 1982</i>
	Ray MacSHARRY, Deputy Prime Minister and Minister for Finance
ITALY	Beniamino ANDREATTA, Minister of the Treasury
LUXEMBOURG	Pierre WERNER, Prime Minister, Minister of State
NETHERLANDS	Fons van der STEE, Minister of Finance
UNITED KINGDOM	Sir Geoffrey HOWE, Chancellor of the Exchequer

Audit Committee

Situation at 1 June 1982

Chairman

Jørgen BREDSORFF, Rigsrevisor, Audit Department, Copenhagen

Members

Corneille BRÜCK, Président-Directeur de la Caisse d'Épargne de l'État, Luxembourg

Patrick L. McDONNELL, Comptroller and Auditor General, Audit Department, Dublin
Chairman until June 1981

Board of Directors

Situation at 1 June 1982

Chairman

Yves LE PORTZ

Vice-Chairmen

Horst-Otto STEFFE

Giorgio BOMBASSEI FRASCANI de VETTOR

Maurits ESSELENS

C. Richard ROSS

Directors

Paul ARLMAN	Plaatsvervangend Directeur van de Buitenlandse Financiële Betrekkingen, Ministry of Finance, The Hague, <i>from June 1981</i>
Karl BREDAHL	Afdelingschef, Ministry of Finance, Copenhagen
Ernst-Günther BRÖDER	Sprecher des Vorstands der Kreditanstalt für Wiederaufbau, Frankfurt
Michel CAMDESSUS	Directeur du Trésor, Ministry of Economic and Financial Affairs, Paris, <i>from May 1982</i>
Giorgio CAPPON	Direttore Generale della Banca per i Finanziamenti a Lungo e Medio Termine S.p.A. — Interbanca, Milan
André de LATTRE	Président du Crédit National, Paris
Salvatore GUIDOTTI	Presidente dell'Istituto Italiano per lo Studio della Congiuntura (ISCO), Rome
Pierre GUILL	Président-Directeur honoraire de la Caisse d'Épargne de l'État, Luxembourg
Jean-Yves HABERER	Directeur du Trésor, Ministry of Economic and Financial Affairs, Paris, <i>until April 1982</i>
David HANCOCK	Deputy Secretary (Overseas Finance), H.M. Treasury, London, <i>until January 1982</i>
Maurice HORGAN	Second Secretary, Department of Finance, Dublin
Geoffrey LITTLER	Deputy Secretary (Overseas Finance), H.M. Treasury, London, <i>from January 1982</i>
Ludovicus MEULEMANS	Inspecteur-generaal van de administratie der Thesaurie, Ministry of Finance, Brussels
Rudolf MORAWITZ	Ministerialdirigent, Federal Ministry of Economic Affairs, Bonn
Sotiris MOUSOURIS	Vice-Governor, Hellenic Industrial Development Bank (ETBA), Athens, <i>from February 1982</i>
Anne E. MUELLER	Deputy Secretary, Department of Industry, London
Waldemar MÜLLER-ENDERS	Ministerialdirigent, Federal Ministry of Finance, Bonn
Tommaso PADOA-SCHIOPPA	Director-General for Economic and Financial Affairs, Commission of the European Communities, Brussels
Maurice PÉROUSE	Directeur Général de la Caisse des Dépôts et Consignations, Paris
Rupert RAW	Former Adviser to the Governor, Bank of England, London, <i>until September 1981</i>
Felice RUGGIERO	Direttore Generale del Tesoro, Ministry of the Treasury, Rome, <i>until April 1982</i>
Mario SARCINELLI	Direttore Generale del Tesoro, Ministry of the Treasury, Rome, <i>from April 1982</i>
Ioannis SPENTZAS	Governor, National Mortgage Bank of Greece, Athens, <i>until January 1982</i>
B. F. van ITTERSUM	Directeur van de Buitenlandse Financiële Betrekkingen, Ministry of Finance, The Hague, <i>until June 1981</i>
Malcolm WILCOX	Director, Midland Bank Limited plc, London, <i>from September 1981</i>

Alternates

Sven BOYER-SØGAARD	Prokurist, National Bank of Denmark, Copenhagen, <i>from February 1981</i>
Michel CAMDESSUS	Directeur du Trésor, Ministry of Economic and Financial Affairs, Paris, <i>until May 1982</i>
Lionello FRONZONI	Ex-Direttore, Banca d'Italia, Rome
Winfried HECK	Ministerialdirigent, Federal Ministry of Finance, Bonn
Mary E. HEDLEY-MILLER	Under-Secretary, European Community Group, H.M. Treasury, London
P. C. MAAS	Ex-President-Directeur van de Nationale Investeringsbank N.V., The Hague
Pierre MATHIJSEN	Director-General for Regional Policy, Commission of the European Communities, Brussels
Horst MOLTRECHT	Ministerialdirektor, Federal Ministry for Economic Cooperation, Bonn
Ian PLENDERLEITH	Head of Gilt-edged Division, Bank of England, London
Yves ROLAND-BILLECART	Directeur Général de la Caisse Centrale de Coopération Économique, Paris
Savino SPINOSI	Direttore Generale, Ministry of the Treasury, Rome

Management Committee

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

Organisation Structure of the Bank

Situation at 1 June 1982

Manager

General Administration Directorate

Eugenio GREPPI,
 Secretary-General
until June 1981
 Hans HITZLBERGER
Acting Manager
since July 1981

Head of Department

Personnel, Administration and Budget

Hans HITZLBERGER, Associate Manager — Head of Personnel

Administration Personnel and Budget
 Recruitment and Careers
 Internal Services

Secretariat and General Affairs

Michel LAUCHE, Deputy Manager

Secretariat
 Information — Public Relations
 Translation
 Representative Office in Brussels
 Organisation and Methods

Head of Division

Jean EQUINET, Adviser
 Ronald STURGES, Adviser
 Thomas CRANFIELD

Christopher SIBSON
 Karl Georg SCHMIDT, Adviser
 Klaus WOSZCZYNA, Deputy Adviser
 Manfred TEICHERT, Principal Adviser
 Penrhyn TURNER, Deputy Adviser

Directorate for Operations in the Community

Romeo dalla CHIESA
until June 1981
 Eugenio GREPPI
since July 1981

Coordination

Alessandro MORBILLI, Adviser

Operations in Belgium, Denmark, France, Germany, Greece, Luxembourg, the Netherlands

Helmuth CRAMER, Co-Manager

Jean-Pierre LACAILLE, Principal Adviser
 Gérard d'ERM, Principal Adviser
 John AINSWORTH, Adviser

Operations in Italy, Rome

Giorgio RATTI, Deputy Manager

Manfred KNETSCH, Deputy Adviser
 Filippo MANZI, Deputy Adviser
 Francis CARPENTER

Operations in Ireland and the United Kingdom

Dennis KIRBY, Deputy Manager

Thomas HALBE, Adviser
 André DUNAND

Monitoring

Marc de BUYER, Deputy Manager

Giovanni TORELLI, Deputy Adviser
 Brian FEWKES

Directorate for Operations outside the Community

Dieter HARTWICH

Coordination

Frank STUBENITSKY

Operations in the ACP—OCT

Jacques SILVAIN, Associate Manager

Jean-Marie PAYEN, Principal Adviser
 Thomas OURSIN, Adviser
 Fridolin WEBER-KREBS, Adviser
 Rex SPELLER, Adviser

Operations in the Mediterranean Countries

Christopher LETHBRIDGE, Deputy Manager

Luciano ROTONDI, Adviser
 Pietro PETTOVICH, Adviser
 Ernest LAMERS, Deputy Adviser
 Roger ADAMS, Deputy Adviser

Monitoring

Robert CORNEZ, Deputy Manager

Alfred KAWAN, Adviser
 Nicolas URMES

Organisation Structure of the Bank *(cont.)*

Situation at 1 June 1982

Manager

Head of Department

Head of Division

Finance and Treasury Directorate

André GEORGE

Issues

Wolfgang THILL, Deputy Manager

Rutger ADVOCAAT, Adviser
Jean-Claude BRESSON,
Deputy Adviser
Ulrich MEIER, Deputy Adviser
Araldo BONDURRI

Treasury

John VAN SCHIL, Deputy Manager

Anthony CLOVER, Deputy Adviser
Lucio RAGUSIN

General Accountancy

Anthon PETERSEN, Deputy Manager

François ROUSSEL, Deputy Adviser

Data Processing

Ernest ERPELDING, Deputy Adviser

Research Directorate

John H. WILLIAMS

Economic Research

Henri LEROUX, Associate Manager

Jean-Paul JACQUOT, Adviser
Klaus ACKERMANN, Adviser
Joachim MÜLLER-BORLE,
Deputy Adviser
Luigi GENAZZINI, Deputy Adviser

Financial Research

Desmond G. McCLELAND, Deputy Manager

Documentation and Library

Francis THOUVENEL, Adviser

Legal Directorate

Douglas J. FONTEIN

until April 1981

Herman J. PABBRUWE

since May 1981

Jörg KÄSER, Deputy Manager

Xavier HERLIN, Principal Adviser

Bruno EYNARD, Principal Adviser

Technical Advisory Service

Group A: Special Projects

Hellmuth BERGMANN, Chief Technical Adviser
Filippo BARILLI, Principal Technical Adviser

Group B: Operations in the Community

Walter LOWENSTEIN-LOM, Group Leader
Giuseppe DURANTE, Technical Adviser
Thomas FLYNN, Technical Adviser
Zdenek HAVELKA, Technical Adviser

Group C: Operations outside the Community

Jacques FAUDON, Group Leader
Robert VERMEERSCH, Principal Technical Adviser
J. Garry HAYTER, Deputy Technical Adviser

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".

See Note A to Annex E to the Financial Statements (page 75) for the value of the ECU.

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 1981, these were as follows:

	during the 1st quarter	during the 2nd quarter	during the 3rd quarter	during the 4th quarter
1 ECU =				
DM	2.56556	2.53630	2.52553	2.48117
£	0.549110	0.539065	0.544118	0.589653
Ffrs	5.93916	5.98420	6.02647	5.94741
Lit	1 217.30	1 266.82	1 256.97	1 256.16
Fl	2.79081	2.81186	2.80814	2.76195
Bfrs	41.3351	41.5836	41.4071	40.6184
Lfrs	41.3351	41.5836	41.4071	40.6184
Dkr	7.88723	7.99284	7.92879	7.80098
IR£	0.690185	0.695808	0.691839	0.681140
Dr	61.2587	62.0798	61.5987	61.2184
US\$	1.30963	1.20966	1.05450	1.06680
Sfrs	2.31477	2.31445	2.15118	2.10853
Yen	265.461	253.969	238.317	248.031
Sch.	18.2038	17.9393	17.8211	17.3995
£Leb.	4.77033	4.80235	4.53435	4.93395

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 1980 and 1981 (see page 75).

New financing provided by the European Investment Bank in 1981 amounted to 3 217.9 million ECUs ⁽¹⁾ from the Bank's own resources and 630.2 million from resources which the Bank manages under mandate from the Community (see page 21), a total of 3 848.1 million compared with 3 498.5 million in 1980 and 3 071.1 million in 1979.

Of the total financing provided, 3 361.3 million, comprising 2 821.5 million from the Bank's own resources and 539.8 million from those of the New Community Instrument for borrowing and lending — NCI (see page 23) went towards investment projects in Member Countries. Financing amounting to 486.8 million (396.4 million from EIB own resources and 90.4 million from Community resources) was provided for projects contributing to the development of countries in the Mediterranean region and countries which are signatories to the Lomé Conventions.

Community policies

Economic and financial objectives

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

The continuing high level of Bank activity reflects the guidelines adopted by the European Council (the meeting of the Heads of State or Government of the Community Member Countries), guidelines subsequently spelled out by the Council of the European Communities, in response to proposals from the Commission, and by the Bank's Board of Governors.

In 1981, the European Council focused its attention on ways and means of fostering the re-establishment on a firm basis of sustained economic growth and satisfactory levels of employment. At meetings in Maastricht on 23/24 March, in Luxembourg on 29/30 June and in London on 26/27 November, it voiced extreme concern at the high and worsening level of

unemployment inseparable from the generally bleak economic background. It was agreed that any lasting reversal of this trend required the building up of Europe's economic strength by pruning costs, stemming inflation, increasing investment in productive enterprise and improving productivity.

The European Council reaffirmed the need for Governments to coordinate their actions within the Ten and to do all they could to support added capital investment for stimulating growth and employment. Particular emphasis was placed on the call for backing industries with a potential for innovation that would help the Community to secure its proper place in the industrialised world over the coming decades.

The conviction was that a stronger European economy depended first and foremost on the pursuit of a coherent energy policy. It was vital from the point of view of employment and the balance of payments to reduce the Community's dependence on imported oil and to make the most of alternative forms of energy.

The Council of Ministers of the European Communities responded to the challenge by reiterating the need to accord priority to capital expenditure in the energy sector, especially where this went furthest towards redirecting demand. It underscored the call for appropriate pricing policies.

The European Council had also highlighted the considerable growth potential waiting to be tapped among smaller businesses.

It stressed the advisability of making optimum use of the Community's financial instruments and pointed up the part that could be played by the European

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

Investment Bank in promoting the flow of investment towards productive enterprise.

On 15 June 1981, the Board of Governors decided to double the Bank's subscribed capital to 14.4 billion. Given the statutory provisions limiting outstanding lending and guarantee operations to no more than 250 % of subscribed capital, the effect of this increase was to raise the ceiling for outstanding financing operations to 36 billion.

The Council of the European Communities ('Council' hereafter) has considered that there are grounds for continuing NCI activity alongside existing Community financing institutions and agencies whose operations should be extended. By decisions dated 15 March and 26 April 1982, it empowered the Commission to contract borrowings for an additional 1 billion ECUs in principal, the proceeds of which would be earmarked for lending in support of projects complying with the Community's priority objectives as regards energy, regional and/or Community infrastructure and productive investment by smaller businesses.

The Commission will negotiate the borrowings and decide on the eligibility of projects. In line with the first Council Decision, the Bank has been entrusted with a mandate for granting loans and will also invest the proceeds of borrowings temporarily, if necessary, pending their disbursement as loans.

On 14 December 1981, the Council, further to its Decision setting up the NCI facility, empowered the Commission to contract borrowings to finance investment aimed at restoring production plant and rehabilitating infrastructure, including dwellings, in those areas of Greece ravaged by the earthquakes in February and March 1981. The authorisation ran to an amount of 80 million less such financing as might be made available by the Bank from its own resources for the same purposes. The loans granted by the Bank, from its own resources and from New Community Instrument funds, may, as decided by the Commission, carry a 3 % p.a. interest subsidy for up to 12 years, financed from the general budget of the European Communities, on terms matching those approved for loans decided by the Council on 20 January 1981 for similar projects in Italy in areas affected by the November 1980 earthquake.

At the end of the year, the Council examined a Commission proposal centred on revising the regulations governing the European Regional Development Fund (ERDF). The proposal included recommendations in favour of concentrating the quota

section on a geographical basis, developing the non-quota section and diversifying the Fund's support measures.

On 15 March 1982, the Council decided to raise from 1 billion to 2 billion total Euratom borrowings which the Commission is empowered to contract towards financing commercially rated nuclear power stations (see page 37).

Development Cooperation

The Second Lomé Convention, concluded between the European Economic Community and 58 African, Caribbean and Pacific (ACP) States, entered into force on 1 January 1981. Following the accession of an additional State during the previous year, the number of signatory ACP States was brought to 61 in 1981 with the accession of Vanuatu and Zimbabwe. St Kitts, Nevis and Anguilla, and Antigua and Barbuda have also sought accession to the Convention.

Community negotiations with a number of Mediterranean countries with which financial protocols were expiring in 1981 led to the preparation of new agreements. These are in the course of being ratified and commit the Bank to continued activity in the Mediterranean region over coming years; a summary breakdown of planned financial aid is given in the table on page 11. The first protocols to be signed in the near future should be those concluded with the Maghreb countries, followed by those agreed with the Mashreq countries and Israel. Similar to their predecessors, these protocols provide for a varied range of financial aid in different mixes:

- loans from the Bank's own resources at rates of interest normally carrying 2 or 3 point subsidies financed from the Community budget;
- special loans, budgeted for by the Community and managed jointly by the Commission and the Bank;
- grant aid earmarked mainly for financing research, training or technical assistance programmes and to be drawn on to fund the interest subsidies provided for the Bank's ordinary loans.

The new generation of protocols provides for financial aid totalling 1 015 million; 415 million will go in grants and loans on special conditions, the latter

managed partly by the Bank under a mandate entrusted to it by the Community. Loans from the Bank's own resources, generally with interest subsidies financed from the budget appropriations set aside for grant aid, could reach 600 million.

The European Economic Community negotiated a Fourth Financial Protocol with Turkey providing for aid totalling 600 million, including 225 million from the Bank's own resources to be made available over five years.

Amounts of Community financial aid provided for under various agreements, financial protocols and decisions in force or negotiated at 1 January 1982

(million ECU)

	Commitment period	Loans from EIB own resources (1)	Operations with budgetary funds					Total
			Loans on special conditions	Risk capital operations	Grant aid (2) (3)	Stabilisation of export earnings (3) (STABEX)	Special facility for financing mining projects (3) (SYSMIN)	
ACP	1981—1985	685 200 (5)	518 (3)	284 (4)	2 986	557	282	5 312 200 (5)
OCT	1981—1985	15	27 (3)	7 (4)	51	9	—	109
Total ACP/OCT		900	545 (3)	291 (4)	3 037	566	282	5 621
Spain	pre-accession aid	200						200
Portugal	pre-accession aid	150			125			275
Turkey	protocol still unsigned	225	325 (6)		50			600
Yugoslavia	1. 7. 1980— 30. 6. 1985	200						200
Algeria	protocol still unsigned (8)	107	16 (7)		28			151
Morocco	protocol still unsigned (8)	90	42 (7)		67			199
Tunisia	protocol still unsigned (8)	78	24 (7)		37			139
Egypt	protocol still unsigned (8)	150	50 (7)		76			276
Jordan	protocol still unsigned (8)	37	7 (7)		19			63
Lebanon	protocol still unsigned (8)	34	5 (7)		11			50
Syria	protocol still unsigned (8)	64	11 (7)		22			97
Malta	1. 11. 1978— 31. 10. 1983	16	5 (7)		5			26
Cyprus	1. 1. 1979— 31. 12. 1983	20	4 (7)		6			30
Israel	protocol still unsigned (8)	40						40
Total Mediterranean region		1 411	489		446			2 346
Grand total		2 311	1 034	291 (4)	3 483	566	282	7 967

(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 Communities in the case of projects in the Mediterranean region, excluding Spain, Yugoslavia, Turkey and Israel.

(2) Interest subsidies are financed from grant aid.

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

(4) Operations mounted by the Bank.

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

(6) Loans granted by the Bank.

(7) Loans granted either by the Commission or the Bank.

(8) Commitment period: up to 31 October 1986.

Enlargement of the Community

Since 1 January 1981, when it became the tenth State to join the Community and the Bank, **Greece** has participated in the EIB's decision-making bodies. Over the period 1963/80, Bank lending in this country had been governed by financial protocols concluded with the EEC; since accession, EIB operations in Greece have been subject to the same criteria and directives as apply to operations in the other Member States.

Continued headway was made in accession negotiations embarked upon in 1978 and 1979 with **Portugal** and **Spain**. As soon as the Bank had committed the last of the funds provided for under the financial protocol concluded with Portugal, it began to implement the agreement signed between this country and the Community on 3 December 1980 on additional pre-accession aid agreed by the Bank's Governors. The EIB also advanced its first loans in Spain pursuant to the Governors' decision of 4 May 1981 authorising the Bank, at the Council's request, to provide loans from its own resources towards pre-accession capital investment in Spain paving the way to integration of the Spanish economy into the Community structure.

Economic background

The Bank's activity in 1981 took place against a depressed economic background, mounting unemployment and persistent inflationary pressures.

For most of the industrialised countries, 1981 was a year of deepening recession triggered off in 1980 after the second round of oil price increases. Generally rising interest rates exacted their toll on corporate investment and consumers' expenditure on durable goods; contrary to expectations, the upturn in the economy failed to materialise during the first half. The low level of activity contributed to the worsening unemployment situation without generally producing more than a slight drop in inflation rates which moreover varied from one country to another, as many of them saw production on the decline and price increases continuing apace. Weakening demand for oil products resulted in a slight dip in dollar-denominated oil prices, although this had little effect on the revenues of the petroleum-exporting countries where imports registered a fresh upswing, the sole motive force in volume terms within an otherwise unexpansionary world trade arena. The cyclical downturn in the industrialised countries' imports favoured improvements in their balance of payments on current account although, apart from the United Kingdom, the Netherlands, Japan and the

United States, their deficits remained fairly substantial.

In the United States, the adoption of a very tight monetary and credit policy went hand in hand with a let-up in the economic recovery under way since mid-1980. Overall demand was further eroded by a distinct tailing off in exports. On the other hand, the improved terms of trade fostered by appreciation of the dollar helped to hold the trade deficit in check and, by virtue of larger net earnings on services and transfers account, contributed to increasing the current surplus.

The continuing high rate of inflation and the growing public sector deficits burdening many countries exerted a negative influence on the tone of the **capital markets**. Restrictive monetary policies, particularly that of the United States, and the firmness of the dollar on the exchange markets, did nothing to improve the situation. Short and long-term interest rates on the American domestic market fluctuated widely around exceptionally high levels up to the beginning of the last quarter, when rates started gradually to ease off with the lessening in economic growth and despite the persistently high level of the U.S. Government's financing requirement. Countries hard put to correct their budget deficits, faced with

balance of payments problems or anxious to protect their exchange rates kept their interest rates during most of the year at extremely high levels inconsistent with their depressed economic growth rates.

With high interest rates the norm for the sector of the international market dealing in securities denominated in US dollars, issuers took advantage of any slight breathing space to float borrowings for generally lesser amounts than before and with shorter maturities than normal because of investors' reluctance to commit themselves on a long-term basis. By way of encouragement to take up new paper, despite the difficult and unstable conditions on the market, potential subscribers were offered a number of incentives, such as the possibility of investing in bonds with warrants attached conferring entitlement to purchase similar securities on the same terms at a later date. Foreign borrowers, however, found conditions on the American market unappealing until the latter part of the year.

The firmness of the dollar and the high interest rates obtaining for securities denominated in this currency together had an adverse effect at the beginning of the year on the German capital market and the sector of the international market dealing in Deutsche Mark-denominated securities, with no relief to be gained from the deficit in the balance of payments on current account. The five-month long embargo on foreign issues was lifted at the beginning of the second quarter, save for borrowings floated by international institutions. With the balance of payments showing signs of improvement from mid-year onwards, during the last quarter interest rates fell back.

In France, bond yields moved unevenly. Stability during the first four months gave way to an abrupt upturn which was reversed over the summer period such that very much improved rates were offered towards the end of the year. Issuing activity on the Eurofranc market was buoyant up to April 1981, after which it came to a halt.

In the United Kingdom, interest rates declined during the early part of the year in contrast to rates elsewhere within the Ten. Subsequently faced with the inflationary implications of the high level of bank lending and the depreciation of sterling, interest

rates rose in the second half of the year. A number of foreign issues were launched on the domestic market in 1981, particularly during the first half of the year, when rates were easing.

In the Benelux countries, there was a further increase in Guilder-denominated foreign issues whereas the persistent weakness of the Belgian franc obliged the authorities to limit foreign issues in this currency and in Luxembourg francs.

The ECU was introduced on the international capital market in 1981 as a new issuing unit comparable to the Special Drawing Right (SDR). Admittedly, ECU-denominated issues totalled less than their SDR counterparts but the signs were promising.

The amount of foreign issues on the Swiss, Japanese and Euroyen markets demonstrated a marked upturn under the influence of the relatively low interest rates obtaining on these markets throughout a large part of the year.

The **Community's** gross domestic product fell by about 0.5% compared with the increase of 1.4% recorded in 1980⁽¹⁾. In most countries, the shrinkage in disposable income was matched by declining or stagnating consumers' expenditure. The sharp upturn in benefits paid out, particularly under the heading of social security, tended to place added strain on budget deficits, thereby constraining Governments to keep a rein on recurrent expenditure and often to cut back their capital investment. The rise, sometimes sharp, in interest rates, combined with an even sharper increase in production costs to erode the profits of enterprises whose fixed investment was markedly diminished. Substantial labour-shedding and a surge in new arrivals on the labour market brought about a distinct upturn in the number of unemployed which amounted to 9 million on average by the end of the year as opposed to just under 7 million in 1980. The rate of increase in retail prices remained considerable, as did divergences between Member Countries.

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

Economic background

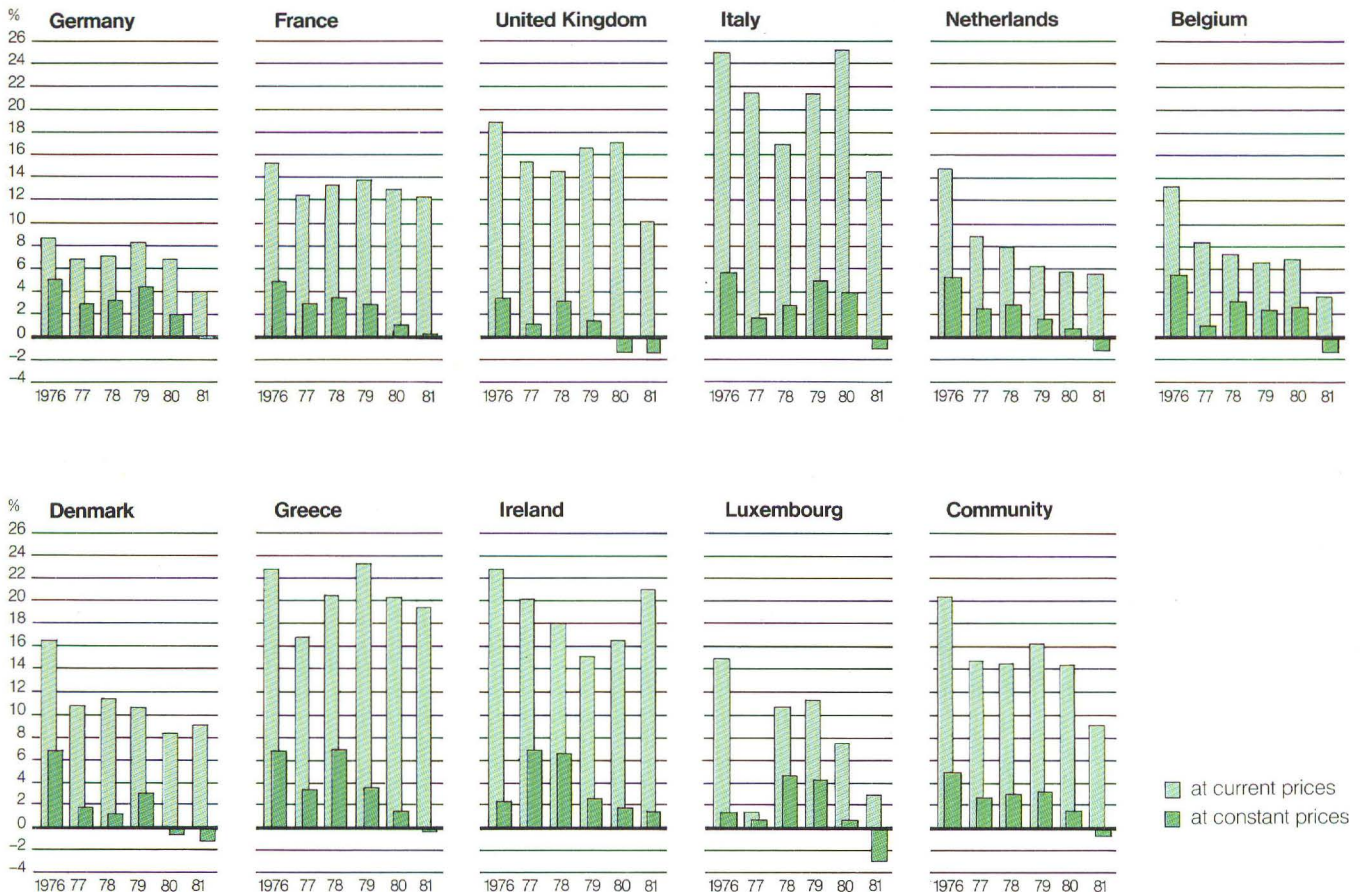
The concern to do nothing to exacerbate the recession or its economic and social effects nevertheless limited the restrictiveness of budgetary, monetary or credit policies. This meant that, except in the United Kingdom, it was impossible to hold down the Government's increased borrowing requirement as a percentage of GDP.

Some of the advantage gained from the net drop in imports and the continuing significant upswing in exports was lost with a further deterioration in the terms of trade attributable to the dearer dollar, such

that the current account deficit remained substantial. Pronounced fluctuations in EEC exchange rates could not be avoided, particularly since there were still such differences between inflation rates and current account balances: on 22 March 1981, the monetary authorities of those Member Countries participating in the EMS agreed to a 6% downwards adjustment of the reference rate for the lira; in October, both the French franc and the lira were reduced in value by 3%, while the Deutsche Mark and Guilder were moved up by 5.5% in relation to all the other ECU component currencies.

Gross domestic product in the Community

variations by comparison with previous year (%)



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

In **Germany**, economic growth faltered. Private consumption weakened as higher savings added to the impact of a drop in real income. Growing under-utilisation of production capacity, slimmer profit margins and high lending rates, which also damped down housing construction, combined to squeeze business investment. The running down of stocks contributed to weakening domestic demand. The public sector was saddled with an increased deficit as the result of a cyclical downturn in tax revenue which fell far below recurrent expenditure. In May 1981, the Government was obliged to adopt a supplementary budget to cater for the Federal Labour Office's increased financing requirements. The rise in unemployment continued unabated until the end of the year. Although lower than the Community average, the rate of inflation of consumer prices failed to slacken off as anticipated.

Exports performed strongly in volume terms under the impetus of their keener competitiveness as a result of exchange rate and price trends, whereas growth in imports slowed markedly. In spite of continuingly unfavourable balances on services and transfers account, the substantial increase in the trade surplus helped considerably to reduce the deficit in the balance of payments on current account.

In **France**, following the compensation during the second half of a decline during the first, the outturn for the year as a whole was virtually one of zero growth. There was a slight rise in private consumption stimulated by the improved purchasing power of disposable income following implementation of supportive measures introduced by the new Government. Steep lending rates were the chief factor behind a further fall in housing investment. Reduced cash flow and dearer credit constrained private sector undertakings in particular to put far less into capital investment. Demand ebbed in the wake of a sharp run-down of stocks. Cutbacks in manning levels and an increase in the number of new job-seekers made for a worsening in the unemployment situation throughout the year. The new Government adopted a number of measures to reverse this trend, such as approving continued application of the Third National Pact on Employment, creating new job opportunities in the public sector and reducing the burden of welfare contributions for firms generating fresh employment through short-time working but the effect of these remedies had not yet been felt by the year's end. A borrowing requirement reappeared

as a result of increased Government spending, although it was kept moderate by additional income and corporation tax revenue.

Sustained by the rise in money wages and by increased import bills reflecting the appreciation of the dollar, inflation remained high.

The steadily improving performance of exports, especially to non-industrialised countries, and the falling volume of imports in response to the lower level of internal demand served to offset the impact on the trade deficit of worsening terms of trade. The balance of payments on current account therefore remained only modestly in deficit, notwithstanding the diminished surplus on services and transfers account.

In the **United Kingdom**, the decline in activity dating from the second half of 1979 ceased. Activity recovered by 1 per cent during the second half of the year. Unemployment (the UK's rate is one of the highest in the Community) continued to rise, but much less rapidly and other labour market indicators — hours worked, vacancies — began to improve. The Government took steps in the summer to promote youth employment and improve training. The authorities maintained their policy of exerting downward pressure on the monetary aggregates and reduced the level of the borrowing requirement.

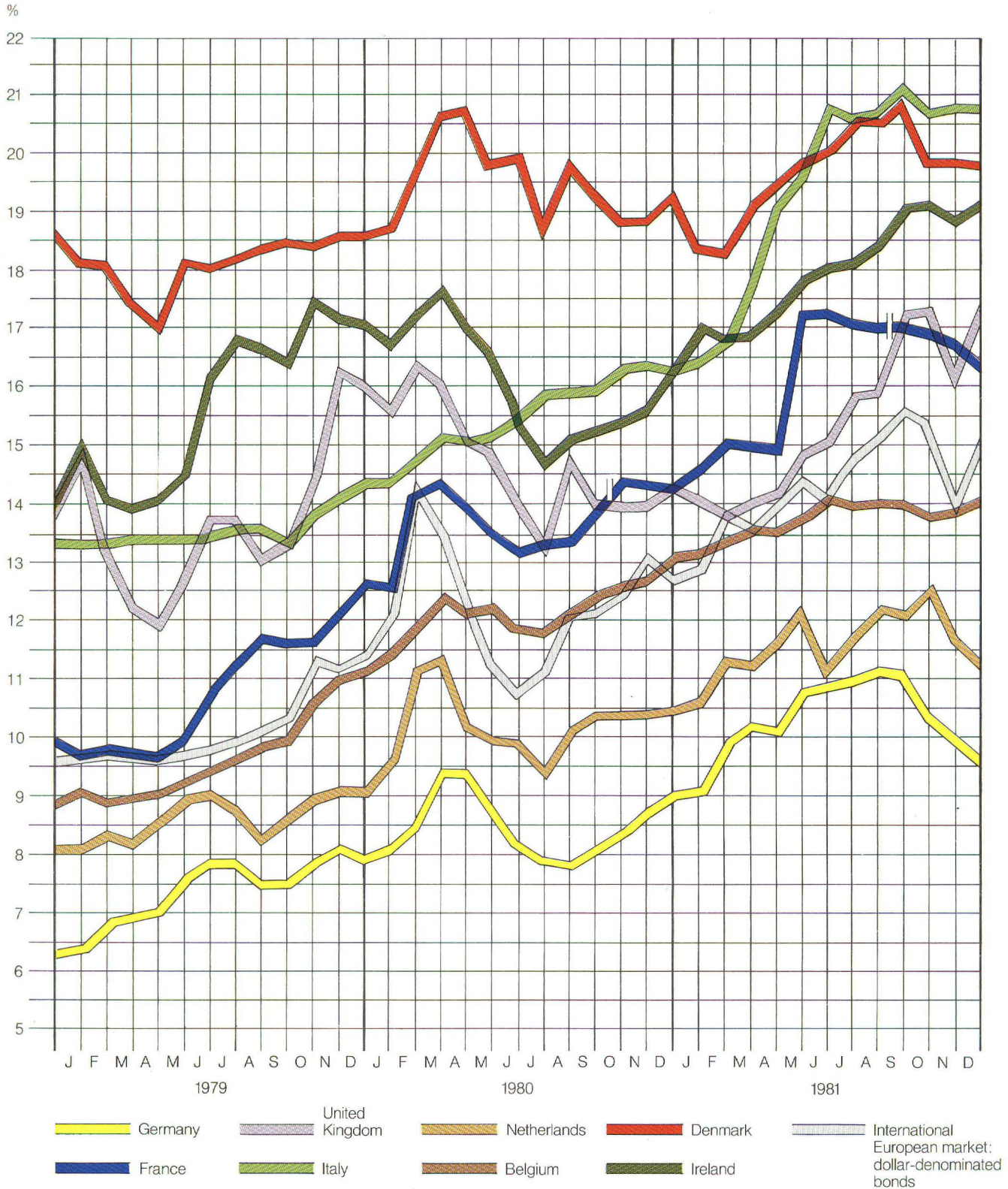
There was a distinct slackening in the rise of retail prices as a result of the slowdown in the growth of wages and salaries in the private and public sectors and adherence to the Government's economic strategy.

Having become less competitive over the previous years, export volume held up well, ending the year no lower than in 1980. Non-oil imports fell, particularly during the first half, as stocks were reduced. An improvement in the balance on services and transfers account also played its part in increasing the current account surplus.

In **Italy**, economic growth gave way to a slight recession. Retail prices continued to climb at a high

Gross yields on bonds

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



rate sapping disposable income in real terms, and a fall in the rate of saving failed fully to offset the repercussions on private consumption. The brisk growth of corporate investment over the previous two years slumped and this, together with a marked decline in stockbuilding, had a dampening effect on domestic demand. The prospect of further inflation prompted an increase in housing investment and Government spending also rose, neither however greatly affecting the general trend.

After stabilising in 1980, unemployment registered a sharp increase as a result of labour-shedding. The borrowing requirement of public authorities and public enterprises grew even more substantial as a percentage of GDP under the dual impact of additional transfers to businesses and households, mainly in the form of compensation for earthquake victims, and the growing debt burden. The Government approved a Three Year Plan (1981-83) providing for an annual cutback in recurrent expenditure equivalent to 1 % of GDP with a view to a corresponding upturn in capital expenditure.

Two devaluations of the lira within the EMS against the other participating currencies helped to give a sharp boost to exports in volume terms, whereas imports slackened because of the low level of activity and heavy destocking. The resultant benefits were however eroded by the worsening terms of trade, and the trade deficit remained substantial. Although the external debt burden became more onerous, invisibles and transfers combined to generate a surplus, which was however insufficient to prevent a further deficit in the balance of payments on current account.

In **Denmark**, there was no recovery in economic activity. Households' real income stagnated and was accompanied by a renewed drop in personal consumption and housing investment which were also weakened by high interest rates. Falling business investment and stockbuilding contributed further to the lower level of domestic demand and imports, the sole positive influence being the rise in exports. The deteriorating terms of trade worked to the continuing disadvantage of both the trade deficit and, because of increased debt servicing charges, the balance of payments on current account. Inflation remained high. The sharp upswing in unemployment prompted the Government to introduce a number of job-creation schemes, thereby frustrating attempts to contain the growth in the public sector borrowing requirement.

In **Ireland**, the economy continued to grow at a modest pace borne along mainly by a marked upturn in investment and by fairly healthy progress on the export front. Personal consumption, on the other hand, remained static as a result of the impact of inflation on the growth of disposable income in real terms. Remedial measures adopted by the Government, especially those in support of youth employment schemes, have yet to stem the mounting tide of unemployment. Despite decisions, adopted by the new Government in office in June, to cut expenditure programmes and to raise the level of indirect taxation, the public sector borrowing requirement increased in 1981 to remain one of the highest, as a percentage of GDP, within the Community. Improved investment helped to relaunch imports but coincided with a worsening in the terms of trade and a drop in the balance on invisibles, both of which added to the appreciable deficit on current account.

In the **Netherlands**, economic activity and internal demand fell back sharply. Because of the growth in retail prices, although fairly modest, the purchasing power of wages and salaries and, consequently, personal consumption declined. The downtrend in business, public sector and housing construction investment became more pronounced than in 1980. Competitiveness increased as a result of the moderate rise in wages and salaries and the appreciation of the dollar. With exports performing at much the same volume as the previous year, imports at a lower level and natural gas prices aligned with oil prices, the current balance recorded a surplus.

In **Belgium**, economic growth gave way to recession. The rapid rise in wages and salaries fuelled inflation and undermined corporate profit margins and competitiveness. Businesses made cutbacks in both capital investment and payrolls. The unemployment rate worsened to the point where, at the end of the year, it was the highest within the Community. There was a further strong rise in the Government deficit as a percentage of GDP. Despite the fact that imports were quicker to flag than exports, the trade deficit widened because of the deteriorating terms of trade, while increased servicing of the external debt again aggravated the deficit on current account. The Belgian franc remained persistently weak within the European Monetary System.

In the **Grand Duchy of Luxembourg**, economic activity slackened, particularly in the industrial sector,

as a result of the marked fall in exports by the iron and steel industry and declining domestic demand.

In **Greece**, the slowing economic growth rate evidenced over the past two years became more pronounced, mainly to the detriment of manufactures and agricultural produce. Personal consumption showed little increase and investment registered a further sharp drop especially in terms of housing construction. The sole expansionary factor was Government spending, although this increased the budgetary deficit as a percentage of GDP and kept inflation at a high level. The deficit on current account widened under the influence of a still substantial trade deficit, a fall in remittances from workers abroad and the growing burden of servicing the external debt.

