



EIB supports
Commission's
new urban
policy initiative



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Femip:
achievements
and future
prospects



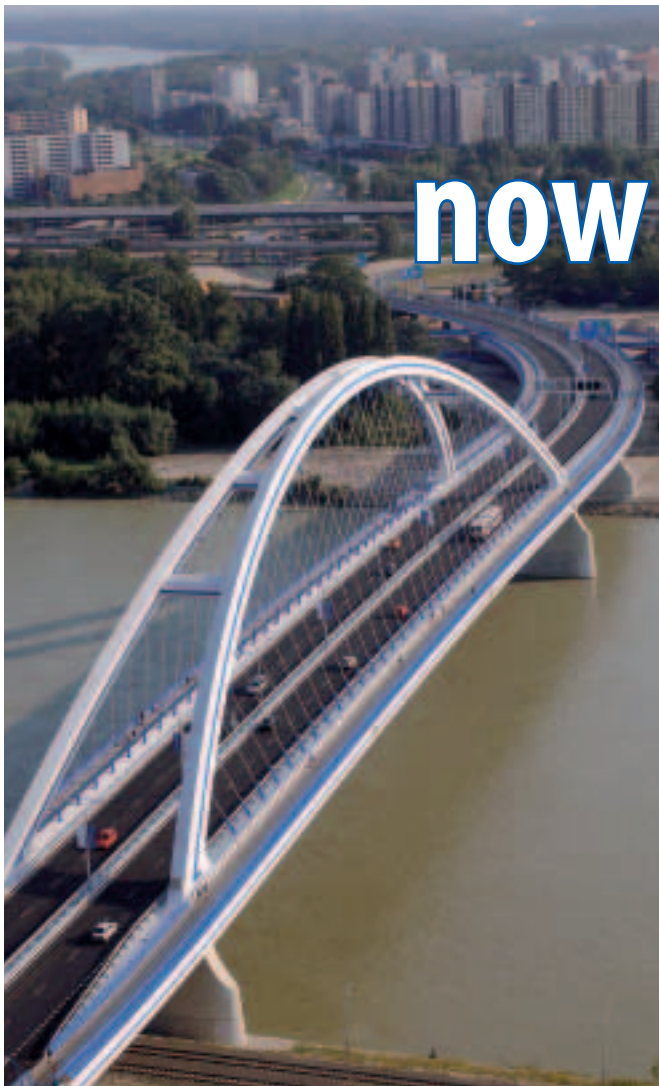
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Simon Brooks:
new EIB
Vice-President



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Technical Assistance: JASPERS now operational



The Commission, the EIB and the EBRD have joined forces to develop a new technical assistance initiative designed to improve preparation of investment projects for financing under the EU's Structural Funds during the upcoming Financial Perspectives period 2007-2013. JASPERS' main objective and focus is to help the ten new Member States (plus Romania and Bulgaria) to use the substantial grant finance (over EUR 300bn!) being made available by the Union more rapidly and effectively. ⇒

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During the period 2007-2013, over EUR 308 billion will be available for use under the EU Funds to support projects, particularly in less-favoured regions, to increase their growth and competitiveness and stimulate job creation. More than half of these resources have been allocated for projects in the new Member States, as well as Bulgaria and Romania, which are scheduled to join the Union on 1st January 2007.

As from 2007, the EU will more than triple the Structural Funds to modernise infrastructure in the new Member States and help them to implement EU standards, especially in the area of environment and infrastructure. In addition, the funds will address EU economic priorities such as establishing and developing a knowledge-based society to make their economies more competitive and create high-quality job opportunities. This is a challenge for all the countries in the region, as the majority of them face difficulties in efficiently absorbing current EU funds.

To this end, in November 2005 the European Commission, the European Investment Bank and the European Bank for Reconstruction and Development launched in Brussels an initiative known as JASPERS (Joint Assistance to Support Projects in European Regions). These institutions have a long record of successful cooperation in financing projects in Central and Eastern Europe, and decided to share this experience to help prepare high-quality projects which are eligible for support from the Structural and Cohesion Funds in the new Member States (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovak Republic and Slovenia) and the acceding countries (Bulgaria and Romania).

JASPERS covers technical, economic and financial aspects and any other preparatory work needed to deliver a fully developed investment project to the European Commission for grant funding. It is geared towards providing advice, ensuring coordination, developing and reviewing project structures, removing bottlenecks, filling gaps and identifying problems not fully addressed by the beneficiary country concerned, such as the procedures for blending EU grants with PPP investments, questions concerning

The EIB and the European Commission (DG-REGIO) signed a "Contribution Agreement" on 18 July for JASPERS, the Joint Assistance to Support Projects in European Regions programme.



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State aids, environmental impact assessment, etc. JASPERS is principally targeted at larger investments to be financed under the EU's Cohesion Fund whose costs exceed EUR 25 million for environmental projects and EUR 50 million for transport or other sectors, though smaller projects can also be helped.

In May/July 2006, representatives of the Commission, the EIB and the EBRD signed a Memorandum of Understanding on JASPERS, as well as a Contribution Agreement specifying objectives, procedures for operations and financial aspects governing this initiative, which is being provided free of charge to the beneficiaries.

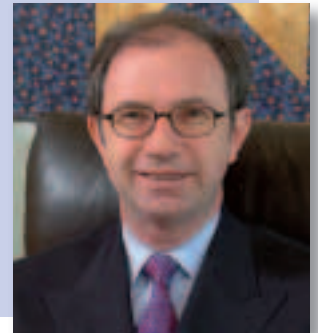
In cooperation with the beneficiary countries' national authorities, the Commission's operational staff (DG REGIO) and the EBRD, the Luxembourg-based JASPERS team drew up an Action Plan for 2006 for each country. JASPERS has been very positively received in the beneficiary countries: 112 project actions have been identified, with a total investment cost of some EUR 24 billion, mostly in the areas of transport (including urban transport), environment (water, wastewater and decontamination projects) and renewable energy, while demand has also been evident in sectors such as large energy projects, broadband telecommunications and tourism.

Work on the first project preparation operations has already begun in Bulgaria, Cyprus, Estonia, the Czech Republic, Hungary, Malta, Poland and Romania, with activities expected to start in all 12 countries in the coming month.

Over the summer, together with our partners at the Commission and the EBRD, the core team of JASPERS at the EIB in Luxembourg (now some 13 full-time EIB staff members) has worked intensively with our colleagues in HR to recruit the first of the 30 external professional experts (and ten members of support staff), most of whom will be operating out of the three regional offices or hubs planned for JASPERS, though some will also work from the Luxembourg headquarters. Regional offices for JASPERS are scheduled to be opened in Warsaw, Vienna and Bucharest by the end of the year. The interest in the external posts was huge

"Support for projects in the less-developed regions has been the EIB's top priority since its establishment in 1958", says Mr Patrick Walsh, Head of the JASPERS Team.

"During nearly fifty years of operations to assist the balanced development of the Union, the EIB has gained significant knowledge and experience of financing projects in line with the EU's policies in regions benefiting from grants from the Structural and Cohesion Funds. I am happy that JASPERS provides the Bank with another means of sharing its expertise, in cooperation with the Commission and the EBRD, for the benefit of the new Member States and the acceding countries."



and more than 800 applications have been carefully analysed.

Public awareness of JASPERS has been increased by the introduction of a new website (www.eib.org/jaspers) that provides basic information about this technical assistance, application procedures and how it is organised. The website will soon be run independently at: <http://jaspers.europa.eu>.

