European Investment Bank

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The EIB strengthens its contribution in support of the European economy

In 2009, loans for European projects could exceed the total envisaged last December by EUR 10bn to reach EUR 70bn.

In December 2008, the EIB undertook to contribute to the European Economic Recovery Package by increasing its financing operations by some 30% in 2009 and 2010 – EUR 15bn more than the EUR 45bn customary in a normal year. The Bank is already well on the way to meeting that target.

From left to right: P. de Fontaine Vive, EIB Vice-President, P. Maystadt, EIB President and Charilaos Stavrakis, Governor of Cyprus.

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The annual meeting of the EIB's Board of Governors[1], which was held in Luxembourg on 9 June, gave Philippe Maystadt the opportunity to take stock of the measures carried out by the EIB in response to the crisis and to provide a glimpse of the type of action it is proposing to take in the future.

The EIB President stated that the Bank had fulfilled the commitments entered into under the recovery plan and had acted even faster than expected. At the European Council meeting last December, the Bank had pledged to increase the annual volume of its lending within the EU from EUR 45bn to EUR 60bn, a target which was expected to be exceeded. Mr Maystadt told the Governors that, in view of the large reserve of viable projects, the Bank planned to increase that volume to EUR 70bn this year, which was "a sign of how quickly and efficiently the EIB can deliver on its promises".

From January to May 2009, loan signatures within the EU had already risen to EUR 20.5bn, a 72% increase on the same period a year earlier. At the same time disbursements had increased by 47% to EUR 18.2bn. These figures showed how effective the measures taken to streamline loan procedures had been.

In the spotlight: SMEs, energy and mitigation of climate change

Lending activity expanded particularly rapidly in the three areas targeted by the Recovery Package: small and medium-sized enterprises (SMEs); energy and mitigation of climate change; and investment in the regions of the EU that are lagging behind with their development[2].

Loan signatures in these three areas during the first five months of the year were well up on the equivalent period of 2008.

[1] The EIB's Board of Governors consists of the ministers designated by each of the 27 Member States, usually the Finance Ministers.

[2] The "convergence regions" are 84 regions located in 17 Member States (with 154 million inhabitants) whose per capita GDP is less than 75% of the Community average.

Christine Lagarde, Governor for France

Matthias Kollatz-Ahnen, EIB Vice President, Peer Steinbrück, Governors for Germany and Mari Kiviniemi, Governors for Finland.

Loans to banks for SMEs between 1 January and 31 May totalled EUR 4.4bn. To support SMEs, the EIB uses commercial banks as intermediaries. In 2008, this system was overhauled and simplified. In particular, it enables investment needs – tangible but also intangible – to be met and the risks to be shared between the intermediary banks (which previously bore them in full) and the EIB. The EIB asks these banks to inform each of the beneficiary SMEs of the advantage obtained in terms of rates or the loan period thanks to the EIB's involvement.

During the first five months of 2009, EIB financing operations involving energy and mitigation of climate change increased to EUR 3.9bn. Under the "energy and climate" facility, in December 2008 the Bank had undertaken to allocate an extra EUR 6bn a year over the following two years, part of it to be used for research on and the development and production of "clean" cars, i.e. cars that comply with the new European standards on CO2 emissions. This target will probably be exceeded.

Signatures of loans to promote convergence amounted to EUR 7.7bn.

More calculated risks

Philippe Maystadt also stressed that the EIB was taking more risks than in the past by lending to businesses that did not fully

EU-EIB joint initiatives referred to by Mr Almunia:

SFF: The Structured Finance Facility was established in 2001 to provide additional support for priority projects through instruments with a risk profile that is higher than the standard normally assumed by the Bank. For each operation, capital is booked against the fund allocated to the SFF Reserve, for which an initial envelope of EUR 750m was fully allocated between 2001 and 2006. In order to meet the Bank's capital needs to support its SFF activity through 2009 and 2010, in 2008 the EIB Governors approved an increase of EUR 1.5bn in the level of the SFF Reserve.