The economic situation in those countries linked to the Community by financial cooperation agreements gave continued cause for concern, particularly as regards their balance of payments performance. Most still felt the effect of the oil price rise, exacerbated by the appreciation of the dollar. Economic growth tended, in the main, to slacken off. A number of countries nevertheless managed to check inflation and to limit further external debt by implementing stabilisation programmes.

In **Spain**, economic growth continued at a very modest rate comparable to 1980, sustained by a slight recovery in investment and an upturn in Government spending. Personal consumption seemed to hover between zero and negative growth. Despite the Government's restrictive budgetary measures, particularly its wages and salaries policy, the budget deficit expanded, swollen chiefly by the considerable increase in transfers to public enterprises. Inflation remained high. In spite of an improved trade balance and the steady flow of remittances from workers abroad, the current account deficit widened as a result of stagnating income from tourism and increased payments in respect of foreign production factors.

In **Portugal**, economic growth moved into a decidedly lower gear, in part falling foul of poor harvests caused by the drought. The slackening

growth of wages and salaries in real terms made for a drop in consumers' expenditure. Businesses were discouraged from investing by reduced profit margins and the lack of promise in the outlook for demand. There was barely any rise in export volume, while imports necessarily included a sharply increasing proportion of foodstuffs. Against this background, and despite the increase in remittances from workers abroad, the worsening terms of trade served to increase the deficit on current account and the short-term component of the external debt. The deteriorating external payments situation and the accelerating rate of inflation made it necessary to incline during the year towards more restrictive monetary and budgetary policies.

In **Turkey**, further progress in the January 1980 stabilisation programme led to a pronounced improvement in the economy. The previous year's minor recession gave way to fairly sustained growth in GDP. The inflation rate was trimmed considerably thanks to maintenance of a tight, budgetary, monetary and credit policy and to keeping firm control over the growth in wages and salaries, while permitting personal consumption to rally slightly. Greater use was made of production capacity, and manufacturing industry staged a recovery mainly because of the resumption of imports of essential manufacturing inputs made possible by substantial financial assistance from the International Monetary Fund, the World Bank and as part of an OECD Special Action Programme. Nevertheless, the already high unemployment rate worsened. Improved competitiveness through periodic devaluations enabled exports to rise more rapidly than imports. The improved invisibles balance helped to prune the current account deficit.

In **Yugoslavia**, flagging growth and mounting unemployment accompanied the implementation of stringent measures introduced in 1980. Inflation nevertheless gained momentum under the impetus of a sharp rise in import costs, particularly of oil products. These costs were aggravated by the devaluation of the dinar which had served to put a brake on imports and to restimulate exports. For the second year running, a rapid upswing in earnings from tourism and remittances from workers abroad made for a reduction in the deficit on current account.

In the **Maghreb and Mashreq countries**, economic activity was fairly sustained, achieving growth rates in the region of 5% to 8%, except in Morocco which

was severely affected by the repercussions of the drought. Public finances continued to come under considerable pressure from substantial transfers to public enterprises and from military expenditure and price subsidies, all of which worked against measures to cut back large budget deficits, the cause of inflationary pressures in most of these countries. Price inflation remained high, reaching more than 25 % in Syria and Egypt and it proved impossible to hold down unemployment. Following the slight improvement chalked up in certain countries in 1980, especially Egypt and Syria, the balance of payments on current account tended more often than not to deteriorate. Deficits were generally financed by foreign aid and other external credits. Indeed, some countries even succeeded in diminishing their debt-servicing burden by obtaining additional concessionary aid. Reconstruction work in Lebanon was impeded by continued hostilities.

Whereas **Malta** recorded sustained economic growth, the economy in **Cyprus** experienced a further loss of momentum. Both countries registered a larger trade deficit.

In **Israel**, brisker economic growth was accompanied by slackening inflation but unemployment remained high; a weak showing by exports was partly to blame for the persistence of a large deficit on current account.

The **African, Caribbean and Pacific States**, signatories to the Lomé Conventions, suffered to varying degrees as a result of the continuing decline in activity in the industrialised countries and the further flagging rate of growth in world trade; a large number of these states found their difficulties aggravated by problems of economic and financial management. World demand for their main revenue-earning commodities was generally poor, such that coffee and cocoa prices just held their own in real terms, while copper, natural rubber and oilseed prices fell, as did those for cotton and sugar from their high 1980 levels.

The general tendency was to have less recourse to outside finance, given the discouraging capital investment climate and, in some cases, the added

disadvantage of financial constraints. But this did not deter a certain number of ACP States from going to the international capital market to raise funds for financing their recurrent expenditure or even towards redeeming borrowings contracted previously for projects which failed to break even. Several countries were nevertheless prevented from resorting to this process as a result of having their external debt and its servicing rescheduled.

Growing awareness of the worsening situation of most of the non-oil-producing countries prompted development finance institutions and the authorities in certain ACP States to weigh up the pros and cons of reviewing economic priorities and generally setting economies on a firmer tack. What is increasingly felt is the need to extend financial cooperation to seeing through economic reforms and recovery programmes bearing on countries' public finances and balance of payments.

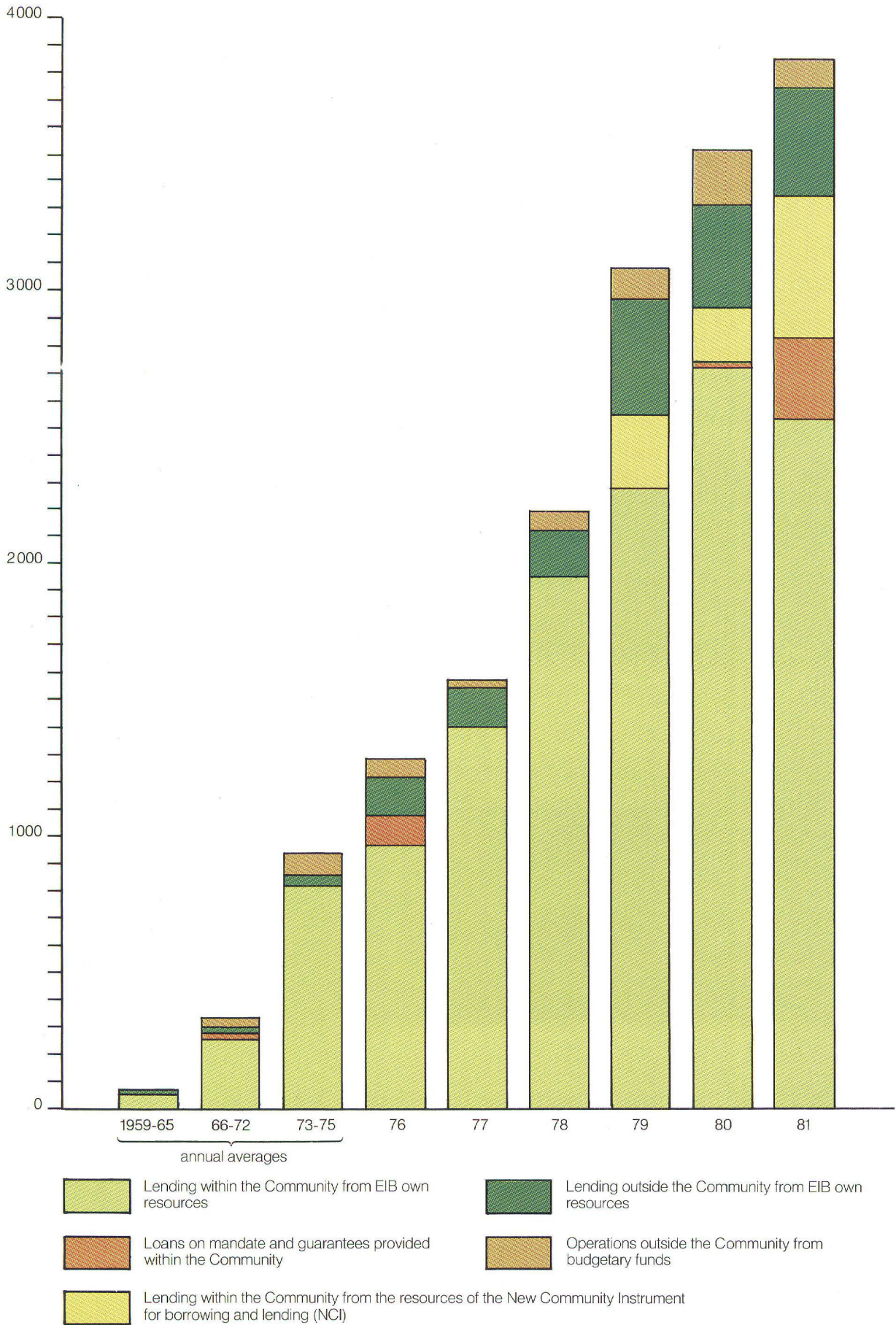
The few oil-exporting countries (Nigeria, Gabon, Cameroon, Congo and Trinidad and Tobago), were, needless to say, far better placed than the other ACP States, except that funds were no longer coming in on the previous scale and some of these countries slowed down their investment drive and stemmed imports. The likelihood is that, in the not too distant future, certain other ACP States will be able to harness their hydrocarbon deposits and to tap energy resources at least sufficient for their own requirements, a move which would make for a notable turn for the better in their economic and financial situation.

Improved rainfall in Africa's impoverished Sahel countries aided them to increase their food crop production in 1981/82 compared with the previous year's extremely poor showing.

The general conclusion is that the economic development of the ACP States calls for continuing implementation of carefully selected investment programmes. The financing of such programmes depends, to a large extent, on the provision of at least the same volume of international aid as hitherto, which in many cases should be supplied on as concessionary terms as possible.

Development of the Bank's activities

million ECUs



(See table 12, page 79)

Financing provided in 1981

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 budgetary funds in non-member countries in furtherance of the Community's policy of economic and financial cooperation and, since 1979, in Member Countries by making loans from the resources of the New Community Instrument for borrowing and lending (NCI); such operations are accounted for off balance sheet in the Bank's Special Section and are included in the statistics and reports of Bank activity when the decision to provide financing is the responsibility of the Bank's Board of Directors.

Financing provided by the Bank in 1981 totalled 3 848.1 million ECUs ⁽¹⁾ as against 3 498.5 million in 1980 and 3 071.1 million in 1979. The rise of 10 % compared with 1980 followed average annual increases of close on 30 % over the previous five years. Financing from the EIB's own resources, amounting to 3 217.9 million, was much on a par with the 1980 figure (3 124.6 million) while Special Section operations (see p. 68) stood at 630.2

million in contrast to 373.9 million in the previous year.

As shown in Table 1, operations within the Community financed from own resources amounted to 2 821.5 million in 1981 and those from NCI resources to 539.8 million, making a total of 3 361.3 million or 87.3 % of new financing overall. Outside the Community, 396.4 million was advanced from the Bank's own resources and 90.4 million from Community budgetary funds, giving a total of 486.8 million.

The amount of loans from own resources and guarantees outstanding rose from 13 173.4 million at 31 December 1980 to 16 949.3 million at 31 December 1981, an increase of 28.7 %. A breakdown of loans outstanding by principal form of guarantee is given under Note 2 of Annex B to the Financial Statements (page 72).

The Special Section showed an overall total of 2 850.5 million, compared with 1 777.2 million at the end of 1980.

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

Table 1: **Financing provided in 1981 and 1980 and from 1958 to 1981**

Broad breakdown by origin of resources and project location

	1981		1980		1958-81 ⁽¹⁾	
	million ECUs	%	million ECUs	%	million ECUs	%
Loans from EIB own resources and guarantees						
within the Community	2 821.5 ⁽²⁾	73.3	2 753.2	78.7	17 229.1	81.6
of which, guarantees	282.1	7.3	14.2	0.4	524.5	2.5
outside the Community	396.4	10.3	371.4	10.6	1 933.6	9.2
Total	3 217.9	83.6	3 124.6	89.3	19 162.7	90.8
Financing ⁽³⁾ provided from other resources (accounted for in the Special Section, page 68)						
within the Community, from the resources of the New Community Instrument for borrowing and lending (NCI)	539.8 ⁽²⁾	14.0	197.6	5.7	1 014.5	4.8
outside the Community, from Member States' or Community budgetary resources	90.4	2.4	176.3	5.0	934.3	4.4
Total	630.2	16.4	373.9	10.7	1 948.8	9.2
Grand Total	3 848.1	100.0	3 498.5	100.0	21 111.5	100.0
of which: — within the Community	3 361.3	87.3	2 950.8	84.4	18 243.6	86.4
— outside the Community	486.8	12.7	547.7	15.6	2 867.9	13.6

⁽¹⁾ Amounts at current prices and exchange rates. A summary of financing provided over such a long period should be interpreted cautiously; data for successive years are affected by price movements and exchange rate variations occurring between 1958 and 1981.

⁽²⁾ Of which loans carrying an interest subsidy financed from Community funds, see Table 3, page 24.

⁽³⁾ Excluding Euratom loans and loans on special conditions made available under the Lomé Conventions, as decided by the Commission of the European Communities.

In 1981, 2 221.8 million ECUs were lent within the Community for investment assisting regional development, including 394.5 million for industry. In the productive sector, 860 smaller scale ventures — especially valuable for the jobs they create — were financed from global loans, 144 of them in the food industry.

Operations within the Community

Resources deployed: aims pursued

Loans from EIB own resources and guarantees, as well as loans from NCI resources, are made available on the basis of similar objectives and criteria; except in the case of five loans for reconstruction of earthquake-stricken areas of Campania and Basilicata and one operation in support of telephone equipment in Sardinia, NCI funds helped to finance projects which also attracted loans from the Bank's own resources. Hence, it is useful to provide an overall picture of deployment of these resources within the Community and the main economic aspect of the projects financed; this is the purpose of the comments on pages 21 to 47. Operations can be considered from three viewpoints: the economic policy objectives which they help to attain (pages 28 to 41), their breakdown by economic sector or type of infrastructure (pages 40 to 45) and the location of the investment project financed (pages 45 to 47).

Loans from EIB 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 set out in general lending policy directives adopted by the Bank's Board of Governors. In practice, the Bank finances:*

— *first and foremost, projects promoting the economic advancement of areas in difficulty including investment required for the reconstruction of areas of Italy and Greece affected by earthquakes in 1980 and 1981 (see page 10) — **regional development projects**;*

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

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

or because they contribute towards the attainment of Community objectives such as environmental

protection, the introduction of advanced technology and, above all, more diversified and more secure energy supplies (developing indigenous resources, rational use of energy, energy savings, import diversification);

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

Projects accepted by the Bank can usually be classified by reference to a single economic policy objective, although certain projects contribute simultaneously to more than one objective. Accordingly, in 1981, loans from own resources totalling 380.6 million were granted for regional development projects which were also of common interest to several Member Countries (see Table 4, page 30).

Loans from NCI resources

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

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

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

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

— *in addition, the second tranche may be used, exceptionally and within the limit of 100 million, to finance not only the above two categories of investment but also advance factories and housing,*

provided they constitute an integral part of a wider project designed to further the economic and industrial development of a region of the Community.

Moreover, borrowing tranches have been authorised up to 1 000 million and 80 million respectively, after deducting any operations funded from the Bank's own resources for the same ends, for financing investment designed to restore production facilities and **reconstruct** economic and social infrastructure in **earthquake-stricken areas of Italy and Greece** (see page 10).

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

The Bank signed jointly with the Commission of the European Communities 19 loans from NCI resources for a total of 539.8 million compared with 197.6 million in 1980. A breakdown of these operations is given in Table 2.

In addition to assisting with reconstruction of areas of Campania and Basilicata affected by the November 1980 earthquake (296.4 million), funds helped to foster the development of handicapped regions in various Member Countries (178.7 million) and to improve the Community's energy supplies (93.7

Table 2: **Loans granted from NCI resources (1)**
from 1979 to 1981

	(million ECUs)			
	1979	1980	1981	Total
Denmark	—	18.1	—	18.1
France	—	—	40.3	40.3
Ireland	86.7	41.7	17.3	145.8
Italy (ordinary)	85.0	137.8	151.9	374.7
(reconstruction)	—	—	296.4	296.4
United Kingdom	105.3	—	33.9	139.2
Total (ordinary)	277.0	197.6	243.4	718.1
(reconstruction)	—	—	296.4	296.4
Grand Total	277.0	197.6	539.8	1 014.5

(1) See Table 7, page 46 for a geographical breakdown of financing from own resources.

million), with three projects contributing simultaneously towards both objectives (29 million) — see Table 4, page 30.

Reconstruction loans from NCI resources financed basic infrastructure essential for the resumption of economic and social activity (equipping prefabricated housing sites, repairing schools, water supply and sewerage mains, roads and railways).

Leaving aside reconstruction of the earthquake-stricken areas, investment financed from NCI resources focused on developing equipment for the energy sector (93.7 million), telecommunications (63.7 million) and the motorway network (40.3

Table 3: **Loans in Member Countries attracting interest subsidies financed from the Communities' General Budget in 1981**

	(million ECUs)				
	EMS subsidised loans (1)		Subsidised loans for the reconstruction of earthquake-stricken areas of Campania and Basilicata (2)		Total
	funded from EIB own resources	funded from NCI resources	funded from EIB own resources	funded from NCI resources	
Italy	639.1	96.4	31.8	296.4	1 063.7
Ireland	272.3	17.3	—	—	289.6
Total	911.4	113.7	31.8	296.4	1 353.3
Grand Total	1 025.1		328.2		1 353.3

(1) Council Regulation of 3 August 1979; loans attracting 3% interest subsidies for their full term.

(2) Council Decision of 20 January 1981; loans attracting 3% interest subsidy for a maximum period of 12 years.

million), as well as providing water supplies (33.9 million) and industrial estate infrastructure (11.9 million) — see also Table 5, page 40.

Loans carrying an interest subsidy financed from Community budgetary funds

Of aggregate financing provided from the Bank's own or NCI resources, 58 loans totalling 1 025.1 million attracted the 3% per annum **interest subsidy introduced in conjunction with the European Monetary System (EMS)** by the Council Regulation of 3 August 1979 in support of investment projects implemented in the less prosperous Member States effectively and fully participating in the EMS. A breakdown of these loans as between Italy and Ireland and according to origin of resources is given in Table 3 opposite (1).

(1) These amounts differ slightly from those given by the Commission of the European Communities in its Annual Report on EMS interest subsidies, as conversions into ECUs were effected on the basis of rates obtaining at two different dates for the separate reports. The amounts used by the Commission in respect of interest subsidies, bearing in mind accounting requirements, were as follows: Italy, 726.3 million; Ireland, 291.2 million, i.e. 1 017.5 million in all.

Accounting for 32.7% of overall lending from own resources and 46.7% of NCI operations, other than those falling under the heading of reconstruction, these loans represented 62.6% of total lending in Italy and 84.5% in Ireland.

Loans for reconstruction of earthquake-stricken areas of Campania and Basilicata amounted to 328.2 million, or one third of the package of subsidised loans authorised by decision of the Council of the European Communities on 20 January 1981. Such loans attract a 3% per annum interest subsidy over a maximum period of 12 years.

Hence, **loans in Member Countries attracting interest subsidies** financed from Community budgetary funds totalled 1 353.3 million in all, equivalent to 40.3% of lending from EIB own and NCI resources within the Community in 1981. *Particulars are provided in the listing of loans from the Bank's own resources (pages 92 to 98) and from NCI resources (pages 99 and 100).*

Survey of activity in 1981

In 1981, financing provided by the Bank from its own resources for investment projects in Member Countries amounted to 2 821.5 million as against 2 753.2 million in 1980. Loans from the resources of the New Community Instrument for borrowing and lending (NCI) stood at 539.8 million compared with 197.6 million in 1980.

Hence, total lending in the Community rose from 2 950.8 million in 1980 to 3 361.3 million in 1981, an overall increase of 13.9%, following rises of 15.3% in 1980 and 30% in 1979.

By maintaining financing operations at a high level, the Bank, in line with its general policy directives, helped to foster the development of regions in difficulty in the Community, aided the creation of job opportunities, enhanced the level of investment and improved the energy situation.

Interest subsidies financed from Community budgetary funds were granted in respect of loans totalling 1 353.3 million, earmarked either for capital investment projects implemented in the less prosperous Member States effectively and fully participating in the EMS (1 025.1 million) or for reconstruction of disaster areas in Italy (328.2 million).

Details of financing provided within the Community by the Bank from its own resources in 1981 are given on pages 92 to 98; such operations are accounted for on the EIB's balance sheet.

Operations from NCI resources are described on pages 99 and 100; these are accounted for off balance sheet in the Special Section set up by the Board of Governors for recording operations

carried out by the Bank under mandate from and for the account of third parties.

Tables 4, 5 and 7 give separate breakdowns for operations from the Bank's own resources and loans from NCI resources; they also give a breakdown of the total volume of financing from both sources, the economic impact of which can be better assessed when viewed as a whole.

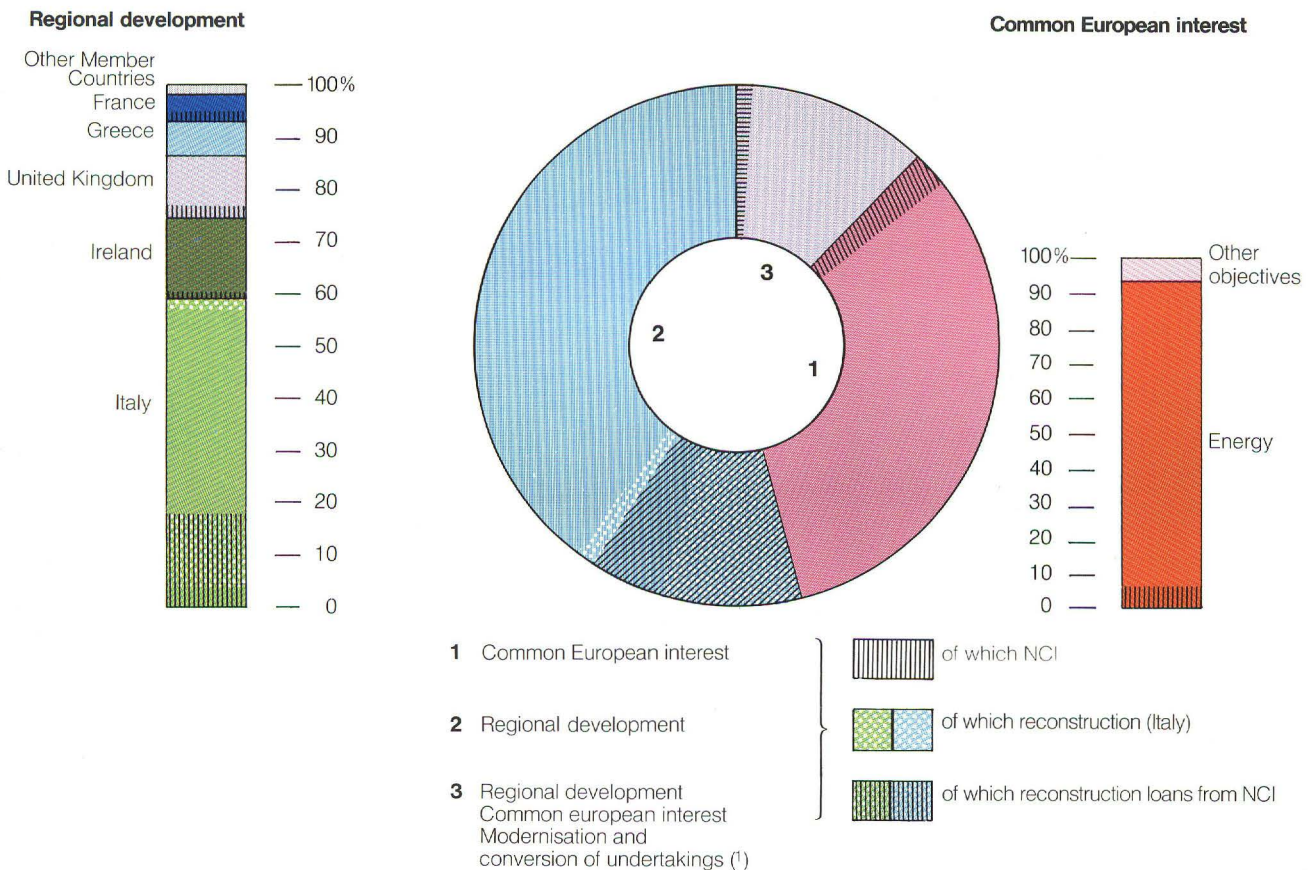
Loans in Greece, which became a Member of the Community on 1 January 1981, are now included under operations within the Community.

Bank activity in 1981 was marked by an upswing in lending in Italy, including an initial batch of subsidised loans for reconstruction of earthquake-stricken areas, a further steep increase in operations in Belgium and Denmark, mainly for energy sector equipment, and a revival in activity in Germany at a significant level, mainly as a result of two guarantee operations. Lending in Ireland and France was much in line with 1980 levels, while lending in the United Kingdom dipped sharply, chiefly under the influence of the Government's policy of pruning the public debt.

Bank financing on the whole was again concentrated in Member Countries faced with the most acute re-

Financing provided within the Community in 1981

Breakdown by major economic policy objective (1)



(1) Certain projects contribute simultaneously to more than one objective, see page 23 and Table 4, page 30.

gional problems: 69.3 % of operations from EIB own resources, or 73 % including loans from NCI resources, went to projects in Italy, Ireland, the United Kingdom and Greece. For the Member Countries with the most pronounced structural problems and in which most of the projects financed are located, the expansion in Bank activity generally represented a substantial transfer of external resources for financing investment in projects of high priority.

Lending for **regional development projects** was maintained at a high level (1 746.7 million from own resources; 2 221.8 million including NCI loans worth 475.1 million ⁽¹⁾) and, as in 1980, accounted for some two thirds of Bank activity in the Community. A marked surge was recorded in Italy, particularly in the Mezzogiorno, chiefly under the impetus of loans for reconstruction of Campania and Basilicata. A heavy concentration of financing benefited regions accorded top priority under the Community's regional development policy, as well as regions faced with very heavy unemployment and very low income per head.

Financing for projects of **common European interest** (1 450.5 million from own resources and 93.7 million from NCI resources, i. e. a total of 1 544.2 million) ⁽¹⁾ rose by 16.9 %. More than 90 % comprised loans for projects contributing towards attainment of Community energy policy objectives' (1 346 million from own resources and 93.7 million from NCI resources) by helping to develop Community resources (66.3 % of the total), serving to diversify imports (26.7 %) and promoting more rational use of energy (7 %).

The impact of the energy projects financed in 1981 in terms of reducing the Community's dependence on oil imports may be quantified as the equivalent of around 10.6 million tonnes of oil (t.o.e.), or about 2.3 % of the volume of imports in 1978, the ceiling set by the Council of the European Communities for oil imports in 1990.

From the sectoral viewpoint, financing for energy projects (mainly nuclear power stations, development of oil and natural gas deposits, gas-lines) again showed a sharp upswing (+ 28 %), accounting for more than 50 % of activity for the year, all resources combined. Loans for transport infrastructure, telecommunications, water schemes (supply, sewage treatment and disposal, and irrigation) and for equipping industrial estates continued to absorb a large amount of resources (around 40 % of the total). Support was again provided for small infrastructural works.

A fall was recorded in demand for investment financing in industry, agriculture and services, such that lending here amounted to only 472.3 million as against 585.4 million in 1980, in spite of further growth in global loans (318.3 million compared with 265.5 million in 1980) which represented more than two thirds of EIB support in these sectors. There was a significant increase in the number (860 compared with 518 in 1980) and amount (288.3 million as against 131.6 million in 1980) of allocations from ongoing global loans which benefited chiefly smaller scale ventures.

Loans and guarantees provided in 1980, including global loan allocations, contributed to the financing of 1 098 projects, compared with 703 in 1980 and 515 in 1979. The overall cost of these projects is estimated at around 11.7 billion, with finance from the Bank's own resources covering on average 24.1 % of the total, a figure which rises to 28.7 % when loans from NCI resources are included. These proportions tended to be larger in the case of small or medium-scale projects.

Investment projects financed by the Bank in 1981 should directly create some 20 600 permanent jobs and safeguard 10 600 more, chiefly in industry.

The provision of equipment for the energy sector along with various infrastructural works help in the longer term to create a large number of permanent jobs, mainly indirectly through the productive activity fostered by the investment. Moreover, the works and

⁽¹⁾ Including 380.6 million and 29 million respectively for projects contributing simultaneously to both regional development and common European interest objectives.

supplies involved in the construction of such plant — as in the case of industrial installations — also have appreciable temporary, direct and indirect, effects on employment during construction periods which are sometimes fairly lengthy. This temporary spin-off from investment part-financed by the Bank in 1981 is

estimated at around 450 000 man-years, or the equivalent of about 105 000 jobs during the first two years, but progressively fewer thereafter. Taking account of the similar impact of projects financed over the previous four years, employment for some 400 000 workers was probably secured in 1981.

Breakdown by economic policy objective

Lending for regional development projects

Lending for regional development projects amounted to 1 746.7 million from the Bank's own resources and to 475.1 million from NCI resources, giving a total of 2 221.8 million.

These figures include subsidised loans granted under the heading of Community aid for the disaster areas of Campania and Basilicata, i.e. 296.4 million from NCI resources and 31.8 million from the EIB's own resources.

Of the total amount of loans, 60 % was given over to projects in Italy, around 15 % to Ireland, 11.4 % to the United Kingdom, 6.7 % to Greece and lesser amounts to France, Denmark and Belgium.

The funds were used to finance equipment for the energy sector (456.6 million from own resources and 28.9 million from NCI resources), industrial, agricultural and service ventures (422.7 million from own resources), telecommunications (298.9 million from own resources and 63.7 million from NCI resources), transport infrastructure (200.6 million from own resources and 99.6 million from NCI resources), irrigation and water supply networks and sewage treatment plant (229.2 million from own resources and 60 million from NCI resources), the equipping of industrial estates, and projects embracing various types of infrastructural works (138.8 million from own resources — including global loans for 50.2 million — and 222.9 million from NCI resources).

More than 80 % of regional development financing was channelled to projects in top priority areas

(Ireland, the Mezzogiorno, Greece, Northern Ireland and Greenland) or regions where unemployment stands at least 25 % above the Community average.

In Italy, lending from the Bank's own resources in support of regional development rose by 16 % to 956.6 million, compared with 825.4 million in 1980; loans from NCI resources increased almost fourfold to 383.6 million as against 104 million. The combined total was 1 340.2 million, of which 1 262.9 million, or 94 %, benefited the Mezzogiorno.

In the Mezzogiorno, subsidised loans for restoring production facilities and reconstructing economic and social infrastructure in the earthquake-stricken areas of Campania and Basilicata ran to 328.2 million (31.8 million from the Bank's own resources and 296.4 million from NCI resources), or one third of the aggregate amount set aside. The funds were given over to repairing telephone and electricity distribution networks, roads, railways and schools, and providing vital infrastructure for prefabricated housing sites or resettlement centres for earthquake victims.

The Bank further stepped up its support for promoting the development of the **Mezzogiorno**: 847.5 million was advanced in the form of loans from own resources and 87.2 million from NCI resources, i.e. a total of 934.7 million, mainly in Sicily, Sardinia and Apulia, with around 40 % going to a number of gas and electricity transmission, telecommunications, water supply and industrial projects offering advantages to several regions.

Finance was provided for industry (192.4 million from own resources, one third up on the 1980 figure); mainly for the fine chemicals, foodstuffs, construction and motor vehicle sectors as well as for smaller

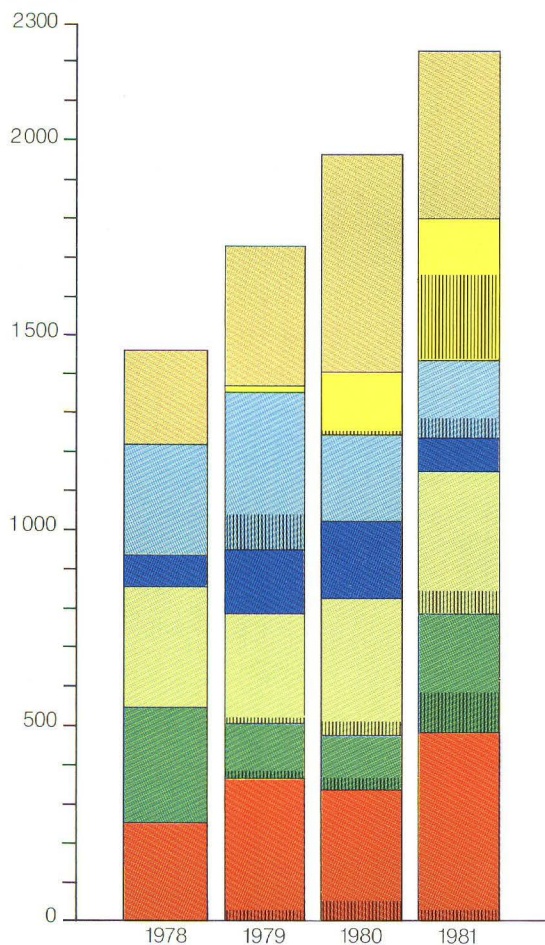
businesses, via global loans, equipment for the energy sector (283.2 million from own resources and 19.7 million from NCI resources), development of the road network and improvements to the telecommunications system with more than 200 000 new subscriber connections in several regions (209.7 million

from own resources and 55.6 million from NCI resources). Funds were also advanced for infrastructural projects involving the irrigation or drainage of 74 400 ha (63.6 million from own resources), water supplies for around 1.4 million inhabitants (67.6 million from own resources) and the equipping of

Financing provided for regional development within the Community from 1978 to 1981

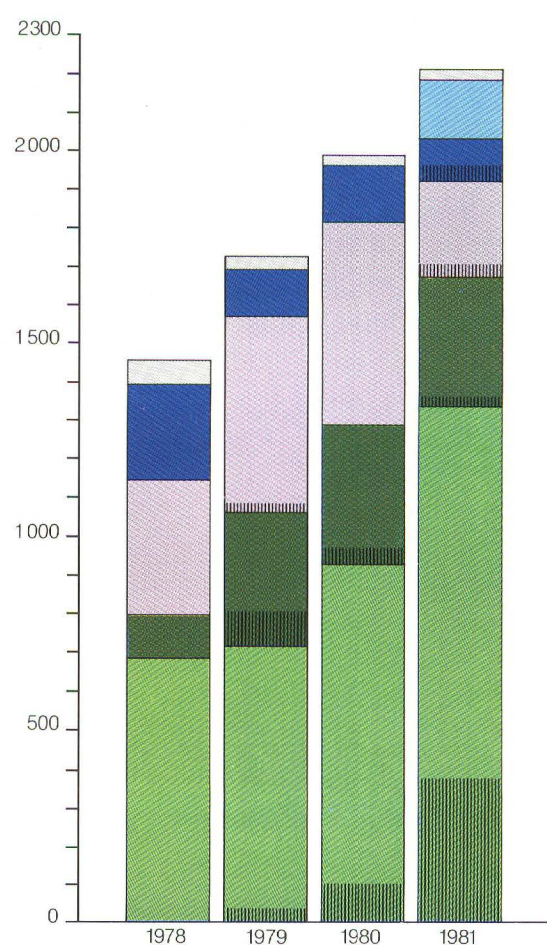
million ECUs

Sectoral breakdown



- Industry
- Other infrastructure
- Water catchment, treatment and supply
- Agricultural development
- Telecommunications
- Transport
- Energy
- of which NCI

Geographical breakdown



- Other
- Greece
- France
- United Kingdom
- Ireland
- Italy
- of which NCI

Table 4: **Financing operations within the Community in 1981 and from 1958 to 1981** ⁽¹⁾
 Breakdown by economic policy objective

Objective	From EIB own resources		From NCI resources		Total	
	million ECUs	%	million ECUs	million ECUs	million ECUs	%
Regional development	1 746.7	100.0	475.1	2 221.8	100.0	
Belgium	12.3	0.7	—	12.3	0.6	
Denmark	23.9	1.4	—	23.9	1.1	
Germany	—	—	—	—	—	
Greece	149.3	8.5	—	149.3	6.7	
France	67.7	3.9	40.3	108.0	4.8	
Ireland	318.1	18.2	17.3	335.4	15.1	
Italy ⁽²⁾	956.6	54.8	383.6	1 340.2	60.3	
Luxembourg	—	—	—	—	—	
Netherlands	—	—	—	—	—	
United Kingdom	218.8	12.5	33.9	252.7	11.4	
Modernisation and conversion of undertakings	4.9	100.0	—	4.9	100.0	
Common European interest	1 450.5	100.0	93.7	1 544.2	100.0	
Energy	1 346.0	92.8	93.7	1 439.7	93.2	
Development of Community resources	913.1	62.9	42.2	955.3	61.8	
<i>Hydroelectric and geothermal</i>	4.8	0.3	32.9	37.7	2.4	
<i>Nuclear</i>	700.6	48.3	—	700.6	45.4	
<i>Oil and natural gas deposits</i>	179.0	12.4	—	179.0	11.6	
<i>Solid fuels</i>	28.7	1.9	9.3	38.0	2.4	
<i>Alternative sources</i>	—	—	—	—	—	
Rational use of energy	88.2	6.1	11.9	100.1	6.5	
Import diversification ⁽³⁾	344.7	23.8	39.6	384.3	24.9	
<i>Natural gas</i>	171.5	11.8	27.8	199.3	12.9	
<i>Electricity, coal, etc.</i>	173.2	12.0	11.8	185.0	12.0	
Communications	79.8	5.5	—	79.8	5.2	
Transport	79.8	5.5	—	79.8	5.2	
<i>Railways</i>	—	—	—	—	—	
<i>Roads, bridges and tunnels</i>	—	—	—	—	—	
<i>Shipping</i>	7.2	0.5	—	7.2	0.5	
<i>Airlines</i>	72.6	5.0	—	72.6	4.7	
Telecommunications	—	—	—	—	—	
Other infrastructure	—	—	—	—	—	
Protection of the environment	22.3	1.5	—	22.3	1.4	
Industrial cooperation	2.4	0.2	—	2.4	0.2	
New technology — Research	—	—	—	—	—	
— <i>Deduct to allow for duplication in the case of financing justified on the basis of several objectives</i>	— 380.6		— 29.0	— 409.6		
Total	2 821.5		539.8	3 361.3		

⁽¹⁾ See Note 2 to Table 1, page 21.

⁽²⁾ Including loans for 38.1 million from EIB own resources and 296.4 million from NCI resources for reconstruction of disaster areas.

⁽³⁾ For example, gasoline projects, schemes helping to increase electricity imports, fitting out power stations to run on imported coal, etc.