Interested parties have been asked to contact the managing authorities for the Structural and Cohesion Funds in the beneficiary states, who act as central coordinators for

each country. They can request assistance directly from JASPERS headquarters in Luxembourg and will be able to approach JASPERS regional offices once they are operational. □

*by Dušan Ondrejčka
Communication and
Information Department*





EIB supports new urban policy initiative of the Commission

*by Daniela Sacchi Cremmer Communication
and Information Department*

To help the authorities in the Member States of the European Union exploit financial engineering mechanisms to support investment in sustainable urban development in the context of cohesion policy, and to provide new opportunities to Managing Authorities responsible for the next generation of cohesion policy: these are the main objectives of Joint European Support for Sustainable Investment in City Areas (JESSICA), a new policy initiative of the European Commission supported by the European Investment Bank (EIB).

Under proposed new procedures, Managing Authorities (MAs) in the Member States will be allowed to use some of their Structural Fund allocations – principally those supported by the European Regional Development Fund (ERDF) but also, where appropriate, the European Social Fund (ESF) – to invest in Urban Development Funds (UDFs) to accelerate investment in urban areas.

Other International Financial Institutions (IFIs), as well as the European banking and private sector, are also expected to follow suit. The Council of Europe Development Bank (CEB) has already agreed to participate.

JESSICA responds to the request by several Member States and the European Parliament to give special attention to the need for renewal and/or regeneration of certain urban areas. The success of the URBAN programme has also contributed to this increased emphasis on the urban dimension of economic and social cohesion, and justified the need to offer Member States the opportunity to dedicate additional resources to expanding the acquired practice across the EU.

The road to JESSICA

Against this backdrop, and following the Bristol Accord that established the principles of a common EU urban policy, a consensus was reached on the need to both increase the momentum of urban renewal and regeneration across Europe and supply investment funds to support relevant projects in pursuit of more sustainable urban communities.

The role that IFIs, which have substantial experience in this area, can play in this endeavour was quickly recognised by the Commission. A proposal to enhance cooperation between the Commission, the European Investment Bank and the Council of Europe Development Bank was presented at a high-level conference held in Brussels on 24 November 2005 on the theme of "Financing growth and cohesion in the enlarged EU", which showed widespread support for this concept. A Memorandum of Understanding to coordinate the efforts of the three parties on urban projects was subsequently signed on 30 May 2006.

JESSICA has been launched with a view to leveraging in additional resources that are suitable for public-private partnerships (PPPs) and, in general, for urban renewal and development projects in the regions of the EU. The initiative is also expected to contribute financial and managerial expertise from specialist institutions such as the EIB, the CEB and other IFIs and to create stronger incentives for successful implementation by beneficiaries, by combining grants with loans and other financial tools. Long-term sustainability will be reinforced through the revolving character of the ERDF (and ESF, where eligible) contribution to funds specialising in investing for urban development.

How JESSICA works

JESSICA allows the use of interim payments by MAs from Structural Funds to invest in UDFs through recyclable and recoverable financial mechanisms, essentially equity, guarantees and subordinated loans. Recovered funds may be reinvested through UDFs or returned to the MA to support other urban projects, including through conventional subsidies. UDFs may take different administrative forms and be devoted to investments in different areas. Their common features are a market-driven approach, as they are expected to at least recover their investment, and the fact that they must invest in projects within well-defined integrated urban renewal and development plans.

Managing Authorities may decide to invest directly in UDFs or, given the difficulty of managing non-grant instruments, channel funds to UDFs using holding funds (HFs), with the option of employing the EIB as HF manager if this is the MA's preferred option. Under this alternative route, HFs will select the UDFs according to the conditions defined by the MA.

It is expected that the JESSICA initiative will also facilitate the provision of additional financial support from the EIB (always subject to the EIB's conditions and operational procedures), CEB and other banks and would also attract additional equity capital, notably for PPPs and other projects supported by UDFs.

An evaluation study, commissioned by DG REGIO, has recently been launched by the EIB to establish the feasibility and ensure effective implementation of the JESSICA initiative. This study will review prevailing urban renewal and development actions, indicating the key administrative competencies and processes; identify the existing financial vehicles for urban investment; analyse potential market failures and how financial engineering actions and products could address any perceived deficiencies; and establish the interest in using UDFs to channel such actions.

A preliminary phase, started in September 2006, will provide guidance on how to develop JESSICA, in particular on how recyclable financing mechanisms could work in practice to promote urban renewal. The background information will be collected from a small but representative sample of Member States and regions.

JESSICA offers new opportunities for the use of Structural Funds for the integrated development of urban areas and allows a continuous availability of funds for revenue-generating components of urban renewal and development programmes. Building on a market-driven approach that is essential for the success of UDFs, the Structural Funds used in JESSICA are expected both to leverage substantial amounts of investment into areas in need of social cohesion and to speed up their transformation. □

A proposal to enhance cooperation between the Commission, the European Investment Bank and the Council of Europe Development Bank was presented at a high-level conference held in Brussels on 24 November 2005.



EIB adopts European Principles for the Environment

To promote sustainable development and to protect and improve the environment, the EIB and four other European Multilateral Financing Institutions (MFIs) have agreed to a common approach to environmental management associated with the financing of projects. This approach to environmental management is based on the environmental principles, practices and standards of the European Union.

*by Eva Maria Mayerhofer
Environmental Specialist
in PJ/PSD/ENVU*

The genesis of the European Principles for the Environment

With a large portion of its annual lending of EUR 46bn focused on environmental protection, and in line with its corporate responsibility (see article on p. 19), the European Investment Bank (EIB) is increasingly concerned to ensure environmentally sustainable financing operations globally and across all sectors of its activities. The question is no longer whether the EIB should address the environmental aspects of the activities that it supports, but how it should do it, which substantive standards it should apply and how it should implement them and assure compliance.

The protection and improvement of the environment are one of the priority objectives of the Corporate Operational Plan, and as a European institution the EIB aligns its policy in matters of environment with that of the European Union. It is in this framework that the EIB initiated and launched with four other European-based Multilateral Financing Institutions (MFIs)¹ the European Principles for the Environment (EPE), an endorsement of the EU approach to environmental matters and a public affirmation of the strong credentials of the EU in the field of environmental management.

The EPE are also supported by the Environment Directorate-General of the European Commission, which sees the initiative as an opportunity to highlight and consolidate a common EU approach and to ensure that the financial assistance provided by the signatory MFIs promotes a model of development that is coherent with EU policies, by putting sufficient emphasis on the environment.

Definition of the EPE

The EPE recognise the magnitude of the environmental challenges the institutions face, and also the considerable progress made by the EU in developing policies, practices and standards to protect and improve the environment in the interest of sustainable development, for present and future generations.

The EPE comprise the environmental principles, recommended practices and environmental standards enshrined in EU law, reinforced where required, when operating outside the EU, by other international good practices.

In effect the EPE are defined as the guiding principles in the EC Treaty (in particular the precautionary principle, the prevention

¹ The other launch banks of the EPE are the Council of Europe Bank in Paris, the EBRD in London and the Nordic Environment Finance Corporation and Nordic Investment Bank in Helsinki.

principle, the principle that environmental damage should as a priority be rectified at source, and the polluter pays principle) and the practices and standards incorporated in EU secondary legislation (in particular the EU acquis relating to environmental assessment and the EU Directives on industrial production, water and waste management, air and soil pollution, occupational health and safety, and the protection of nature).