RSFF: The Risk Sharing Finance Facility is an innovative scheme to improve access to debt financing for private companies or public institutions promoting activities in the field of research, technological development demonstration and innovation investment. It is built on the principle of credit risk sharing between the European Community and the EIB and therefore extends the ability of the Bank to provide loans or guarantees with a low and sub-investment grade risk profile, involving financial risks above those normally accepted by investors.

LGTT: The Loan Guarantee Instrument for Trans-European Transport Network Projects aims to facilitate greater private sector involvement in the financing of Trans-European Transport Network infrastructure ("TEN-T") by significantly improving the ability of the borrower to service senior debt during the initial operating period or "ramp-up" phase of the overall project and its initial traffic revenue. The LGTT can partially cover this period and therefore significantly improve the financial viability of a project.

JASPERS (Joint Assistance to Support Projects in European Regions) is a technical assistance partnership between the European Commission's Regional Policy DG, the European Investment Bank, the European Bank for Reconstruction and Development (EBRD) and KfW. The aim of JASPERS is to help the Managing Authorities (MAs) of beneficiary Member States (regions covered by the new Convergence Objective for the period 2007-2013) to prepare major projects for submission to the Commission. JASPERS provides comprehensive assistance for all stages of the project cycle, from the initial identification of a project through to the Commission decision to grant assistance.

JESSICA (Joint European Support for Sustainable Investment in City Areas), developed by the Commission and the EIB in collaboration with the Council of Europe Development Bank (CEB), offers MAs of Structural Funds programmes the possibility of taking advantage of outside expertise and having greater access to loan capital for the purpose of promoting urban development. Where an MA wishes to use JESSICA, it contributes resources from the programme, while the EIB, the other financial institutions involved and investors contribute additional loan or equity capital as appropriate. Programme contributions to urban development funds are revolving and help to enhance the sustainability of the investment effort.

JEREMIE (Joint European Resources for Micro to Medium Enterprises) promotes increased access to finance for the development of SMEs in the regions of the EU, providing Member States and regions with a tailor-made set of financial tools. These tools are formulated to be optimally applied in each setting, in order to match supply and demand for SME finance at national or regional level. The initiative allows for prudent initial funding contributions by national and regional authorities, with the opportunity to increase the funding allocation at a later date. It is also planned to adapt the financial tools during the implementation cycle to enable them to respond to market conditions.

meet all the criteria that it usually insisted on. So, "more risks than before", as he put it, "but more calculated than ever".

Thus approvals of loans to sub-investment grade counterparties under the Structured Finance Facility (SFF) totalled EUR 6.4bn over the last nine months – almost as much as outstanding loans to this type of borrower.

Equity and quasi-equity operations

Through its subsidiary the European Investment Fund (EIF), the EIB Group now offers "mezzanine" products for SMEs. These are participating loans, a form of quasi-equity that enables SMEs to increase their ability to invest and borrow from banks.

The EIB also gave its approval to the "Marguerite Fund" (the 2020 European Fund for Energy, Climate Change and Infrastructure), in partnership with Caisse des Dépôts, KfW and Cassa Depositi e Prestiti. In this connection, the Spanish Minister Elena Salgado Méndez pointed out that Spain's Official Credit Institute (ICO) was also prepared to take part in this initiative.

While very pleased about the Bank's ability to react to the crisis and the remarkable results achieved (as the Italian Minister Giulio Tremonti put it, "the EIB has passed the stress test"), the Governors called upon the Bank to continue its "increased support" for the European economy, particularly in terms of financing SMEs, infrastructure, energy, research and development, and mitigation of climate change.

Mr Joaquín Almunia, European Economic and Monetary Affairs Commissioner, expressed his satisfaction, particularly in the light of the excellent results achieved in co-operation between the EIB and the Commission (the Loan Guarantee Instrument for Trans-European Transport Network Projects (LGTT), the Risk Sharing Finance Facility (RSFF), and the JASPERS, JESSICA and JEREMIE programmes (see box on page 3) ■

by Daniela Sacchi-Cremmer, Projects Directorate/Jaspers

Tribute to the bank of the European Union

The EIB's fiftieth anniversary was marked by the publication of an academic work, which was presented to the Board of Governors.