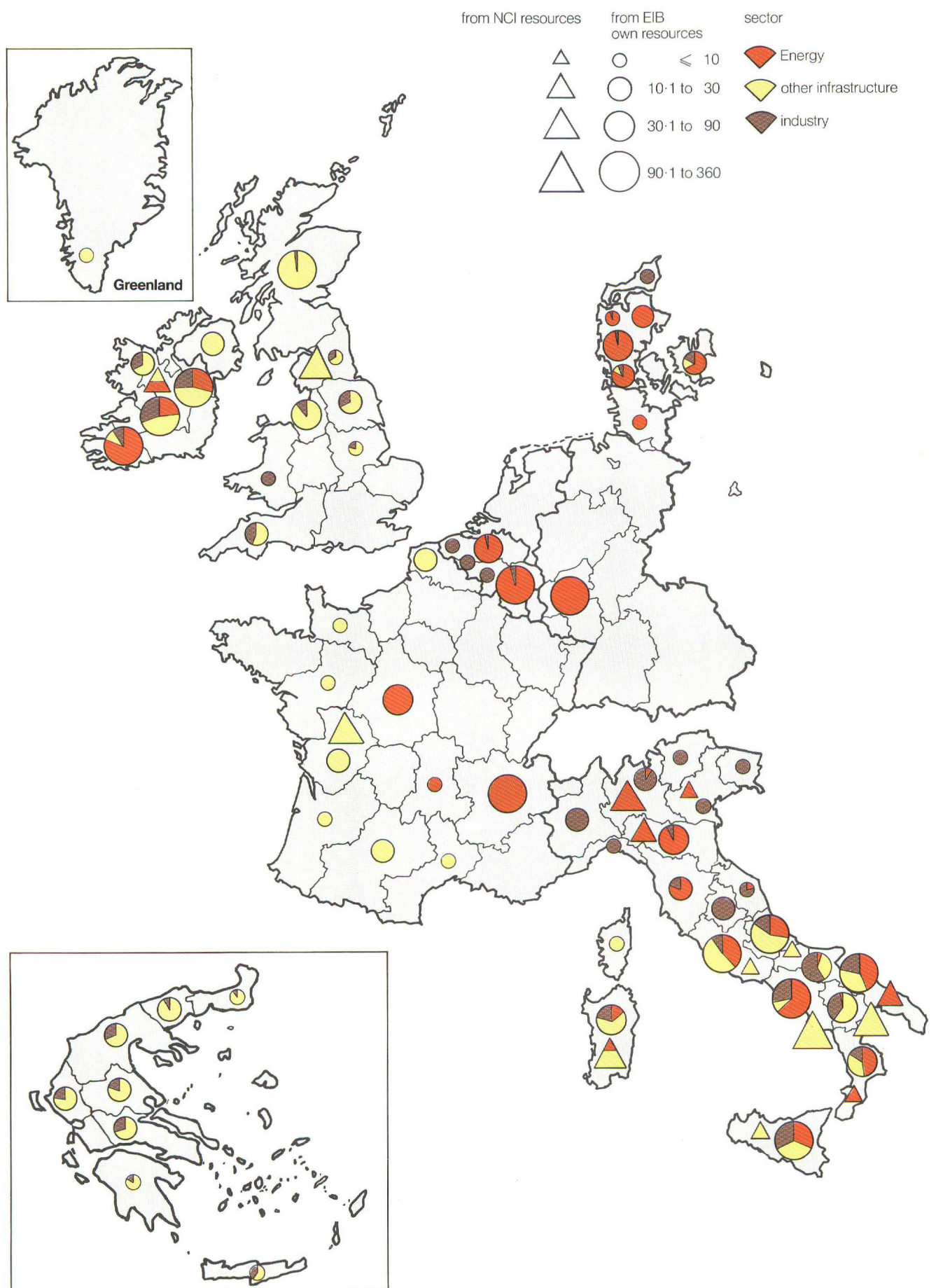
Operations within the Community

1958-81

From EIB own resources		From NCI resources		Total		Objective
million ECUs	%	million ECUs	million ECUs	million ECUs	%	
12 113.6	100.0	773.1	12 886.7	100.0		Regional development
102.3	0.8	—	102.3	0.8		Belgium
176.3	1.5	—	176.3	1.4		Denmark
372.6	3.1	—	372.6	2.9		Germany
149.3	1.2	—	149.3	1.1		Greece
1 503.8	12.4	40.3	1 544.1	12.0		France
1 243.5	10.3	145.8	1 389.3	10.8		Ireland
5 733.1	47.3	527.2	6 260.3	48.6		Italy (2)
4.0	—	—	4.0	—		Luxembourg
70.5	0.6	—	70.5	0.5		Netherlands
2 758.2	22.8	59.8	2 818.0	21.9		United Kingdom
279.6	100.0		279.6	100.0		Modernisation and conversion of undertakings
7 121.2	100.0	326.5	7 447.7	100.0		Common European interest
5 614.4	78.8	326.5	5 940.9	79.8		Energy
						Development of Community resources
4 119.1	57.9	198.0	4 317.1	58.0		Hydroelectric and geothermal
381.3	5.4	78.3	459.6	6.2		Nuclear
2 554.0	35.9	—	2 554.0	34.3		Oil and natural gas deposits
892.7	12.5	16.7	909.4	12.2		Solid fuels
288.5	4.1	103.0	391.5	5.3		Alternative sources
2.6	—	—	2.6	—		Rational use of energy
287.5	4.0	38.2	325.7	4.4		Import diversification (3)
1 207.8	17.0	90.3	1 298.1	17.4		Natural gas
782.0	11.0	69.5	851.5	11.4		Electricity, coal, etc.
425.8	6.0	20.8	446.6	6.0		
1 034.1	14.5	—	1 034.1	13.9		Communications
926.9	13.0	—	926.9	12.5		Transport
103.9	1.5	—	103.9	1.4		Railways
572.0	8.0	—	572.0	7.7		Roads, bridges and tunnels
71.3	1.0	—	71.3	1.0		Shipping
179.7	2.5	—	179.7	2.4		Airlines
107.2	1.5	—	107.2	1.4		Telecommunications
21.2	0.3	—	21.2	0.3		Other infrastructure
53.0	0.8	—	53.0	0.7		Protection of the environment
368.5	5.2	—	368.5	5.0		Industrial cooperation
30.0	0.4	—	30.0	0.4		New technology — Research
- 2 285.2		- 85.1	- 2 370.3			— Deduct to allow for duplication in the case of financing justified on the basis of several objectives
17 229.1		1 014.5	18 243.6			Total

Projects financed within the Community in 1981

million ECUs



several industrial estates (31 million) from own resources and 11.9 million from NCI resources).

In **Sicily**, the EIB funded various road schemes, including the Palermo by-pass, irrigation and improvement of farmland around Gela as well as extensions to the island's high voltage electricity transmission network, connecting it with the Calabrian grid via underwater cables laid in the Strait of Messina. Loans were also made available for equipping industrial estates at Syracuse and Catania and for converting four cementworks to coal-firing; two global loans were channelled to local institutions for financing smaller scale industrial ventures.

Lending in **Sardinia** focused on irrigation and drainage works covering more than 37 000 ha in Cagliari and Oristano provinces, improvements and extensions to the telephone and electricity networks, conversion to coal-firing of Sulcis power station, and finance for smaller industries.

In **Apulia**, the Bank helped to finance various stretches of road along the Adriatic coast, irrigation of 24 000 ha south west of Foggia, modernisation of a fork-lift truck factory at Bari, conversion to coal-firing of Brindisi power station and modernisation of the sole refinery on the Adriatic side of the Mezzogiorno, at Taranto, with a view to increasing the availability of light petroleum products.

In **Campania**, in addition to reconstruction operations, projects financed included Presenzano pumped storage power station, improvements to telephone equipment, rationalisation of factories producing pharmaceuticals (at Torre Annunziata), paint (Caivano) and beverages (Riardo), plus a further section of the Algeria-Italy gasline.

In **Calabria**, loans were made available for Calusia hydroelectric power station, development of the Lavinia natural gas field off Ciro Marina and extensions to two aqueducts supplying Cosenza province as well as Potenza and Matera in **Basilicata**.

Lending in **Latium** centred on road schemes enhancing links with the south of the region,

improvements to water supplies in 86 communes with a combined population of close on 600 000, irrigation of 12 000 ha of farmland, three foodstuffs factories in Latina province, industrial estates and, above all, a major programme for extending the telephone network, a venture also benefiting Abruzzi and Molise.

In **Abruzzi**, the EIB contributed towards financing expansion of the capacity of a natural gas pipeline, construction of a motor vehicle components factory at Atesa and a glassworks at San Salvo, and water supply facilities for numerous communes in Teramo province and in Ascoli Piceno province in **The Marches**.

In **Molise**, loans were provided for two fine chemicals plants at Termoli and a detergents factory at Isernia.

The Bank also concluded five global loans totalling 125.5 million (100 million in 1980) with a view to facilitating the financing of smaller scale ventures promoting the development of a wide range of manufacturing industries throughout the Mezzogiorno. Allocations drawn down in 1981 from ongoing global loans more than doubled compared with 1980, with 303 ventures attracting 144.7 million. The ventures financed were located in Campania (81 allocations; 41.9 million), Sicily (61; 25.6 million), Apulia (48; 21.9 million), Abruzzi (34; 17.9 million), Latium (31; 21.8 million), Calabria (30; 6.4 million), Molise (8; 2.7 million), The Marches (5; 5.8 million) and Basilicata (5; 0.7 million). The average amount per allocation — 477 000 — was comparable, even at current prices, with the average of 475 000 recorded for 929 ventures in the Mezzogiorno since 1969.

The Bank also lent 77.3 million for regional development projects in certain handicapped areas of **Central** and **Northern** Italy: a high voltage transmission line, a graphite electrodes factory at Narni Scalo in Umbria, a factory producing bio-medical appliances at Saluggia in Piedmont, and two global loans for smaller ventures.

Total global loan allocations for smaller scale ventures in less developed areas of Central and

The improvement of infrastructure directly reinforces regional development. In France, 108 smaller local projects of this kind were financed from global loans in 1981 in regions faced with development or conversion problems.

Operations within the Community

Northern Italy increased more than threefold compared with 1980 to a level of 16.2 million and comprised 43 sub-loans averaging around 377 000: 12 in Trentino-Alto Adige (6 million), 11 in Umbria (3.6 million), 8 in Tuscany (3.7 million), 7 in The Marches (1.8 million) and 5 in Friuli-Venezia Giulia (1.1 million).

Lending for regional development projects in Ireland amounted to 318.1 million from the Bank's own resources, roughly matching 1980's 318.7 million, and 17.3 million from NCI resources, compared with 41.7 million in 1980, giving a total of 335.4 million. Around 50 % of the funds were directed to projects taking in several regions, if not the whole country.

Energy infrastructure attracted the bulk of financing (129.7 million from own resources and 9.2 million from NCI resources), followed by industry, agriculture and services (82 million). Water schemes accounted for 32.9 million, improved, modernised telecommunications, 47.5 million from own resources and 8.1 million from NCI resources, and electrification of the Dublin suburban railway line, 26 million.

Lending in the energy sector centred on development of peat bogs with a view to producing fuel for generating stations and peat briquettes for domestic heating purposes, construction at Moneypoint of the country's first major coal-fired power station and upgrading of two peat-fired power plants at Shannonbridge and Lanesborough. These power stations will help to reduce the country's dependence on oil imports by some 915 000 t.p.a.

Financing for the productive sector covered a wide range of projects.

A loan for constructing or extending 46 industrial and agricultural training centres will give a greater number of workers access to the technical and managerial skills required for developing a broader spectrum of more productive activities in Ireland.

The EIB concluded several global loans for financing smaller scale industrial, agro-industrial and agricultural projects. A total of 43.3 million was drawn down

from ongoing global loans in support of 386 smaller businesses (307 allocations worth 38.3 million in 1980).

The average amount per allocation worked out at around 112 000 compared with 125 000 in previous years.

In the **United Kingdom**, the Bank made loans for 218.8 million from own resources and 33.9 from NCI resources for regional development projects, giving a total of 252.7 million (as against 499.5 million from own resources in 1980). Close on 90 % of the funds was given over to infrastructural works: water supply, sewerage, sewage treatment and disposal schemes (34.1 million from own resources and 33.9 million from NCI resources), telecommunications and road and rail transport facilities (112.6 million) and other infrastructure (46.3 million). Lending for industrial projects amounted to only 25.8 million, including a global loan for 9.3 million.

Projects financed were located largely in Scotland, and the North and the North West of England.

In **Scotland**, two loans to the local authorities in the Fife and Strathclyde regions will help to fund water supplies, sewage treatment and disposal and road schemes, particularly completion of the Monkland motorway across Glasgow. In the **North**, a loan from NCI resources was granted for water schemes in Northumbria, chiefly for the Kielder dam on the North Tyne.

Lending in the **North West** benefited water supplies, sewerage and sewage disposal schemes, construction of the Liverpool inner ring road and extension of a printing works in Manchester.

In the **South West**, the Bank contributed financing in Cornwall towards water schemes and a factory producing crawler dozers and loaders for the construction industry, while in Devon funds went to constructing flood protection works.

In **Yorkshire and Humberside**, lending focused on facilities for producing micro-processors and advanced technology computer systems in Leeds,

improvements to the telephone system in Hull and water schemes also of benefit to the **Midlands**.

In **Northern Ireland**, the Bank financed improvements to the Belfast and Londonderry road networks.

Three loans supported several Assisted Areas: one funded construction of 200 sleeping cars for use on the main lines linking Scotland with London and Bristol, another helped to finance digital telecommunications equipment, and a global loan was provided for smaller scale industrial ventures. In 1981, 46 allocations worth 18.1 million were approved from global loans already operative: 12 in the North West (2.3 million), 8 in Yorkshire and Humber-side (0.9 million), 7 in Wales (1.2 million), 5 in Scotland (0.7 million), 4 in the North (3.1 million) and 4 in Northern Ireland (1.4 million), 3 in the South West (7.4 million) and 3 in the East Midlands (1.1 million).

In **Greece**, Bank lending from own resources for regional development projects during the first year following this country's accession to the Community totalled 149.3 million.

Around two thirds of this amount was given over to infrastructural schemes, with the emphasis on communications (57.6 million): extension of the telecommunications systems in hitherto poorly served areas; provision of radar systems for improved air traffic control and construction of the new Thessaloniki—Serres road which will make handicapped areas of Eastern Macedonia less remote from the second largest town in the country.

Funds were also advanced for water schemes essential for industrial or agricultural development (40.4 million): sewerage networks and effluent treatment plant in the cities of Ioannina, Larissa, Kastoria and Ptolemaïs; sewerage networks, roads, and water and electricity supplies for five industrial estates at Komotini, Kavala, Volos, Patras and Heraklion accorded priority in the regional development programme; irrigation facilities covering close on 17 500 ha at four locations in Eastern Macedonia and Epirus.

Support for industry and farming (51.3 million) took the form of four global loans to industrial or agricultural credit banks: a total of 28 million was drawn

down from these lines of credit in favour of 34 smaller scale ventures located in Eastern-Central Greece and the Islands (11 allocations; 7.7 million), Central, Eastern and Western Macedonia (10; 9.3 million), Thessaly (3; 2.7 million), Crete (3; 2 million), Epirus (2; 3.1 million), the Peloponnese and Western-Central Greece (2; 1.5 million) and Thrace (2; 0.8 million); one allocation for 0.9 million was earmarked for modernising 200 smallholdings and livestock farms. These figures do not cover allocations approved during the year from global loans concluded before 1981 when Greece was not a member of the Community (see page 00).

In **France**, lending for regional development projects amounted to 108 million, of which 67.7 million was advanced from EIB own resources and 40.3 million from NCI resources.

Major projects financed were located in **Poitou-Charentes** and **Aquitaine** (17.5 million from own resources and 40.3 million from NCI resources) and involved extending the commercial port at La Rochelle-La Pallice and constructing some 290 km of the Paris—Spanish frontier motorway, an essential link with South-West France and a key section of the E 3 Lisbon—Stockholm highway.

In addition, four global loans were concluded with the Caisse d'Aide à l'Équipement des Collectivités Locales (CAECL) for financing infrastructural works benefiting various regions or departments (50.2 million). From these global loans and others concluded previously with this institution, 108 credits totalling 36.9 million went chiefly to finance road schemes in the Midi-Pyrénées (71 allocations; 11.3 million), the North (18; 16.4 million), Languedoc-Roussillon (10; 4 million), Lower Normandy (4; 1.4 million), Pays de la Loire (3; 2.4 million), Auvergne and Corsica (1 allocation for 0.7 million in each case).

Finance for regional development projects in **Denmark**, totalling 23.9 million from EIB own resources (17.5 million in 1980), was earmarked for improving Greenland's telecommunications network and its links with Denmark, extending the commercial port of Aabenraa on the Baltic, modernising the sewerage network in Kalundborg and constructing a

fishery research and development centre at Hirstals on the Skagerrak with a view to disseminating knowledge of new fishing techniques, to upgrade the equipment employed by the industry's fleets and to provide training for fishermen.

EIB support also included two further global loans (9.5 million in all) to the Danish Government. From these loans, and others concluded previously, 24 allocations amounting to 6.1 million were drawn down for smaller scale ventures mainly to the West of the Great Belt (22 allocations for 5.1 million).

In **Belgium**, 7 allocations were approved from the 12.3 million global loan made to Société Nationale de Crédit à l'Industrie: 4 ventures were located in Wallonia (7.9 million) and 3 in Flanders (4.4 million).

Loans and guarantees for projects of common European interest

Financing for projects of common European interest amounted to 1 544.2 million, of which 1 450.5 million was advanced from EIB own resources and 93.7 million from NCI resources. Over 90 % of these funds went into projects helping to attain Community energy policy objectives, namely development of indigenous energy resources (913.1 million from own resources and 42.2 million from NCI resources), import diversification (344.7 million from own resources and 39.6 million from NCI resources) and more rational use of energy (88.2 million from own resources and 11.9 million from NCI resources).

Overall investment financing under this heading over the past five years will help to reduce Community dependence on oil by around 60 million t.o.e. per annum, comprising an increase of 27.6 million t.o.e. in the Community's own production, import diversification estimated at 31.9 million t.o.e. and rational use of energy resources making for savings of 0.8 million t.o.e.

By providing financing totalling 913.1 million (compared with 682 million in 1980), the Bank,

following Community guidelines, sharply increased support for projects designed to **develop indigenous energy resources**. The nuclear sector attracted 700.6 million from own resources by virtue of two major guarantees on loans for Mülheim-Kärlich power station in Rhineland-Palatinate, Germany, and several loans for two power plants in France — at Belleville, downstream from Cosne-sur-Loire in the department of Cher and at Creys-Malville in the Alps where work is continuing on construction of the Super-Phénix fast breeder reactor which features a lower specific consumption than light water reactors, two in Belgium — at Tihange, near Liège, and at Doel, near Antwerp, and one in Italy — at Montalto di Castro in Upper Latium. These plants, with a combined capacity of 10 624 MW, will help to step up electricity generation by around 14 million t.o.e., 6.6 million of this produced by units financed for the first time in 1981. The Bank also made a further loan for the Eurodif uranium enrichment plant at Tricastin in the Rhône valley. Based on the gaseous diffusion process, this factory will have a separative capacity of 10 800 t USW — units of separative work — sufficient to meet the needs of around one hundred 1 000 MW power stations.

In its role as agent for Euratom, the Bank joined with the Commission of the European Communities in signing contracts for loans to finance nuclear power stations at Tihange (76.7 million) and Doel (148.5 million) in Belgium, the Super-Phénix plant at Creys-Malville in France (98.8 million) and Montalto di Castro power station in Italy (33.6 million). These operations, which totalled 357.6 million and are accounted for off balance sheet in the Special Section (see page 00), are appraised and managed by the Bank, but do not figure in its operating statistics as the financing decisions are taken by the Commission.

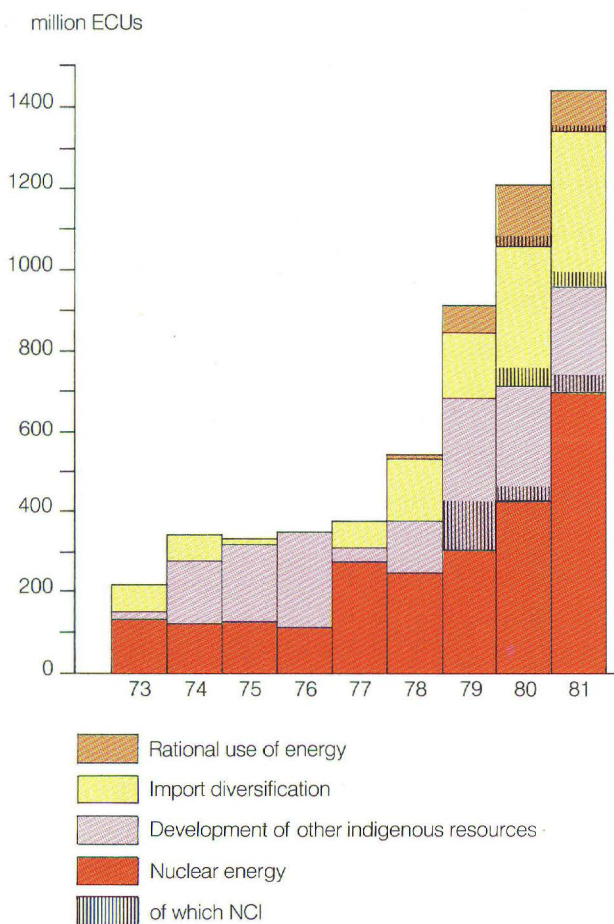
The Bank advanced 37.7 million, including 32.9 million from NCI resources, for two hydroelectric power stations in Italy with a combined capacity of 1 050 MW; one, at Calusia in Calabria, has already been mentioned in the light of the benefits which it offers for this handicapped region; the other, at Edolo in the Alps, will use off-peak power to pump water into reserve for driving turbo-generators to meet peak demand.

Loans from EIB own resources for developing Community hydrocarbon deposits totalled 179 million; the funds were earmarked for small oil or gas

fields on Italy's continental shelf and in the Milan region, as well as for the submarine gasline between the Tyra field and the terminal at Nybrø in Denmark, which is to transport gas from the Danish sector of the North Sea, for a further section of the Danish gasline and for the interconnecting pipeline in Germany — this will be used initially for supplying Russian gas to the Danish grid and subsequently, if required, for feeding Danish gas into the European gasline network.

The development of peat resources in Ireland, whose benefits from the regional development viewpoint are lent added weight by its contribution towards attaining Community autonomy on the energy front, attracted support from the Bank's own resources (28.7 million) and from NCI resources (9.3 million).

Financing provided for projects of common interest in the energy sector from 1973 to 1981



Investment financing geared to **diversifying energy imports** centred on development of the European gasline network (199.3 million, including 27.8 million from NCI resources), chiefly the pipeline intended to supply the Community with Algerian gas, several sections of which have already been mentioned in view of their benefits for the development of the Mezzogiorno; the Tunisian section of this gasline, between the Algerian frontier and the Strait of Sicily, attracted a loan under a special authorisation given by the Bank's Board of Governors in accordance with Article 18 of the EIB's Statute. In Abruzzi, a new pipeline, also cited previously, will convey gas from the local Cupello field and subsequently gas from Algeria. Further to the North, the Bank helped to finance work on increasing storage capacities at Minerbio and their integration into the Italian and European gas transmission systems with a view to enhancing reliability and flexibility of supplies.

In addition, loans totalling 185 million, including 11.8 million from NCI resources, were made for investment projects designed to promote increased use of coal as a substitute for oil products, while also fostering the development of the regions concerned: in Ireland, construction at Moneypoint of the country's major coal-fired power station, in Italy, improvements to the high voltage grid for transferring surplus electricity from the South to the North of the country, conversion to coal-firing of Brindisi and Sulcis power stations and similar work on kilns at several cementworks in Sicily.

Projects helping to achieve **rational use of energy** received a total of 100.1 million, comprising 88.2 million from the Bank's own resources and 11.9 million from NCI resources. The funds were earmarked for district heating schemes or gas supply networks (52.7 million) and industrial investment (47.4 million from the Bank's own resources) intended to reduce energy consumption by around 420 000 t.o.e.

The first batch of loans centred on conversion to natural gas of the Rome distribution network, the

district heating system in the town of Brescia in Italy (loan from NCI resources) and, in Denmark, a combined heat and power generating plant and district heating facilities at Kalundborg, Herning and Ikast.

The bulk of industrial investment financed with a view to promoting more rational use of energy was located in Italy: improvement of production and distribution of industrial gases in Lombardy; a number of schemes at Fiat works in Piedmont; equipment for producing combustible gas from residual sludge at a distillery, thereby avoiding the discharge of effluent into the Adriatic. The reflective glass plant in Abruzzi, already mentioned in connection with its contribution towards fostering regional development, introduces a new thermal insulating technique adapted to Italian conditions: one square metre of this glass saves around 35 litres of fuel oil a year.

For financing more modest scale investment aimed at more rational use of energy, the Bank also provided new global loans totalling 21.7 million, one in Greece, the other in Italy. From ongoing global loans of this type in Italy and Denmark, 20 allocations together worth 22.5 million were drawn down.

Projects designed to improve **communications** between Member States attracted loans from the Bank's own resources for an aggregate of 79.8 million; funds were applied in the main to acquisition by Alitalia of eight Airbus A 300 B4 jetliners for use chiefly on routes within the Community, acquisition by an Irish company of a roll-on, roll-off ferry to operate between Ireland and Great Britain and, as mentioned earlier, the provision of facilities at Greek airports guaranteeing safe transport of the 15 million passengers travelling each year on domestic and international flights, mainly between Greece and other Community countries.

A range of other loans from the Bank's own resources for ventures of common European interest have already been mentioned under the heading of regional development financing, e.g. three loans totalling 22.3 million for projects centred on **protecting the environment**. Sewerage and sewage treatment and disposal schemes serving four towns in Greece with close on 300 000 inhabitants will help to reduce pollution of the Mediterranean. In

Denmark, a similar project benefiting more than 35 000 persons will reduce the volume of untreated sewage discharged into the Baltic. In Italy, effluent treatment plant will enable a pharmaceuticals factory to comply with anti-pollution regulations. Furthermore, an Italian factory producing biomedical appliances received a loan in conjunction with **cooperation** between undertakings and universities in several Member Countries in introducing new technology.

Lending for industrial modernisation and conversion projects

The Bank granted a 4.9 million loan towards the conversion of a typewriter factory at Crema in Lombardy to produce electronic models and word processing equipment.

Many of the loans granted in consideration of the regional, rather than the sectoral, interest of the projects in question merit inclusion under the above heading for the general way in which they help pursue the aims of modernisation and conversion.

Financing for regional development projects in fact included 35.5 million — global loan allocations included — for 42 projects designed to generate employment in areas of industrial decline, and 158.4 million for infrastructure schemes for encouraging new manufacturing activity to set up in these areas.

Of all finance channelled into industrial ventures, over 107.7 million was used to help some 80 companies raise productivity and compete more keenly.

A final consideration is the technology-intensive nature of the sectors in which certain of the projects financed operate, the development of which may be a key factor in the future of Community industry: cases in point were biomedical appliances, data processing systems, various ventures in the agro-industrial, fine chemicals and pharmaceuticals sectors and a fisheries research and development centre.

Table 5: EIB financing operations within the Community in 1981

Sectoral breakdown

5.1. From EIB own resources

Sector	Number		million ECUs		% of total amount
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	218	110	2 349.2	38.6	83.3
Energy	47	3	1 419.8	2.4	50.3
Production	32	2	1 008.4	1.7	35.7
<i>Nuclear</i> ⁽¹⁾	10		700.6		24.8
<i>Thermal power stations</i>	4		111.3		4.0
<i>Hydroelectric power stations</i>	2		28.7		1.0
<i>District heating plant</i>	6	2	29.0	1.7	1.0
<i>Development of oil and natural gas deposits</i> ⁽²⁾	9		134.5		4.8
<i>Solid fuel extraction</i>	1		4.3		0.1
Transport	15	1	411.4	0.7	14.6
<i>Power lines</i>	7	1	150.2	0.7	5.3
<i>Gaslines and oil pipelines</i>	8		261.2		9.3
Communications	137	107	600.0	36.2	21.3
Transport	124	107	301.1	36.2	10.7
<i>Railways</i>	2		62.8		2.2
<i>Roads, bridges and tunnels</i>	112	103	150.9	33.1	5.4
<i>Shipping</i>	6	3	14.7	3.0	0.5
<i>Airlines</i>	4	1	72.7	0.1	2.6
Telecommunications	13		298.9		10.6
Water schemes	25		229.2		8.1
Agricultural development	11		83.1		2.9
Water catchment, treatment and supply	14		146.1		5.2
Other infrastructure	5		88.6		3.1
Global loans (unallocated portion) ⁽³⁾	4		11.6		0.5
Industry, agriculture and services	905	860	472.3	288.3	16.7
Industry	858	836	394.5	273.2	14.0
Mining and quarrying	14	14	11.5	11.5	0.4
Metal production and semi-processing	22	22	16.6	16.6	0.6
Construction materials	68	67	33.6	22.4	1.2
Woodworking	79	79	10.2	10.2	0.3
Glass and ceramics	19	18	20.1	17.3	0.7
Chemicals	55	49	66.7	21.3	2.4
Metalworking and mechanical engineering	209	205	81.2	61.7	2.9
Motor vehicles, transport equipment	29	27	23.1	11.6	0.8
Electrical engineering, electronics	41	40	17.1	9.7	0.6
Foodstuffs	149	144	62.1	43.7	2.2
Textiles and leather	35	35	5.4	5.4	0.2
Paper, pulp and printing	57	56	20.5	17.8	0.7
Rubber and plastics processing	59	59	21.4	21.4	0.8
Other	22	21	5.0	2.6	0.2
Agriculture, forestry, fishing	13	13	4.1	4.1	0.2
Services	13	11	43.7	11.0	1.5
Tourism	9	9	8.7	8.7	0.3
Other	3	2	31.3	2.3	0.1
Research and development	1		3.7		
Global loans (unallocated portion) ⁽⁴⁾	21		30.0		1.0
Total	1 123	970	2 821.5	326.9	100.0

5.2. From NCI resources

Sector	Number		million ECUs		% of total amount
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	19		539.8		100.0
Energy	7		93.7		17.4
Production	5		69.9		13.0
<i>Thermal power stations</i>	1		11.8		2.2
<i>District heating</i>	1		11.9		2.2
<i>Development of oil and natural gas deposits</i>	1		32.9		6.1
<i>Solid fuel extraction</i>	1		4.0		0.8
<i>Hydroelectric power stations</i>	1		9.3		1.7
Transport	2		23.8		4.4
<i>Gaslines and oil pipelines</i>	2		23.8		4.4
Communications	7		163.2		30.2
Transport	4		99.5		18.4
<i>Railways</i>	1		28.4		5.2
<i>Roads, bridges and tunnels</i>	3		71.1		13.2
Telecommunications	3		63.7		11.8
Water schemes	2		60.0		11.1
Water catchment, treatment and supply	2		60.0		11.1
Other infrastructure	3		222.9		41.3
Total	19		539.8		100.0

5.3. From EIB own and NCI resources

Energy, communications and other infrastructure	237	110	2 889.0	38.6	85.9
Energy	54	3	1 513.5	2.4	45.0
Production	37	2	1 078.3	1.7	32.1
<i>Nuclear (1)</i>	10		700.6		20.9
<i>Thermal power stations</i>	5		123.1		3.7
<i>Hydroelectric power stations</i>	3		61.6		1.8
<i>District heating plant</i>	7	2	40.9	1.7	1.2
<i>Development of oil and natural gas deposits (2)</i>	10		138.5		4.1
<i>Solid fuel extraction</i>	2		13.6		0.4
Transport	17	1	435.2	0.7	12.9
<i>Power lines</i>	7	1	150.2	0.7	4.5
<i>Gaslines and oil pipelines</i>	10		285.0		8.4
Communications	144	107	763.2	36.2	22.7
Transport	128	107	400.6	36.2	11.9
<i>Railways</i>	3		91.2		2.7
<i>Roads, bridges and tunnels</i>	115	103	222.0	33.1	6.6
<i>Shipping</i>	6	3	14.7	3.0	0.4
<i>Airlines</i>	4	1	72.7	0.1	2.2
Telecommunications	16		362.6		10.8
Water schemes	27		289.2		8.6
Agricultural development	11		83.1		2.5
Water catchment, treatment and supply	16		206.1		6.1
Other infrastructure	8		311.5		9.3
Global loans (unallocated portion)	4		11.6		0.3
Industry, agriculture and services (see 5.1. above)	905	860	472.3	288.3	14.1
Total	1 142	970	3 361.3	326.9	100.0

(1) Excluding 357.6 million in Euratom loans appraised and administered by the Bank.

(2) Including oil refining (31.8 million).

(3) Difference between the sum of global loans granted in 1981 (50.2 million) and the sum of allocations approved during the year from all current global loans for infrastructural schemes (38.6 million).

(4) Difference between the sum of global loans granted in 1981 (318.3 million) and the sum of allocations approved during the year from all current global loans for projects in industry, agriculture and the tertiary sector (288.3 million).

Sectoral breakdown

Investment financing in the energy sector totalled 1 419.8 million from the Bank's own resources and 93.7 million from NCI resources — 1 513.5 million in all, or 45 % of overall financing in the Community. Lending for transport and telecommunications infrastructure came to 600 million from own resources and 163.2 million from NCI resources, a total of 763.2 million. Loans for other types of infrastructure amounted to 100.2 million from own resources and 222.9 million from those of the NCI, or 323.1 million in all. For water supply and treatment projects and irrigation and drainage works, the Bank loaned 229.2 million from its own resources and 60 million from NCI resources, making a total of 289.2 million.

Lending from own resources for industrial projects and, to a lesser extent, agricultural and service ventures, came to 472.3 million. Over two thirds of this financing was provided through the medium of global loans (318.3 million).

Almost half of all the finance provided in the energy sector went towards nuclear power stations in Germany, France, Belgium and Italy (700.6 million in loans from own resources and guarantees, compared with 432.6 million in 1980). There was also an appreciable increase in the amount of loans for power lines (150.2 million from own resources), while credit for thermal and hydroelectric power stations and combined heat and power generating plants continued at a high level (169 million from own resources and 56.6 million from the NCI).

Loans for exploiting the Community's own oil and gas resources and the construction of gaslines rose considerably, reaching a total of 395.7 million from the Bank's own resources and 33.1 million from NCI resources. In addition, a total of 13.6 million (including 9.3 million from the NCI) went towards the extraction of solid fuels.

Most of this investment activity helped to further the pursuit of the Community's energy objectives, although a number of operations were also beneficial in terms of regional development. There is a certain discrepancy between the totals given for energy in Tables 4 and 5 (pages 30 and 40) that may be ascribed to two factors: (a) certain industrial projects serve the ends of Community energy policy, and (b) a number of operations in the energy sector help to foster regional development without being precisely tailored to the Community's energy objectives.

Loans for **other types of infrastructure** amounted to 41 % of financing for the year.

The Bank advanced 298.9 million from its own resources and 63.7 million from NCI resources for telecommunications (in the Mezzogiorno, United Kingdom, Ireland, Greece and Greenland) and 301.1

Table 6: Global and individual loans to industry, agriculture and services, 1977 to 1981

	1977	1978	1979	1980	1981
Allocations from current global loans:					
No	125	148	411	515	860
Amount (a) — million ECUs	53.6	68.3	128.2	128.2	288.3
Individual loans and global loan allocations:					
Amount (b) — million ECUs	388.5	231.0	368.6	448.1	442.3
Allocations as % of overall financing: (a)/(b)	13.8	29.6	34.8	28.6	65.2

million from own resources and 99.7 million from the NCI for road, rail, air and marine transport projects, mainly in less-developed and outlying areas.

Lending for water supply schemes and sewerage and sewage treatment and disposal projects to provide a basis for economic activity in development and conversion areas came to 146.1 million from the Bank's own resources and 60 million from those of the NCI. Irrigation and drainage works serving a total of some 137 000 hectares in Southern Italy, Greece and Ireland attracted 83.1 million of lending from own resources.

A further 88.6 million of financing from own resources and 222.9 million from NCI resources went into miscellaneous infrastructure for developing industrial estates in Southern Italy and various parts of Greece, re-equipping a number of Scottish counties hard-hit by the decline of staple industries, and establishing settlements to accommodate Italy's earthquake victims in prefabricated housing.

Four global loans were signed for financing miscellaneous small and medium-scale infrastructural projects, together totalling 50.2 million. Against global loans signed in 1981 and previously, 110 allocations amounting to 38.6 million were used for financing road and harbour works especially in France and energy infrastructure in Denmark (small district heating systems).

In **industry, agriculture and services**, Bank lending from own resources came to 472.3 million, compared with 585.4 million in 1980, 377.6 million in 1979 and 262.6 million in 1978. Two thirds of this financing was channelled through global loans.

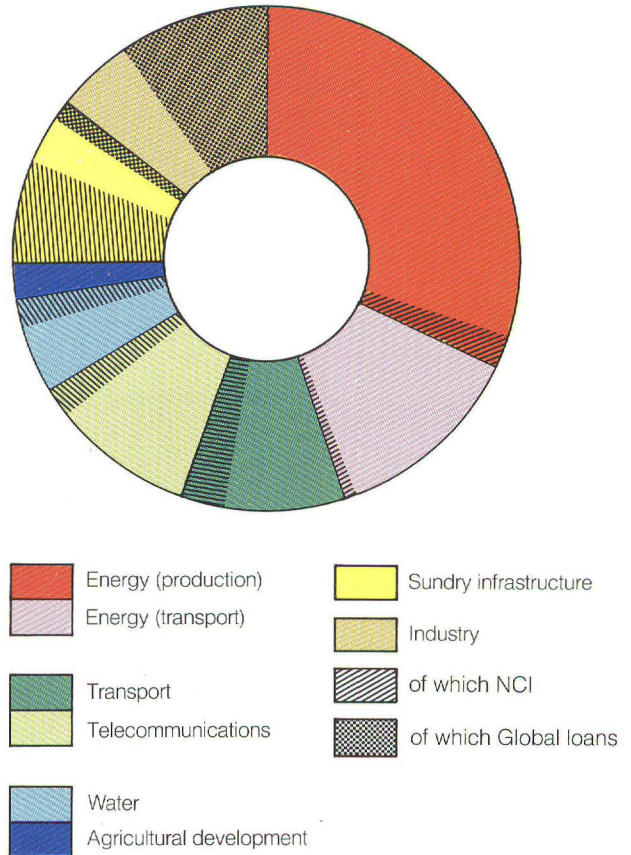
The general pattern shows the largest amounts going in support of metalworking and mechanical engineering, chemicals (fine chemicals in particular), foodstuffs, construction materials and services (especially vocational training).

About 27.4% of all lending in these sectors went towards consumer goods manufacturing, 52.8% towards intermediate goods and 19.8% to capital goods.

During 1981, 21 global loans totalling 318.3 million, compared with 19 for 265.5 million in 1980, were

Financing within the Community in 1981

Sectoral breakdown



concluded with financing institutions in Italy, Ireland, Greece, Denmark, the United Kingdom and Belgium. From these, allocations of between 25 000 and 6 million may be granted to help small and medium-scale ventures in industry and agriculture, either to foster the development of regions in difficulty (19 global loans totalling 296.7 million) or to promote the more efficient use of energy (2 global loans; 21.6 million).

There was a further rise in both the number and volume of allocations from global loans already on tap: 288.3 million was channelled into 860 small and medium-scale ventures, as against 131.6 million for 518 ventures in 1980. The average allocation worked

An urgent priority for the Community is to reduce its dependence on oil imports. In 1981, 1 439.7 million ECUs were channelled into investment serving this end, of which 955.3 million ECUs went towards development of indigenous resources (photograph: lignite mining).

out at 335 000 compared with an average, at current prices, of 356 000 for all credit drawn down since 1969.

Global loan finance during the year went mainly for investment in Italy (363 allocations for a total of 180.6 million) and Ireland (386; 43.3 million), with the remainder going to ventures in the United Kingdom (46; 18.1 million), Greece (34; 28 million) ⁽¹⁾, Denmark (24; 6.1 million) and Belgium (7; 12.3 million).

Close on 62 million worth of credit was taken up by 205 ventures in the mechanical engineering sector and 44 million by 144 smaller projects in the agricultural-processing sector. Other recipients were the woodworking sector (79; over 10 million), construction materials (67; over 22 million), rubber and plastics processing (59; over 21 million), paper and

⁽¹⁾ See also page 51.

printing (56; close on 18 million), chemicals, electrical engineering, textiles and leather, transport equipment, metals processing, glass and ceramics, mining and quarrying, agriculture and services.

Global loan allocations accounted for 65.2 % of all Bank financing in 1981 for industry, agriculture and services (see Table 6, page 42).

This mode of investment financing makes a most effective contribution to regional development by promoting the increasing diversification of industrial activity in labour-intensive sectors.

The ventures so financed should lead to the creation of over 14 300 permanent jobs and serve to safeguard a further 8 000. The investment per job directly created is around 49 600 ECUs, as compared with 148 500 for larger industrial projects receiving individual loans; 95 % by number and 80 % by amount of the allocations in question went to independent undertakings employing less than 500 people.

Breakdown by project location

Three quarters of the financing provided by the Bank in 1981 went towards projects located in Italy, Ireland and Greece, where acute regional and structural problems abound, as well as in the United Kingdom which also has particular regional and structural problems. In these four countries, the Bank lent a total of 1 954.6 million from its own resources and 499.5 million from those of the NCI, giving a total of 2 454.1 million.