Making the EPE operational

The EPE combine a general statement (a "Declaration") of overarching principles with a public undertaking by the signatory banks to develop selectively a harmonised and more detailed approach, including standards, for particular sectors. However, the EPE do not overwrite, pre-empt or replace the existing environmental policies and practices of the signatory institutions.

The geographical scope of the EPE covers the regions of operation for each of the five participating MFIs. For the EIB, even more than for the others, the European Union is the key area of activity. Some 90% of the EIB's lending in 2005 took place in the Member States and the Candidate Countries, covering all sectors of the economy, but with heavy emphasis on energy and communication infrastructure, water management, industry and services, and health and education. Within those countries and sectors, an aggregate 33% of all direct loans went to environmental protection and improvement. In this region the EU approach to the environment is the logical, uncontested and mandatory reference point.

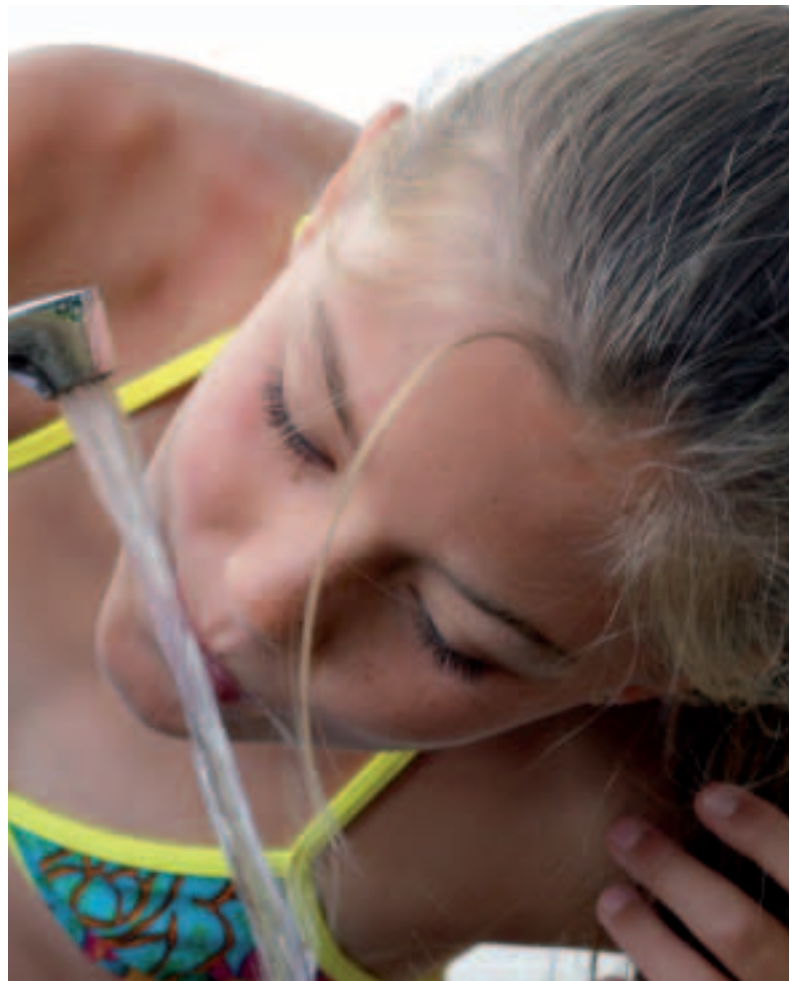
The approach may be strikingly European, but the ambition of the EPE is for them to be applied to projects in all countries in which the EIB and the other participating institutions operate. As such, projects should comply with EU horizontal norms and respect the principles of sustainable development and environmentally sound development, subject to local conditions, which may justify a more flexible approach. This means that when initial standards below those of the EU are justified for affordability reasons or managerial-technical limitations for example, the EIB will call for a phased approach in the introduction of EU standards, and in the process may help build up the capac-

ity to meet and enforce the requirements of the Principles. However, the EIB requires that all projects it finances, regardless of their location, fully comply with the EU's EIA Directive and with any obligations and standards upheld in relevant multilateral environmental agreements.

The European Principles for the Environment received a warm welcome in environmental circles. Through this common EU approach, the signatory MFIs will promote responsible stewardship and provide a consistent and visible mechanism for engaging with project sponsors and stakeholders in addressing environmental issues. In turn, this will allow those MFIs to better manage credit and project risk. It commits the signatories to applying and further developing a common framework and language for

environmental issues, including standards, environmental assessment, consultation, and participation and monitoring.

The challenge lies in implementation, and the signatory banks will need to ensure adequate internal resources, awareness raising and training to implement the EPE. The key measure of success will be the ability of the EPE to create demonstrable improvements in environmental quality in the areas and communities affected by their respective financing activities. In this context, a working group has been set up and will meet on a regular basis to further develop and foster a common baseline and framework to reflect best practice, based on the broadly defined EU approach to environmental management. (See article on page 23 for EIB/IUCN cooperation). □





landmark operation in the renewable energies sector

The EIB recently signed a EUR 60m financing contract for the first large-scale commercial thermal power plant in the European Union. The new concentrating solar thermal power generation plant, with a net capacity of 50 Mwe, is located some 60 km from the city of Granada in southern Spain, an area that benefits from high annual average solar radiation, availability of groundwater for cooling and ready access to the high-voltage electricity grid. A second identical plant will be built at a later stage.

EIB finance is being provided to the special purpose company AndaSol-1 Central Thermosolar Uno, S.A., owned by Spain's ACS/Cobra (75%) and Germany's Solar Millennium AG (25%), respectively the largest civil works and industrial services company in Spain (the third in Europe) and an innovative and globally oriented technology and services company specialising in large-scale solar thermal power plants.

The plants will be based on a new generation of parabolic solar technology that has been tested by its developers, Solar Millennium AG, at a facility in California. Nine CSP plants were installed there between 1984 and 1990, and are still successfully operational.

The Andasol Solar Thermal Power project, which benefits from support from EU research funds, represents the first application of CSP technology on this scale in the EU and a test for molten salt, a new high temperature thermal storage system designed to extend the daily operating period of the plant and reduce generating costs. The electricity will be generated over a period of 12 hours per day during the winter and up to 20 hours per day in summer.

The project is of high strategic value for the Bank and in line with EU objectives in innovative renewable energy sectors. Immediate social benefits include some 45 permanent

new jobs and about 1 000 man/years of temporary employment during construction.

The Ecostar report, an EU-sponsored study carried out under the EU's 6th Framework Programme for Research and Technological Development, indicated that overall cost reductions of 55%-65% could be expected for this sector over a time horizon of 15-20 years thanks to economies of scale and R&D. Hence, in spite of the current high unit production costs for grid-connected electricity generation, the Bank has decided to contribute to the deployment and industrialisation of this technology, thereby helping to reduce the cost of future applications. □

*by Daniela Sacchi Cremmer
Communication and
Information Department*

6th meeting of Ministerial Committee in Tunis

FEMIP: achievements and future prospects

Paired for the second time with a meeting of the Euro-Mediterranean Ecofin Council, the sixth meeting of the FEMIP Ministerial Committee took place in Tunis on 26 June. It provided the Euro-Mediterranean ministers with an opportunity to take stock of FEMIP's achievements and its prospects for development.