By far the largest volume of finance went to **Italy**, where the 1 251.3 million advanced from the Bank's own resources and the 448.3 million from the NCI, totalling 1 699.6 million, compared with 1 290.3 million in 1980, accounted for more than half of all Bank financing in the Community. These figures include the exceptional emergency aid mobilised by the Community for reconstruction work in Campania and Basilicata: 31.8 million of subsidised loans from own resources and 296.4 million from NCI resources. Loans from own and NCI resources also attracting interest subsidies under EMS arrangements came to 639.1 million and 96.4 million respectively. This meant that 63 % of all lending in Italy — entirely for infrastructural works — attracted interest subsidies charged to the Communities' general budget (see page 25).

More than three quarters of the funds advanced in Italy went for investment in the Mezzogiorno. Loans

for the energy sector accounted for around 35 % of this; almost a quarter was for telecommunications and transport infrastructure; a further quarter for water supplies, irrigation works and miscellaneous infrastructure, chiefly in the disaster areas, and about 15 % for industry and services, with over two thirds of this going to investment in smaller undertakings via global loans.

A framework agreement, signed at the end of the year, provides for 115.4 million of lending from the Bank's own resources and 63.7 million from NCI resources for the construction of several thousand dwellings located in 14 industrial centres in the Mezzogiorno ⁽¹⁾.

⁽¹⁾ These amounts do not feature in the figures for the year's activity.

Operations within the Community

Lending in **Ireland** totalled 325.3 million from the Bank's own resources and 17.3 million from NCI resources — 342.6 million in all, compared with 376 million in 1980. Close on 85 % of all this financing carried an EMS interest subsidy (272.3 million of loans from own resources and all the loans from NCI resources) and broke down as to 41 % for the energy sector, 26 % for transport and telecommunications infrastructure, and 25 % for industry and agriculture, chiefly smaller-scale ventures and vocational training centres.

Financing in **Germany**, totalling 292 million compared with 14.2 million in 1980, went solely into energy investment. This consisted almost entirely of two guarantees for loans from a banking consortium for a nuclear power station.

In **France**, Bank lending from own resources totalled 226.7 million, while from NCI resources the amount

advanced was 40.3 million, making a total of 267 million, very close to that of the previous year. Two thirds of the funds went for nuclear energy and one third for infrastructure, in particular motorways.

Lending in **Ireland** totalled 325.3 million from the Bank's own resources and 17.3 million from NCI resources — 342.6 million in all, compared with 376 million in 1980. Close on 85 % of all this financing carried an EMS interest subsidy (272.3 million of loans from own resources and all the loans from NCI resources) and broke down as to 41 % for the energy sector, 26 % for transport and telecommunications infrastructure, and 25 % for industry and agriculture, chiefly smaller-scale ventures and vocational training centres.

All other lending in Member Countries was from the Bank's own resources. In **Belgium**, the total came to 182.5 million (compared with 153.2 million in 1980),

Table 7: **Financing provided within the Community in 1981, 1980 and from 1958 to 1981** ⁽¹⁾

Breakdown by project location

Location	1981					1980					1958—81				
	From EIB own resources		From NCI re-sources		Total	From EIB own resources		From NCI re-sources		Total	From EIB own resources		From NCI re-sources		Total
	million ECUs	%	million ECUs	million ECUs		%	million ECUs	%	million ECUs		%	million ECUs	%	million ECUs	
Belgium	182.5	6.5		182.5	5.4	153.2	5.6		153.2	5.2	568.2	3.3		568.2	3.1
Denmark	142.9	5.1		142.9	4.3	81.1	3.0	18.1	99.2	3.4	431.8	2.5	18.1	449.9	2.5
Germany	292.0	10.3		292.0	8.7	14.2	0.5		14.2	0.5	1193.0	6.9		1193.0	6.6
Greece ⁽²⁾	159.2	5.6		159.2	4.7						159.2	0.9		159.2	0.8
France	226.7	8.0	40.3	267.0	7.9	279.0	10.1		279.0	9.5	2537.0	14.7	40.3	2577.3	14.1
Ireland	325.3	11.5	17.3	342.6	10.2	334.3	12.1	41.7	376.0	12.7	1273.8	7.4	145.8	1419.6	7.8
Italy	1 251.3	44.4	448.3	1 699.6	50.6	1 152.5	41.9	137.8	1 290.3	43.7	7 193.6	41.8	671.1	7 864.7	43.1
Luxembourg											9.0	0.1		9.0	0.1
Netherlands											105.2	0.6		105.2	0.6
United Kingdom	218.8	7.8	33.9	252.7	7.5	688.0	25.0		688.0	23.3	3 534.8	20.5	139.2	3 674.0	20.1
Non-Member Countries ⁽³⁾	22.8	0.8	—	22.8	0.7	50.9	1.8		50.9	1.7	223.5	1.3		223.5	1.2
Total	2 821.5	100.0	539.8	3 361.3	100.0	2 753.2	100.0	197.6	2 950.8	100.0	17 229.1	100.0	1 014.5	18 243.6	100.0
<i>of which guarantees</i>	<i>282.1</i>	<i>10.0</i>				<i>14.2</i>	<i>0.5</i>				<i>524.5</i>	<i>3.0</i>			

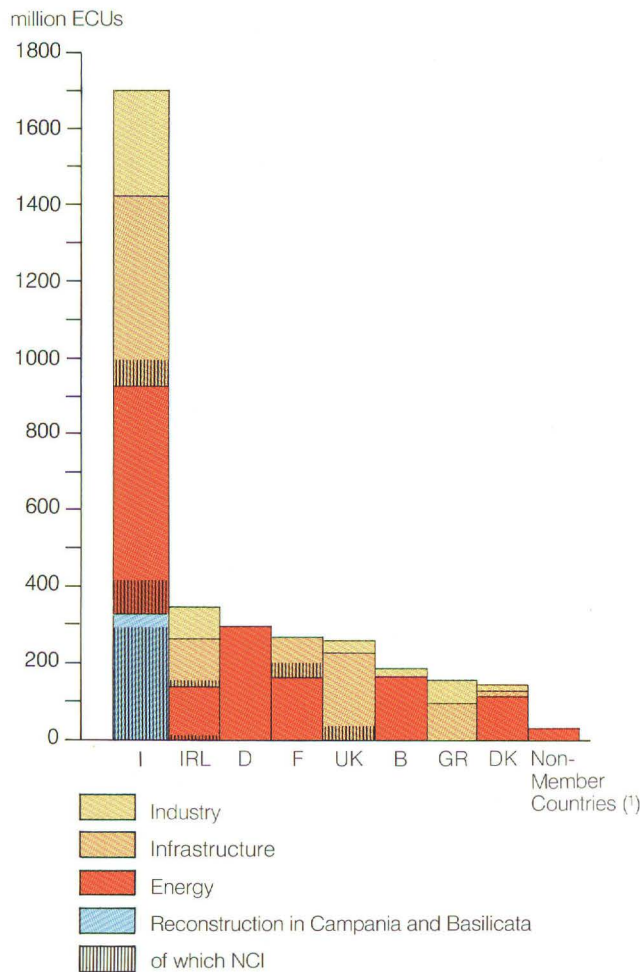
(1) See Note 2 to Table 1, page 21.

(2) See Table 8, page 50 and page 91 of 1980 Annual Report for particulars of investment financing in Greece from 1964 to 1980 under the Association Agreement.

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

Financing within the Community in 1981

Breakdown by project location and major sector



(1) See Note 3 to Table 7, page 46.

chiefly for two nuclear power stations. In **Greece**, for its first year as a Member Country, the amount was 159.2 million, an increase of about 60 % over 1980, the last year of the Association Agreement (1). In Protocol 7 annexed to the Act of Accession, the Member States recognise it to be in their common interest to help Greece, principally by making adequate use of Community resources to attain the objectives of its industrialisation and economic development policy. Consequently, loans were granted for transport and telecommunications infrastructure, irrigation and sewerage projects (61.5 %), and for small and medium-scale industrial and agricultural ventures (38.5 %).

In **Denmark**, over four fifths of the 142.9 million advanced went into energy projects, in particular gaslines, the rest of the financing being used mainly for telecommunications in Greenland, harbour works and small and medium-scale industrial and service ventures.

This leaves one other operation: a project located **outside the Community** but financed on the grounds of the contribution it would make to the Community's energy supplies, i.e. a section of the Algeria—Italy gasline passing through Tunisia.

(1) See also page 51.

Lending outside the Community in 1981 came to 486.8 million ECUs: 277 million in the Mediterranean and 209.8 million in the African, Caribbean and Pacific countries (ACP) and the Overseas Countries and Territories (OCT). In the ACP countries, the leading recipient was the mining and quarrying sector, which accounted for 36.7 % of the total.

Operations outside the Community

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

In the Mediterranean region, financing amounted to 277 million, and in the ACP States to 209.8 million, a total of 486.8 million compared with 547.7 million in 1980. Lending from the Bank's own resources, which is entered on the balance sheet, accounted for 396.4 million of this total, while operations using the Community's budgetary funds, which are accounted for in the Special Section, came to 90.4 million.

A large number of projects in the Mediterranean region and the ACP States involved co-financing operations, mounted mainly with the World Bank and the International Finance Corporation, the European Development Fund, the Islamic Development Bank, the Caisse Centrale de Coopération Économique, the Kreditanstalt für Wiederaufbau, the Commonwealth Development Corporation and the Financierings Maatschappij voor Ontwikkelingslanden.

The Mediterranean region

The Bank's operations in the Mediterranean region in 1981 were marked by various institutional developments: Greece became a member of the Community; pre-accession financial cooperation was established with Spain and Portugal; the third Financial Protocol with Turkey and most of those with the southern Mediterranean countries expired ⁽¹⁾. There was a general decrease in operations in the northern Mediterranean in spite of the fact that lending commenced in Spain, whereas in the Maghreb and Mashreq countries and Israel commitments increased.

Loans from own resources totalled 238 million, compared with 247 million in 1980, 121 million of this financing having attracted 2 or 3-point interest subsidies charged to the Community budget. In addition, Community budgetary funds were drawn on to make loans worth 39 million available in Turkey on special conditions: total term, 40 years; grace period, 10 years; interest rate, 2.5 %.

Over 60 % of the financing was concentrated in Portugal and Spain (119 million in all), both countries being candidates for Community accession, and Turkey (49 million).

More than half the financing in the Mediterranean region went into small and medium-scale ventures, 42.6 % being channelled into industry via five global loans, and 10.8 % into agriculture and forestry. A total of 127.3 million was drawn down from current global loans in 1981 to finance 191 ventures in industry, agriculture and the service sector (tourism in particular), as a result of which close on 10 000 jobs should be created.

Lending for roads and port infrastructure accounted for about 20 % of the total and finance for investment in the energy sector, rather over a quarter. These operations mostly helped the countries concerned to make greater use of indigenous resources and to exploit the energy available more efficiently.

⁽¹⁾ See pages 82 and 83 for particulars of activity under these protocols.

Operations outside the Community

Table 8: **Financing provided in the Mediterranean region in 1981 and from 1963 to 1981** ⁽¹⁾

Breakdown by project location

	Loans from own resources		Operations using budgetary funds		Total	
	million ECUs	% of total	million ECUs	% of total	million ECUs	%
1981						
Northern Mediterranean	129.0	54.3	39.0	100.0	168.0	60.7
Spain	40.0	16.9	—	—	40.0	14.5
Portugal	79.0	33.2	—	—	79.0	28.5
Turkey	10.0	4.2	39.0	100.0	49.0	17.7
Maghreb	52.0	21.8	—	—	52.0	18.8
Algeria	10.0	4.2	—	—	10.0	3.7
Morocco	30.0	12.6	—	—	30.0	10.8
Tunisia	12.0	5.0	—	—	12.0	4.3
Mashreq	15.0	6.3	—	—	15.0	5.4
Jordan	3.0	1.3	—	—	3.0	1.1
Lebanon	12.0	5.0	—	—	12.0	4.3
Other	42.0	17.6	—	—	42.0	15.1
Cyprus	12.0	5.0	—	—	12.0	4.3
Israel	30.0	12.6	—	—	30.0	10.8
Total ⁽²⁾	238.0	100.0	39.0	100.0	277.0	100.0
1963—81						
Northern Mediterranean	926.4	75.2	600.0	93.3	1 526.4	81.4
Spain	40.0	3.3	—	—	40.0	2.1
Greece	341.4	27.7	10.0	1.6	351.4	18.7
Portugal	380.0	30.8	—	—	380.0	20.3
Turkey	115.0	9.3	590.0	91.7	705.0	37.6
Yugoslavia	50.0	4.1	—	—	50.0	2.7
Maghreb	127.0	10.3	34.0	5.3	161.0	8.6
Algeria	30.0	2.4	—	—	30.0	1.6
Morocco	56.0	4.6	19.0	3.0	75.0	4.0
Tunisia	41.0	3.3	15.0	2.3	56.0	3.0
Mashreq	133.7	10.9	3.8	0.6	137.5	7.3
Egypt	65.0	5.3	—	—	65.0	3.5
Jordan	18.0	1.5	0.3	0.1	18.3	1.0
Lebanon	35.0	2.8	—	—	35.0	1.8
Syria	15.7	1.3	3.5	0.5	19.2	1.0
Other	45.0	3.6	5.0	0.8	50.0	2.7
Cyprus	12.0	1.0	—	—	12.0	0.6
Israel	30.0	2.4	—	—	30.0	1.6
Malta	3.0	0.2	5.0	0.8	8.0	0.5
Total ⁽³⁾	1 232.1	100.0	642.8	100.0	1 874.9	100.0

(1) See Note 2 to Table 1, page 21.

(2) 20 operations, including 6 global loans totalling 115 million; 191 allocations totalling 127.5 million from ongoing global loans.

(3) 169 operations, including 33 global loans totalling 398.7 million; 457 global loan allocations totalling 311.1 million.

Northern Mediterranean

Portugal

The Bank granted four loans, for a total of 79 million, of which 49 million was advanced under the Financial Protocol, thus exhausting the entire 200 million provided for before the end of 1981, and, as part of aid for facilitating the economic integration of Portugal into the Community, a 30 million global loan for financing small and medium-scale ventures in industry and tourism.

Under the Financial Protocol, the Bank helped to finance 16 800 ha of eucalyptus plantations to provide timber for pulping on marginal or over-exploited forest land. The funds so invested will help to sustain the Portuguese forestry industry, which accounts for almost 20 % of the country's entire exports.

There were 21 allocations totalling 17.2 million from global loans already on tap. These went towards small and medium-scale ventures, chiefly in the food and timber industries. A loan was also granted for improving the main road from Lisbon to the Algarve coast to cater for rising tourist traffic and to foster the development of the Alentejo and Southern Portugal.

Spain

As part of the pre-accession financial cooperation arrangements with Spain (see page 12), the Bank granted two global loans totalling 40 million to the Banco de Credito Industrial, one for financing small and medium-scale industrial ventures in the less-developed regions of the country and the other for investment in the substitution of coal for oil as the firing medium in cementworks.

Turkey

Lending operations in Turkey totalled 49 million — 10 million from the Bank's own resources and 39 million from the Community's budgetary funds — which ac-

counted for the balance available under the Third EEC-Turkey Financial Protocol. So financed:

— construction near Ankara of a national control centre for the high-voltage grid and works to strengthen the grid itself, both elements being designed to make more efficient use of power installations, improve the regulation of the network and reduce losses;

— construction of a hydroelectric complex on the Euphrates at Karakaya, with a 1 800 MW power station generating at a rate saving the equivalent of 2 million tonnes of fuel oil per annum.

Credit totalling 23.3 million was drawn down from global loans already on tap to finance 22 smaller industrial ventures, chiefly in the mechanical engineering sector.

Mention should also be made of 41 allocations in **Greece** from the last global loans to have been concluded under the Association Agreement, 40 totalling 26.7 million being granted in support of minor irrigation projects and small and medium-scale industrial ventures, chiefly in the foodstuffs and mechanical engineering industries, and one allocation for half a million going towards the modernisation of 105 smallholdings.

Southern Mediterranean

The Bank provided 67 million of financing, exclusively from its own resources, in five countries in this region under agreements signed between them and the Community. In the case of Morocco, Tunisia and Jordan, this served to use up all funds remaining under their Financial Protocols with the Community.

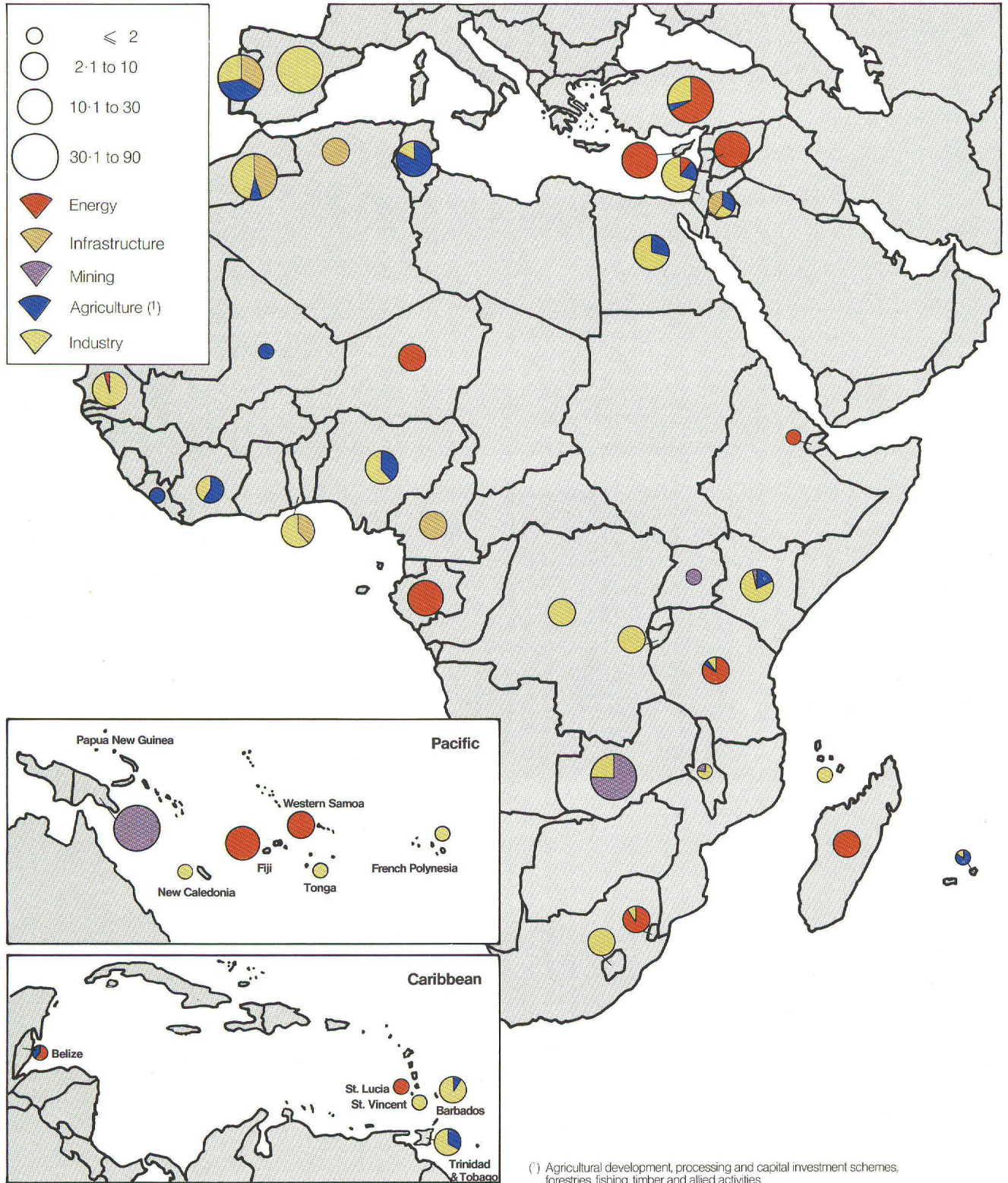
Maghreb

Morocco

Two loans were granted to the Kingdom of Morocco, each for 15 million. The first was for port improvement works at Safi and Agadir to reduce waiting time for shipping and to increase the volume of phosphate exports. The second was a global loan to finance small and medium-scale industrial ventures, from which, and from a global loan granted previously, 44 allocations totalling 8 million were drawn down, mostly for investment in the food, textiles and leather industries.

Projects financed in the Mediterranean region, the ACP States and the OCT in 1981

million ECUs



Tunisia

Agriculture and the agricultural processing sector attracted two loans from the Bank, together amounting to 12 million. These went in support of date production, partly for export, and increased output for the home market of fruit and vegetables, dairy products, sheep and poultry. Four allocations totalling 2.5 million were made from a global loan granted in 1979.

Algeria

A 10 million loan went towards improvements to the Constantine-Jijel road, which is being re-routed less circuitously by way of improving connections between this key inland area and the Mediterranean coast.

Mashreq

Lebanon

The Bank granted loans totalling 12 million for investment in the power stations at Zouk, north of Beirut, and Jieh to the south.

Jordan

One loan went towards the setting-up of an industrial estate at Sahab in the southern suburbs of Amman

and the provision of about a hundred advance factories for smaller businesses. From global loans already on tap, a total of 4.4 million was drawn down for 13 ventures.

Egypt

Twenty-three allocations totalling 14.8 million were drawn down from the global loan granted in 1979 to finance small ventures in the foodstuffs, textiles and leather sectors.

The Bank mounted its first operations in the following two countries:

Israel

Two 15 million global loans were granted and disbursed in full, benefiting 23 small or medium-scale ventures in the chemicals and food sectors and aiding the establishment of industrial estates and factory buildings. These two operations accounted for all the funds provided for in the Financial Protocol.

Cyprus

A loan for 12 million went towards Dhekelia power station, which will help to cater for the increasing needs of industry, agriculture and tourism throughout the island.

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

Total financing for the year came to 209.8 million, including 158.4 million from the Bank's own resources.

Under the Second Lomé Convention and the Decision on the OCT, the Bank granted twelve loans totalling 118.4 million from its own resources ⁽¹⁾ and mounted eighteen risk capital operations for an ag-

gregate of 49.5 million, using EDF funds. Also for the first time, a non-subsidised loan for 40 million was granted under the provisions of Article 59 and Annex XXXI of the Convention, whereby the Bank may commit, on a case-by-case basis, an additional 200 million of its own resources in mining and energy investment projects of mutual interest to the ACP State concerned and the Community. In addition, nine advances totalling 1.9 million were made under blanket authorisations for risk capital financing issued under the First Lomé Convention for funding studies and technical assistance.

⁽¹⁾ Loans attracting an interest subsidy from European Development Fund (EDF) resources, which brings the rate down to 8%. This subsidy is normally 3% but it may be increased in cases where the Bank's rate is more than 11%.

Operations outside the Community

Table 9: **Financing provided in the African, Caribbean and Pacific (ACP) States and the Overseas Countries and Territories (OCT) in 1981**
Breakdown by project location

	Loans from own resources		Risk capital operations using budgetary resources		Total	
	million ECUs	%	million ECUs	%	million ECUs	%
Africa	106.4	67.2	34.0	66.2	140.4	66.9
West Africa	29.4	18.6	5.4	10.5	34.8	16.6
Regional Development Bank	5.0	3.2	1.8	3.5	6.8	3.2
Liberia	—	—	0.7	1.4	0.7	0.3
Mali	—	—	0.2	0.4	0.2	0.1
Niger	10.0	6.3	—	—	10.0	4.8
Senegal	10.0	6.3	2.7	5.2	12.7	6.1
Togo	4.4	2.8	—	—	4.4	2.1
Central and Equatorial Africa	32.0	20.2	10.0	19.5	42.0	20.0
Burundi	—	—	4.0	7.8	4.0	1.9
Cameroon	10.0	6.3	—	—	10.0	4.8
Gabon	22.0	13.9	—	—	22.0	10.5
Zaire	—	—	6.0	11.7	6.0	2.8
East and Southern Africa	45.0	28.4	18.6	36.2	63.6	30.3
Comoros	—	—	0.2	0.4	0.2	0.1
Djibouti	—	—	1.8	3.5	1.8	0.9
Kenya	6.5	4.1	1.6	3.1	8.1	3.9
Lesotho	—	—	3.1	6.0	3.1	1.5
Madagascar	—	—	2.2	4.3	2.2	1.0
Malawi	—	—	0.4	0.8	0.4	0.2
Uganda	—	—	0.3	0.6	0.3	0.1
Swaziland	7.0	4.4	—	—	7.0	3.3
Tanzania	—	—	7.5	14.6	7.5	3.6
Zambia	31.5	19.9	1.5	2.9	33.0	15.7
Caribbean	—	—	0.2	0.4	0.2	0.1
St Lucia	—	—	0.2	0.4	0.2	0.1
Pacific	52.0	32.8	16.2	31.5	68.2	32.5
Fiji	12.0	7.6	0.2	0.4	12.2	5.8
Papua New Guinea	40.0	25.2	12.0	23.3	52.0	24.8
Tonga	—	—	1.0	1.9	1.0	0.5
Western Samoa	—	—	3.0	5.9	3.0	1.4
Total ACP	158.4	100.0	50.4	98.1	208.8	99.5
OCT	—	—	1.0	1.9	1.0	0.5
New Caledonia	—	—	1.0	1.9	1.0	0.5
Grand Total (1)	158.4	100.0	51.4	100.0	209.8	100.0

(1) 40 operations, including 7 global loans totalling 23.5 million; 54 allocations totalling 31.7 million from ongoing global loans.

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

The Bank began its operations in Lesotho, Uganda, Western Samoa, Tonga and St Lucia in 1981. The bulk of the financing went into mining and quarrying (36.7%), which is given special prominence in the Second Lomé Convention, energy (30.7%), manufacturing industry (25.2%, of which 13.4% for smaller businesses), transport infrastructure (6.9%) and services, in particular for studies.

The funds invested should help to create directly about 5 000 jobs, mostly in industry. The rather high average investment cost of about 570 000 ECUs per job created is largely a reflection of the preponderance of major mining and energy projects and conversion and modernisation schemes within the sum total of financing channelled into individual projects. In contrast, the cost per job created in the case of investment financed through global loan allocations came to only about 54 000 ECUs. Projects designed to reduce energy dependence will help to save the equivalent of about 100 000 tonnes of imported petroleum products, i.e. about 0.5% of the ACP countries' entire oil imports for 1980. Taking together all the projects financed between 1977 and 1980, this particular benefit works out at the equivalent of about 600 000 tonnes of oil, or 3% approximately of all such imports.

A breakdown of financing according to the level of development of the countries in question shows that about 90% of financing advanced from the Bank's own resources was concentrated in nine ACP

countries, two of which fall into the higher per capita income category and seven, the middle income range. Conversely, risk capital financing was confined to projects in seven low income ACP States and eight other, middle income countries.

Bank financing in **Africa** benefited 19 countries and a regional development bank.

In **Zambia**, three operations totalling 33 million were mounted, one in support of a project for re-processing copper tailings from spoil heaps, to recover about 35 000 tonnes of metal per annum from 1984-85 onwards, and two global loans for financing small and medium-scale ventures in the industrial, agro-industrial, mining and tourism sectors via the Development Bank of Zambia. The latter operations give scope for equity participations, loans on special conditions and feasibility study finance.

In **Gabon**, 22 million was provided in two loans for improving and expanding a uranium mine and for doubling the capacity of a hydro-electric power station serving an isolated mining area.

In **Senegal**, three loans, amounting in all to 12.7 million, will be used to finance:

- modernisation and expansion of a cementworks;
- a plant to produce phosphoric acid and fertilizers derived from local phosphate;
- prospection of an offshore light oil deposit near Casamance and both onshore and offshore oil exploration.

In **Cameroon**, a 10 million loan was granted for upgrading the Edéa-Eséka section of the Trans-Cameroon Railway.

In **Niger**, 10 million was lent towards the second phase of a coal-fired power station using locally-mined fuel at Anou Araren in the north of the country, near its uranium mines.

In **Kenya**, three loans totalling 8.13 million were granted for:

— converting the Mombasa cementworks to coal-firing and raising its capacity from 800 000 to 1 000 000 tonnes per annum: the plant is located on the coast and almost half its output goes for export;

— additional installations for a factory producing furfural from maize husks, finance for which was provided by the Bank in 1977;

— a feasibility study on sodium fluoride extraction.

In **Tanzania**, 7.5 million was provided for offshore oil prospecting near the Island of Songo Songo in the Indian Ocean.

In **Swaziland**, a loan for 7 million went towards a 20 MW hydroelectric scheme near the capital, Mbabane, designed to meet about 20% of the country's electricity requirements in 1985 and thus reduce its dependence on imports of power from South Africa.

In **Zaire**, risk capital assistance worth 6 million was made available to Société Financière de Développement (SOFIDE) for financing small and medium-scale industrial ventures.

In **Togo**, a loan for 4.4 million went towards enlargement of the port of Lomé where the number of berths is being increased from four to six to help reduce waiting time for shipping services.

In **Burundi**, there were two loans, together amounting to 4 million, for financing a glassworks at Bujumbura to produce 8 000 tonnes per annum of bottles and jars both for the home market and for export to Rwanda and possibly also Eastern Zaire.

In **Lesotho**, the Lesotho National Development Corporation received 3.1 million through three advances for financing small and medium-scale industrial ventures and two studies on the ceramics industry and the country's tourist potential.

In **Madagascar**, a loan for 2.2 million was used to help finance investigative work on the proposed extraction of tar from sandstone at Bemolangà in the North-West, where there are estimated reserves of 3

billion tonnes of bitumen, of which perhaps 780 million tonnes are recoverable.

In **Djibouti**, a 1.8 million loan went towards extension of the thermal power station and distribution grid serving the capital.

In **Liberia**, a 700 000 advance will be used to fund construction of two small palm oil mills at Buto, including technical assistance during their running-in period.

In the **Comoros**, the Bank acquired a 170 000 equity participation, on behalf of the Community, in the Comoros Development Bank which has just been established as a result of the findings of a study financed from risk capital in 1980.

The Banque Ouest Africaine de Développement (BOAD), the members of which are Benin, Ivory Coast, Upper Volta, Niger, Senegal and Togo, received financing totalling 6.8 million towards an equity participation in its capital and a global loan for financing investment in industry, energy and telecommunications, of benefit to several countries, in particular the least favoured.

There were a further three operations in Africa, together totalling about one million: these provided funds for study work on limestone and copper deposits in **Malawi** and **Uganda** respectively and for technical assistance to bring the Dioro rice mill in **Mali** into production.

In the **Pacific**, Bank financing went to four independent countries and one French Overseas Territory.

A total of 52 million went in two loans towards the tapping of a gold-bearing copper deposit in **Papua New Guinea**. One, for 40 million from own resources without interest subsidy, was the Bank's first operation to finance a mining or energy project of mutual interest to the ACP State concerned and the Community. The other, a 12 million loan, was a risk capital operation; this was to help the local Government finance a part of its holding in the mining company. The deposit in question, which lies close to the frontier with Indonesia, contains an estimated 400 million tonnes of ore of varying mineral content. Annual production should reach 175 000 tonnes of 32 %

copper concentrate by 1987, rising to over 360 000 tonnes by 1990, gold also being produced during the early years of the mine. Starting in 1985, some 1 000 jobs should be created, rising by a further 800 by 1990. The project will have a major impact on public finances, the balance of payments and the country's economic development, while at the same time helping to keep European industry supplied with copper concentrate and enabling it to diversify its sources of supply.

In **Fiji**, the Bank granted a 12 million loan towards the third and final phase of a hydroelectric scheme in Viti Levu, the largest and most populous of the Fijian Islands. Upon completion in 1984, this scheme will take over from existing oil-fired plants for generating all the electricity needed in the Island. Funds were also advanced for a study on ethanol production.

In **Western Samoa**, an advance of 3 million will go towards construction of Sauniatu hydroelectric power station in Upolu Island.

In **Tonga**, two loans for a combined total of one million will enable the Tonga Development Bank to provide finance on appropriate terms for small and medium-scale undertakings.

In the **Overseas Territory of New Caledonia** a risk-capital-financed global loan for one million was granted to Société Immobilière et de Crédit de la Nouvelle Calédonie to help it fund small and medium-scale ventures in industry and tourism.

In the **Caribbean**, the only recipient of Bank financing in 1981 was **St Lucia**, which received 180 000 to finance a study of the Island's geothermal resources.

In 1981, 54 allocations totalling 31.7 million were drawn down against global loan credit advanced to development finance companies in the ACP States and the OCT. The funds in question went mostly for investment on a small or medium-scale in such sectors as: foodstuffs (11 allocations for 7.8 million), rubber processing (6; 1.9 million), tourism (6; 1.7 million), paper and pulp (5; 4.1 million), chemicals (5; 4 million) and mechanical engineering (5; 2 million).

Projects that the Bank finances for their common European interest include investment in energy-saving schemes and environmental protection (photographs: treatment of oil tanker ballast water, insulation materials and smoke filters).

Resources

This section deals with resources mobilised by the Bank for lending and guarantee operations accounted for on its balance sheet and for which it assumes financial responsibility; details of these operations in 1981 appear on pages 92 to 98 and 101 and 102. It does not cover resources administered by the Bank under mandate from and on behalf of third parties, which are accounted for off balance sheet in the Special Section (see page 68), in particular loans from NCI resources and financing provided in the Mediterranean region and in the ACP States from Community resources, details of which for 1981 appear on pages 99 and 100 and 103 and 104.

At 31 December 1981, the Bank's total resources (comprising paid-in capital, reserves and provisions, the balance of the profit and loss account and borrowing proceeds) stood at 15 468.6 million compared with 12 237.6 million at 31 December 1980.

The rise was made up of a net increase in borrowed funds of 2 878.9 million, taking into account ad-

justments in conversion rates, 251.8 million in net income and 100.3 million in the form of Member States' contributions to the capital increase decided by the Governors in 1978 and Greece's contributions to the capital, reserves and provisions following this country's accession to the Community. Payments relating to the capital increase decided on 15 June 1981 will be made as from 1984 in eight half-yearly instalments totalling 540 million, bringing total paid-in capital to 1 465.715 million (see page 10 and Annex A to the Financial Statements, page 71).

In 1981, the Bank made calls on the financial markets amounting to 2 309.7 million as against 2 466.8 million in 1980. Of this, 2 149.9 million was raised through public issues and private placings, 92.8 million through medium-term interbank operations and 67 million from the sale to third parties of participations in Bank loans, guaranteed by the EIB.

The distribution of the Bank's borrowings between Community and non-Community currencies showed

Table 10: Funds raised from 1961 to 1981

Year	Number	Amount (million ECUs)			Participations by third parties in EIB loans (million ECUs)	Funds raised (million ECUs)
		Private issues	Public issues	Total		
1961	3	7.6	13.8	21.4	—	21.4
1962	2	—	32.3	32.3	—	32.3
1963	3	8.0	27.2	35.2	—	35.2
1964	5	13.5	53.3	66.8	—	66.8
1965	4	—	65.0	65.0	—	65.0
1966	6	24.0	114.5	138.5	—	138.5
1967	8	40.0	154.5	194.5	—	194.5
1968	13	112.5	100.0	212.5	—	212.5
1969	9	63.7	82.3	146.0	—	146.0
1970	7	66.6	102.3	168.9	—	168.9
1971	20	208.0	204.9	412.9	—	412.9
1972	19	133.4	328.6	462.0	17.5	479.5
1973	22	207.0	401.0	608.0	4.3	612.3
1974	16	704.2	121.3	825.5	—	825.5
1975	26	318.6	495.1	813.7	17.0	830.7
1976	17	221.0	510.9	731.9	17.0	748.9
1977	31	321.9 ⁽¹⁾	707.6	1 029.5	132.0	1 161.5
1978	43	509.0 ⁽²⁾	1 353.9	1 862.9	86.8	1 949.7
1979	59	983.2 ⁽³⁾	1 453.4	2 436.6	44.6	2 481.2
1980	73	874.5	1 509.0	2 383.5	83.3	2 466.8
1981	57	974.9 ⁽⁴⁾	1 267.8	2 242.7	67.0	2 309.7
1961—81	443	5 791.6	9 098.7	14 890.3	469.5	15 359.8

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

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

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

(4) Including 92.8 million in medium-term interbank operations.

Table 11: List of borrowings in 1981

Date of contract	Month of issue	Place of issue	Subscription currency	Amount in national currency (million)	Amount in ECUs (million)	Life (years)	Rate of interest (%)	Placing
Public and private borrowings								
9. 1. 1981	January	Luxembourg	US\$	100	76.3	7	12 ³ / ₄	Public (1)
5. 2. 1981	February	Luxembourg	Ffrs	11.1	1.9	7	13.3	Private
10. 2. 1981	February	Netherlands	Fl	15	5.4	15	11	Private
12. 2. 1981	February	Switzerland	Sfrs	100	43.2	10	6 ¹ / ₂	Public (2)
22. 2. 1981	February	Luxembourg	Sfrs	100	43.2	7	6.35	Private
22. 2. 1981	February	Luxembourg	US\$	100	76.3	7	13.6	Private
9. 3. 1981	March	Germany	DM	200	78.0	10	10.5	Public (3)
13. 3. 1981	March	Luxembourg	Lfrs	600	14.5	7	11.5	Public (4)
18. 3. 1981	March	Netherlands	Fl	30	10.7	20	12	Private
20. 3. 1981	March	Luxembourg	US\$	75	57.3	8	12 ³ / ₄	Public (5)
24. 3. 1981	March	Netherlands	Fl	25	9.0	15	12	Private
24. 3. 1981	March	Netherlands	Fl	10	3.6	15	12	Private
14. 4. 1981	April	Luxembourg	Ffrs	11.1	1.9	7	13.3	Private
30. 4. 1981	May	Switzerland	Sfrs	50	21.6	6	7 ¹ / ₂	Private
6. 5. 1981	May	Netherlands	Fl	100	35.6	10	12	Private
12. 5. 1981	May	Germany	DM	15	5.9	20	10 ³ / ₄	Private
18. 5. 1981	May	Switzerland	Sfrs	80	34.6	10	7 ¹ / ₂	Public (6)
25. 5. 1981	May	Luxembourg	US\$	15.8	13.0	10	15 ¹ / ₄	Private
2. 6. 1981	June	Luxembourg	ECUs	40	40.0	8	13 ¹ / ₄	Public (7)
3. 6. 1981	June	Luxembourg	US\$	25	19.1	8	12 ³ / ₄	Public (8)
5. 6. 1981	June	Germany	DM	100	39.4	10	10 ³ / ₄	Public (9)
9. 6. 1981	June	Netherlands	Fl	100	35.6	10	12	Public (10)
15. 6. 1981	June	France	Ffrs	250	41.8	5	16 ³ / ₄	Private
18. 6. 1981	June	Japan	Yen	20 000	78.7	12	8 ¹ / ₂	Public (11)
23. 6. 1981	June	Luxembourg	US\$	20	16.5	6	floating rate	Private
9. 7. 1981	July	Switzerland	Sfrs	75	34.9	6	7 ¹ / ₂	Private
23. 7. 1981	July	Netherlands	Fl	100	35.6	12	12 ¹ / ₈	Private
12. 8. 1981	August	Germany	DM	200	79.2	10	10 ¹ / ₂	Public (12)
18. 8. 1981	August	Japan	Yen	20 000	83.9	15	8.7	Private
24. 8. 1981	August	Netherlands	Fl	30	10.7	20	12 ¹ / ₂	Private
27. 8. 1981	September	Switzerland	Sfrs	80	37.2	10	7 ³ / ₄	Public (13)
8. 9. 1981	September	Luxembourg	US\$	100	94.8	7	16 ¹ / ₂	Public (14)
11. 9. 1981	September	France	Ffrs	500	83.0	10	17 ¹ / ₂	Public (15)
20. 9. 1981	September	Luxembourg	Fl	150	53.4	7	11.8	Private
22. 9. 1981	September	Netherlands	Fl	200	71.2	12	12 ³ / ₄	Public (16)
28. 9. 1981	September	Luxembourg	US\$	25	23.7	7	16 ³ / ₄	Private
9. 10. 1981	October	Luxembourg	ECUs *	45	45.0	8	14 ¹ / ₄	Public (17)
14. 10. 1981	October	Germany	DM	200	80.6	10	10 ¹ / ₈	Public (18)
15. 10. 1981	October	Luxembourg	US\$	100	93.7	10	16 ³ / ₄	Public (19)
23. 10. 1981	October	United Kingdom	£	10	17.0	12	16 ³ / ₈	Private
30. 10. 1981	November	Switzerland	Sfrs	80	37.9	5	8 ³ / ₈	Private
6. 11. 1981	November	Belgium	Bfrs	2 000	49.2	6	14 ¹ / ₂	Public (20)
6. 11. 1981	November	United States	US\$	125	117.2	10	14 ⁵ / ₈	Public (21)
26. 11. 1981	November	Belgium	Bfrs	100	2.5	7	14	Private
27. 11. 1981	November	Japan	Yen	25 000	100.8	14	9.1	Private
4. 12. 1981	December	Germany	DM	60	24.2	7	9 ³ / ₄	Private
7. 12. 1981	December	Switzerland	Sfrs	100	47.4	7	7 ³ / ₄	Private
8. 12. 1981	December	Netherlands	Fl	30	10.9	15	12	Private
10. 12. 1981	December	United Kingdom	£	53	89.9	10	15 ⁵ / ₈	Private
17. 12. 1981	December	Netherlands	Fl	20	7.2	15	11 ³ / ₄	Private
17. 12. 1981	December	Netherlands	Fl	10	3.6	15	11 ³ / ₄	Private
17. 12. 1981	December	Germany	DM	30	12.1	10	10	Private

2 149.9

Medium-term interbank operations

Date of contract	Month of deposit	Origin	Currency	Amount in national currency (million)	Amount in ECUs (million)	Maturity	Rate of interest %
10. 3. 1981	March	United Kingdom	DM	100	38.9	1985	10.75
24. 6. 1981	June	Netherlands	Fl	50	17.8	1985	11.965
24. 6. 1981	June	Netherlands	Fl	25	8.9	1985	11.965
4. 11. 1981	November	United Kingdom	US\$	5	4.7	1985	16.125
4. 11. 1981	November	United Kingdom	US\$	10	9.4	1985	16.25
7. 11. 1981	November	Netherlands	US\$	14	13.1	1985	15.95

92.8

Total borrowings

2 242.7

* Each 1 000 ECU bond carries a warrant giving an option to purchase a 1 000 ECU bond from a 14%, 1981/86 issue. As of 31 December 1981, 156 such options had been exercised for a total of 156 000 ECUs.