*by Joyce LIYAN
FEMIP Department*

As with previous meetings, from Barcelona to Rabat, that have helped to strengthen the dialogue between European and Mediterranean countries, the Tunis meeting saw a genuine exchange of views on key issues. The ministers and heads of delegation of the 35 Euro-Mediterranean countries were therefore able to examine the results of the Facility for Euro-Mediterranean Investment and Partnership (FEMIP), which brings together the full range of operational instruments provided by the EIB for the economic development of the Mediterranean partner countries¹. The topics of energy and improving the investment climate were also on the agenda.



Mr Ghannouchi,
Prime Minister of Tunisia


A fine record of achievement

Many participants commended FEMIP's ability to respond swiftly to the region's expectations and needs in terms of increased lending and support to the private sector. They underlined FEMIP's promptness and pragmatism in setting up financing opera-

tions, qualities that have helped it to achieve tangible results on the ground.

With commitments of more than EUR 7.2 billion between October 2002 and December 2005 for 77 projects in the partner countries, FEMIP has established itself as the region's leading financial partner. Above all, it has enabled EUR 18.4 billion to be raised for these projects from additional funding sources. FEMIP has thus played a decisive role in helping to protect and create jobs in the Mediterranean partner countries.

The participants also proposed several new operational avenues to be explored. Some suggested extending concessional financing, which is currently restricted to the environment sector, areas fostering the development of human capital, for example health and education, and the field of renewable energy.

Others wished to see FEMIP taking more risks, as already pioneered with the Special FEMIP Envelope, by developing financing operations with a higher risk profile than 

¹ Algeria, Egypt, Gaza/West Bank, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia and Turkey.

Mr de Fontaine Vive, Vice-President of the EIB: "With new financing operations worth almost EUR 2.2 billion mounted in 2005 to support the modernisation of the Mediterranean economies and the development of job-creating businesses, FEMIP has played a key role in extending Euro-Mediterranean partnerships."



also suggested that business development services be expanded, for example through the involvement of trade associations and chambers of commerce.

On developing the Mediterranean energy markets, the participants emphasised that FEMIP must continue to play a key role in this sector, especially in support of renewable energy. They also stressed the need for closer coordination between the main players in the energy sector, i.e. the public authorities, energy companies and financial institutions.

that usually accepted by the EIB, though without underestimating the financial implications. Issues relating to guarantees and to lending and borrowing operations in local currencies were also raised.

Debate on future prospects

In the light of this assessment, the ministers and representatives at the meeting expressed their views on the future guidelines for FEMIP, looking towards the decisions to be taken by the Ecofin Council and the European Council at the end of the year.

Most of the participants were in favour of continuing the efforts to broaden the range of operational instruments already available. A consensus thus emerged on the idea of strengthening FEMIP, in particular by setting up an Advisory Committee, chaired by the EIB and made up of representatives of the 35 Euro-Mediterranean countries and the Commission, without causing any institutional upheaval. An expansion of the Union's network of external offices was called for, on the basis of the encouraging performances of those in Cairo, Rabat and Tunis.

Adoption of the recommendations of the Euro-Mediterranean experts

The Ministerial Committee also looked at the conclusions of the workshop on the harmonisation of procurement procedures held in Luxembourg in November 2005. The participants recommended pressing ahead with the simplification of procurement procedures through the convergence of Euro-Mediterranean regulations. They also noted the measures that the Bank is to introduce outside the Union to help local companies

participate in contracts receiving external financing.

The participants then examined the conclusions reached by the FEMIP Committee of Experts at its meeting in Vienna in March 2006.

As regards improving the investment climate in the region, the ministers and heads of delegation made two main recommendations. Firstly, they felt that the Mediterranean partner countries should be helped to identify the priority reforms that were needed to reduce the administrative burden which discourages local initiative and hampers foreign direct investment. They

During the closing session, it was agreed that the next Ministerial Committee meeting would be held in Cyprus in May 2007. In the meantime, two forums have been scheduled: one on the development of Euro-Mediterranean transport networks which will take place in Monaco on 9 and 10 November 2006, and the other on transfers of funds by Mediterranean migrant workers. The FEMIP Advisory Committee, which is set to replace the Committee of Experts, will also address the topics of tourism, microfinance, technology transfer and professional training. A busy programme therefore lies ahead, in keeping with a rapidly expanding FEMIP. □



Operating in the Mediterranean partner countries since October 2002, FEMIP focuses its activities on two objectives: support for the private sector and creating an investment-friendly environment. FEMIP also pursues a policy of improved dialogue through the annual Ministerial Committee meeting and regular meetings of committees of experts.

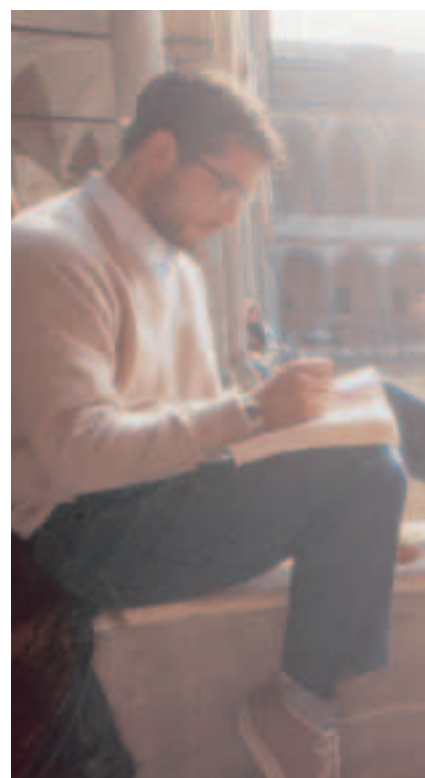
The Ministerial Committee stressed the need to reduce the administrative burden which discourages both local initiative and foreign direct investment.



The FEMIP Internship Programme:

building capacity in the Mediterranean partner countries

by Daniela Sacchi Cremmer
Communication and Information Department



Last July the EIB launched the FEMIP Internship Programme, open to students from the Mediterranean partner countries (MPCs: Algeria, Egypt, Gaza/West Bank, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia and Turkey). The application period was 11 July to 15 September 2006, and candidates are currently being selected by a panel on a highly competitive basis. Candidates could only apply for a position in a country of which they were not residents or nationals.

The goal of the programme is to offer successful candidates, talented young indi-

viduals up to 32 years old, an opportunity to upgrade their skills and help to improve people's lives by promoting economic and social progress in the MPCs.

Eligible candidates were those holding a degree or in the final year of a course at an institute of higher education.

Funded by the FEMIP Trust Fund, the programme looked for students specialising in a field relevant to international development banking – such as economics, finance, the environment, engineering (ports, roads, energy, etc.) or urban planning.

The EIB will pay a monthly stipend to all interns (EUR 1 050) and reimburse their travel expenses. Interns will be responsible for their own accommodation costs.

Each successful candidate will commit to a minimum of three months and a maximum of 12 months in the programme, to be spent at the EIB's headquarters in Luxembourg or at one of its external offices between 1 December 2006 and 31 December 2007.

See <http://www.eib.org/news/News.asp?news=167> □

Simon Brooks: new member of EIB's Management Committee



Simon Brooks has joined the Management Committee of the European Investment Bank as Vice-President. He has been appointed by the British Government to succeed Peter Sedgwick.

Mr Brooks, a former Director of Macroeconomic Policy and International Finance at the UK Treasury, becomes part of a team of nine. The President and eight Vice-Presidents are appointed by the EIB's Board of Governors, the 25 Finance Ministers of the EU Member States.

Mr Brooks started his career at the National Institute for Economic and Social Research

in London. He joined the UK Treasury in 1985 as an Economic Adviser, working initially on macroeconomic analysis of the UK, and subsequently as a member of the Monetary Group on EMU, Maastricht and other monetary policy issues. He then became Head of Division, Economic Analysis Group (1992), responsible for analysis and forecasting of the UK economy, and Head of the Regional and Country Analysis team (1994-1998). In this position, he worked on overseas economies, globalisation, international savings and investment, and capital liberalisation.

Between 1998 and 2000, he was Head of EU Finance, focusing on the UK's financial

relationship with the EU and on Agenda 2000.

As Director of Macroeconomics from 2000, he was responsible for the Treasury's macroeconomic forecasts, for its work on fiscal and monetary frameworks, and a wide variety of other macroeconomic issues.

Mr Brooks holds a Master's degree in economics from the University of Oxford.

Appointment to Senior Cadre



Bertrand de Mazières is the EIB's new Director General of Finance.

Bertrand de Mazières has succeeded René Karsenti as Director General of the EIB's Finance Directorate.

Mr de Mazières started his career in 1982 at the French Treasury Directorate, in particular as attaché for financial affairs in the US and Canada. He then headed the French bureau in charge of supervising credit institutions and bank regulations (1988 to 1993). From

1993 to 1996, he was deputy to the Permanent Head of the Treasury for Debt and Development Affairs and was Vice Chairman of the Paris Club. He was appointed Secretary General of France's financial markets author-

ity, Conseil des Marchés Financiers (CMF), when it was founded in October 1996.

In 2003 he became Chief Executive of the AFT, the French government agency tasked

with handling government debt and treasury management. He held this post until August 2006, when he left to join the European Investment Bank as its Director General of Finance.

Mr de Mazières is a graduate of ENA, France's National School of Administration for top civil servants, as well as HEC, a leading French business school.

EIB provides funding of EUR 400 million

for the extension of Vienna International Airport



by Marc D'hooge
Central Europe Department

The EIB recently provided project financing of EUR 400m for the construction of a new passenger terminal and improvement of the airside and landside infrastructure of Vienna International Airport. The EIB funding represents around 47% of total project costs, estimated to be in the order of EUR 845m. The remaining 53% will be financed from the airport operator's cash flow and from other external financial liabilities, possibly including bond issues and bank debt. ⇒

The funding is enhanced by collateral from acceptable banks. The financial structuring of this operation was done in close cooperation with RLB Niederösterreich-Wien, which as mandated lead arranger, agent and placement security provider arranged a banking syndicate, using an innovative auction process to constitute the syndicate at the most attractive price. These included as other placement security providers RZB, Niederösterreichische Landesbank-Hypothekenbank and RLB Steiermark. The biggest commitments within the syndicate were made by WestLB and Kommunalkredit Austria. Beyond the attractive EIB financing conditions, the airport operator also highly appreciated the availability of long-term (25-year) EIB funding for this project as a particular value added element of the EIB's intervention. The airport operator was offered full transparency on pricing and financial value added.

The core component of the present project is the construction of a new passenger terminal (the "Skylink" terminal), which will raise the airport's current annual capacity from 16 to 25 million passengers to meet the increase in demand expected by 2015. This capacity expansion will reduce congestion and improve service quality and comfort for passengers. The main economic benefit will come from time saving to passengers arising from improved traffic flows through the terminal and the avoidance of travel displacement. The project also

involves the upgrading of the existing airport railway station and the construction of two multi-storey car parks, an air traffic control tower and a baggage handling system.

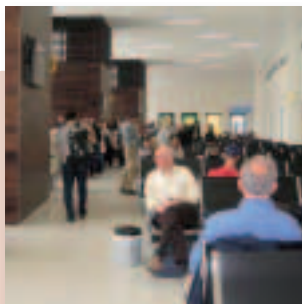
Vienna International Airport (VIA) provides an important gateway to the surrounding region for travellers from Europe and the rest of the world. In addition, it has established itself in the past decade as one of the main hubs for destinations in Central and Eastern Europe. With close to 16 million passengers in 2005, it is expected that the 250 000 flight movements and 20 million passengers marks will be hit for the first time in 2010 (this would correspond to a yearly growth rate of 4.6%). Based on 2004 figures, Vienna airport currently has the highest growth rate among the Top 25 busiest European airports in terms of passenger traffic. In order to cope with expected traffic growth, the promoter has devised and continually updates an airport master plan for phased airport expansion, allowing for step-by-step implementation of cost-intensive investment projects with minimal disturbance of current airport operations, and which includes as key elements the construction of a new terminal, as well as the construction of a third runway in the medium term, for which the planning process recently started.

Mr Wolfgang Roth, EIB Vice-President, commented: "I am particularly happy that the EIB is supporting the extension of Vienna

International Airport, a significant traffic hub between Western and Central and Eastern Europe. Improved traffic links in the enlarged Union will deepen the integration of our continent with positive repercussions for citizens' quality of life and economic development."

As the long-term financing institution of the EU, the EIB finances investment projects fostering EU integration. It has provided funds to Austria amounting to more than EUR 5bn in the past five years. Improvement of infrastructure, particularly transport projects along the trans-European corridors including upgrading and modernisation of important international airports, is one of the EIB's financing priorities. The Bank recently approved funding of EUR 120m to extend and upgrade the Austrian Westbahn railway mainline Salzburg-Linz-Vienna and financing of EUR 350m for the PPP Ostregion Autobahn. This project comprises the planning, construction, financing and operation of the south section of the A5 Northern Motorway, sections S1 East and West of the Vienna Outer Ring Expressway and section S2 of the Vienna Northern Perimeter expressway. □

The core component of the present project is the construction of a new passenger terminal (the "Skylink" terminal), which will raise the airport's current annual capacity from 16 to 25 million passengers to meet the increase in demand expected by 2015.



EIF and Microfinance

by Delphine Munro
Corporate Affairs

Microfinance is the provision of financial services to economically active poor populations. By giving access to capital to people excluded from the formal banking sector and economic arena, one opens up an opportunity of virtuous circles of financial security, savings and growth. Microfinance offers poverty alleviation opportunities to small entrepreneurs who aim at sustaining their own needs through various professional activities.

Microcredit and microfinance have changed the lives of people and revitalised communities in the world's poorest and also the richest countries.

Microfinance is not a charity, it is a way to extend the same rights and services to low-income households. It is the recognition that poor people are the solution, not the problem; at the same time, it also helps micro-enterprises (fewer than ten employees).



Over the last thirty years, the microfinance sector has been financed by development aid agencies, foundations and NGOs. In recent years, however, microfinance has met with growing interest from private sector investors, who provide funds to profitable microfinance institutions. In this way, commercial investors and development aid agencies can complement each other.

The demand for microcredit is sustained by three major trends:

- The growing importance of microfinance to small enterprises: the trend towards

small enterprises is set to continue, with the decline of industrial activity and the growth of service industries and new technologies; many of these micro-enterprises, especially those being created, have no access to finance.

- Unemployment and exclusion: self-employment is a means to economic growth and social integration.
- The role of the informal sector: small, informal income-generating activities need to be integrated into the economy to be allowed to grow and contribute to public expenditure.

European context

Microfinance has developed very quickly in Central and Eastern Europe since 1992. The sector has been expanding at an annual rate of 67%. In Western Europe, the development of microfinance is relatively recent, with the exception of the United Kingdom and France.

Microfinance development is consistent with the Lisbon strategy for growth and social cohesion. Based on a philosophy of fostering initiative and developing small enterprises, it has a considerable impact on development.