- (1) Underwritten by a banking syndicate composed of Crédit Commercial de France, Bank of America International Limited, Banque Bruxelles Lambert S.A., Banque Nationale de Paris, Bayerische Landesbank Girozentrale, Berliner Handels- und Frankfurter Bank, Caisse des Dépôts et Consignations, Continental Illinois Limited, County Bank Limited, Crédit Lyonnais, Istituto Bancario San Paolo di Torino, Smith Barney, Harris Upham & Co. Incorporated, Société Générale, Sumitomo Finance International, Williams & Glyn's Bank Limited and Genossenschaftliche Zentralbank AG, Vienna; offered for public subscription at par.
- (2) Underwritten by a banking syndicate headed by Soditic S.A., Nordfinanz-Bank Zurich and Kredietbank (Switzerland) S.A.; offered for public subscription at par.
- (3) Underwritten by a banking syndicate composed of Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and Westdeutsche Landesbank Girozentrale; offered for public subscription at par.
- (4) Underwritten by a banking syndicate composed of Banque Internationale à Luxembourg S.A., Banque Générale du Luxembourg S.A., Kredietbank S.A. Luxembourgeoise, Caisse d'Épargne de l'État Luxembourg, Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg S.A., Crédit d'Alsace et de Lorraine Luxembourg, Société Alsacienne de Banque Luxembourg, Banque Nationale de Paris (Luxembourg) S.A., Banque de l'Indochine et de Suez S.A. Luxembourg and Crédit Lyonnais Luxembourg; offered for public subscription at 99 %.
- (5) Underwritten by a banking syndicate composed of Crédit Suisse First Boston Limited, Deutsche Bank AG, Banque Bruxelles Lambert S.A., Baring Brothers & Co. Limited, Goldman Sachs International Corp., Kuwait Investment Company (S.A.K.), Morgan Guaranty Limited, Orion Bank Limited, Salomon Brothers International and Swiss Bank Corporation International Limited; offered for public subscription at 94 ⁵/₈ %.
- (6) Underwritten by a banking syndicate composed of Union Bank of Switzerland, Swiss Bank Corporation and Swiss Credit Corporation; offered for public subscription at 99.25 %.
- (7) Underwritten by a banking syndicate composed of Kredietbank International Group, Algemene Bank Nederland N.V., Amro International Limited, Banca Commerciale Italiana, Bank of Tokyo International Limited, Banque de l'Indochine et de Suez, Banque Internationale à Luxembourg S.A., Berliner Handels- und Frankfurter Bank, Chase Manhattan Limited, Crédit Commercial de France, Deutsche Bank AG, Dresdner Bank AG, Kleinwort, Benson Limited, Salomon Brothers International and Société Générale de Banque S.A.; offered for public subscription at par.
- (8) Underwritten by Crédit Suisse First Boston Limited; offered for public subscription at 90.083 %.
- (9) Underwritten by a banking syndicate composed of Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and Westdeutsche Landesbank Girozentrale; offered for public subscription at par.
- (10) Placed by a banking syndicate composed of Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., Bank Mees & Hope N.V., Pierson, Heldring & Pierson N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Nederlandsche Middenstandsbank N.V. and Bank der Bondsspaarbanken N.V.; offered for public subscription at 100.5 %.
- (11) Underwritten by a banking syndicate composed of The Nikko Securities Co. Ltd., Daiwa Securities Co. Ltd., The Nomura Securities Co. Ltd. and Yamaichi Securities Company Limited; offered for public subscription at 99.45 %.
- (12) Underwritten by a banking syndicate composed of Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and Westdeutsche Landesbank Girozentrale; offered for public subscription at 99.5 %.
- (13) Underwritten by a banking syndicate headed by Banque Gutzwiller, Kurz, Bungener S.A.; offered for public subscription at par.
- (14) Underwritten by a banking syndicate composed of Union Bank of Switzerland (Securities) Limited, Rabobank Nederland, Kredietbank International Group, Banque Générale du Luxembourg S.A., Banque Nationale de Paris, Banca Commerciale Italiana, Banque Internationale à Luxembourg S.A., Crédit Lyonnais, Daiwa Bank (Capital Management) Limited, Dresdner Bank AG, Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.), Manufacturers Hanover Limited, Merrill Lynch International & Co., Salomon Brothers International, Société Générale de Banque S.A., Yamaichi International (Europe) Limited, Algemene Bank Nederland N.V., Banca del Gottardo, Banque Bruxelles Lambert S.A., The Nikko Securities Co. (Europe) Ltd., Orion Royal Bank Limited and Schröder, Münchmeyer, Hengst & Co; offered for public subscription at par.
- (15) Underwritten by a banking syndicate composed of Banque Nationale de Paris, Crédit Lyonnais, Société Générale, Banque de Paris et des Pays-Bas, Caisse des Dépôts et Consignations and Caisse Nationale de Crédit Agricole; offered for public subscription at par.
- (16) Placed by a banking syndicate composed of Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., Bank Mees & Hope N.V., Pierson, Heldring & Pierson N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Nederlandsche Middenstandsbank N.V. and Bank der Bondsspaarbanken N.V.; offered for public subscription at par.
- (17) Underwritten by a banking syndicate composed of Banque Nationale de Paris, Algemene Bank Nederland N.V., Banque Bruxelles Lambert S.A., Banque Générale du Luxembourg S.A., Banque de l'Indochine et de Suez, Banque Internationale à Luxembourg S.A., Caisse des Dépôts et Consignations, Crédit Commercial de France, Crédit Lyonnais, Dai-ichi Kangyo International Limited, Goldman Sachs International Corp., Kredietbank International Group and Société Générale de Banque S.A.; offered for public subscription at 99.25 %.
- (18) Underwritten by a banking syndicate composed of Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and Westdeutsche Landesbank Girozentrale; offered for public subscription at par.
- (19) Underwritten by a banking syndicate composed of Hambros Bank Limited, Banque Bruxelles Lambert N.V., Banque Internationale à Luxembourg S.A., CIBC Limited, Lloyds Bank International Limited, Manufacturers Hanover Limited, Merrill Lynch International & Co., Orion Royal Bank Limited, Salomon Brothers International, Skandinaviska Enskilda Banken, S.G. Warburg & Co. Limited and Wood Gundy Limited; offered for public subscription at 99.75 %.
- (20) Underwritten by a banking syndicate composed of Société Générale de Banque, Banque Bruxelles Lambert, Kredietbank, Banque de Paris et des Pays-Bas Belgique, Crédit Communal de Belgique and Banque Degroof; offered for public subscription at par.
- (21) Underwritten by a banking syndicate composed of Salomon Brothers Inc., Lehman Brothers Kuhn Loeb Inc., The First Boston Corporation, Merrill Lynch White Weld Capital Markets Group and Lazard Frères & Co.; offered for public subscription at 99.50 %.

Resources

a slight shift compared with last year. Unlike 1980, more than half the Bank's borrowings were raised in non-Community currencies.

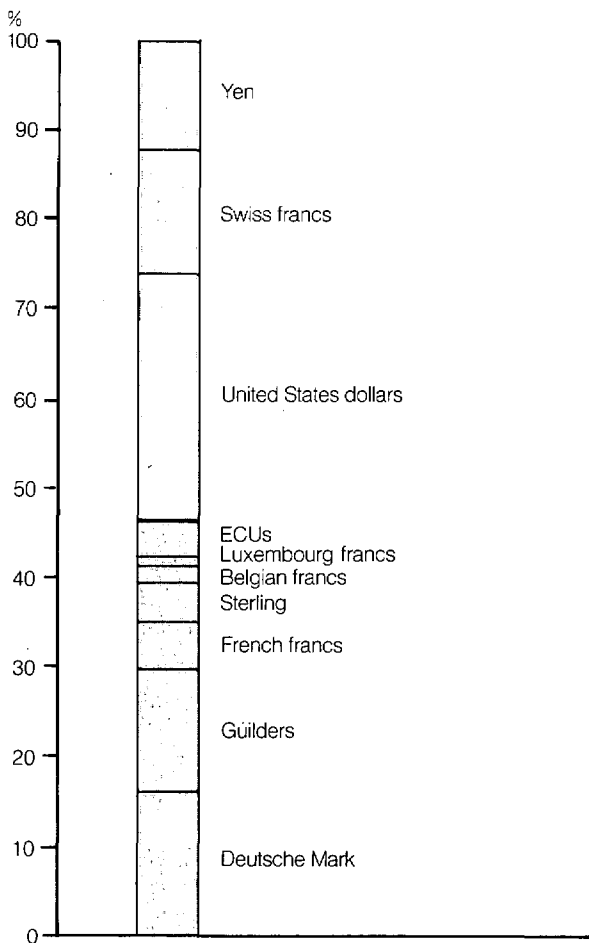
Funds borrowed in Member States' currencies in 1981 totalled 1 063.9 million (compared with 1 317.1

million in 1980), or 47.4 % of funds raised by the Bank, and were more evenly spread among the various Community currencies than in 1980. The continuing prominence of the Deutsche Mark was considerably reduced in that borrowings in this currency fell from 814.3 million in 1980 to 358.3

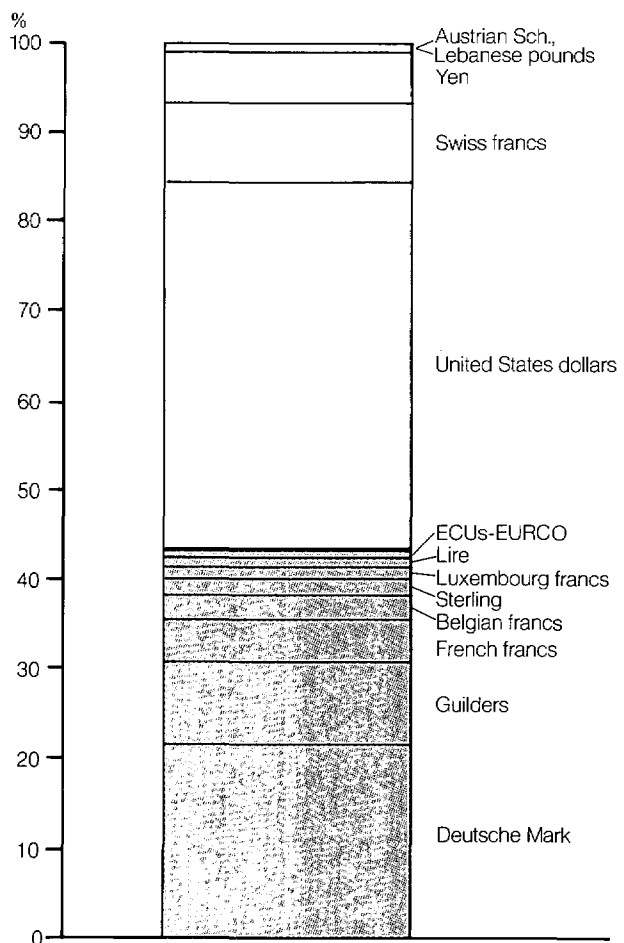
**Bank borrowings in 1981
Breakdown by currency: equivalents in millions ECUs**

	Members States' currencies								Other currencies				Grand Total
	DM	Fl	Ffrs	£	Bfrs	Lfrs	ECUs	Total	US\$	Sfrs	Yen	Total	
Million ECUs	358.3	319.1	128.5	106.8	51.7	14.5	85.0	1063.9	615.3	300.0	263.5	1178.8	2242.7
%	16.0	14.2	5.7	4.8	2.3	0.6	3.8	47.4	27.5	13.4	11.7	52.6	100

Borrowings in 1981
(2 242.7 million ECUs)



Amount outstanding at 31 December 1981
(13 477.2 million ECUs)



million in 1981. Guilder-denominated issues, on the other hand, registered a year-on-year increase of 93 million from 1980's 226.1 million to 319.1 million in 1981. As in the previous year, the EIB also floated issues denominated in French francs (128.5 million), sterling (106.8 million) and, to a lesser extent, Belgian or Luxembourg francs, and launched two ECU-denominated borrowings.

The United States dollar accounted for more than half the funds raised in non-Community currencies (615.3 million compared with 666 million in 1980), although it continued to lose ground against other currencies in the Bank's borrowing portfolio. The international market was tapped to the tune of 498.1 million against 338.7 million in 1980. Only one public issue, for 117.2 million, was floated on the American market.

Conversely, the Bank appreciably stepped up its borrowings in two other non-Community currencies customarily drawn on, the Swiss franc and the Yen. Still second only to the dollar, the Swiss franc brought in 300 million, compared with 233.8 million in 1980, raised via three public issues and five private placings. Yen-denominated issues also provided the Bank with substantial resources (263.5 million against 166.6 million in 1980) via one public issue on the Japanese domestic or "Samurai" market and two long-term bank loans.

Table 11 on page 60 gives details of borrowings during the year. After deducting repayments and allowing for exchange adjustments, total net borrowings outstanding at 31 December 1981 amounted to 13 481.8 million, of which 57.8 million was still to be received.

Results for the year

Increased recourse to the Bank's own funds to finance its lending and persistently high interest rates exercised a positive influence on the Bank's operating income for 1981.

Receipts of interest and commission on loans amounted to 1 312 million in 1981 compared with 943 million in 1980, whilst interest and charges on borrowings totalled 1 174.9 million against 859.1 million in 1980. Management commission increased from 5.7 million to 7.5 million.

Investment income (interest and commission) rose to 172.2 million (148.5 million in 1980), a trend buoyed up by the high level of short and long-term interest rates and also a result of the increased volume of liquid funds which the Bank is obliged to keep on hand in line with the growth in its lending activity.

At 18.2 million, the margin between financial income and financial charges, very much a product of management of the Bank's investment portfolio, remained on a par with 1980's margin of 17.1 million.

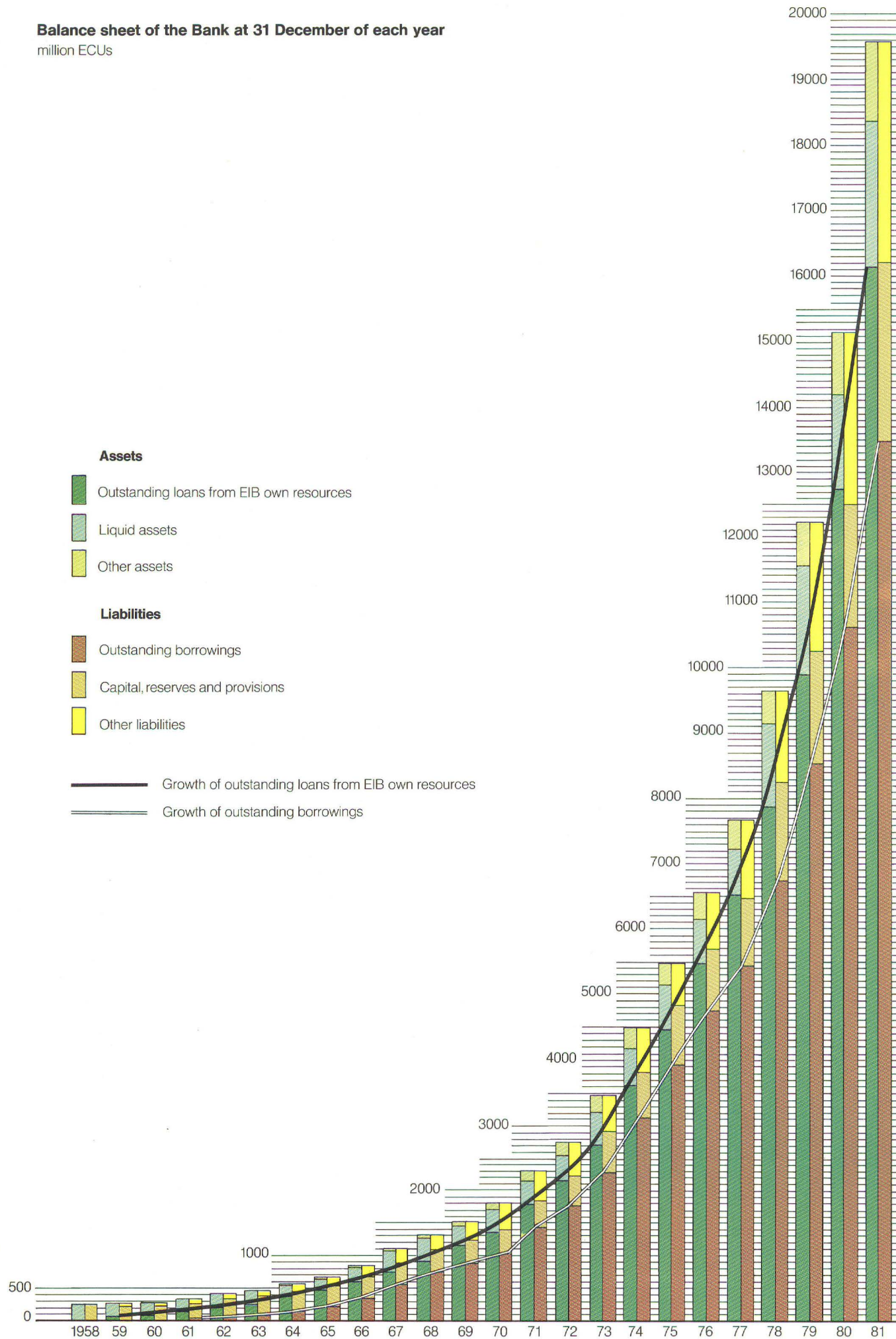
Administrative expenses and charges rose from 29.7 million in 1980 to 34.5 million in 1981.

After allowing for exchange differences, amortisation of issuing charges and redemption premiums totalling 26.3 million, depreciation of property, fixtures and fittings amounting to 2.9 million, the net decrease arising from re-evaluation of net Bank assets not subject to adjustment under Article 7 of the Statute of 2.6 million and an initial 18.5 million write-down of the Bank building, the balance of the profit and loss account amounted to 251.8 million compared with 208.7 million in 1980.

The Board of Directors has recommended that the Governors appropriate the Bank's net profit plus 2.6 million from the provision for conversion rate adjustments, i.e. a total of 254.5 million, as to 60 million to the statutory reserve and 194.5 million to the supplementary reserve; it has also proposed that the provision for building (66 million) be transferred to the supplementary reserve.

At 31 December 1981, the balance sheet total stood at 19 571.0 million, compared with 15 120.7 million at 31 December 1980, representing an increase of 29.4 %.

Balance sheet of the Bank at 31 December of each year
million ECUs



Administration

Board of Directors

During the course of the year, six Directors left the Board: Mr Rupert RAW, Mr B. F. van ITTERSUM, Mr Ioannis SPENTZAS, Mr David HANCOCK, Mr Jean-Yves HABERER and Mr Felice RUGGIERO. The Board thanks them for the valuable part they have played in the life of the Bank.

To fill the vacancies so occurring, the Board of Governors appointed six new Members, each to complete his predecessor's term of office: Mr Malcolm WILCOX and Mr Paul ARLMAN, who both took office in 1981, followed in 1982 by Mr Sotiris MOUSOURIS, Mr Geoffrey LITTLER, who had been an Alternate Director between 1973 and 1977, Mr Michel CAMDESSUS, an Alternate Director since 1971, and Mr Mario SARCINELLI.

Audit Committee

At its Annual Meeting on 15 June 1981, the Board of Governors re-appointed certain members of the Audit Committee, as is its customary annual practice: Mr Patrick L. McDONNELL, outgoing Chairman, was returned to office as a member of the Committee for 1981, 1982 and 1983, and Mr Jørgen BREDSDORFF was appointed Chairman until the Bank's balance sheet and profit and loss account for the 1981 financial year are approved at the 1982 annual meeting.

Directorates

Mr Romeo dalla CHIESA, Manager of the Directorate for Operations in the Community since 1975, offered his resignation and was replaced as from 1 July 1981 by Mr Eugenio GREPPI, who had occupied the post of Secretary-General and Manager of the General Administration Directorate since 1980. Mr Helmuth CRAMER was appointed Co-Manager. Mr dalla CHIESA was accorded the title of Honorary Manager.

As from 1 July 1981, Mr Hans HITZLBERGER was entrusted with acting managership of the General Administration Directorate with the title of Associate Manager, and Mr Michel LAUCHE was appointed Head of the Secretariat and General Affairs Department.

At 31 December 1981, the Bank's staff numbered 528, compared with 500 at 31 December 1980.

The Board of Directors thanks the Bank's staff for the able and willing way they have coped with the challenging workload they have faced in 1981.

Luxembourg, 4 May 1982

Chairman of the Board of Directors

Yves Le Portz

Balance Sheet at 31 December 1981

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

Assets	31. 12. 1981	31. 12. 1980
Receivable from Member States on account of called capital (Annex A)	726 147 750	265 781 250
Receivable on account of statutory and supplementary reserves and provisions	9 302 495	
Cash and bank deposits		
At sight and up to one year's notice	1 116 594 860	737 412 918
At more than one year's notice	595 229	236 058
	1 117 190 089	737 648 976
Investments (Note B)		
For not more than one year	63 723 820	19 975 155
For more than one year	254 173 840	259 484 177
	317 897 660	279 459 332
Borrowing proceeds to be received	57 825 709	188 394 611
Receivable from Member States for adjustment of capital (Annex D)	13 538 817	5 634 619
Loans (Annex B)		
disbursed	14 653 184 581	11 413 366 388
undisbursed	1 486 910 487	1 312 772 693
	16 140 095 068	12 726 139 081
Contra accounts to guarantees		
In respect of loans under mandate	64 540 411	72 079 780
excluding those in respect of loans granted by third parties: 1981: 445 355 620; 1980: 148 944 266		
in respect of participations by third parties in Bank loans: 1981: 299 298 678; 1980: 226 222 909		
Land and buildings (Note C)	48 903 457	64 911 694
Accrued interest and commission	348 633 548	250 608 827
Receivable in respect of EMS interest subsidies paid in advance (Note H)	200 518 629	126 992 708
Unamortised issuing charges	166 612 784	136 266 376
Unamortised redemptions premiums	761 458	1 132 623
	167 374 242	137 398 999
Special deposits for service of borrowings (Note D)	338 485 333	243 308 561
Miscellaneous (Note G)	20 535 931	22 336 507
	19 570 989 139	15 120 694 945

Liabilities

	31. 12. 1981	31. 12. 1980
Capital (Annex A)		
Subscribed	14 400 000 000	7 087 500 000
Uncalled	<u>12 934 285 000</u>	<u>6 176 250 000</u>
	1 465 715 000	911 250 000
Statutory reserve (Note N)	314 836 000	270 000 000
Supplementary reserve (Note N)	614 371 592	441 937 147
Provisions (Note N)		
For conversion rate adjustments	14 138 913	13 208 736
For building	<u>66 014 000</u>	<u>60 000 000</u>
	80 152 913	73 208 736
Staff pension fund (Note E)	29 365 234	24 873 567
Payable to Member States for adjustment of capital (Annex D)	8 148 314	9 602 641
Borrowings (Annex C)		
Bonds and notes	10 811 408 239	8 494 855 696
Other medium and long-term borrowings	<u>2 665 799 670</u>	<u>2 103 404 346</u>
	13 477 207 909	10 598 260 042
Redemption premiums	<u>4 613 405</u>	<u>5 901 296</u>
	13 481 821 314	10 604 161 338
Sundry creditors (Note F)	112 494 730	26 254 093
Undisbursed balance of loans	1 486 910 487	1 312 772 693
Guarantees		
on loans under mandate	64 540 411	72 079 780
on loans granted by third parties: 1981: 445 355 620; 1980: 148 944 266		
on participations by third parties in Bank loans: 1981: 299 298 678; 1980: 226 222 909		
Interest subsidies received in advance (Note H)	683 803 857	442 305 969
Interest subsidies received in advance for the account of third parties (Note H)	<u>71 601 555</u>	<u>51 299 775</u>
	755 405 412	493 605 744
Accrued interest and commission and interest received in advance	531 340 490	397 201 925
Coupons and liabilities due and not yet paid (Note D)	338 485 333	243 308 561
Miscellaneous (Note G)	35 589 090	31 728 257
Balance of profit and loss account (Note N)	251 812 819	<u>208 710 463</u>
	<u>19 570 989 139</u>	<u><u>15 120 694 945</u></u>
Memorandum accounts		
Special Section		
Trust management fund		
— for the account of Member States	331 848 983	329 782 315
— for the account of the European Communities	2 059 649 850	1 199 336 559
Securities received as guarantee for loans under mandate	28 232 339	29 886 263
Securities received on deposit	96 759 033	103 082 550
Warrants to subscribe for 45 million ECUs 14 % 1981-86 bond issue not yet exercised as at 31 December (exercisable until 28 May 1982)	44 844 000	—

Statement of Special Section (1) at 31 December 1981

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

Assets	31. 12. 1981	31. 12. 1980
Member States		
<i>From resources of the European Atomic Energy Community</i>		
Euratom loans disbursed Total (2)	886 347 138	496 082 852
<i>From resources of the European Economic Community (New Community Instrument for borrowing and lending)</i>		
Loans		
— undisbursed	203 287 894	—
— disbursed	<u>880 809 790</u>	<u>484 012 392</u>
Total (3)	1 084 097 684	484 012 392
Turkey		
<i>From resources of Member States</i>		
Loans		
— undisbursed	3 720 101	8 348 506
— disbursed	<u>331 848 983</u>	<u>329 782 315</u>
Total (4)	335 569 084	338 130 821
Mediterranean Countries		
<i>From resources of the European Economic Community</i>		
Loans		
— undisbursed	179 904 030	184 295 721
— disbursed	<u>87 895 970</u>	<u>44 504 279</u>
	<u>267 800 000</u>	<u>228 800 000</u>
Risk capital operations		
— Amounts to be paid up	2 058 100	3 560 000
— Amounts disbursed	<u>2 941 900</u>	<u>1 440 000</u>
	<u>5 000 000</u>	<u>5 000 000</u>
Total (5)	272 800 000	233 800 000
African, Caribbean and Pacific States and Overseas Countries and Territories		
<i>From resources of the European Economic Community</i>		
First and Second Yaoundé Conventions		
Loans		
— undisbursed	6 109 250	12 966 323
— disbursed	<u>118 505 905</u>	<u>115 461 547</u>
	<u>124 615 155</u>	<u>128 427 870</u>
Contributions to the formation of risk capital		
Amounts disbursed	<u>1 370 574</u>	<u>1 431 179</u>
Total (6)	125 985 729	129 859 049
First and Second Lomé Conventions		
Risk capital operations		
— Amounts to be paid up	63 886 512	38 875 534
— Amounts disbursed	<u>81 778 573</u>	<u>56 404 310</u>
Total (7)	145 665 085	95 279 844
Grand Total	<u>2 850 464 720</u>	<u>1 777 164 958</u>

N. B.

Total amounts outstanding on loans on special conditions made available by the Commission under the First Lomé Convention in respect of which the Bank has accepted an EEC mandate for recovering principal and interest: at 31 December 1981: 203 782 364; at 31. 12. 1980: 123 726 737.

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

(2) Initial amount of contracts signed under the Decision of the Council of the European Communities of 29 March 1977 (77/270

Euratom) providing for an amount of 500 million, subsequently increased to 1 000 million by Council Decision 80/29/Euratom of 20 December 1979, 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:

	860 472 386
Add: exchange adjustments	+ 25 874 752
	<u>886 347 138</u>

Liabilities

Trust management funds

Under mandate from the European Communities

	31. 12. 1981	31. 12. 1980
European Atomic Energy Community	886 347 138	496 082 852
European Economic Community		
— New Community Instrument	880 809 790	484 012 392
— Financial Protocols with the Mediterranean Countries	90 837 870	45 944 279
— First and Second Yaoundé Conventions	119 876 479	116 892 726
— First and Second Lomé Conventions	81 778 573	56 404 310
	2 059 649 850	1 199 336 559
<i>Under mandate from Member States</i>	331 848 983	329 782 315
Total	2 391 498 833	1 529 118 874

Funds to be paid up

On New Community Instrument loans	203 287 894	—
On loans to Turkey under the Second Protocol	3 720 101	8 348 506
On loans and risk capital operations in the Mediterranean Countries	181 962 130	187 855 721
On loans under the First and Second Yaoundé Conventions	6 109 250	12 966 323
On loans and risk capital operations under the First and Second Lomé Conventions	63 886 512	38 875 534
Total	458 965 887	248 046 084
Grand Total	2 850 464 720	1 777 164 958

(3) Initial amount of contracts signed under Council Decisions 78/870/EEC of 16 October 1978 (New Community Instrument) for promoting investment within the Community, and 81/19/EEC of 20 January 1981 for reconstructing the earthquake-stricken areas of Campania and Basilicata, under mandate for the account and at the risk of the European Economic Community: 1 014 461 493
 Add: exchange adjustments + 74 225 871
 Less: cancellations — 4 589 680
1 084 097 684

(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 + 7 233 304
 Less: cancellations: 215 000
 repayments 41 664 220 — 41 879 220
335 569 084

(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: 272 800 000

(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	3 726 035	+ 4 904 307
Less:		
— cancellations	1 502 910	
— repayments	19 401 339	— 20 904 249
		<u>125 985 729</u>

(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	140 753 000	
— equity participations	6 118 036	
— subscription of convertible bonds	2 499 606	149 370 642
Add:		
— capitalised interest		+ 11 371
Less:		
— cancellations	3 412 140	
— repayments	266 650	
— exchange adjustments	38 138	— 3 716 928
		<u>145 665 085</u>

Profit and Loss Account for the year ended 31 December 1981

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

Income	1981	1980
Interest and commission on loans	1 312 000 852	942 992 401
Interest and commission on investments	172 236 277	148 508 544
Management commission (Note I)	7 494 956	5 697 803
Financial and other income (Note M)	22 776 868	19 207 142
Exchange differences (Note J)	1 568 364	<u>1 373 585</u>
	1 516 077 317	1 117 779 475
Expenditure		
Administrative expenses and charges (Note L)	34 507 048	29 727 435
Interest and charges on borrowings	1 174 916 224	859 137 571
Amortisation of issuing charges and redemption premiums	26 269 149	20 964 134
Financial charges (Note M)	4 556 865	122 113
Depreciation		
— of net purchases of furniture and equipment	1 235 180	1 950 744
— of building	1 667 000	<u>—</u>
	1 243 151 466	911 901 997
Operating profit	272 925 851	205 877 478
Net increase/decrease arising from reevaluation of net Bank assets not subject to adjustment under Article 7 of the Statute (Note K)	— 2 639 182	+ 712 998
Initial write-down of building (Note C)	— 18 473 850	—
Write-back of provision for other charges	—	<u>+ 2 119 987</u>
Balance (Note N)	251 812 819	<u>208 710 463</u>

Statement of changes in financial position for the year ended 31 December 1981

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

	1981	1980
Source of funds		
Balance of profit and loss account	251 812 819	208 710 463
Items not involving movement of funds:		
Depreciation of building, net purchases of furniture and equipment	2 902 180	1 950 744
Initial write-down of building	18 473 850	—
Amortisation of issuing charges and redemption premiums	26 269 149	20 964 134
Increase in accrued interest and commission payable and interest received in advance	134 138 565	93 789 826
Increase (decrease) in accrued interest and commission receivable	— 98 024 721	— 68 219 109
	335 571 842	257 196 058
Other sources		
Borrowing proceeds	2 373 455 560	2 362 015 049
Loan repayments to the Bank	707 819 610	553 946 144
Capital reserves and provisions paid in by Member States	100 300 164	88 593 750
Increase in sundry creditors, miscellaneous liabilities, staff pension fund and net interest subsidies	282 866 884	144 836 224
Decrease in sundry debtors	1 800 576	26 033 555
Exchange adjustments in respect of borrowings	1 299 422 331	354 687 504
Total	5 101 236 967	3 787 308 284
Use of funds		
Cash was used for:		
Net loan disbursements	2 695 891 229	2 770 685 538
Redemption of borrowings	664 649 013	681 073 646
Issuing costs in respect of borrowings	56 244 392	48 122 115
Additions to land, building and furniture	5 367 793	27 947 628
Exchange adjustments in respect of loans	1 251 746 574	366 130 194
Net increase (decrease) in capital adjustment accounts of Member States	9 358 525	— 4 186 422
Increase (decrease) in cash, bank balances and investments	417 979 441	— 102 464 415
Total	5 101 236 967	3 787 308 284

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

at 31 December 1981

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

Member States	Subscribed capital (1)	Available for call (2)	Paid in at 31. 12. 1981	To be paid in (1)	Total paid in and to be paid in
Germany	3 150 000	2 829 375	163 125	157 500	320 625
France	3 150 000	2 829 375	163 125	157 500	320 625
United Kingdom	3 150 000	2 829 375	163 125	157 500	320 625
Italy	2 520 000	2 263 500	130 500	126 000	256 500
Belgium	829 500	745 068.75	42 956.25	41 475	84 431.25
Netherlands	829 500	745 068.75	42 956.25	41 475	84 431.25
Denmark	420 000	377 250	21 750	21 000	42 750
Greece	225 000	202 097.5	5 504.75	17 397.75	22 902.5
Ireland	105 000	94 312.5	5 437.5	5 250	10 687.5
Luxembourg	21 000	18 862.5	1 087.5	1 050	2 137.5
Total	14 400 000	12 934 285	739 567.25	726 147.75	1 465 715

(1) Increased from 3 543 750 000 ECUs to 7 087 500 000 ECUs by decision of the Board of Governors of 19 June 1978, the subscribed capital was further increased to 7 200 000 000 ECUs on 1 January 1981 in line with the Hellenic Republic's accession to the European Communities, following which, by the Governors' decision of 15 June 1981, it was doubled to 14 400 000 000 ECUs as from 31 December 1981.

Each Member State will pay in, in its national currency:

- 10% of the increase decided on 19 June 1978, i.e. the equivalent of 345 375 000 ECUs, in eight equal instalments of 44 296 875 ECUs on 30 April and 31 October of the years 1980-83;
- 7.5% of the increase decided on 15 June 1981, i.e. the equivalent of 540 000 000 ECUs, in eight equal instalments of 67 500 000 ECUs on 30 April and 31 October of the years 1984-87.

The amount of 726 147 750 ECUs to be paid in represents the twelve instalments for the years 1982-87 and the Hellenic Republic's contribution.

(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 1981

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)	%
1. Loans for projects within the Community and related loans					
Germany	39	379 406 957	—	379 406 957	2.35
France	125	2 020 642 955	40 311 073	2 060 954 028	12.77
United Kingdom	192	3 363 480 142	14 915 546	3 378 395 688	20.93
Italy	403	5 517 726 859	334 262 065	5 851 988 924	36.26
Belgium	17	529 968 377	11 976 995	541 945 372	3.36
Netherlands	6	57 019 281	—	57 019 281	0.35
Denmark	59	319 138 116	103 188 986	422 327 102	2.62
Greece	43	282 080 490	175 711 755	457 792 245	2.83
Ireland	86	1 243 947 001	26 207 778	1 270 154 779	7.87
Luxembourg	2	2 607 950	—	2 607 950	0.02
Related loans (*)	8	205 544 884	—	205 544 884	1.27
Sub-total	980	13 921 563 012	706 574 198	14 628 137 210	90.63
2. Loans for projects outside the Community					
Mediterranean Countries (including Portugal)					
Algeria	2	1 435 173	28 635 135	30 070 308	0.18
Cyprus	1	5 300 541	6 695 963	11 996 504	0.07
Egypt	3	19 170 851	47 465 291	66 636 142	0.41
Spain	2	—	40 000 000	40 000 000	0.25
Jordan	4	6 876 694	12 000 000	18 876 694	0.12
Lebanon	6	32 102 519	7 000 000	39 102 519	0.24
Malta	1	3 514 902	—	3 514 902	0.02
Morocco	3	9 903 968	46 860 000	56 763 968	0.35
Portugal	23	211 617 015	169 817 034	381 434 049	2.36
Syria	1	—	15 700 000	15 700 000	0.10
Tunisia	5	24 269 441	18 437 875	42 707 316	0.26
Turkey	9	68 255 855	44 158 398	112 414 253	0.70
Yugoslavia	2	51 795 329	6 833 400	58 628 729	0.36
ACP Countries/OCT					
West Africa	1	—	5 000 000	5 000 000	0.03
Barbados	2	2 006 997	5 524 325	7 531 322	0.05
Botswana	2	—	6 500 000	6 500 000	0.04
Cameroon	11	30 934 536	15 614 485	46 549 021	0.29
Ivory Coast	17	64 539 387	16 636 985	81 176 372	0.50
Fiji	3	14 073 571	23 090 369	37 163 940	0.23
Gabon	4	6 271 910	18 000 000	24 271 910	0.15
Ghana	2	10 437 968	6 000 000	16 437 968	0.10
Guinea	1	1 119 722	3 292 041	4 411 763	0.03
Upper Volta	2	68 051	8 000 000	8 068 051	0.05
Kenya	9	46 599 951	14 980 755	61 580 706	0.38
Liberia	2	8 092 812	75 000	8 167 812	0.05
Malawi	3	11 923 467	3 790 000	15 713 467	0.10
Mauritius	4	6 604 266	7 719 827	14 324 093	0.09
Mauritania	1	4 546 249	20 693 261	25 239 510	0.16
Niger	3	5 247 471	11 141 773	16 389 244	0.10
Nigeria	2	6 168 263	44 265 000	50 433 263	0.31
New Caledonia	2	7 302 702	3 607 191	10 909 893	0.07
Papua New Guinea	2	6 566 708	41 200 000	47 766 708	0.30
Caribbean Region	1	618 064	2 130 000	2 748 064	0.02
Senegal	4	819 104	22 000 000	22 819 104	0.14
Swaziland	3	11 741 055	9 000 000	20 741 055	0.13
Tanzania	1	361 553	2 124 000	2 485 553	0.02
Togo	4	23 982 845	4 499 322	28 482 167	0.18
Trinidad and Tobago	2	8 655 779	2 231 000	10 886 779	0.07
Zaire	1	11 572 059	4 194 314	15 766 373	0.10
Zambia	4	7 124 791	35 423 545	42 548 336	0.26
Sub-total	155	731 621 569	780 336 289	1 511 957 858	9.37
Grand Total	1 135	14 653 184 581	1 486 910 487	16 140 095 068	100.00

(*) 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	Add:	
Currencies of Member States	7 112 880 322	undisbursed portion of loans	1 486 910 487
Other currencies	7 540 304 259		
Disbursed portion of loans	14 653 184 581		<u>16 140 095 068</u>

Scheduled repayments on loans outstanding ('000 ECUs)

Repayable	Out-standing at 31.12.1981	Repayable	Out-standing at 31.12.1980
Year 1982	804 399	Year 1981	629 830
Year 1983	1 033 580	Year 1982	738 352
Year 1984	1 198 992	Year 1983	921 342
Year 1985	1 320 243	Year 1984	1 027 133
Year 1986	1 461 274	Year 1985	1 088 506
Years 1987 to 1991	6 619 915	Years 1986 to 1990	5 169 643
Years 1992 to 1996	3 297 508	Years 1991 to 1995	2 811 100
Years 1997 to 2001	404 184	Years 1996 to 2000	340 233
Total	16 140 095	Total	12 726 139

(2) Breakdown of loans outstanding at 31 December 1981 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	11 219 443 290 (VI)
Loans granted to, or guaranteed by, public institutions in the Community	1 852 552 904
Loans granted to, or guaranteed by, financial institutions (banks, long-term credit institutions, insurance companies)	482 486 221
Loans guaranteed by companies outside the financial sector under majority control of Member States or public institutions in the Community	195 805 050
Loans secured by fixed charge on real estate	70 031 982
Loans guaranteed by non-bank companies in the private sector	509 230 143
Loans secured by fixed charge on assets other than real estate or other security	298 587 619
	<u>14 628 137 209</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	6 615 590
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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	55 360 966
Loans secured by other guarantees	3 841 497
	<u>59 202 463 (III)</u>

3. Loans granted under the First Lomé Convention

Loans granted to, or guaranteed by, ACP States which were signatories to the Convention	400 054 580
Loans secured by other guarantees	9 816 459
	<u>409 871 039 (IV)</u>

4. Loans granted under the Second Lomé Convention

Loans granted to, or guaranteed by, ACP States which were signatories to the Convention	113 423 381
Loans secured by other guarantees	5 000 000
Loans granted for mining and energy development projects (Article 59 of the Convention)	40 000 000
	<u>158 423 381 (V)</u>

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

Loans guaranteed by the six founder Member States of the EIB	18 733 385
Loans guaranteed by the EEC	145 268 654
Loans granted to, or guaranteed or counter-guaranteed by, Mediterranean Countries which were signatories to these agreements	655 879 243 (VI)
Loans secured by other guarantees	57 964 104 (VI)
	<u>877 845 386</u>
	<u>16 140 095 068</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 118 262 700.