Moreover, the observance of the “UN international year of Microcredit 2005” gave extra exposure to microfinance as a means of sustainable financial development, while calling for building inclusive financial sectors and strengthening the powerful, but often untapped, entrepreneurial spirit existing in communities around the world.

EIF added value

EIF participates actively in all activities to raise the profile of microfinance in Europe. EIF’s role is to contribute to reducing some of the difficulties micro-entrepreneurs face by facilitating their access to finance. This ensures greater financial inclusion and encourages the banking sector to sharpen its penetration in the micro-enterprise segment and in more deprived geographic/economic areas. Through the following mechanisms, EIF is the leading supporter of microfinance in Europe.

Microfinance guarantees

EIF has developed its expertise in microfinance by providing portfolio guarantees to financial intermediaries under the MAP¹ micro-loan window in seven different countries (Belgium, France, Germany, Ireland, Norway, Spain and the UK). This micro-loan guarantee window is designed to encourage banks and financial institutions to offer micro-lending to micro-enterprises (fewer than 10 employees).

Financial institutions cooperate with NGOs and grassroots organisations to provide appropriate “mentoring” to very small businesses to support their fruitful development.

EIF’s counterparts are as follows: Adie (France), KfW (Germany), First Step (Ireland) The Prince’s Trust + The Enterprise Fund (UK), Cultura Sparebank (Norway), Fonds de Participation (Belgium) and La Caixa (Spain).

Under the MAP micro-loan window, at March 2006 some 26 000 SMEs had benefited from over 27 000 loans. With EUR 127m outstanding microfinance guarantee volume, EIF is the leading microfinance guarantor in Europe.

Securitisation in the microcredit area: Bridging a gap with the capital markets

In late 2005 and 2006, EIF structured and co-arranged the securitisation of loans to microfinance institutions and participated as a guarantor in the first securitisation of micro-loans in Europe. These two milestone transactions involved countries in the Western Balkans and South-East Europe. It is estimated that these transactions will result in the direct financing of some 25 000 micro-loans, for up to EUR 120m.

These asset-backed funding deals will enable MFIs to secure long-term funding to support continued growth in their micro-lending activity. Despite the small size of the micro-loans (a few thousand euros on average), there is a high potential in terms of business productivity gains and job creation.

These transactions bring diversification to the funding sources of MFIs, which historically have relied to a large extent on donor funding and subsidised funding lines from development banks².

JEREMIE

The JEREMIE initiative enables European Member States and regions to use part of their structural funds to obtain a set of financial instruments that are specifically designed to support micro and small enterprises.

The aim is to support start-ups and micro-enterprises through loans, equity, venture capital and guarantees. JEREMIE funds will acquire a revolving character.

The emphasis on microfinance as a means of job creation and employment will be key. One of the instruments is to offer equity to MFIs to reinforce their financial capacity, if the regions or Member States elect to do so.

EIF is supporting the development of microfinance throughout Europe. The conditions for microfinance to develop further are to be found in three areas: improved information and public awareness; financing – microfinance requires start-up investments, both public and private; and finally, the development of the institutional environment.

EIF also collaborates in initiatives such as the launch of a quality label for investment funds that invest in microfinance assets on the basis of agreed and published criteria; an agency, LuxFLAG, was created for this purpose in Luxembourg in July 2006. This label, which will be accessible both to Luxembourg and foreign funds, will contribute to the visibility of the microfinance sector. It will also facilitate fund distribution (and thus fund raising) and can contribute positively to the image of the fund and its promoter.

Lastly, EIF is currently studying an action plan to further develop and support microfinance in Europe.

As the only European Community institution with a specialised focus on SME and micro-enterprise financing, EIF has an essential role to play in pursuing the development of microfinance throughout the enlarged Union, and thus pursuing core EU objectives such as innovation, entrepreneurship, growth and job creation.

EIF’s mid to long-term goal is to make microfinance a fully-fledged segment of the European financial sector, alongside the more traditional forms of banking. □

¹ EIF manages funds for the EC under the Multiannual Programme for Enterprise and Entrepreneurship 2001-2006 (MAP). MAP includes three schemes, covering venture capital investments in seed or early stage funds; grants supporting the recruitment of additional investment managers in seed capital funds; and SME and microcredit guarantees. The EC has proposed a successor mandate to MAP, called the Competitiveness and Innovation Framework Programme 2007-2013.

² For further insight into the financial mechanisms of such transactions, please refer to: “Microfinance Loan Obligations – Structured Finance for Microfinance Investments”, by Philipp Jung (Symbiotics) and Per-Erik Eriksson (EIF) in the forthcoming Yearbook on Securitisation, published by Kluwer Law International.

Spanish heritage project wins top prize

by Cees Post
Communication
and Information Department



The restoration of the Via de la Plata in Extremadura, Spain, received a top prize for the conservation of cultural landscapes from Europa Nostra, the pan-European Federation for Heritage, in the summer of 2006. The prize award ceremony was presided over by H.M. Queen Sofia of Spain, patron of Hispania Nostra, the Spanish chapter of Europa Nostra. The Via de la Plata is an old Roman road, which was long used as the main trading and military route between the Mediterranean and the Atlantic coast of the Iberian Peninsula. Restoring the part of the route crossing Extremadura was part-financed with EUR 15 million from European Economic Area (EEA) grant funds (see below) managed by the European Investment Bank.

Since Roman times, the historic Via has witnessed the invasion of Germanic and Moorish armies, the Reconquista, the passage of pilgrims on their way to Santiago de Compostela and the seasonal migration of livestock. In 1998, the Regional Government of Extremadura launched a programme to restore the ancient Roman route and create tourism infrastructure by rehabilitating its built heritage – civil and religious buildings, folk architecture, public works, etc. – in order to stimulate the development of rural areas suffering from depopulation and scant resources. The ancient causeway has been excavated and 32 historical monuments restored and opened to visitors or put to new use as hostels or information centres. The impact of the project has been very successful; ⇒

the number of visitors and direct and indirect employment has already increased significantly. In fact, the result has been so positive that a follow-up project has now been drawn up and proposed for grant financing in order to take even further advantage of the enormous heritage and tourist potential of the Via de la Plata.

Hands-on grant funding

Close involvement in small-scale restoration projects such as the Via de la Plata is unusual for the EIB. When the Bank finances small-scale heritage projects, it normally delegates project design and implementation to the expert project promoter and limits itself to carrying out the necessary due diligence. However, because third party grant funding was used in this particular case, the EIB's Projects Directorate closely followed the project from the design phase on. And Via de la Plata is only one of nearly 50 projects, comprising a total of 250 individual small schemes, which have been funded with EEA grants and intensively managed by the EIB.

The grant funding that was used for these projects stemmed from an instrument called the Financial Mechanism, which was set up in the context of the creation of the European Economic Area in 1994. The EEA allowed the then EFTA members to participate in the EU's Internal Market while not assuming the full responsibilities of EU membership. As part of the Agreement on the EEA, Austria, Finland, Iceland, Liechtenstein, Norway and Sweden¹ established the grant mechanism, with the objective of reducing economic and social disparities between the regions of the EEA. The Mechanism made EUR 500 million in grants available² for projects in Greece, Ireland, Northern Ireland, Portugal, and the ten poorest regions of Spain. In addition, the participating EFTA countries provided interest rebates of 2 percentage points per year on a total of EUR 1.5 billion in EIB loans advanced to projects in the poorest parts of the EU. The Financial Mechanism was fully committed by the end of 1998.

The EIB accepted responsibility for the appraisal, implementation and completion monitoring of the grant-funded projects.

The large majority of these have been completed, while some are still being finalised. But even after these last projects have come on-stream, the Bank's Projects Directorate will remain responsible for follow-up and the flagging of possible problems to the EEA while the projects are operational. This is a considerable commitment on the part of the EIB, but without it projects like the Via de la Plata, or for that matter the restoration of Greek monasteries, urban renewal in Portugal and many more, would have been much more difficult to realise.

The portfolio of projects financed with Financial Mechanism grant aid remains unique in the Bank's history – all the more so since it now includes a prestigious prize winner! □

¹ Following a referendum, EFTA member Switzerland decided not to participate in the EEA.

² When Austria, Finland and Sweden joined the European Union in 1995, the EU took over the three countries' share in the Financial Mechanism, which amounted to 85%.



EIB's first Corporate Responsibility Report

by Felismino Alcarpe
EIB Group Development



In publishing its first Corporate Responsibility Report (CRR), the EIB has created a new communication channel with its stakeholders. The CRR will foster a better understanding of the EIB's contribution to sustainable development. It builds on the previously existing Environmental Report and is enriched by elements of the Bank's corporate governance and other developments regarding transparency, integrity, and ethical and social issues.

Although much of the information contained in the report is also available elsewhere in other documents published by the EIB, the aim of this publication is to provide the reader with an extensive and comprehensive overview of EIB activities in the context of Corporate Responsibility.

Corporate Responsibility is a set of the “less-tangible” or “extra-financial” issues covering governance, ethical, environmental and social aspects. Corporate Responsibility emphasises the importance of achieving a balance between economic growth, social

well-being and the protection of the environment, in support of the goal of sustainable development. It underwrites institutional sustainability through competitiveness, the productive use of resources and good governance. The involvement of the financial and business sectors, governments, employees and civil society working together for “our common future” is important to a public institution like the EIB.

The EIB Group promotes Corporate Responsibility through: its mission and activities at the service of the European Union; the way it implements these; and its internal man-

agement. In order to reach out to society at large, the EIB Group takes voluntary actions, over and above compliance with legal requirements, and consistently adapts its policies, standards and procedures.

The EIB Group's Corporate Social Responsibility (CSR) policy is built upon the main pillars of this strategy: added value, transparency and responsibility. It is set in the framework of the Lisbon Strategy and forms part of the broader context of institutions and corporates taking account of social, environmental and sustainable development issues. We are now working on defining de- ➔

tailed policy guidelines for the different aspects of Corporate Responsibility

As a financial institution functioning in a modern economy, the EIB is fully aware of the possible major impacts of its investment decisions and the way they may affect the global challenges of our society.

The CR report aims to describe how the EIB voluntarily integrates CSR concerns into its business operations and interaction with

its stakeholders. It is part of an on-going process of building and improving our Corporate Responsibility policies and as such should be read as an element in a continuous improvement cycle. This process implies that a number of difficult issues, such as key performance indicators, benchmarking and the expectations of different stakeholders, need to be addressed.

The EIB aims to make its stakeholders aware of what it does and how it conducts its busi-

ness. In the future, it will build on the information provided about its strategy, policies and processes. In this way, the CR report forms part of a "continuum" of engagement and trust-building that will allow the EIB to meet the expectations of its stakeholders in this area. □

EPOS: e pluribus unum¹

“Active patience”. This is how Italy’s Economics and Finance Minister and EIB Governor Tommaso Padoa-Schioppa describes in a recent book the frame of mind required to “make” Europe. After working for more than ten months on the arrangement of the first European Public Offering of Securities, or “EPOS”, the EIB, Merrill Lynch and 12 other banks with a strong local presence in all 12 countries of the Eurozone were ultimately able to reap the benefits of this perseverance.

EPOS is a new way to offer EIB bonds on a large scale and with uniform features to the investors of the European Union, under the umbrella of the so-called “Prospectus Directive”.

This Directive codifies the information that an issuer must submit to national regulators in the EU (“prospectus”) to be able to distribute a new bond in the domestic mar-

kets under their supervision. It also provides that the prospectus approved by the competent authority in one (“home”) Member State can be used (“passport”) as a valid prospectus in any other (“host”) Member State without the need for further local approval (“mutual recognition”).

This mechanism has substantially eased the process of simultaneously reaching a wider range of investors – in particular on the retail side. It has also facilitated product innovation by addressing historical constraints in terms of market fragmentation.

Specifically, the EIB was able to distribute a EUR 1bn structured bond linked to Eurozone inflation, establishing an unusually large size for this kind of product. Domestic distribution throughout the Eurozone was key to making this possible.

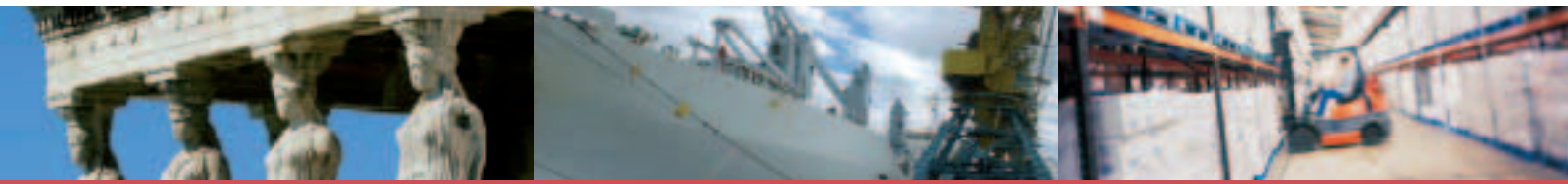
After a seamless “passporting” (prepared with the Commission de Surveillance du Secteur Financier, the Luxembourg regulator), multiple listings on local stock exchanges are now being pursued, in an attempt to ensure higher price transparency for retail investors in each of the countries in which the bonds have been sold.

Apart from raising attractive funding for the Bank, this exercise is therefore testing the interoperability of different market practices and infrastructures. In fact, looking beyond the rules and regulations, the Eurozone is still characterised by a high degree of fragmentation, notably in the different cost and administrative practices of national stock exchanges, clearing and settlement systems. These factors still hinder the adoption of a uniform issuance approach and establishment of a level playing field for investors.

With this transaction, the Bank has proved that progress is being made, directly contributing to the process of market integration and confirming its role as a policy instrument of the European Union also on the funding side. In the spirit of another European, Friedrich Schiller: to turn into action, ideas have to become energy. □

*by Aldo M. Romani,
Managerial Adviser
Capital Markets
Department*

¹ E pluribus unum was one of the first national mottos of the United States. Translated from Latin, it means “From many, one” or “Out of many, one”. It referred to the integration of the 13 independent colonies into one united country, and has taken on an additional meaning, given the pluralistic nature of American society from immigration.



EIB Forum 2006

South-East Europe – a region on the move

The topic for the 2006 EIB Forum, which will take place on 19 and 20 October 2006 in Athens, will be “South-East Europe – a Region on the Move”.



Although the definition of South-East Europe often varies, the countries considered include Member States (Greece, Cyprus), countries ready to join the Union (Bulgaria, Romania), and candidate and potential candidate countries (such as Turkey, Croatia and the Former Yugoslav Republic of Macedonia; Albania, Bosnia-Herzegovina, Serbia and Montenegro). The EIB is active in all these countries, and in focusing on the region it underlines the importance of South-East Europe's successful integration to achieving the goals which the Union has itself put forward.