(V) Guarantees provided by Member States to cover any risk attaching to these financial commitments amount to 118 800 000.

(VI) The blanket guarantee provided by the EEC to cover any risk attaching to these financial commitments and those in Greece (237 712 466) attaching to loans granted prior to that country's accession to the EEC amounted to 705 525 000 at 31 December 1981 compared with 527 025 000 at 31 December 1980.

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

	18 759 823 159
Add:	
exchange adjustments	+ 1 156 743 334
	<u>19 916 566 493</u>
Less:	
terminations and cancellations	115 441 237
principal repayments to the Bank	3 361 731 510
third party participations in Bank loans	299 298 678
	<u>3 776 471 425</u>
Loans outstanding	<u>16 140 095 068</u>

The total amount 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, amounted at 31 December 1981 to:

loans	16 140 095 068
guarantees:	
in respect of loans under mandate	64 540 411
in respect of loans granted by third parties	445 355 620
in respect of third party participations in Bank loans	299 298 678
	<u>809 194 709</u>
Total loans and guarantees outstanding	<u>16 949 289 777</u>

Annex C — Statement of funded debt

at 31 December 1981

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

Payable in	Borrowings outstanding at 31. 12. 1980	Operations during the financial year			Borrowings outstanding at 31 December 1981		
		Borrowings	Redemptions	Exchange adjustment	Amount (1)	Rate of interest (weighted averages)	Due dates
EURCO (2)	89 314 651	—	2 486 690	341 512 +	87 169 473	8.13	1982/1989
ECU	—	85 156 000	—	—	85 156 000	13.78	1982/1989
DM	2 516 502 362	358 346 816	179 021 166	129 515 309 +	2 825 343 321	8.04	1982/2001
Ffrs	562 617 475	128 467 823	37 952 176	26 369 117 —	626 764 005	12.48	1982/1996
£	191 200 306	106 842 499	9 715 442	1 136 905 —	287 190 458	12.98	1982/1993
Lit	148 379 118	—	13 689 510	9 223 235 —	125 466 373	8.80	1982/1995
Bfrs	353 513 116	51 700 707	21 583 049	4 451 102 —	379 179 672	9.11	1982/1993
Fl	956 477 868	319 120 976	28 798 100	51 583 209 +	1 298 383 953	9.74	1982/2004
Lfrs	185 392 076	14 515 509	23 877 993	1 540 471 —	174 489 121	9.18	1982/1991
US\$	4 298 386 567	615 279 338	280 180 499	918 406 448 +	5 551 891 854	10.26	1982/2000
Sfrs	749 534 511	299 991 534	52 550 517	175 700 460 +	1 172 675 988	6.26	1982/1994
£Leb.	6 341 280	—	1 102 694	207 613 —	5 030 973	7.13	1982/1985
Yen	471 933 730	263 465 456	9 324 990	62 758 555 +	788 832 751	8.39	1982/2000
Sch.	68 666 982	—	3 352 970	4 319 955 +	69 633 967	7.92	1982/1989
Total	10 598 260 042	2 242 886 658	663 635 796	1 299 697 005 +	13 477 207 909		
Redemption premiums	5 901 296	—	1 013 217	274 674 —	4 613 405		
Grand Total	10 604 161 338	2 242 886 658	664 649 013	1 299 422 331 +	13 481 821 314		

(1) The following table shows in '000 ECUs the total capital sums required for redemption of borrowings over the period 1982-2004:

For redemptions during	Sum required at 31. 12. 1981	For redemptions during	Sum required at 31. 12. 1980
1982	820 495	1981	530 964
1983	817 892	1982	795 704
1984	1 034 609	1983	719 203
1985	964 329	1984	888 772
1986	1 111 565	1985	776 639
1987 to 1991	7 024 953	1986 to 1990	5 112 794
1992 to 1996	1 433 816	1991 to 1995	1 469 136
1997 to 2001	269 490	1996 to 2000	304 207
2002 to 2004	4 672	2001 to 2004	6 742
Total	13 481 821	Total	10 604 161

(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 Euro = DM 0.9 + Ffrs 1.2 + £0.075 + Lit 80 + Fl 0.35 + Bfrs 4.5 + Dkr 0.2 + IRE0.005 + Lfrs 0.5.

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

at 31 December 1981

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

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

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

Receivable from:	France	7 703 023
	Italy	4 200 660
	Belgium	1 206 292
	Denmark	301 852
	Greece	51 061
	Ireland	44 960
	Luxembourg	30 969
		<u>13 538 817</u>
Payable to:	Germany	2 174 166
	United Kingdom	4 823 502
	Netherlands	1 150 646
		<u>8 148 314</u>

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 1981 — 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.

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

On 31 May 1981, the Board of Governors adopted a decision redefining the Bank's unit of account as the ECU used by the European Communities. As this decision was applicable from January 1981, figures for the preceding year are given in units of account. The conversion rates between Member States' currencies and the European unit of account or the ECU, which are determined on the basis of market rates, are published daily in the Official Journal of the European Communities.

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

The following rates were used for drawing up the balance sheet at 31 December in 1981 and 1980:

1 ECU = 1 unit of account	1981	1980
Deutsche Mark	2.44436	2.56556
French francs	6.20177	5.93916
Pounds sterling	0.566523	0.549110
Italian lire	1 303.57	1 217.30
Belgian francs	41.7467	41.3351
Dutch guilders	2.68309	2.79081
Danish kroner	7.94077	7.88723
Drachmas	62.2263	61.2587
Irish pounds	0.686819	0.690185
Luxembourg francs	41.7467	41.3351
United States dollars	1.08517	1.30963
Swiss francs	1.95169	2.31477
Lebanese pounds	5.01891	4.77033
Japanese yen	238.304	265.461
Austrian Schilling	17.1132	18.2038
CFA francs	310.089	296.958

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

2. Investments

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

3. Land and buildings

Land and buildings are stated at cost less both initial write-down of the Kirchberg headquarters and accumulated depreciation. Office furniture and equipment is written off in the year of acquisition.

4. Issuing charges and redemption premiums.

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

5. Interest subsidies received in advance

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

6. Staff pension scheme

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

7. Taxation

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

Note B — Investments

Investments comprise:	1981	1980
treasury bonds, notes and bonds at the lowest of cost, nominal or market value (market value: 1981: 278 521 207 1980: 259 779 468)	277 901 019	258 814 108
the Bank's own bonds at their repurchase cost	22 761 730	20 263 437
bank bills at their nominal value	17 234 911	381 787
	<u>317 897 660</u>	<u>279 459 332</u>

The breakdown according to maturity is as follows:

not exceeding 3 months	39 543 181	5 126 264
over 3 months but not exceeding 6 months	10 318 882	5 246 427
over 6 months but not exceeding 12 months	13 861 757	9 602 464
over 12 months	<u>254 173 840</u>	<u>259 484 177</u>
	<u>317 897 660</u>	<u>279 459 332</u>

Note C — Land and buildings

The land and building at Kirchberg are stated at cost less a write-down of 18 473 850. This write-down, which reduces the value of the building to 50 000 000 at 1 January 1981, has been determined by the Board of Directors, on the basis of a report by an independent property expert, to establish a prudent commercial value in the current economic environment. The balance of 50 000 000 is to be depreciated on a straight-line basis over thirty years, the estimated useful life of the building. The item "Land and Buildings" on the balance sheet comprises the land at cost (570 457) plus the value of the building at Kirchberg after one year's depreciation (48 333 000), i.e. a total of 48 903 457.

Note D — Special deposits for service of borrowings

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

Note E — Staff pension scheme

The cost of the staff pension scheme, including interest credited by the Bank, for the year ended 31 December 1981 was 4 579 995 (3 562 597 for the year ended 31 December 1980).

Note F — Sundry creditors

	<u>1981</u>	<u>1980</u>
Sundry creditors comprise:		
short-term deposits from other banks	23 079 764	6 642 004
European Economic Community special account for Special Section operations and related unsettled sundry amounts	22 018 035	17 512 382
ECU-denominated deposit by an official financial institution within the Community	64 505 535	—
other creditors	<u>2 891 396</u>	<u>2 099 707</u>
	<u>112 494 730</u>	<u>26 254 093</u>

Note G — Miscellaneous balance sheet accounts

	<u>1981</u>	<u>1980</u>
These accounts comprise:		
on the assets side:		
staff housing loans and advances on salaries	15 360 485	13 080 046
sundry debtors	<u>5 175 446</u>	<u>9 256 461</u>
	<u>20 535 931</u>	<u>22 336 507</u>
on the liabilities side:		
accrued and sundry expenses	<u>35 589 090</u>	<u>31 728 257</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 the 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' Decision (78/870) of 16 October 1978 (New Community Instrument) and pursuant to Regulation (EEC) No 1736/79 of the Council of the European Communities of 3 August 1979.

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.

Note J — Exchange differences

The amount of 1 568 364 at 31 December 1981 represents the net gain arising from financial operations during the year (net gain of 1 373 585 in 1980), calculated at the exchange rates in force at the date of these operations.

Note K — Net increase/decrease arising from reevaluation 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 1981 results in a net decrease in the value of net Bank assets of 2 639 182 (increase of 712 998 in 1980). The reevaluation does not take account of the amounts receivable from or payable to Member States and representing the portion of capital paid in by each Member State in its national currency, which must be adjusted periodically in accordance with Article 7 of the Statute (see Annex D).

Note L — Administrative expenses and charges

Staff costs:	<u>1981</u>	<u>1980</u>
Salaries and allowances	22 442 258	19 818 748
Bank's contribution to pension, health insurance and other social costs	5 249 216	3 863 137
Other costs	<u>1 440 640</u>	<u>1 026 048</u>
	29 132 114	24 707 933
General and administrative expenses	<u>5 374 934</u>	<u>5 019 502</u>
Total	<u>34 507 048</u>	<u>29 727 435</u>

The number of personnel employed by the Bank was 528 at 31 December 1981 (500 at 31 December 1980).

Note M — Financial and other income, financial charges

Financial and other income comprises:	<u>1981</u>	<u>1980</u>
realised gains on portfolio operations	22 329 303	18 092 174
decrease in unrealised write-down of investments	—	1 092 567
other income	<u>447 565</u>	<u>22 401</u>
	<u>22 776 868</u>	<u>19 207 142</u>

Financial charges comprise:

increase in unrealised write-down of investments	4 430 546	—
other charges	<u>126 319</u>	<u>122 113</u>
	<u>4 556 865</u>	<u>122 113</u>

Note N — Reserves and provisions and appropriation of operating profit

On 15 June 1981, the Board of Governors decided to increase the provision for conversion rate adjustments by an amount of 712 998, representing the net increase arising from revaluation of net Bank assets not subject to adjustment under Article 7 of the Statute, and to appropriate the operating profit for 1980 as follows:

40 000 000 to the statutory reserve
162 997 465 to the supplementary reserve
5 000 000 to the provision for building.

Statement of movements in the reserves and provisions for the year ended 31 December 1981

	Situation at 31. 12. 1980	Contri- bution of Hellenic Republic to reserves and provisions	Appropriation of balance of profit and loss account for the year ended 31. 12. 1980	Situation at 31. 12. 1981
Statutory reserve . . .	270 000 000	4 836 000	40 000 000	314 836 000
Supplementary reserve	441 937 147	9 436 980	162 997 465	614 371 592
Provision for conversion rate adjustments	13 208 736	217 179	712 998	14 138 913
Provision for building	<u>60 000 000</u>	<u>1 014 000</u>	<u>5 000 000</u>	<u>66 014 000</u>
	<u>785 145 883</u>	<u>15 504 159</u>	<u>208 710 463</u>	<u>1 009 360 505</u>

The Management Committee has decided to propose that the Board of Directors recommend the Board of Governors a) to decrease the provision for conversion rate adjustments by an amount of 2 639 182, representing the net decrease arising at 31 December 1981 from reevaluation of net Bank assets not subject to adjustment under Article 7 of the Statute, and b) to appropriate the operating profit for 1981, less the amount for initial write-down of the building, i.e. a total of 254 452 001, and the provision for building, amounting to 66 014 000, to the supplementary reserve.

Report by Messrs Price Waterhouse & Co.

The President
European Investment Bank
Luxembourg

We have examined the financial statements of the European Investment Bank at 31 December 1981 and 1980. Our examinations were made in accordance with generally accepted auditing standards and accordingly included the tests of the accounting records and other auditing procedures as we considered necessary in the circumstances. In our opinion, the financial statements at 31 December 1981 and 1980 present fairly the financial position of the European Investment Bank at these dates, the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied.

The financial statements covered by our opinion are the following:

Balance Sheet	
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
Statement of funded debt	Annex C
Amounts receivable from or payable to Member States for adjustment of capital contributions	Annex D
Notes to the financial statements	Annex E

Luxembourg, 24 February 1982

PRICE WATERHOUSE & Co.

Statement by the Audit Committee

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

— having studied the books, vouchers and documents which it deemed necessary to examine in the discharge of its duties,

— having examined the reports of 24 February 1982 drawn up by Messrs Price Waterhouse & Co.,

considering the 1981 Annual Report, the balance sheet of the Bank and the statement of Special Section as at 31 December 1981 as well as the profit and loss account for the financial year ending on that date as drawn up by the Board of Directors at its meeting of 4 May 1982,

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

hereby certifies:

that the Bank's operations during the 1981 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, 18 May 1982

The Audit Committee

J. BREDSORFF C. BRÜCK P. McDONNELL

Operations between 1958 and 1981

Since its inception in 1958, the European Investment Bank has provided finance totalling 21 111.5 million at current prices or some 34 billion at 1981 prices. Loans from own resources and guarantees amount to 19 162.7 million at current prices, or 90.8 % of the total, while various operations using Member States' or Community resources come to 1 948.8 million. Overall investment expenditure for which the EIB has advanced long-term financing averaging 25 % of capital costs stands at 83.6 billion at current prices or 145 billion at 1981 prices.

Finance for projects within the Community works out at 18 243.6 million (around 29 billion at 1981 prices), or 86.4 % of the total. This has helped to fund investment ⁽¹⁾ totalling around 68 billion at current prices (116 billion at 1981 prices) ⁽²⁾, which in turn is expected directly to create over 257 000 permanent jobs and to safeguard a further 112 000. A far higher number of job opportunities has been created through investment in energy and infrastructure projects in particular — although no figure has been put to this — as a result of the spin-off in associated manufacturing industry and the temporary multiplier

effects, both direct and indirect, during construction periods.

Financing provided outside the Community since 1963 totals 2 867.9 million, over two thirds of this drawn from the Bank's own resources.

The graph on page 20 and Table 12 below illustrate annual trends.

Tables 4, 7 and 18 on pages 30, 46 and 89 give a breakdown of financing up to and including 1981 according to economic policy objective, project location and sector.

The following paragraphs deal with the pattern of Bank activity in Member Countries since 1973, the year of initial enlargement of the Community, and summarise operations under financial cooperation agreements with non-Community countries.

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

(2) 1981 price evaluations are based on national price indices derived from gross fixed capital formation, adjusted to take account of indexed changes in the rates for converting national currencies into ECUs and weighted to allow for the spread of Bank lending between the various Member Countries.

Table 12: **Financing from 1959 to 1981** ⁽¹⁾

Year	Total financing	Within the Community			Outside the Community	
		Lending from own resources	Loans on mandate and guarantees	Lending from NCI resources	Lending from own resources	Operations using budgetary resources
1959/1972 ⁽²⁾	203.0	167.5	7.9	—	11.1	16.5
1973	815.8	696.8	—	—	10.9	108.1
1974	996.4	849.7	—	—	61.0	85.7
1975	1 006.5	917.5	—	—	48.9	40.1
1976	1 273.3	967.9	118.1	—	142.4	44.9
1977	1 571.5	1 401.3	—	—	152.0	18.2
1978	2 188.3	1 966.5	—	—	173.9	47.8
1979	3 071.1	2 281.2	—	277.0	420.9	92.0
1980	3 498.5	2 739.0	14.2	197.6	371.4	176.3
1981	3 848.1	2 539.4	282.1	539.8	396.4	90.4
Total	21 111.5	16 704.6	524.5	1 014.5	1 933.6	934.3

(1) See footnote 2 to Table 1, page 21.

(2) Annual average.

Operations within the Community (1973-81)

Between 1973 and the end of 1981, the EIB provided loans from its own resources and guarantees for a total of 14 773.7 million (at current prices), equivalent to more than four fifths of total financing in Member Countries since 1958. In addition, 1 014.5 million has been advanced over the past three years from NCI resources (see page 23) for projects in Italy, Ireland, the United Kingdom, France and Denmark designed to reduce regional imbalances, attain Community energy policy objectives and help with reconstruction

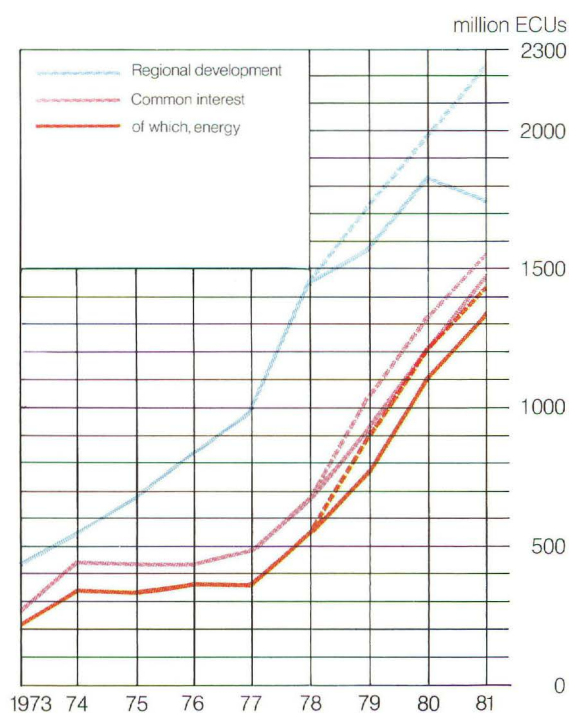
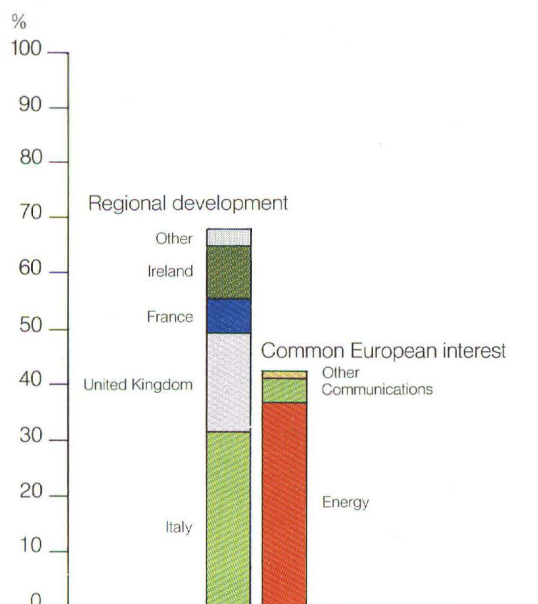
work in those parts of Italy ravaged by earthquakes in November 1980; during the same period, 2 592.7 million in loans from own resources and 365.8 million from NCI resources attracted interest subsidies in conjunction with the EMS (see page 25). In the rest of this chapter, Bank activity since 1973 is dealt with in the round, including lending from NCI resources which is accounted for in the Bank's Special Section (see Table 13, page 80).

Breakdown by economic policy objective

During the past nine years, the overall volume of lending for projects offering regional benefits has increased fivefold, rising at an average annual rate of 10 % at 1981 prices. This now represents about 70 %

of Bank financing within the Community. Finance for projects of common interest to several Member Countries represents 85.3 % of Bank support for investment in improving the Community's energy supplies, chiefly through development of indigenous resources. Considerable sums have also been channelled into cross-frontier communications infrastructure within the Community.

Breakdown by economic policy objective (1973-81)



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

Table 13: **Financing provided within the Community from 1973 to 1981**

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

(million ECUs)

	From own resources	From NCI resources	Total	%
Total	14 773.7	1 014.5	15 788.2	100.0
Breakdown by project location				
Belgium	501.1	—	501.1	3.2
Denmark	431.8	18.1	449.9	2.8
Germany	839.4	—	839.4	5.3
Greece	159.2	—	159.2	1.0
France	1 966.5	40.3	2 006.8	12.7
Ireland	1 273.8	145.8	1 419.6	9.0
Italy	5 781.3	671.1	6 452.4	40.9
Luxembourg	—	—	—	—
Netherlands	62.3	—	62.3	0.4
United Kingdom	3 534.8	139.2	3 674.0	23.3
Non-Member Countries (1)	223.5	—	223.5	1.4
Breakdown by economic policy objective				
Regional development	10 011.1	773.0	10 784.1	68.3
Modernisation and conversion of undertakings	187.8	—	187.8	1.2
Common European interest	6 334.9	326.5	6 661.4	42.2
of which energy	5 402.9	326.5	5 729.4	36.3
— deduct to allow for duplication	— 1 760.1	— 85.0	— 1 845.1	— 11.7
Breakdown by sector				
Energy, communications and other infrastructure	11 631.8	1 014.5	12 646.3	80.1
Energy	5 911.3	351.2	6 262.5	39.7
Communications	3 399.8	277.7	3 677.5	23.3
Water schemes	1 988.8	150.2	2 139.0	13.5
Other infrastructure	331.9	235.4	567.3	3.6
Industry, agriculture and services	3 141.9	—	3 141.9	19.9

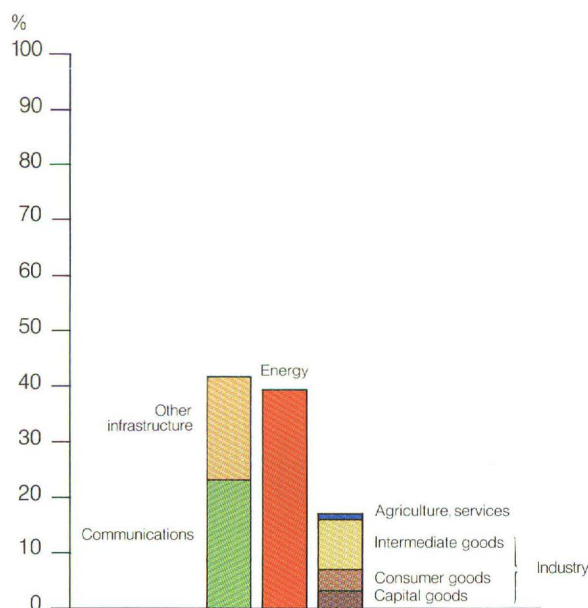
(1) Loans made in accordance with the second paragraph of Article 18 (1) of the Bank's Statute empowering the Board of Governors to authorise the Bank to contribute towards financing projects outside, but of direct interest to, the Community.

Sectoral breakdown

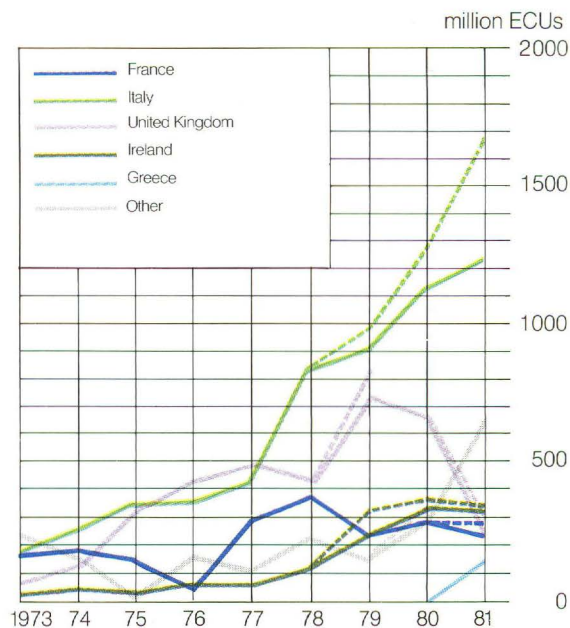
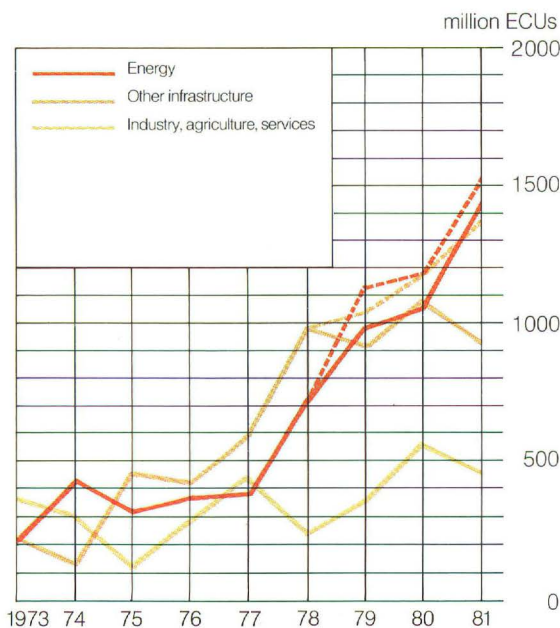
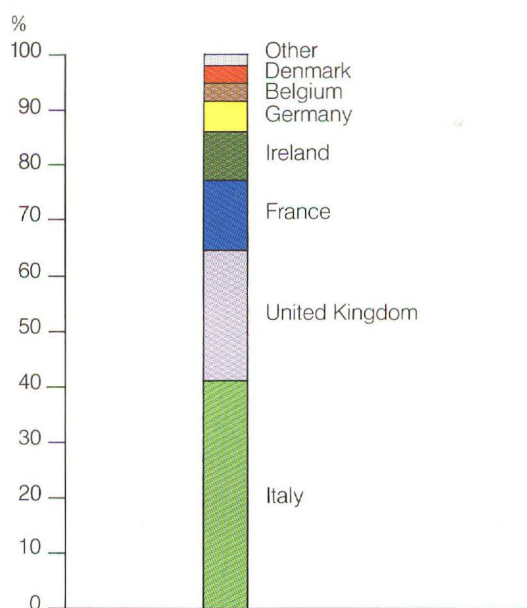
The rapid increase in financing provided by the Bank since 1973 stems largely from the incidence of investment projects showing a high unit cost in the energy, transport, telecommunications and water infrastructure sectors. Credit for projects in industry, agriculture and services, sectors less resistant to the vagaries of the economic climate, showed a more irregular growth pattern, although these mustered a total of 3 141.9 million, or 19.9% of all financing

the Community. Investment financing in basic industries levelled off, leaving the pace to be set by manufacturing industry, in particular motor vehicles, mechanical engineering and foodstuffs. There was an appreciable increase in credit for small and medium-scale ventures, 95 global loans having been granted for a total of 1 226.1 million, under which 2 425 allocations totalling 873.6 million have been made in a wide range of sectors where ventures are far more labour-intensive than is the case with larger scale projects (34 400 ECUs per job created, as against 79 300).

Sectoral breakdown (1973-81)



Breakdown by project location (1973-81)



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

Breakdown by project location

Close on three quarters of projects financed inside the Community were located in countries where regional problems are most serious: Italy, the United Kingdom, Ireland and Greece (see Table 7, page 46).

Operations outside the Community

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

Between 1963 and 1981, these countries attracted a total of 2 867.9 million, comprising 1 933.6 million from the Bank's own resources ⁽¹⁾ and 934.3 million from budgetary resources placed at its disposal by Member States or the Community, partly through the EDF ⁽²⁾ (see Tables 8 and 17 on pages 50 and 87).

Mediterranean region

Financing provided between 1963 and 1981 in the Mediterranean region, including Portugal, totalled 1 874.9 million, or about two thirds of all funds advanced by the Bank outside the Community, including 1 232.1 million from own resources (see Table 8, page 50).

Apart from financing provided in Spain and Portugal under pre-accession aid (see page 51), Yugoslavia (50 million), Malta (8 million) and Cyprus (12 million), all the Bank's Mediterranean activity since 1978 has been mounted under financial protocols that expired at the end of 1981, with the bulk of funds committed in the Maghreb and Mashreq countries and credit utilised in full in Turkey, Portugal and Israel.

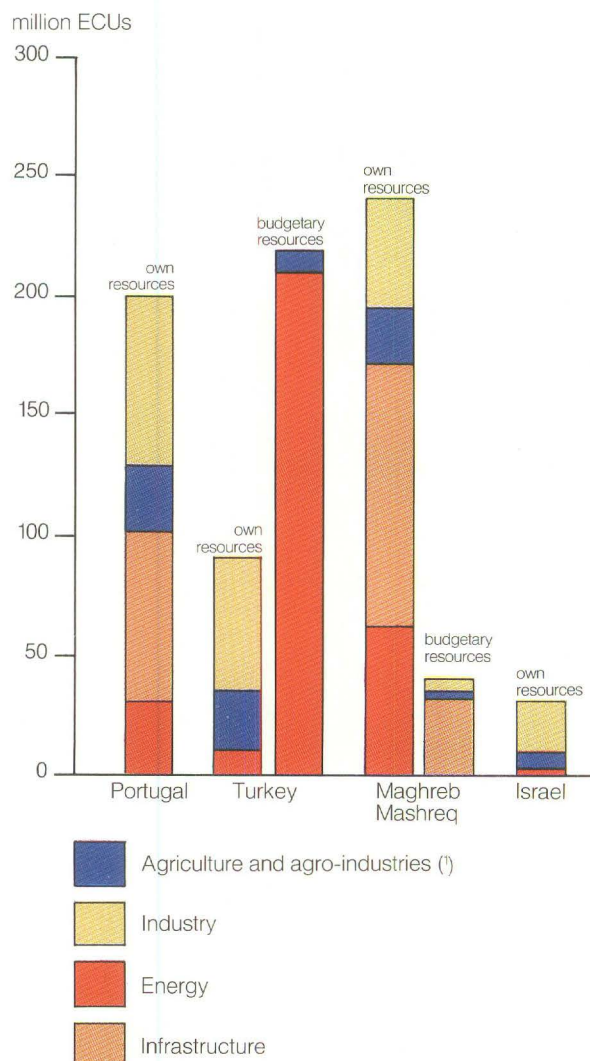
The volume of lending under these protocols came to 868.5 million, including 605.7 million from own resources, or about 45 % of all operations mounted in the Mediterranean region since 1963.

In **Turkey**, a large proportion of the Bank's lending — 196 million from special resources — went towards

Loans in the Mezzogiorno alone accounted for almost 28 % of all financing in Member Countries. In the United Kingdom, notwithstanding a loss of momentum towards the end of the period, Ireland and France, a large proportion of lending was for energy projects, often exploiting indigenous resources, communications infrastructure and water schemes.

hydroelectric or lignite-fired power stations exploiting indigenous energy resources, the combined impact of which will be a 3 700 MW increase in generating capacity and the substitution of the equivalent of almost 4 million tonnes per annum of imported oil, or about 27 % of all hydrocarbon imports in 1980. Financing for industrial and agricultural investment (90 million, including 60 million as global loans for

Lending in the Mediterranean countries including Portugal under Financial Protocols expiring in 1981



⁽¹⁾ Agricultural development, processing and capital investment schemes, forestry, fishing, timber and allied activities.

⁽¹⁾ Almost two thirds of the volume of activity under this heading attracted an interest subsidy.

⁽²⁾ Loans on special conditions and risk capital operations arranged by the Bank under mandate from and for the account of Member States or the European Economic Community (European Development Fund) and accounted for in the EIB's Special Section (see page 68).

small and medium-scale ventures) should lead to the creation of about 6 000 jobs in sectors that are either export-orientated or engaged in import substitution.

In **Portugal**, where lending was based solely on own resources, funds were advanced for industrial and agricultural investment (128 million), transport infrastructure (72 million) and capital investment in the energy sector (30 million). Not the least of the benefits expected from these operations is the direct creation of around 2 500 jobs and the improvement of both domestic and international communications.

In the **Southern Mediterranean**, financing was channelled into port, railway and road infrastructure as a means of facilitating bulk exports (141.2 million), and into equipment for the energy sector (67 million) and industrial (88.3 million) and agricultural (12 million) ventures. The last two categories totalled 100.3 million, of which 69.9 million was allocated to fund 134 smaller ventures, themselves accounting for more than 80 % of the 9 000 jobs that the projects financed are expected to generate in these sectors. Energy equipment financed with the help of the Bank represents an additional generating capacity of 1 200 MW.

Investment financed in all Mediterranean countries totalled an estimated 4.5 billion, the economic impact of which will be considerable, e.g. in the direct creation of about 17 500 jobs and the enhancement of power supplies in the countries concerned. In addition, certain of the transport infrastructure

financed — port works in particular, most of the energy projects and many of the industrial and agricultural ventures will help either to reduce these countries' reliance on imports or to boost their exports.

African, Caribbean and Pacific States

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

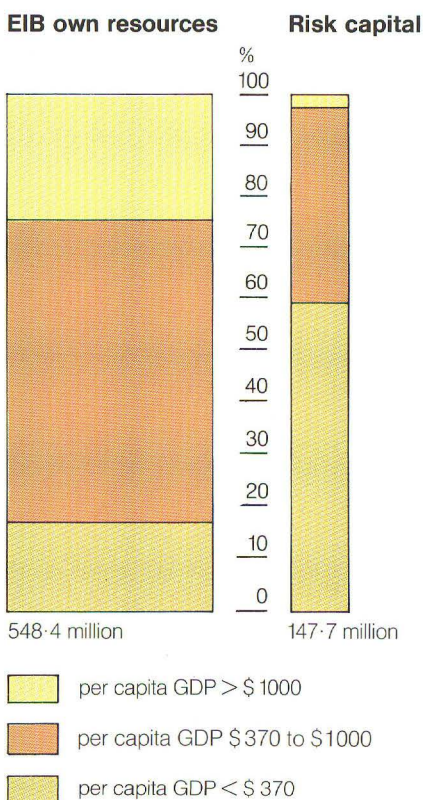
Table 14: **Lending in the Mediterranean countries including Portugal under financial protocols expiring in 1981**

	(million ECUs)		
	From own resources	From budgetary resources	Total
Turkey (3rd Financial Protocol, 1979-81)	90.0	220.0	310.0
Portugal (Financial Protocol, 1978-81)	200.0	—	200.0
Southern Mediterranean (1) (first financial protocols, 1979-81)	270.7	37.8	308.5
Total	560.7	257.8	818.5

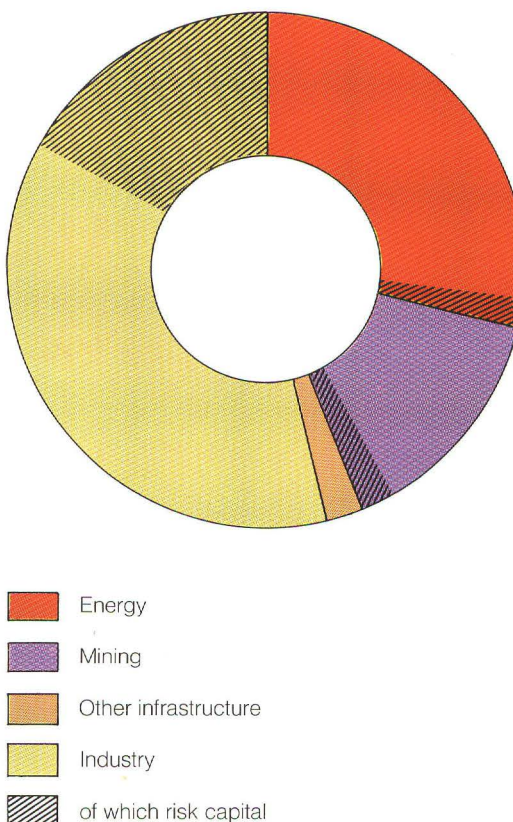
(1) Maghreb (Algeria, Morocco, Tunisia), Mashreq (Egypt, Jordan, Lebanon, Syria) and Israel.

Financing provided in the ACP States and the OCT (1976-81)

Breakdown by per capita GDP



Sectoral breakdown



These operations have reached a total of 993 million, or 35 % of aggregate Bank financing outside the Community, including 701.5 million lent from own resources. The Bank has also provided finance from the resources of the EDF: firstly, loans on special conditions under the two Yaoundé Conventions (142 million) and, subsequently, risk capital assistance in conjunction with the Second Yaoundé and First Lomé Convention (100.2 million), and, in 1981, the Second Lomé Convention (49.5 million). A breakdown of these amounts by country and convention appears in Table 17 on page 87.

Over half of the risk capital financing benefited 22 of the least-developed ACP States referred to in

Article 155 of the Second Lomé Convention, for which this is a particularly appropriate mode of financing. Over three quarters of the credit from the Bank's own resources, on the other hand, went for projects located in the other ACP States.

The graph on page 83 illustrates the pattern of this financing according to the income levels of the countries concerned. More than 80 % of lending from the Bank's own resources has centred on 18 ACP States, 6 in the higher per capita income category and 12 in the middle income class. In contrast, over 61 % of the funds advanced in risk capital operations has gone to projects located in 20 low income ACP States and 37 % to 16 other, middle income States.

Table 15: **Financing provided from 1963 to 1981** ⁽¹⁾ in the Mediterranean region ⁽²⁾

Sectoral breakdown

Sector	Number		Amount (million ECUs)		% of total
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	73	1	1 179.9	3.0	62.9
Energy	32	1	606.9	3.0	32.4
Production	24	1	510.3	3.0	27.2
<i>Thermal power stations</i>	14	1	282.0	3.0	15.0
<i>Hydroelectric power stations</i>	10		228.3		12.2
Transmission	8		96.6		5.2
<i>Power lines</i>	8		96.6		5.2
Communications	28		375.7		20.0
Transport	28		375.7		20.0
<i>Railways</i>	7		91.9		4.9
<i>Roads, bridges and tunnels</i>	10		122.2		6.5
<i>Shipping and inland waterways</i>	9		142.0		7.6
<i>Airlines</i>	2		19.6		1.0
Water schemes	13		197.3		10.5
Agricultural development	12		191.8		10.2
Water catchment, treatment and supply	1		5.5		0.3
Industry, agriculture and services	553	456	695.0	308.1	37.1
Industry	469	411	529.6	280.3	28.2
Mining and quarrying	10	10	5.0	5.0	0.3
Metal production and semi-processing	23	15	46.8	12.4	2.5
Construction materials	37	27	66.9	23.5	3.6
Woodworking	29	27	19.3	17.5	1.0
Glass and ceramics	23	21	25.7	22.5	1.4
Chemicals	55	42	89.2	25.3	4.7
Metalworking and mechanical engineering	66	66	41.9	41.9	2.2
Motor vehicles, transport equipment	13	13	7.9	7.9	0.4
Electrical engineering, electronics	32	30	20.3	15.1	1.1
Foodstuffs	80	80	50.8	50.8	2.7
Textiles and leather	42	35	27.3	22.2	1.4
Paper and pulp	20	10	88.6	10.9	4.7
Rubber and plastics processing	25	24	16.3	15.8	0.9
Other	5	5	1.5	1.5	0.1
Building - civil engineering	3	3	1.9	1.9	0.1
Industrial estates and buildings	6	3	20.2	6.1	1.1
Agriculture, forestry	28	22	63.1	13.1	3.4
Services	23	23	14.7	14.7	0.8
Tourism	8	8	9.7	9.7	0.5
Other	15	15	5.0	5.0	0.3
Global loans (unallocated portion)	33	—	87.6	—	4.7
Grand Total	626	457	1 874.9	311.1	100.0

(1) See Note 2 to Table 1, page 21.

(2) Ordinary loans (1 232.1 million) from EIB own resources and operations on special conditions (642.8 million) financed from Member States' or Community budgetary funds and accounted for off balance sheet in the Bank's Special Section.

Table 16: **Financing provided from 1964 to 1981 in the African, Caribbean and Pacific (ACP) States, the Overseas Countries and Territories (OCT) and the Overseas Departments (1) (2)**

Sectoral breakdown

Sector	Number		Amount (million ECUs)		% of total
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	63	3	351.6	1.4	35.4
Energy	31	3	221.9	1.4	22.4
Production	24	2	159.3	0.8	16.0
<i>Thermal power stations</i>	8	1	26.1	0.6	2.6
<i>Hydroelectric power stations</i>	14	1	110.7	0.2	11.1
<i>Nuclear energy</i>	1		15.0		1.5
<i>Oil and natural gas</i>	1		7.5		0.8
Transmission	7	1	62.6	0.6	6.4
<i>Power lines</i>	7	1	62.6	0.6	6.4
Communications	28		117.6		11.8
Transport	27		116.8		11.7
<i>Railways</i>	8		53.7		5.4
<i>Roads, bridges and tunnels</i>	8		38.7		3.9
<i>Shipping</i>	10		20.0		2.0
<i>Airlines</i>	1		4.4		0.4
Telecommunications	1		0.8		0.1
Water schemes	4		12.1		1.2
Agricultural development	2		5.3		0.5
Water catchment, treatment and supply	2		6.8		0.7
Industry, agriculture and services	330	147	641.4	68.6	64.6
Industry	234	129	554.8	64.0	55.9
Mining and quarrying	18	6	172.8	2.5	17.4
Metal production and semi-processing	15	8	32.1	3.8	3.2
Construction materials	22	8	64.2	4.0	6.5
Woodworking	8	7	5.1	1.9	0.5
Glass and ceramics	6	4	7.7	3.6	0.8
Chemicals	20	8	44.7	5.9	4.5
Metalworking and mechanical engineering	13	12	5.7	5.2	0.6
Motor vehicles, transport equipment	6	4	6.6	1.7	0.7
Electrical engineering, electronics	2	2	2.5	2.5	0.3
Foodstuffs	64	27	155.4	16.6	15.6
Textiles and leather	30	14	41.4	4.3	4.2
Paper and pulp	15	15	8.2	8.2	0.8
Rubber and plastics processing	15	14	8.4	3.8	0.8
Agriculture	3	1	9.9	0.6	1.0
Services	56	17	30.9	4.0	3.1
Tourism	21	14	20.9	3.8	2.1
Research and technical assistance	35	3	10.0	0.2	1.0
Global loans (unallocated portion) (3)	29	—	41.8	—	4.2
Development finance companies	8	—	4.0	—	0.4
Grand Total	393	150	993.0	70.0	100.0

(1) See Note 2 to Table 1, page 21.

(2) Ordinary loans (701.5 million) from EIB own resources and operations on special conditions (291.5 million) financed from Member States' resources through the European Development Fund and accounted for off balance sheet in the Bank's Special Section.

(3) Difference between the amount of global loans granted (111.8 million) and the amount of allocations authorised (70 million) under these global loans.

Table 17: **Financing provided from 1976 to 1981 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

	Ordinary operations mounted from EIB own resources					Risk capital operations mounted from budgetary resources (1)					Total financing		
	First Lomé Convention		Second Lomé Convention		Total amount	First Lomé Convention		Second Lomé Convention		Total amount	Second Lomé Convention		
	Number	(million ECUs)	Number	(million ECUs)		Number	(million ECUs)	Number	(million ECUs)		(million ECUs)	(million ECUs)	Total
AFRICA	52	338.5	11	106.4	444.9	66	92.7	13	32.5	125.2	431.2	138.9	570.1
<i>West Africa</i>	25	192.5	4	29.4	221.9	28	40.7	3	4.8	45.5	233.2	34.2	267.4
Cape Verde	—	—	—	—	—	2	3.6	—	—	3.6	3.6	—	3.6
Ivory Coast	10	47.4	—	—	47.4	4	3.0	—	—	3.0	50.4	—	50.4
Gambia	—	—	—	—	—	2	2.4	—	—	2.4	2.4	—	2.4
Ghana	2	16.0	—	—	16.0	2	2.25	—	—	2.25	18.25	—	18.25
Guinea	1	4.4	—	—	4.4	1	0.15	—	—	0.15	4.55	—	4.55
Upper Volta	1	—	—	—	—	—	—	—	—	—	—	—	—
	b	8.0	—	—	8.0	3	8.0	—	—	8.0	16.0	—	16.0
Liberia	2	7.4	—	—	7.4	1	0.3	1	0.7	1.0	7.7	0.7	8.4
Mali	—	—	—	—	—	3	6.3	—	—	6.3	6.3	—	6.3
Mauritania	1	25.0	—	—	25.0	—	—	—	—	—	25.0	—	25.0
Niger	2	6.0	1	10.0	16.0	1	0.9	—	—	0.9	6.9	10.0	16.9
Nigeria	2	50.0	—	—	50.0	—	—	—	—	—	50.0	—	50.0
Senegal	2	12.0	1	10.0	22.0	5	8.5	1	2.3	10.8	20.5	12.3	32.8
Togo	2	16.3	1	4.4	20.7	3	5.2	—	—	5.2	21.5	4.4	25.9
<i>Regional</i>													
Development Bank	—	—	1	5.0	5.0	1	0.1	1	1.8	1.9	0.1	6.8	6.9
<i>Central and Equatorial Africa</i>	6	32.6	3	32.0	64.6	11	24.0	3	10.0	34.0	56.6	42.0	98.6
Burundi	—	—	—	—	—	1	0.5	2	4.0	4.5	0.5	4.0	4.5
Cameroon	6	32.6	1	10.0	42.6	2	4.6	—	—	4.6	37.2	10.0	47.2
Congo	—	—	—	—	—	1	3.1	—	—	3.1	3.1	—	3.1
Gabon	—	—	2	22.0	22.0	—	—	—	—	—	—	22.0	22.0
Rwanda	—	—	—	—	—	1	3.0	—	—	3.0	3.0	—	3.0
Chad	—	—	—	—	—	1	7.5	—	—	7.5	7.5	—	7.5
Zaire	—	—	—	—	—	5	5.3	1	6.0	11.3	5.3	6.0	11.3
<i>East and Southern Africa</i>	21	113.4	4	45.0	158.4	27	28.0	7	17.7	45.7	141.4	62.7	204.1
Botswana	2	6.5	—	—	6.5	2	1.75	—	—	1.75	8.25	—	8.25
Comoros	—	—	—	—	—	1	0.02	1	0.17	0.19	0.02	0.17	0.19
Djibouti	—	—	—	—	—	1	1.0	1	1.8	2.8	1.0	1.8	2.8
Kenya	8	52.4	1	6.5	58.9	3	1.3	1	1.55	2.8	53.7	8.05	61.75
Lesotho	—	—	—	—	—	2	0.1	1	3.0	3.1	0.1	3.0	3.1
Madagascar	—	—	—	—	—	2	2.3	1	2.17	4.47	2.3	2.17	4.47
Malawi	3	14.5	—	—	14.5	3	1.6	—	—	1.6	16.1	—	16.1
Mauritius	3	12.5	—	—	12.5	1	0.07	—	—	0.07	12.57	—	12.57
Uganda	—	—	—	—	—	1	0.35	—	—	0.35	0.35	—	0.35
Seychelles	—	—	—	—	—	1	0.6	—	—	0.6	0.6	—	0.6
Somalia	—	—	—	—	—	1	0.25	—	—	0.25	0.25	—	0.25
Sudan	—	—	—	—	—	1	6.5	—	—	6.5	6.5	—	6.5
Swaziland	2	12.0	1	7.0	19.0	2	1.1	—	—	1.1	13.1	7.0	20.1
Tanzania	1	5.0	—	—	5.0	3	7.75	1	7.50	15.25	12.75	7.50	20.25
Zambia	2	10.5	2	31.5	42.0	3	3.4	1	1.50	4.90	13.9	33.0	46.9
CARIBBEAN	5	20.5	—	—	20.5	4	4.5	—	—	4.5	25.0	—	25.0
<i>Regional</i>													
Development Bank	1	3.0	—	—	3.0	1	1.0	—	—	1.0	4.0	—	4.0
Barbados	2	7.5	—	—	7.5	—	—	—	—	—	7.5	—	7.5
Guyana	—	—	—	—	—	1	3.2	—	—	3.2	3.2	—	3.2
Jamaica	—	—	—	—	—	1	0.1	—	—	0.1	0.1	—	0.1
St Lucia	—	—	—	—	—	1	0.2	—	—	0.2	0.2	—	0.2
Trinidad and Tobago	2	10.0	—	—	10.0	—	—	—	—	—	10.0	—	10.0
PACIFIC	3	31.0	2	52.0	83.0	2	2.1	4	16.0	18.1	33.1	68.0	101.1
Fiji	2	24.0	1	12.0	36.0	1	0.2	—	—	0.2	24.2	12.0	36.2
Papua New Guinea	1	7.0	1	40.0	47.0	1	1.9	1	12.0	13.9	8.9	52.0	60.9
Western Samoa	—	—	—	—	—	—	—	1	3.0	3.0	—	3.0	3.0
Tonga	—	—	—	—	—	—	—	2	1.0	1.0	—	1.0	1.0
ACP States Total	60	390.0	13	158.4	548.4	72	99.3	17	48.5	147.8	489.3	206.9	696.2
OCT	1	7.0	—	—	7.0	1	0.9	1	1.0	1.9	7.9	1.0	8.9
Grand Total	61	397.0	13	158.4	555.4	73	100.2	18	49.5	149.7	497.2	207.9	705.1 (2)

(1) See page 55.

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

Table 18: **Financing operations within the Community from 1958 to 1981** ⁽¹⁾

Sectoral breakdown

18.1. **From EIB own resources**

Sector	Number		Amount (million ECUs)		% of total
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	792	160	13 079.8	81.3	75.9
Energy	288	19	6 359.7	23.2	36.9
Production	198	2	4 688.0	1.7	27.2
Nuclear	66		2 561.8		14.9
Thermal power stations	36		623.9		3.6
Hydroelectric power stations	29		745.3		4.3
Geothermal power stations and district heating plant	12	2	98.9	1.7	0.6
Development of oil and natural gas deposits	48		613.2		3.5
Solid fuel extraction	7		44.9		0.3
Supply systems	90	17	1 671.7	21.5	9.7
Power lines	42	17	567.7	21.5	3.3
Gaslines and oil pipelines	48		1 104.0		6.4
Communications	346	141	4 342.6	58.1	25.2
Transport	266	141	2 079.3	58.1	12.1
Railways	20		398.1		2.3
Roads, bridges and tunnels	191	124	1 150.8	37.9	6.7
Shipping and inland waterways	42	16	308.6	20.1	1.8
Airlines	12	1	216.9	0.1	1.3
Other	1		4.9		
Telecommunications	80		2 263.3		13.1
Water schemes	131		2 110.6		12.3
Agricultural development	36		698.2		4.1
Water catchment, treatment and supply	95		1 412.4		8.2
Other infrastructure	18		226.2		1.3
Global loans (unallocated portion)	9		40.7		0.2
Industry, agriculture and services	3 156	2 612	4 149.3	929.2	24.1
Industry	2 894	2 466	3 634.0	887.1	21.1
Mining and quarrying	47	44	32.7	26.4	0.2
Metal production and semi-processing	136	77	818.1	51.9	4.7
Construction materials	216	183	188.3	73.3	1.1
Woodworking	231	227	66.6	47.5	0.4
Glass and ceramics	68	50	111.0	30.9	0.7
Chemicals	224	137	596.2	61.6	3.5
Metalworking and mechanical engineering	653	595	433.4	184.1	2.5
Motor vehicles, transport equipment	105	77	418.8	31.6	2.4
Electrical engineering, electronics	154	129	155.4	43.5	0.9
Foodstuffs	464	407	357.5	149.6	2.1
Textiles and leather	158	145	70.6	50.1	0.4
Paper, printing and pulp	170	159	101.7	59.9	0.6
Rubber and plastics processing	183	163	146.7	58.3	0.9
Other	67	62	23.4	15.0	0.1
Building and civil engineering	11	11	3.4	3.4	
Industrial estates and buildings	7		110.2		0.6
Agriculture, forestry, fishing	121	118	63.1	24.3	0.4
Services	35	28	65.3	17.9	0.4
Tourism	20	18	20.9	12.9	0.1
Research and development	3		8.1		0.1
Other	12	10	36.3	5.0	0.2
Global loans (unallocated portion)	106		386.9		2.2
Total	3 948	2 772	17 229.1	1 010.5	100.0

⁽¹⁾ See Note 2 to Table 1, page 21.

18.2. From NCI resources

Sector	Number		million ECUs		% of total
	Total	of which global loan allocations	Total	of which global loan allocations	
Energy, communications and other infrastructure	39		1 014.5		100.0
Energy	18		351.2		34.6
Production	14		268.6		26.5
<i>Thermal power stations</i>	3		45.5		4.5
<i>Hydroelectric power stations</i>	3		147.2		14.5
<i>Geothermal power stations and district heating plant</i>	3		31.6		3.1
<i>Development of oil and natural gas deposits</i>	2		20.6		2.1
<i>Solid fuel extraction</i>	3		23.7		2.3
Supply systems	4		82.6		8.1
<i>Power lines</i>	1		17.1		1.7
<i>Gaslines</i>	3		65.5		6.4
Communications	12		277.7		27.4
Transport	6		156.3		15.4
<i>Railways</i>	1		28.4		2.8
<i>Roads, bridges and tunnels</i>	5		127.9		12.6
Telecommunications	6		121.4		12.0
Water schemes	5		150.2		14.8
Water catchment, treatment and supply	5		150.2		14.8
Other infrastructure	4		235.4		23.2
Total	39		1 014.5		100.0

18.3. From EIB own and NCI resources

Energy, communications and other infrastructure	831	160	14 094.3	81.3	77.3
Energy	306	19	6 710.9	23.2	36.8
Production	212	2	4 956.6	1.7	27.2
<i>Nuclear</i>	66		2 561.8		14.0
<i>Thermal power stations</i>	39		669.4		3.7
<i>Hydroelectric power stations</i>	32		892.5		4.9
<i>Geothermal power stations and district heating plant</i>	15	2	130.5	1.7	0.7
<i>Development of oil and natural gas deposits</i>	50		633.8		3.5
<i>Solid fuel extraction</i>	10		68.6		0.4
Supply systems	94	17	1 754.3	21.5	9.6
<i>Power lines</i>	43	17	584.8	21.5	3.2
<i>Gaslines and oil pipelines</i>	51		1 169.5		6.4
Communications	358	141	4 620.3	58.1	25.4
Transport	272	141	2 235.6	58.1	12.3
<i>Railways</i>	21		426.5		2.4
<i>Roads, bridges and tunnels</i>	196	124	1 278.7	37.9	7.0
<i>Shipping and inland waterways</i>	42	16	308.6	20.1	1.7
<i>Airlines</i>	12	1	216.9	0.1	1.2
Other	1		4.9		
Telecommunications	86		2 384.7		13.1
Water schemes	136		2 260.8		12.4
Agricultural development	36		698.2		3.8
Water catchment, treatment and supply	100		1 562.6		8.6
Other infrastructure	22		461.6		2.5
Global loans (unallocated portion)	9		40.7		0.2
Industry, agriculture and services (see 18.1. above)	3 156	2 612	4 149.3	929.2	22.7
Total	3 987	2 772	18 243.6	1 010.5	100.0

Table 19: **Global loan financing within the Community in 1981**

Breakdown by intermediary institution and details of previous global loans (1968-80) (1)

Intermediary institution	Global loans		Allocations	
	Number	Amount (million ECUs)	Number	Amount (million ECUs)
Italy				
Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER)	3	174.7	258	110.5
Istituto Mobiliare Italiano (IMI)	3	55.3	42	30.1
Istituto Regionale per il Finanziamento alle Industrie in Sicilia (IRFIS)	3	45.3	70	28.3
Mediocredito Centrale	3	48.9	54	24.0
Banca Nazionale del Lavoro (BNL)	1	13.0	10	11.9
Banca Centrale di Credito Popolare	2	13.3	11	11.0
Banco di Napoli	1	8.3	12	7.9
Banco di Sicilia	1	6.3	3	2.4
Credito Industriale Sardo (CIS)	1	8.0	—	—
Sub-total: Credit lines open in 1981	18	373.1	460	226.1
Sub-total: Global loans wound up at 31. 12. 1980	25	316.6	608	280.2
Total Italy	43	689.7	1 068	506.3
France				
Caisse d'Aide à l'Équipement des Collectivités Locales (CAECL)	5	58.7	108	36.9
Sub-total: Global loans wound up at 31. 12. 1980	13	142.9	220	113.1
Total France	18	201.6	328	150.0
Ireland				
Industrial Credit Company (ICC)	5	85.1	409	46.2
Agricultural Credit Corporation (ACC)	3	13.1	20	4.1
IDA Agency Loan (contract of mandate)	1	14.8	—	—
Sub-total: Credit lines open in 1981	9	113.0	429	50.3
Sub-total: Global loans wound up at 31. 12. 1980	9	65.5	472	56.1
Total Ireland	18	178.5	901	106.4
United Kingdom				
Government (contract of mandate)	1	30.9	41	24.7
Industrial and Commercial Finance Corporation	1	8.5	22	1.3
Midland Bank	1	9.3	1	0.1
Sub-total: Credit lines open in 1981	3	48.7	64	26.1
Sub-total: Global loans wound up at 31. 12. 1980	4	101.4	123	73.6
Total United Kingdom	7	150.1	187	99.7
Belgium				
Société Nationale de Crédit à l'Industrie (SNCI)	1	12.3	7	12.3
Sub-total: Global loans wound up at 31. 12. 1980	3	30.3	41	30.6
Total Belgium	4	42.6	48	42.9
Denmark				
Danish Government	4	16.0	31	8.0
Kongeriget Danmarks Hypotekbank og Finansforvaltning	1	20.5	2	1.7
Sub-total: Credit lines open in 1981	5	36.5	33	9.7
Sub-total: Global loans wound up at 31. 12. 1980	11	31.8	85	31.6
Total Denmark	16	68.3	118	41.3
Greece				
National Investment Bank for Industrial Development (NIBID)	2	25.9	15	13.7
Agricultural Bank of Greece (ABG)	1	10.1	11	8.0
Hellenic Industrial Development Bank (ETBA)	1	20.1	4	3.4
Investment Bank	1	5.1	4	2.9
Sub-total: Credit lines open in 1981	5	61.2	34	28.0
Germany				
Sub-total: Global loans wound up at 31. 12. 1980	4	46.3	88	36.0
Total credit lines open in 1981	46	703.5	1 135	389.4
of which: energy saving	6	63.3	20	22.6
Total global loans wound up at 31. 12. 1980	69	734.7	1 637	621.1
Grand Total	115	1 438.2 (2)	2 772	1 010.5

(1) See Note 2 to Table 1, page 21.

(2) Of which: balance awaiting allocation: 304.2 million; cancellations: 97.5 million; exchange adjustments: 26.0 million.

Table 20: Allocations from global loans within the Community in 1981 and from 1969 to 1981 ⁽¹⁾

Breakdown by region and economic policy objective

	1981		1969/81			1981		1969/81	
	Number	million ECU's	Number	million ECU's		Number	million ECU's	Number	million ECU's
REGIONAL DEVELOPMENT									
Belgium	7	12.3	48	42.9	Ireland	386	43.3	901	106.4
Antwerp	1	1.7	7	7.3	France	108	36.9	328	150.0
Hainaut	1	4.1	8	7.8	Alsace	—	—	27	8.3
Liège	2	2.6	12	9.7	Aquitaine	—	—	11	6.7
Limburg	—	—	3	1.1	Auvergne	1	0.7	10	7.1
Luxembourg	—	—	1	0.8	Lower Normandy	4	1.4	9	9.2
Namur	1	1.2	2	2.0	Burgundy	—	—	3	2.3
Eastern Flanders	2	2.7	7	8.3	Brittany	—	—	34	28.2
Western Flanders	—	—	8	5.9	Centre	—	—	3	1.2
Denmark	24	6.1	116	39.6	Champagne-Ardenne	—	—	2	0.5
East of the Great Belt (excluding Copenhagen)	2	1.0	11	6.3	Corsica	1	0.7	2	1.0
West of the Great Belt	22	5.1	105	33.3	Franche-Comté	—	—	2	0.4
Germany ⁽²⁾	—	—	88	36.0	Languedoc-Roussillon	10	4.0	33	9.4
Greece	34	28.0	34	28.0	Limousin	—	—	11	2.7
Crete	3	2.0	3	2.0	Lorraine	—	—	24	13.3
Epirus	2	3.1	2	3.1	Midi-Pyrénées	71	11.3	89	19.2
Central Greece (east)	10	5.4	10	5.4	Nord-Pas de Calais	18	16.4	28	21.9
Aegean Islands (east)	1	2.3	1	2.3	Pays de la Loire	3	2.4	25	12.4
Central and Western Macedonia	8	7.7	8	7.7	Picardy	—	—	2	1.1
Eastern Macedonia	2	1.6	2	1.6	Poitou-Charentes	—	—	6	2.6
Peloponnese — Central Greece (west)	2	1.5	2	1.5	Rhône-Alpes	—	—	7	2.5
Thessaly	3	2.7	3	2.7	Italy	346	161.0	1 050	485.4
Thrace	2	0.8	2	0.8	Abruzzi	34	17.9	118	54.3
Multiregional project	1	0.9	1	0.9	Basilicata	5	0.7	23	7.9
United Kingdom	46	18.1	187	99.7	Calabria	30	6.5	63	17.1
Scotland	5	0.7	37	16.8	Campania	81	41.9	207	106.2
Northern England	4	3.1	51	33.1	Friuli-Venezia Giulia	5	1.1	31	9.0
North West England	12	2.3	16	4.4	Latium	31	21.8	141	86.6
South West England	3	7.4	14	16.3	The Marches	12	7.6	34	20.3
Yorkshire and Humberside	8	0.9	18	9.7	Molise	8	2.7	23	9.6
East Midlands	3	1.1	3	1.1	Apulia	48	21.9	139	55.3
Wales	7	1.2	42	16.2	Sardinia	—	—	66	28.3
Northern Ireland	4	1.4	6	2.1	Sicily	61	25.6	127	59.4
					Tuscany	8	3.7	28	7.4
					Trentino-Alto Adige	12	6.0	35	16.7
					Umbria	11	3.6	15	7.3
Total						951	305.7	2 752	988.0
ENERGY SAVING									
Denmark	2	1.6	2	1.6	Italy	17	19.6	18	20.9
Greece	—	—	—	—	Ireland	—	—	—	—
Total						19	21.2	20	22.5
Grand Total						970	326.9	2 772	1 010.5

(1) See Note 2 to Table 1, page 21.

(2) See 1980 Annual Report for regional breakdown.

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

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

Contracts signed in 1981

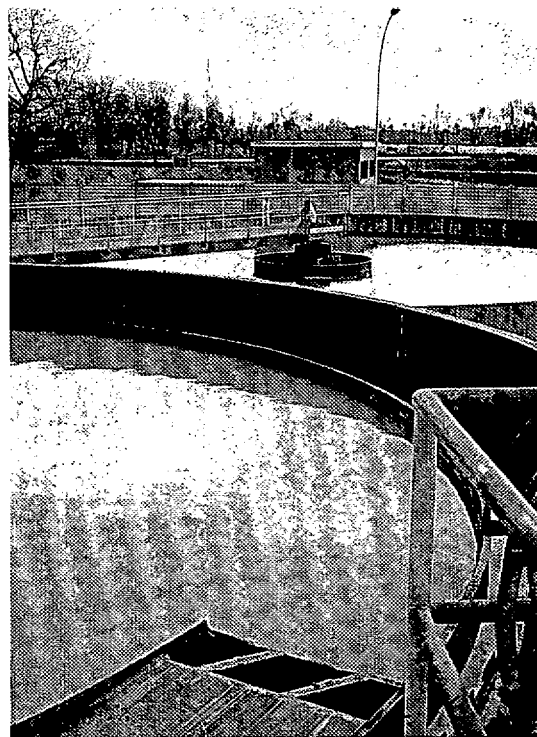
Loans and guarantees provided from the Bank's own resources and for which contracts were signed in 1981 in respect of investment projects within the Community, totalled 2 821.5 million. All these operations — the principal economic aspects of which are outlined on pages 23 to 46 — give rise to financial commitments for the Bank and are accounted for on its balance sheet.

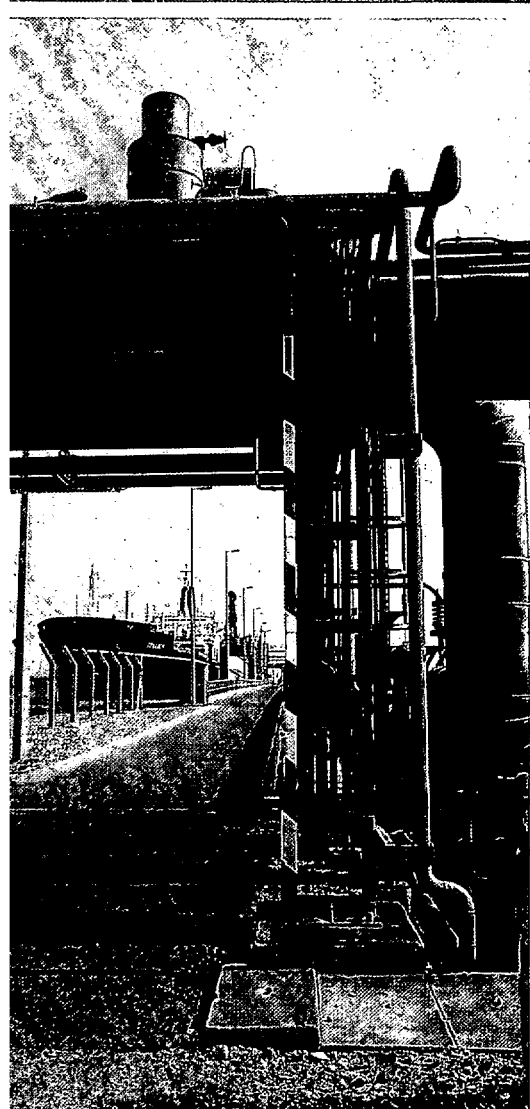
Certain projects financed also received loans from NCI resources (see page 99) and these are marked with an asterisk (*). In the case of projects marked with a cross (+), the loans attracted the 3 % EMS interest subsidy provided for investment projects in Italy and Ireland. Loans under the heading of exceptional Community aid for reconstruction in areas of Campania and Basilicata struck by the earthquakes in November 1980 are printed in italics; these loans also attracted a 3 % interest subsidy.

	million ECUs		
BELGIUM	182.5		
Bfrs 7.5 billion			
1.—2. Construction of 2nd (902 MW) and 3rd (1 003 MW) units of Tihange (Liège) and 3rd (897 MW) and 4th (1 003 MW) units of Doel (Antwerp) nuclear power stations		8. Construction of 93 km gasline between Frøslev/Flensburg (on German border) and Egtved (South Jutland)	
Intercom and Ebes through intermediary of Belgelectric Finance B.V.		Dansk Olie og Naturgas A/S-Dong	
— Bfrs 5 billion	121.0	Dkr 115 million	14.7
— Bfrs 2 billion	49.2		
3. Global loan for financing small and medium-scale industrial ventures in regional development areas		9. Laying of 214 km submarine gasline between the Tyra field in Danish sector of North Sea and Nybrø (Ribe)	
Société Nationale de Crédit à l'Industrie (SNCI)		Dansk Olie og Naturgas A/S-Dong	
Bfrs 500 million	12.3	Dkr 600 million	76.9
		10. Extension and deepening of Aabenraa port	
		Municipality of Aabenraa (South Jutland)	
		Dkr 15 million	1.9
		11. Connection of Greenland telecommunications network to Danish system, improvements to satellite links and domestic network	
		Danish Government (Ministry of Finance)	
		Dkr 54.2 million	6.8
		12. Improvements to drainage network and sewage treatment plant at Kalundborg (West Zealand)	
		Municipality of Kalundborg	
		Dkr 15 million	1.9
		13. Construction of a fishery research and development centre at Hirtshals (North Jutland)	
		Nordsøcentret, Fiskeri- og Havforskningscenter Selvejende Institution	
		Dkr 30 million	3.8
		14.—15. Global loans for financing small and medium-scale industrial ventures in regional development areas	
		Danish Government (Ministry of Finance)	
		— Dkr 25 million	3.1
		— Dkr 50 million	6.4
		GERMANY	292.0
		DM 725 million	
		16.—17. Construction of Mülheim-Kärlich nuclear power station (1 223 MW) north-west of Koblenz (Rhineland-Palatinate)	
		Société Luxembourgeoise de Centrales Nucléaires S.A.	
		— guarantee operations	
		DM 250 million	100.8
		DM 450 million	181.4
		18. Construction of 64 km Deudan gasline between Randsburg and Flensburg/Frøslev on Danish border (Schleswig-Holstein) connecting projected Danish network with German and European systems	
		Deutsch-Dänische Erdgastransportgesellschaft mbH & Co KG through intermediary of B.V. Beleggings Maatschappij G. Floris-Corsten	
		DM 25 million	9.9
		GREECE	159.2
		Dr 9.81 billion	
		19. Construction of 78 km road to link Thessaloniki and Serres (Central and Eastern Macedonia)	
		Hellenic Republic (Ministry of Coordination)	
		Dr 900 millions	14.6

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

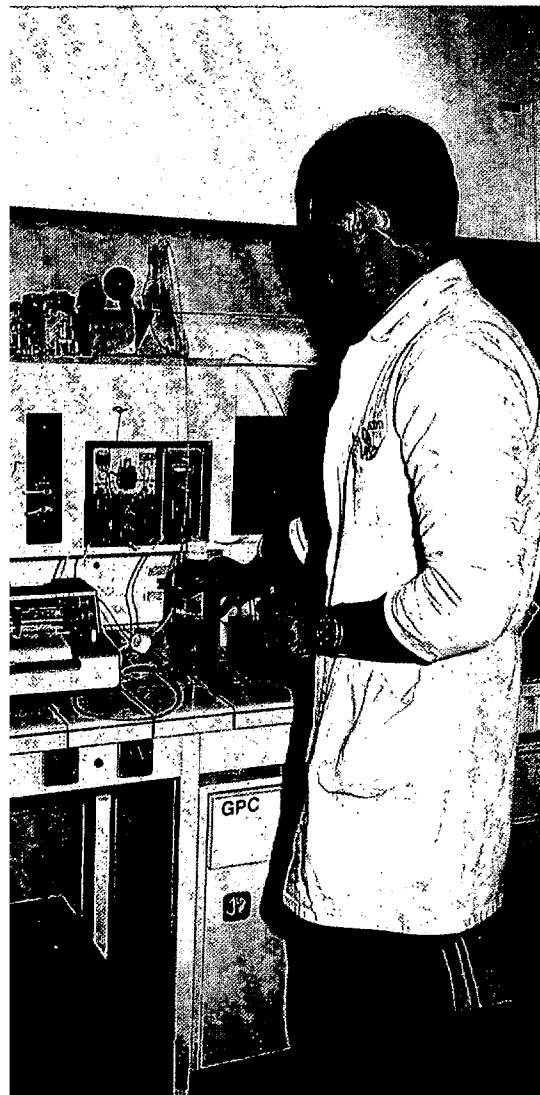
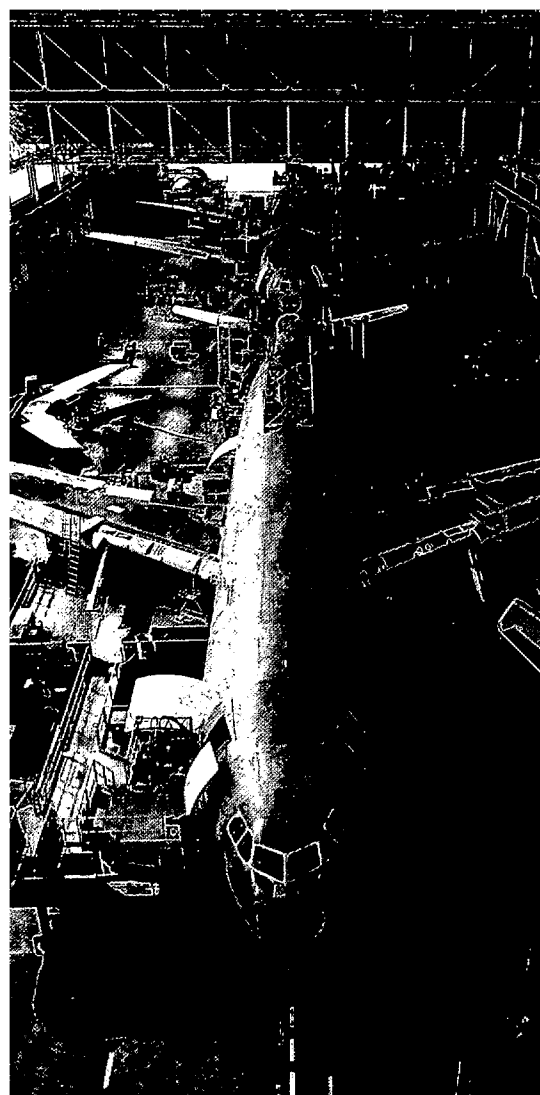
20. Installation of radar equipment and improvements to air traffic control facilities Hellenic Republic (Ministry of Coordination) Dr 950 million	15.5	29. Global loan for financing small and medium-scale industrial ventures Hellenic Industrial Development Bank (ETBA) Dr 1.24 billion	20.1
21.—22. Expansion and modernisation of the telecommunications network; connection of 81 600 new subscribers OTE — Greek Telecommunications Organisation — Dr 800 million — Dr 900 million	12.9 14.6	30. Global loan for financing small and medium-scale industrial ventures Investment Bank S.A. Dr 310 million	5.1
23. Sprinkler and surface irrigation of 12 000 ha in plain of Drama (Eastern Macedonia) Hellenic Republic (Ministry of Coordination) Dr 460 million	7.5	31. Global loan for financing small and medium-scale industrial and tourism ventures National Investment Bank for Industrial Development (NIBID) Dr 1 billion	16.1
24. Surface irrigation of 1 460 ha on coastal plain west of Nestos (Eastern Macedonia) Hellenic Republic (Ministry of Coordination) Dr 130 million	2.1	32. Global loan for financing small and medium-scale schemes aimed at more efficient use of energy in industry National Investment Bank for Industrial Development (NIBID) Dr 610 million	9.8
25. Sprinkler and surface irrigation of 2 600 ha in Boida-Mavri plain (Epirus) Hellenic Republic (Ministry of Coordination) Dr 190 million	3.1	33. Global loan for financing small and medium-scale agricultural processing and on-farm ventures Agricultural Bank of Greece (ABG) Dr 620 million	10.1
26. Modernisation and extension of surface irrigation network over 1 400 ha in plain of Konitsa (Epirus) Hellenic Republic (Ministry of Coordination) Dr 150 million	2.5	FRANCE 226.7	
27. Sewage collection and disposal schemes in towns of Ioannina (Epirus), Larissa (Thessaly), Kastoria and Ptolemaïs (Western Macedonia) Municipal water and sewerage utilities of towns concerned through intermediary of Hellenic Republic (Ministry of Coordination) Dr 850 million	13.9	34. Construction of Super-Phénix nuclear power station (1 200 MW) at Creys-Malville (Rhône-Alpes) Centrale Nucléaire Européenne à Neutrons Rapides S.A. (NERSA) Ffrs 285 million	47.6
28. Development of industrial estates at Komotini (Thrace), Kavala (Eastern Macedonia), Volos (Thessaly), Patras (Peloponnese) and Heraklion (Crete) Hellenic Industrial Development Bank (ETBA) for ETBA Industrial Areas Organisation, Operation and Exploitation Company S.A. (VIPETBA) Dr 700 million	11.3	35. Construction of 1st and 2nd units (1 270 MW each) of Belleville nuclear power station (Centre) Electricité de France (EDF) Public utility Ffrs 400 million	67.3
		36. Construction of uranium enrichment plant at Tricastin (Rhône-Alpes) based on gaseous diffusion process Eurodif S.A. Ffrs 265.9 million	44.1