The EIB Forum 2006 will look into how political and economic integration in the region may be strengthened in order for it to enjoy

stability and growth, democracy and prosperity. It will also discuss the best ways for the EU to give new momentum to this process, while examining the role of the region's political leaders and business communities, which could facilitate and lead the way towards achieving regional cooperation and European integration. As trade and efficient infrastructure networks are the key to the region's economic dynamism, speakers will highlight the role of the public and private sectors in fostering infrastructure facilities, promoting cross-border investment and developing services, including access to finance for public and private entrepreneurs.

High-level eminent speakers will include Enlargement Commissioner Olli Rehn, mem-

bers of the government of Greece and other countries in the region, prominent academics and leading representatives of the European business and banking worlds. Greek Prime Minister Kostas Karamanlis has been invited to address the Forum participants at the Forum dinner.

For more information on the event, please visit www.eib.org/forum or email your comments and queries to forum@eib.org.



Thursday 19 October 2006

13:00 Welcome Lunch

14:00 Opening SESSION

Welcome address: **Georgios Alogoskoufis**, Minister for Economy and Finance, Greece

Opening address: **Philippe Maystadt**, President, European Investment Bank

SESSION I: Perspectives for the region – a view from politics

Chairman: **Gerlando Genuardi**, EIB Vice-President

- **Olli Rehn**, EU Commissioner for Enlargement
- **Ali Babacan**, Minister of State for Economy; Head of EU negotiations, Turkey
- **Dora Bakoyanni**, Minister of Foreign Affairs, Greece

Coffee break

SESSION II: Perspectives for the region – a view of the analysts

Discussion panel: moderated by **Quentin Peel**, international affairs editor, *Financial Times*

- **Gerald Knaus**, President, European Stability Initiative
- **Loukas Tsoukalis**, President of the Hellenic Foundation for European & Foreign Policies, Special Adviser to José Manuel Barroso
- **Laza Kekic**, Director, *Economist Intelligence Unit*
- **Panagiotis Ioakeimidis**, Professor of Political Science at the University of Law, Economics and Politics of Athens, specialist in EU issues

18:30 End of conference day 1

20:00 Forum dinner

Guest speaker: **Kostas Karamanlis**, Prime Minister, Greece

Friday 20 October 2006

09:30 SESSION III : Regional integration

Chairman: **Torsten Gersfelt**, EIB Vice-President

- **George Souflias**, Minister of Environment, Planning and Public Works, Greece
- **Mirosljub Labus**, former Deputy Prime Minister, Serbia
- **Michael Sarris**, Minister of Finance, Cyprus
- **Rumen Ovcharov**, Minister of Economy and Energy, Bulgaria
- **Mustafa Alper**, Secretary General, International Investors Association of Turkey, YASED
- **Anastassios Kallitsantsis**, Member of the Board of Directors, Federation of Greek Industries

Coffee break

SESSION IV: Investing in the region

Chairman: **Ivan Pilip**, EIB Vice-President

- **Sebastian Vladescu**, Minister of Finance, Romania
- **Ioannis Pechlivanidis**, Vice-Chairman and Deputy CEO, National Bank of Greece
- **Giorgio Tellini**, Chief Executive Officer, SACE Credit Insurance, Italy
- **D. Fernando Becker**, Corporate Resources Director, Iberdrola, Spain
- **Thomas Hackett**, Director General, Lending Operations in Europe, EIB
- **Francis Carpenter**, Chief Executive Officer, European Investment Fund

13:00 Closing remarks:

Georgios Alogoskoufis, Minister for Economy and Finance, Greece

13:30 Lunch

Situation at 4 October 2006

Updated programme and more information at www.eib.org/forum

FEMIP Conference:

“Finance for transport networks: meeting the challenge of Euro-Mediterranean economic integration”

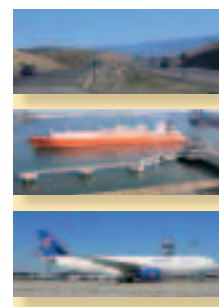
Principality of Monaco – 9/10 November 2006

The “Finance for transport networks: meeting the challenge of Euro-Mediterranean economic integration” Conference – jointly organised by the Government of Monaco and the EIB – will offer the opportunity for a productive exchange of views and experiences on the economic and financial aspects of transport and logistics networks in the Mediterranean, focused on regional integration.

The Conference will gather together a selected group of high-level experts reflecting a wide range of interests from all the 35 countries of the Euro-Mediterranean Partnership to discuss these issues with some twenty leading speakers, including European Commission Vice-President Jacques Barrot and other eminent personalities (policy makers, experts and practitioners).

With more than EUR 5 billion already invested in regional infrastructure, FEMIP has improved the efficiency of investment through appropriate project selection and the provision of technical assistance. As the construction of a comprehensive transport and logistics system in the region will require substantial investment, it is crucial to take account of the financial resources that can also be raised from private lenders.

More information is available on the Conference’s dedicated web pages hosted on the EIB’s website: www.eib.org/femip. □



Cooperation between EIB and IUCN

Following the Conference on “Biodiversity in European Development Cooperation”, organised by the World Conservation Union (IUCN¹) in Paris from 19-21 September 2006, IUCN and EIB signed a framework agreement for cooperation on strengthening awareness about nature when financing investment projects.

The new framework for cooperation covers the following activities:

- Consultation and advice on biodiversity concerns in investment projects: the World Conservation Union will provide

advice on EIB initiatives, policies and strategies that have an impact on the diversity of life on earth.

- Capacity building: the World Conservation Union will assist in the EIB’s in-house training and awareness building on impact assessments and integration of biodiversity concerns, conservation-related

concerns and/or mitigation measures into proposed projects.

- Monitoring: IUCN will provide assistance to the EIB at its request in the appraisal of projects the Bank is considering, and with the monitoring of environmental biodiversity aspects of financed projects.
- Exchange of information: maintenance of regular contacts to develop joint initiatives and exchange information to strengthen efforts to manage biodiversity issues consistently on a long-term basis, including support for studies and other operations of mutual interest. □

¹ The World Conservation Union (1948) is the world’s largest conservation network. Its mission is to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable. The priority of the Union’s current Programme (2005–2008) is to build recognition of the many ways in which human lives and livelihoods, especially of the poor, depend on the sustainable management of natural resources (<http://www.iucn.org/en/about>).

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Please consult the Bank's website for any change in the list of existing offices and for details on offices which may have been opened following publication of this brochure.

New EIB publications

June 2006

- Capital Market Activities in the Mediterranean Countries
- Modernisation of procurement procedures in the Mediterranean region
- How to face the energy challenge in the Mediterranean
- Study on remittances sent by Mediterranean migrants from Europe
- Partnership with the Euro-Mediterranean "FEMISE" university network
- FEMIP financing operations in Tunisia

July 2006

- Audit Committee Annual Reports for the year 2005
- EIB 2005 Corporate Responsibility Report
- Management Committee Code of Conduct

September 2006

- Staff Code of Conduct
- COPEC's 2005 Annual Report
- The European Investment Bank and the water and sanitation sector
- EIB lending for health and education

October 2006

- Helping SMEs to access finance in the European Union
- EIB financing of the Trans-European Networks
- European Investment Bank lending in Greece
- European Investment Bank lending in Bulgaria
- European Investment Bank lending in Turkey
- What is the EIB Group?
- 2005 Annual Economic Report on Partner Countries

All brochures can be downloaded at
www.eib.org/publications.