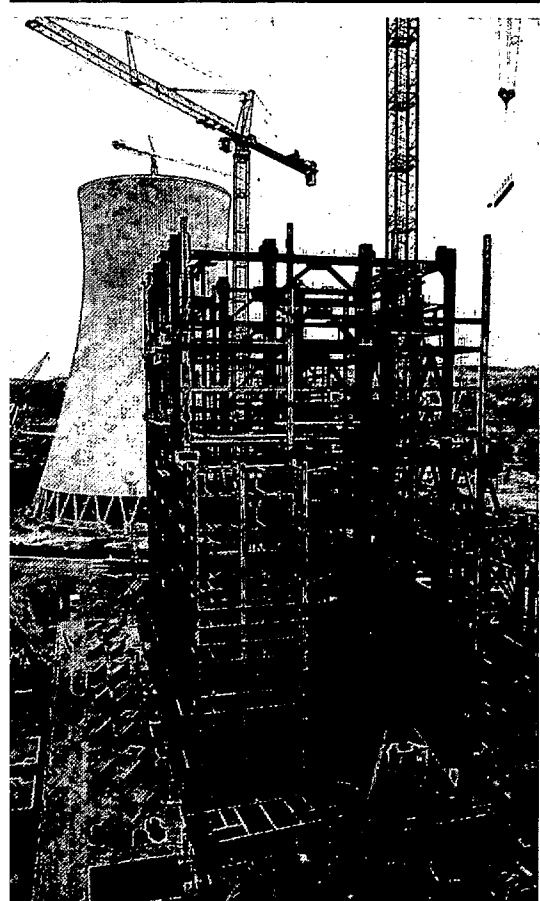
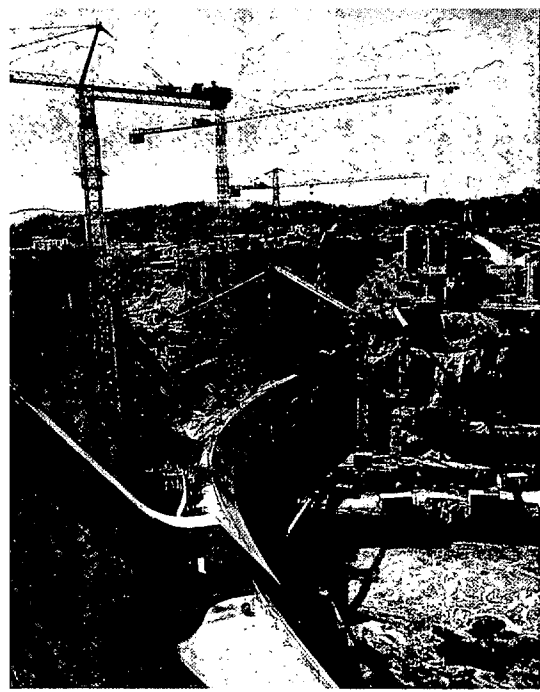
37. Construction of 66.5 km section of A 63 Basque coast motorway between Saint-Geours-de-Maremne and Spanish border (Aquitaine) Société Concessionnaire des Autoroutes de la Côte Basque 'ACOBA' Ffrs 29.8 million	5-0	47. Development of bogland and peat briquetting plant at Littleton (Midlands) Bord Na Mona IR£3 million	4.3 +
38.* Construction of 219 km Poitiers—Bordeaux section of A 10 Paris—Bordeaux motorway (Poitou—Charentes and Aquitaine) Société des Autoroutes du Sud de la France through intermediary of Caisse Nationale des Autoroutes Ffrs 60 million	10.0	48. Extension and development of the high-voltage grid, installation of 400 Kv lines linking Moneypoint power station and Dublin Electricity Supply Board IR£18 million	26.0 +
39. Extension of commercial port at La Rochelle-La Pallice (Poitou-Charentes) La Rochelle Chamber of Commerce and Industry through intermediary of Caisse d'Aide à l'Equipement des Collectivités Locales (CAECL) Ffrs 15 million	2.5	49. Electrification and modernisation of Dublin suburban railway line between Howth and Bray and provision of new rolling stock Coras Iompair Eireann IR£18 million	26.0 +
40.—41.—42.—43. Global loans for financing public and local authority infrastructure schemes in regional development areas Caisse d'Aide à l'Equipement des Collectivités Locales (CAECL) — Ffrs 50 million — Ffrs 100 million — Ffrs 50 million — Ffrs 100 million	8.4 16.6 8.4 16.8	50. Acquisition of roll-on/roll-off car (340) and passenger (1 500) ferry to operate between Ireland and Great Britain British and Irish Steam Packet Company Limited IR£5 million	7.2 +
		51.—52.* Extension and modernisation of telecommunications network to connect nearly 90 000 new telephone and telex subscribers (see No 157) Ireland (Minister for Finance) — IR£25.0 million — IR£7.8 million	36.2 + 11.3 +
		53. Drainage of 45 129 ha in Counties Meath, Limerick and Mayo Ireland (Minister for Finance) IR£3 million	4.3 +
IRELAND	325.3	54. Water supply, sewerage and sewage disposal schemes in Counties Roscommon Longford, Laois, Offaly, Westmeath, Cavan, Leitrim and Donegal Ireland (Minister for Finance) IR£6.8 million	9.9 +
IR£225.1 million		55. Water supply, sewerage and sewage disposal schemes in Counties Cork and Kerry Ireland (Minister for Finance) IR£6 million	8.6 +
44.—45. Construction of two 300 MW units of Moneypoint coal-fired power station (Mid West) Electricity Supply Board — IR£30 million — IR£22 million	43.1 + 31.8 +	56. Water supply, sewerage and sewage disposal schemes in Counties Mayo and Sligo Ireland (Minister for Finance) IR£4 million	5.8 +
46. Uprating Shannonbridge and Lanesborough peat-fired power stations by addition of two 41 MW generating sets (Midlands) Electricity Supply Board IR£17 million	24.4 +		

<p>57. Water supply and sewage disposal schemes in Counties Dublin, Meath, Kildare, Wicklow, Wexford, Kilkenny, Tipperary and Waterford Ireland (Minister for Finance) IR£3 million 4.3 +</p>	<p>67. Construction of Calusia 50 MW hydroelectric power station (Calabria) ENEL Lit 6 billion 4.8 +</p>	<p>77.—78. Extensions to North-South grid, erection of about 1 000 km of high-voltage power lines ENEL — Mezzogiorno Lit 55 billion 43.4 + — Central Italy Lit 40 billion 31.8 +</p>
<p>58. Construction of 28 and extension and modernisation of 18 industrial and agricultural training centres Ireland (Minister for Finance) IR£20 million 28.9 +</p>	<p>68. Construction of Presenzano 1 000 MW pumped storage power station (Campania) ENEL Lit 30 billion 23.9 +</p>	<p>79. Extensions (400 km) to high-voltage transmission lines in Calabria and Sicily and laying of submarine connecting cable (7 km) beneath Strait of Messina ENEL Lit 40 billion 31.6 +</p>
<p>59.—60. Global loans for financing small and medium-scale industrial ventures Industrial Credit Company Limited (ICC) — IR£15 million 21.6 — IR£15 million 22.0</p>	<p>69. Development of 'Lavinia' natural gas field in Ionian sea off Calabria AGIP S.p.A. through intermediary of ENI Lit 3.5 billion 2.8 +</p>	<p>80. Improvements to electricity transmission and distribution facilities (Sardinia) ENEL Lit 6 billion 4.7 +</p>
<p>61.—62. Global loans for financing — small and medium-scale agricultural processing and farming ventures IR£4 million 5.8 — on-farm developments IR£2.5 million Agricultural Credit Corporation (ACC) 3.7</p>	<p>70. Development of 'Perla' oil field in Mediterranean off Gela (Sicily) AGIP S.p.A. through intermediary of ENI Lit 35 billion 27.9 +</p>	<p>81. <i>Reinstatement of electricity grid damaged in earthquakes in November 1980 (Campania and Basilicata)</i> ENEL Lit 15 billion 11.9</p>
<p>ITALY 1 251.4 Lit 1 573.6 billion</p>	<p>71. Development of 'Emma' natural gas field in Adriatic off Pineto (Abruzzi) AGIP S.p.A. through intermediary of ENI Lit 5 billion 4.0 +</p>	<p>82.—83.* Construction of 285 km section of Algeria—Italy gasline between Castrovillari (Calabria) and Melizzano (Campania); installation of compressor station at Messina (Sicily) (see No 162) SNAM S.p.A. through intermediary of ENI — Lit 100 billion 78.9 + — Banco di Napoli Lit 50 billion 39.8 +</p>
<p><i>Abbreviations used</i> <i>ENEL: Ente Nazionale per l'Energia Elettrica</i> <i>ENI: Ente Nazionale Idrocarburi</i> <i>IMI: Istituto Mobiliare Italiano</i> <i>ANAS: Azienda Nazionale Autonoma delle Strade</i> <i>CREDIOP: Consorzio di Credito per le Opere Pubbliche</i> <i>ISVEIMER: Istituto per lo Sviluppo Economico dell'Italia Meridionale</i> <i>SIP: Società Italiana per l'Esercizio Telefonico p.A.</i> <i>IRFIS: Istituto Regionale per il Finanziamento alle Industrie in Sicilia</i></p>	<p>72.—73. Installation of fixed drilling platform, drilling of test wells and additional preparatory development work in 'Rospo Mare' oil field in Adriatic off Vasto (Abruzzi) — AGIP S.p.A. through intermediary of ENI Lit 6 billion 4.7 — ELF ITALIANA S.p.A. through intermediary of Banca Nazionale del Lavoro Lit 15 billion 11.8</p>	<p>84. Construction of 92 km gasline between Chieti and San Salvo (Abruzzi) SNAM S.p.A. through intermediary of ENI Lit 12 billion 9.5 +</p>
<p>63.—64.—65. Construction of two 982 MW units of Alto Lazio nuclear power station at Montalto di Castro (Latium) ENEL — Lit 40.2 billion 32.0 + — Lit 60 billion 49.3 + — Lit 10 billion 8.0 +</p>	<p>74. Secondary development of Cavone oil field near Modena (Emilia Romagna) AGIP S.p.A. Lit 33 billion 26.3 +</p>	<p>85.* Construction of 40 km gasline between Ripalta (Lombardy) and Cortemaggiore (Emilia Romagna) and compressor station at Ripalta (see No 163) SNAM S.p.A. Lit 11 billion 8.7 +</p>
<p>66.* Conversion to coal-firing of 1 216 MW power station at Brindisi (Apulia) (see No 158) ENEL Lit 15 billion 11.9 +</p>	<p>75. Modernisation and extension of cracking capacity of oil refinery at Taranto, making for increased output of light petroleum products (Apulia) INDUSTRIA ITALIANA PETROLI S.p.A. through intermediary of ENI Lit 40 billion 31.8</p>	<p>86. Conversion to natural gas of Rome's gas distribution system — first phase (Latium) SOCIETÀ ITALIANA PER IL GAS p.A. through intermediary of IMI Lit 17 billion 13.4</p>
<p>66.* Conversion to coal-firing of 1 216 MW power station at Brindisi (Apulia) (see No 158) ENEL Lit 15 billion 11.9 +</p>	<p>76.* Conversion of depleted gas field into 4.77 billion cu.m underground gas storage reservoir at Minerbio (Emilia Romagna) (see No 161) AGIP S.p.A. Lit 15 billion 11.8 +</p>	<p>87. Improvements to several sections of National Highway No 16 (Apulia) ANAS Lit 30 billion 23.9</p>



88. Road improvements in Sicily ANAS Lit 30 billion	23.9	100. Extension and modernisation of water supply system in 56 communes serving population of some 420 000 (Latium and Abruzzi) Cassa per il Mezzogiorno Lit 27 billion	21.5 +
89. Construction of Palermo by-pass (Sicily) Cassa per il Mezzogiorno Lit 8 billion	6.3 +	101. Extension of Ruzzo aqueduct for supplying drinking water to numerous communes in Teramo (Abruzzi) and Ascoli Piceno (The Marches) provinces Cassa per il Mezzogiorno Lit 5 billion	4.0 +
90. Improvements to several sections of National Highways No 148, between Aprilia and Latina, and No 7 near Terracina (Latium) ANAS Lit 24.5 billion	19.5 +	102. Extension and improvement of Agri and Frida aqueducts for supplying drinking water to numerous communes in Matera and Potenza (Basilicata) and Cosenza (Calabria) provinces Cassa per il Mezzogiorno Lit 10 billion	8.0 +
91.—92. Acquisition of eight A 300 B4 Airbuses ALITALIA S.p.A. through intermediary of IMI — US \$ 35 million, equivalent to Lit 36.6 billion — US \$ 30 million, equivalent to Lit 35.3 billion	28.9 28.1	103. Extension of water supply system in Cosenza (Calabria) Cassa per il Mezzogiorno Lit 18 billion	14.3 +
93. Extensions to telex network in Mezzogiorno providing for connection of some 11 000 new subscribers Italian Post and Telecommunications Administration through intermediary of CREDIOP Lit 11 billion	8.7	104.—105. Irrigation of 13 200 ha and drainage of farmland in Campidano plain; water supplies to Cagliari area (Sardinia) Cassa per il Mezzogiorno — Lit 11.1 billion — Lit 10 billion	8.8 + 8.0 +
94.—95.—96. Extensions to telephone network and connection of 141 000 new subscribers in Abruzzi, Molise and Latium SIP through intermediary of — CREDIOP Lit 80 billion — ISVEIMER Lit 50 billion — Istituto Bancario San Paolo di Torino Lit 30 billion	63.7 39.8 23.9	106. Irrigation of over 8 000 ha and drainage of 16 000 ha of farmland in Oristano plain (Sardinia) Cassa per il Mezzogiorno Lit 12 billion	9.6 +
97.—98. <i>Emergency repair work and first phase of reconstruction of telephone system damaged by earthquakes in November 1980 (Campania and Basilicata)</i> SIP — Lit 15 billion — Lit 10 billion	11.9 8.0	107. Irrigation and drainage of more than 1 200 ha in Gela plain (Sicily) Cassa per il Mezzogiorno Lit 20 billion	15.8 +
99. Extension of Arunci aqueduct and part of water supply ducts in Frosinone and Latina provinces (Latium) Cassa per il Mezzogiorno Lit 25 billion	19.9 +	108. Irrigation of about 24 000 ha in south-east Foggia (Apulia) by construction of a dam on Ofanto river Cassa per il Mezzogiorno Lit 15 billion	11.9 +
		109. Irrigation of more than 12 000 ha in Agro Pontino, Latina province (Latium) Cassa per il Mezzogiorno Lit 12 billion	9.5 +
		110. Provision of water supply, sewage treatment and drainage infrastructure for Syracuse industrial estate (Sicily) Cassa per il Mezzogiorno Lit 29 billion	23.1 +

111. Provision of road, rail, water and gas supply and drainage infrastructure for industrial estates at Frosinone, Cassino and Anagni (Latium) and at Sangro-Aventino (Abruzzi) Cassa per il Mezzogiorno Lit 10 billion	8.0 +	120. Extension and improvement of fork-lift truck factory at Bari (Apulia) FIAT CARRELLI ELEVATORI S.p.A. through intermediary of IMI Lit 1 billion	0.8	129. Installations to save energy by producing combustible gas from residual sludge at distillery at Ferrare (Emilia Romagna) ERIDANIA-ZUCCHERIFICI NAZIONALI S.p.A. through intermediary of Interbanca Lit 3 billion	2.4
112. Conversion to coal-firing of cement works at Catania, Isola delle Femmine, Porto Empedocle and Villafranca Tirrena (Sicily) and construction of access road between Porto Empedocle cement plant and new quarry CEMENTERIE SICILIANE S.p.A. through intermediary of IRFIS Lit 14 billion	11.1	121. Conversion of typewriter factory to produce electronic typewriters and word processors at Crema (Lombardy) ING. C. OLIVETTI & Co S.p.A. through intermediary of IMI Lit 6 billion	4.9	130. Extension of factory producing biomedical appliances at Saluggia (Piedmont) SORIN — Società Ricerche Impianti Nucleari — BIOMEDICA S.p.A. Lit 3 billion	2.4
113. Construction of factory for producing reflective glass for thermal insulation at San Salvo (Abruzzi) SVS-Società Vetri Speciali p.A. through intermediary of ISVEIMER Lit 3.5 billion	2.8	122. Construction of factory for producing water pumps and pistons at Atesa (Abruzzi) PIAGGIO ADRIATICA S.p.A. through intermediary of INTERBANCA Lit 4.6 billion	3.7	131. Global loan for financing small and medium-scale industrial ventures in Mezzogiorno IMI Lit 40 billion	31.6
114. Reorganisation and modernisation of pharmaceuticals factory at Torre Annunziata (Campania) CIBA GEIGY S.p.A. through intermediary of ISVEIMER Lit 8.2 billion	6.5	123. Work and installations to reduce energy consumption in FIAT Group factories in Turin area (Piedmont) FIAT AUTO S.p.A. and FIAT VEICOLI INDUSTRIALI S.p.A. through intermediary of FIAT S.p.A. Lit 10 billion	7.9	132. Global loan for financing small and medium-scale industrial ventures in mainland Mezzogiorno ISVEIMER Lit 75 billion	59.7
115. Construction of factory for producing fine chemicals, chiefly for rubber vulcanising at Termoli (Molise) ICT — Industria Chimica di Termoli S.p.A. through intermediary of ISVEIMER Lit 8 billion	6.4	124. Rationalisation of factory producing carbon electrodes at Narni Scalo (Umbria) ELETTROCARBONIUM S.p.A. through intermediary of IMI Lit 9 billion	7.4	133. Global loan for financing small and medium-scale ventures in Sicily IRFIS Lit 25 billion	19.9
116. Construction of fine chemicals factory for producing silanes at Termoli (Molise) UNISIL S.p.A. through intermediary of IMI Lit 14.5 billion	11.5	125. Modernisation and expansion of oilseed processing plant at Aprilia (Latium) ITALIANA OLII E RISI S.p.A. through intermediary of INTERBANCA Lit 2.7 billion	2.1	134. Global loan for financing small and medium-scale industrial ventures in Sicily Banco di Sicilia Lit 8 billion	6.3
117. Construction of factory for producing household liquid detergents (Molise) SODEL S.p.A. through intermediary of Banco di Napoli Lit 6.4 billion	5.1	126. Modernisation and rationalisation of frozen foodstuffs factory at Cisterna di Latina (Latium) ALGEL S.p.A. through intermediary of ISVEIMER Lit 7 billion	5.6	135. Global loan for financing small and medium-scale industrial ventures in Sardinia Credito Industriale Sardo (CIS) Lit 10 billion	8.0
118. Modernisation and expansion of paint factory at Caivano (Campania) IVISUD S.p.A. through intermediary of ISVEIMER Lit 3.9 billion	3.1	127. Expansion of foodstuffs factory at Latina (Latium) PLASMON DIETETICI ALIMENTARI S.p.A. through intermediary of INTERBANCA Lit 5.8 billion	4.6	136. Global loan for financing small and medium-scale industrial ventures in underdeveloped areas of Central and Northern Italy IMI Lit 15 billion	11.8
119. Reorganisation of industrial gas production and distribution to save energy SIO — Società per l'Industria dell'Ossigeno e di altri Gas p.A. through intermediary of IMI Lit 16 billion	12.7	128. Expansion and modernisation of bottling plant for mineral water and non-alcoholic beverages at Riardo (Campania) SAN GEMINI INDUSTRIE E SERVIZI S.p.A. and S.p.A. DELL'ACQUA MINERALE FERRARELLE through intermediary of ISVEIMER Lit 4.7 billion	3.7	137. Global loan for financing small and medium-scale industrial ventures in underdeveloped areas of Central and Northern Italy Istituto Centrale per il Credito a Mediotermine (Mediocredito Centrale) Lit 30 billion	23.9
				138. Global loan for financing small and medium-scale ventures making for more efficient use of energy in industry in Central and Northern Italy IMI Lit 15 billion	11.8



UNITED KINGDOM 218.8

£122.6 million

139. Construction and commissioning of 210 sleeping cars for main railway lines

British Railways Board

£20 million

36.8

140. Improvements to Northern Ireland road network, especially in Belfast and Londonderry areas

Department of Finance for Northern Ireland

£5 million

9.1

141. Construction of 4 km section of Liverpool inner ring road comprising access and waterfront phases (North West)

Merseyside County Council

£3 million

5.5

142. Extension of telephone facilities and connection of 18 000 subscribers in Hull area (Yorkshire and Humberside)

Kingston-upon-Hull City Council

£1 million

1.8

143. Installation of digital telecommunications equipment (System X) at several locations in Assisted Areas

British Telecommunications Corporation

£35 million

59.4

144. Provision of flood prevention infrastructure in Devon and water supply and sewage disposal facilities in Cornwall (South West)

South West Water Authority through intermediary of National Water Council

£6 million

11.0

145. Water supply, sewerage and sewage disposal schemes (North West)

North West Water Authority through intermediary of National Water Council

£11.1 million

18.8

146. Water supply scheme in Scunthorpe area and sewage disposal scheme at Corby (Yorkshire and Humberside — East Midlands)

Anglian Water Authority through intermediary of National Water Council

£2.5 million

4.2

147. Water supply, sewage disposal and road development schemes in Fife region (Scotland)

Fife Regional Council

£5 million

9.2

148. Improvement to water supply system in Hunderston, sewage schemes in Shieldhall and Irvine (population 840 000) and completion of section of 'Monkland' motorway across Glasgow (Scotland)

Strathclyde Regional Council

£20 million

37.1

149. Installation of equipment for producing microprocessor-based computer systems at Leeds (Yorkshire and Humberside)

Systime Limited

£4.5 million

8.3

150. Construction of new crawler dozer and crawler loader plant at Redruth, Cornwall (South West)

J. I. Case (UK) Inc.

£3 million

5.5

151. Expansion of newspaper printing facilities at Manchester (North West)

Express Newspapers Limited

£1.5 million

2.8

152. Global loan for financing small-scale industrial and tourism ventures in Assisted Areas of England and Wales

Midland Bank Industrial Equity Holding Ltd

£5 million

9.3

NON-MEMBER COUNTRIES 22.8

153. Algeria—Italy gasline; construction of 370 km trans-Tunisian section

SNAM S.p.A.

22.8

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

Contracts signed in 1981

Loans granted from NCI resources for which contracts were signed jointly by the Commission of the European Communities and the Bank in 1981 for investment projects within the Community totalled 539.8 million. These operations — the principal economic aspects of which are presented on pages 23 to 46 — are carried out by the Bank under mandate from, on behalf, for the account and at the risk of the European Economic Community (see pages 23 to 25) and are accounted for off balance sheet in the Bank's Special Section (pages 68 and 69): the Bank's responsibility for these loans is limited to proper performance, in conformity with normal bank practice, of the mandate entrusted to it.

Projects financed with NCI resources which also received loans from the Bank's own resources are marked with an asterisk. Loans marked with a cross (+) attracted the 3% EMS interest subsidy provided for investment projects located in Italy and Ireland. Loans under the heading of exceptional Community aid for reconstruction in areas of Campania and Basilicata struck by the earthquakes in November 1980 are printed in italics; these loans also attracted a 3% interest subsidy.

	millions ECUs			
FRANCE	40.3			
Ffrs 240 million				
154.—155.* Construction of Poitiers—Bordeaux section of A 10 Paris—Bordeaux motorway (Poitou-Charentes — Aquitaine) (see No 38)		160. Installation of total energy district heating plant in Brescia (Lombardy)		165. <i>Reinstatement of 900 km of roads and motorways damaged by the earthquakes in November 1980 (Campania and Basilicata)</i>
Société des Autoroutes du Sud de la France through intermediary of Caisse Nationale des Autoroutes		Azienda Servizi Municipalizzati del Comune di Brescia through intermediary of IMI	11.9 +	ANAS <i>US\$32.6 million, equivalent to Lit 40 billion</i>
— Ffrs 72 million	12.0	Lit 15 billion		30.8
— Ffrs 168 million	28.3			
		161.* Conversion of two natural gas deposits into underground storage reservoirs at Minerbio (Emilia Romagna) and Ripalta (Lombardy) (see No 76)		166. Extensions to telephone network in Campania for connection of some 150 000 subscribers SIP through intermediary of ISVEIMER
		AGIP S.p.A. Lit 5 billion	4.0 +	Lit 20 billion
				15.8
IRELAND	17.3			
IR£12 million				
156. Development of bogland for supplying fuel to peat-fired power stations		162.* Construction of 103 km section of Algeria—Italy gasline between Sant-Eufemia and Castrovillari (Calabria) (see Nos 82—83)		167. Extension to telephone network in Sardinia to connect more than 40 000 subscribers SIP through intermediary of Credito Industriale Sardo (CIS)
Bord na Mona		SNAM S.p.A. through intermediary of ENI		Lit 50 billion
IR£6.3 million	9.2 +	Lit 10 billion	7.9 +	39.8
157.* Extension and modernisation of telecommunications system (see Nos 51—52)		163.* Construction of gaslines between Minerbio (Emilia Romagna) and Zimella (Venezia) and Ripalta (Lombardy) and Cortemaggiore (Emilia Romagna); installation of compressor stations at Minerbio and Ripalta (see No 85)		168. Provision of road, rail, water and gas supply and drainage infrastructure for industrial estates at Chieti (Abruzzi), Frosinone (Latium), Naples and Salerno (Campania) and Catania (Sicily)
Ireland (Minister for Finance)		SNAM S.p.A.		Cassa per il Mezzogiorno
IR£5.6 million	8.1 +	Lit 20 billion	15.9 +	Lit 15 billion
				11.9 +
ITALY	448.3			
Lit 566 billion				
158.* Conversion to coal-firing of Brindisi (Apulia) and Sulcis (Sardinia) thermal power stations (see No 66)		164. <i>Reinstatement of 1 137 km of railway network damaged by the earthquakes in November 1980 (Campania and Basilicata)</i>		169. <i>Provision of drinking water supply and sewage disposal infrastructure for resettlement centres housing some 120 000 people affected by the November 1980 earthquakes in 166 communes in Campania and Basilicata</i>
ENEL		Azienda Autonoma delle Ferrovie Dello Stato (F.S.) through intermediary of Italian Treasury		Cassa per il Mezzogiorno
Lit 15 billion	11.8 +	<i>US\$30 million, equivalent to Lit 36 billion</i>	28.4	Lit 35 billion
				26.1
159. Construction of 1 000 MW pumped storage power station at Edolo (Lombardy)				
ENEL				
Lit 40 billion	32.9 +			

170. Provision of basic infrastructure for prefabricated villages rehousing victims of the November 1980 earthquakes in Campania and Basilicata
Italian Republic (Treasury)
Lit 195 billion

155.2

171. Restoration of 1 179 state schools damaged in the November 1980 earthquakes in Campania and Basilicata
Italian Republic (Treasury)
Lit 70 billion

55.7

UNITED KINGDOM

33.9

£20 million

172. Improvements to water supply system by construction of major earth dam at Kielder on North Tyne river and installations to transfer water to rivers Wear and Tees (North)

Northumbrian Water Authority
through intermediary of **National Water Council**
£20 million

33.9

Construction of the Kielder Dam on the North Tyne (North-East England) for improved water supplies.



List of financing operations outside the Community ⁽¹⁾

A. Loans from the Bank's own resources

Contracts signed in 1981

Loans from the Bank's own resources, for which contracts were signed in 1981 in respect of investment projects outside the Community, totalled 396.4 million, of which 238 million was channelled to countries in the Mediterranean region and 158.4 million to the African, Caribbean and Pacific (ACP) States and the Overseas Countries and Territories (OCT). These operations, the principal economic aspects of which are outlined on pages 49 to 57, are accounted for on the EIB's balance sheet.

Certain projects were also financed from Community budgetary funds (see pages 103 and 104) and these are marked with an asterisk (*). In the case of countries in the Mediterranean region, reference to a footnote indicates loans which attracted a 2% or 3% interest subsidy from Community budgetary funds (see page 49). All loans in the ACP States carried an interest subsidy financed from the European Development Fund (see page 53).

1. Loans in the Mediterranean region

million ECUs
PORTUGAL 79.0

Esc. 5 474.7 million

173. Refurbishment of 182 km section of Lisbon-Algarve road between Setubal (south of Lisbon) and Guia (on Algarve coast)

Republic of Portugal
Esc. 2 154.6 million 31.0 (2)

174. Planting of eucalyptus trees over 10 000 ha for producing pulp and board

Celulose Beira Industrial S.à.r.l. (CELBI)
Esc. 754.7 million 11.0 (2)

175. Planting of eucalyptus trees over 6 800 ha for producing pulp and board

Companhia de Celulose do Calma
Esc. 480.3 million 7.0 (2)

176. Global loan for financing small and medium-scale industrial and tourism ventures

Banco de Fomento Nacional (BFN)
Esc. 2 085.1 million 30.0 (2)

SPAIN 40.0

Ptas 4 117.8 million

177. Global loan for financing small and medium-scale industrial ventures in underdeveloped areas

Banco de Credito Industrial (BCI)
Ptas 2 058.9 million 20.0

178. Global loan for financing conversion of cement plants to coal-firing

Banco de Credito Industrial (BCI)
2 058.9 million 20.0

TURKEY

179.* Installation at Gölbasi of a national electricity grid control centre and improvements to

high-voltage supply grid (see No 205)

Turkish Electricity Authority (TEK)
TL 1 303.7 million 10.0

ALGERIA

180. Upgrading and improvement of 133 km road between Constantine and coastal town of Jijel

Algerian Democratic and Popular Republic
DA 46.7 million 10.0 (3)

MOROCCO 30.0

DH 172.6 million

181. Improvements to port facilities at Safi and Agadir

Kingdom of Morocco
DH 86.3 million 15.0

182. Global loan for financing small and medium-scale industrial ventures

Kingdom of Morocco
DH 86.3 million 15.0

TUNISIA 12.0

D 6.6 million

183. Agricultural development schemes

— Improvements to irrigation and drainage of 930 ha of date palm plantations in south (Société Tunisienne de l'Industrie Laitière — STIL)

— Irrigation schemes, livestock farming, tree crop plantations and improvement of grazing land on multi-purpose farms in north-east (Office des Terres Domaniales — OTD)

Republic of Tunisia
D 4.4 million 8.0 (3)

184. Agricultural development schemes

— Development of poultry slaughtering, storage and egg packaging facilities (Société d'Élevage de Tabarka S.A. — Socelta)

— Installation of 200 ha of greenhouses for producing early fruit and vegetables in Sousse-Monastir area (Coopérative Centrale de Nebhana)

Republic of Tunisia through intermediary of **Banque Nationale de Tunisie**
D 2.2 million 4.0 (3)

LEBANON 12.0

£Leb 57.2 million

185. Upgrading Zouk thermal power station

Électricité du Liban through intermediary of **Council for Development and Reconstruction**
£Leb 34.5 million 7.0 (3)

186. Upgrading Jieh thermal power station

Électricité du Liban through intermediary of **Council for Development and Reconstruction**
£Leb 22.7 million 5.0 (3)

JORDAN

187. Construction of industrial estate for small and medium-scale industry at Sahab, south of Amman

Jordan Industrial Estates Corporation through intermediary of **Hashemite Kingdom of Jordan**.
JD 1.1 million 3.0 (3)

CYPRUS

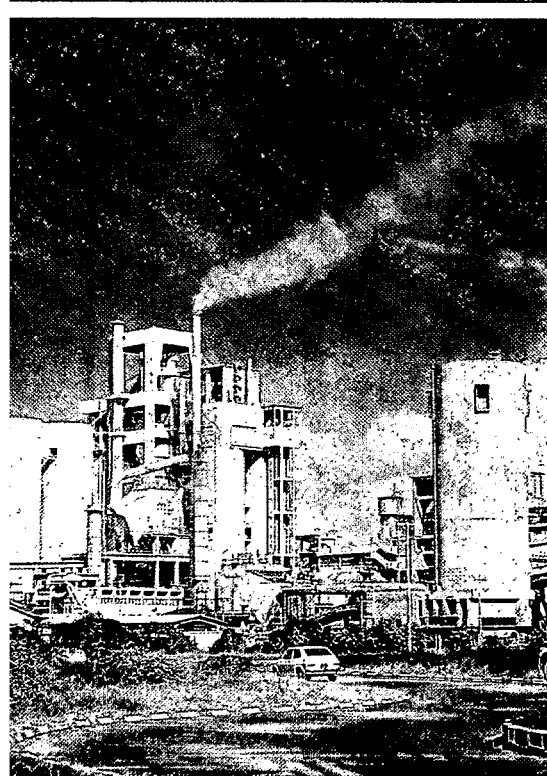
188. Upgrading Dhekelia power station

Electricity Authority of Cyprus
C£5.6 million 12.0 (3)

(1) Finance contracts for operations mounted in furtherance of financial cooperation with countries outside the Community are denominated in ECUs. Amounts shown in national currency are thus given merely as a guide; they are based on the equivalents in ECUs used by the Bank at the date of signature of the contracts (see page 8).

(2) Loan attracting a 3% interest subsidy.

(3) Loan attracting a 2% interest subsidy.



ISRAEL 30.0

ISh 364.3 million

189.—190. Global loans for financing small and medium-scale industrial ventures

Industrial Development Bank of Israel (IDBI)

— ISh 149.2 million 15.0

— ISh 215.1 million 15.0

2. ACP States and OCT

PAPUA NEW GUINEA

191.* Mining of Ok Tedi copper deposit (see No 206)

Kreditanstalt für Wiederaufbau for Ok Tedi Mining Ltd

K 29.3 million 40.0 (1)

All the following loans attracted an interest subsidy — see Note 1, page 00.

ZAMBIA 31.5

K 30.0 million

192. Extension of a plant for recovering copper from tailings at Chingola in northern Zambia

Nchanga Consolidated Copper Mines

K 23.9 million 25.0

193.* Global loan for financing small and medium-scale industrial, agricultural processing, mining and tourism ventures (see No 222)

Development Bank of Zambia (DBZ)

K 6.1 million 6.5

GABON 22.0

CFAF 6 629.2 million

194. Extension of uranium mine and ore-processing works at Mounana

Compagnie des Mines d'Uranium de Franceville (COMUF)

CFAF 4 519.9 million 15.0

195. Upgrading Poubara hydroelectric power station by construction of twin installations

Gabonese Republic for Société d'Energie et d'Eau du Gabon

CFAF 2 109.3 million 7.0

FIJI

196. Construction of dam on Wainisavulevu river to divert water to Monasavu reservoir and Wailoa hydroelectric power station (80 MW) on Viti Levu island

Fiji Electricity Authority

F\$ 11.5 million 12.0

CAMEROON

197. Reconstruction of Edéa-Eséka section of trans-Cameroon railway line linking Douala and Yaoundé

Régie Nationale des Chemins de Fer du Cameroun (REGIFERCAM)

CFAF 2 992.1 million 10.0

NIGER

198. Installation of second 16 MW unit at Anou Araren coal-fired power station

Société Nigérienne du Charbon d'Anou Araren

CFAF 2 973.7 million 10.0

SENEGAL

199. Expansion and modernisation of Rufisque cement works

SOCOCIM Industries

CFAF 2 973.7 million 10.0

SWAZILAND

200. Construction of 20 million cu.m reservoir on Lusushwana river and 20 MW hydroelectric power station at Luphohlo-Ezulwini, near Mbabane

Swaziland Electricity Board

E 6.5 million 7.0

KENYA

201. Conversion to coal-firing and uprating capacity of Bamburi cementworks near Mombasa

Bamburi Portland Cement Company Ltd

K Sh 72.6 million 6.5

WEST AFRICA

202.* Global loan for financing small and medium-scale industrial, energy, tourism and telecommunications ventures promoting regional development or located in underdeveloped areas in the West African Monetary Union (see No 219)

Banque Ouest Africaine de Développement (BOAD)

CFAF 1 486.9 million 5.0

TOGO

203. Extensions to Lomé port facilities

Lomé Port

CFAF 1 325.8 million 4.4

(1) Financing operation under Article 59 and Annex XXI of the Second Lomé Convention relating to mining and energy projects of mutual interest to the Community and the ACP State concerned; approved by the Bank's Board of Governors under the second paragraph of Article 18 (1) of the Statute.

B. Financing operations mounted from Community budgetary resources

Contracts signed in 1981

Operations concluded in 1981 from Community budgetary funds totalled 90.4 million, of which 39 million took the form of loans on special conditions in countries in the Mediterranean region, while 51.4 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 pages 68 and 69); the Bank's responsibility for these operations — the principal economic aspects of which are presented on pages 49 to 57 — is limited to proper performance of the mandate entrusted to it.

Certain projects financed from Community budgetary funds, either through loans on special conditions or from risk capital resources, also attracted loans from the Bank's own resources (see pages 101 and 102); these projects are marked with an asterisk.

1. Loans on special conditions in the Mediterranean region

million ECUs
TURKEY **39.0**

TL 5 084.6 million

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

Republic of Turkey

TL 3 259.4 million 25.0

205. Installation at Gölbasi of a national electricity grid control centre and improvements to high-voltage supply grid (see No 179)

Turkish Electricity Authority (TEK)

TL 1 825.2 million 14.0

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

million ECUs

PAPUA NEW GUINEA

206.* Mining of Ok Tedi copper deposit (see No 191)

Conditional loan to **State of Papua New Guinea**

K 8.8 million 12.0

TANZANIA

207. Second phase of development of Songo Songo oil field, South of Dar-es-Salam, undertaken by **Tanzania Petroleum Development Corporation**

Conditional loan to **Government of Tanzania**

T Sh 67 million 7.5

ZAIRE

208. Conditional global loan for financing studies, equity participations and loans on special conditions in support of small and medium-scale industrial, agricultural processing, mining and tourism undertakings

Société Financière de Développement (SOFIDE)

Z 34.9 million 6.0

BURUNDI

FBu 433.5 million 4.0

209.—210. Construction, at Bujumbura, of a glass and bottle works producing bottles for beer and non-alcoholic beverages

— Conditional loan to **Banque Nationale de Développement Economique du Burundi** for **Verreries du Burundi**

FBu 325.1 million 3.0

— Conditional loan to **Republic of Burundi** towards financing its equity participation in **Verreries du Burundi**

FBu 108.4 million 1.0

LESOTHO

M 3.20 million 3.1

211. Conditional global loan for financing studies, equity participations and sub-loans in support of small and medium-scale industrial, agricultural processing, mining and tourism ventures

Lesotho National Development Corporation (LNDC)

M 3.1 million 3.0

212. Conditional loan for tourism development study and establishment of a safari park

Lesotho National Development Corporation (LNDC)

M 50 000 0.05

213. Conditional loan for study on development of ceramics industry

Lesotho National Development Corporation (LNDC)

M 50 000 0.05

WESTERN SAMOA

214. Construction of 3.5 MW hydroelectric power station at Sauniatu on Faiefa river in north-east of Upolu island

Subordinated loan to **Electric Power Corporation**

WS\$3.5 million 3.0

SENEGAL

CFAF 801.8 million 2.7

215. Construction of industrial complex for producing phosphoric acid at Taïba and fertilizers at M'Bao

Republic of Senegal for financing its equity participation in **Industries Chimiques du Sénégal**

CFAF 683.0 million 2.3

216. Feasibility studies undertaken by Petrosen into development of 'Dome Flore' oil field off Casamance

Conditional loan to **Republic of Senegal** for financing its equity participation in **Petrosen**

CFAF 118.8 million 0.4

MADAGASCAR

217. Conditional loan for study on mining of bituminous sandstone deposit at Bemolanga, west of Antananarivo

Democratic Republic of Madagascar

FMG 653.9 million 2.17

DJIBOUTI

218. Uprating Boulaos power station by addition of 5.5 MW diesel generating set and extensions to distribution network

Subordinated loan to **Électricité de Djibouti**

DF 387.9 million 1.8

(*) For definition see page 55.

WEST AFRICA

219.* Equity participation in capital of **Banque Ouest Africaine de Développement — BOAD** (see No 202)
CFAF 500 million 1.68

KENYA 1.63

K Sh 18.1 million

220. Conditional loan for acquisition of additional equity participation in Kenya Furfural Company
Development Finance Company of Kenya Ltd (DFCK)
K Sh 17.3 million 1.55

221. Conditional loan for study on extraction and production of sodium fluoride
Republic of Kenya
K Sh 800 000 0.08

ZAMBIA

222.* Global loan for financing feasibility studies, equity participations and loans on special conditions in support of very small undertakings
Conditional loan to **Development Bank of Zambia (DBZ)** (see No 193)
K 1.4 million 1.5

TONGA 1.0

T\$0.8 million

223.—224. Support for small and medium-scale industrial, handicraft and tourism ventures

— Conditional loan to **Kingdom of Tonga** for increasing its equity participation
Tonga Development Bank
T\$0.4 million 0.5

— Global loan for financing sub-loans and equity participations
Tonga Development Bank
T\$0.4 million 0.5

NEW CALEDONIA

225. Conditional global loan for financing studies, equity participations and subordinated loans in support of small and medium-scale industrial, handicraft and tourism ventures
Société Immobilière et de Crédit de la Nouvelle Calédonie — S.I.C.N.C.
CFPF 109.6 million 1.0

LIBERIA

226. Preparatory work on construction of palm oil mill at Buto
Conditional loan to **Republic of Liberia** for increasing its equity participation in **Liberian Palm Products Corporation**
L\$846.8 million 0.7

MALAWI

227. Conditional loan for geological study on development of limestone deposit for cement production
Republic of Malawi
MK 400 000 0.4

UGANDA

228. Conditional loan for study on development of Kilembe copper mines
Kilembe Mines Ltd
U Sh 3.1 million 0.35

MALI

229. Conditional loan for technical assistance in commissioning Dioro rice mill, near Ségou
Republic of Mali
MF 126.6 million 0.21

SAINT LUCIA

230. Conditional loan for study on La Soufrière geothermal resources
Government of Saint Lucia
EC\$ 500 000 0.18

COMOROS

231. Equity participation in **Comoros Development Bank (CDB)**
Subscription of 500 shares
CF 50 million 0.17

FIJI

232. Conditional loan for study on production of ethanol from sugar cane and manioc
Fiji Sugar Corporation
F\$ 200 000 0.17