Edited by Professors Eric Buissière, Michel Dumoulin and Emilie Willaert[1], the book fills a gap: while numerous books have been devoted to the Bank by lawyers and economists, works by historians on the EIB are far more rare.

The proposal to create a European investment bank predated the EEC. It goes back to at least 1949, if we ignore the ideas on concerted action between European countries in favour of major infrastructure works that circulated in the interwar period. The idea of such an institution had been conceived and to some extent fleshed out by the Organisation for European Economic Cooperation (OEEC). The plan failed but the idea of creating a European investment fund was soon taken up again as part of the relaunching of the European project at the Messina Conference. At the time the focus was on responding to Italy's concerns about the development of the southern part of the peninsula but also on taking account of the desire to launch a regional policy within the European Coal and Steel Community (ECSC).

When the treaties that were to lead to the creation of the EEC were being drafted, the fund was finally transformed into an investment bank. Within a few decades, it was to become the leading lender – and borrower – among its fellow international financial institutions.

[1] The Bank of the European Union (The EIB, 1958-2008), Imprimerie Centrale, Luxembourg.

The work is available in English, French and German (price: EUR 25 plus postage).

To order a copy, visit the website www.ic.lu/EIB_50years.

EIB and KfW to set up new carbon fund

Building on the success of the first fund in operation, the EIB and the Kreditanstalt für Wiederaufbau (KfW) recently announced their intention to set up a further global carbon fund for CO2-saving projects.

by Úna Clifford
Communication Department

This new fund will help meet the requirements of European companies and other regulated institutions that have legal obligations under the EU Emissions Trading Scheme (ETS)* and will provide an outlet for new forms of carbon credit delivered before and/or after 2012 from developing nations with a special focus on the Least Developed Countries.

Launched in May 2007 with EUR 100m of commitments initially provided equally by the EIB and KfW, and operational since August 2007, the first fund under the EIB-KfW Carbon Programme was established to support EU corporates and/or intermediaries acting on behalf of EU corporates with a special focus on small and medium-sized enterprises. The fruit of early co-operation between the EIB and KfW, this programme presents a number of features not systematically available in the carbon fund market hitherto, in particular offering guaranteed delivery of carbon credits to small and medium-sized participants and advance payments to the sellers of carbon credits. Project-based carbon credits may be acquired from projects in any EIB country of operation that has ratified the Kyoto Protocol and where the credits are eligible under the EU ETS (including renewable energy, energy efficiency, landfill gas and methane capture).

At a recent meeting, the management of the EIB and KfW also confirmed their intention to take decisive action to continue their increased and extensive support in response to market developments and the stimulus programmes at European and German level. Both the EIB and the KfW are increasing their financing of small and medium-sized companies and mid-caps, the energy, environmental and climate change sectors, and infrastructure, notably in Central and Eastern Europe.

A promotional bank under public law founded in 1948, KfW's shareholders are the German Federal Government (80%) and the Federal States (20%). KfW takes a strong stand for climate and environmental protection both within Germany and abroad. It supports, among other things, SMEs and business start-ups, the private housing sector and the development of municipal infrastructure as well as education finance. ■

The European Union Emissions Trading System (EU ETS) is the largest multi-national emissions trading scheme in the world, and is a major pillar of EU climate policy. ETS currently covers more than 10 000 installations in the energy and industrial sectors which are collectively responsible for close to half of the EU's emissions of CO2 and 40% of its total greenhouse gas emissions.

Under the EU ETS, large emitters of carbon dioxide within the EU must monitor and annually report their CO2 emissions, and they are obliged every year to return an amount of emission allowances to the government that is equivalent to their CO2 emissions in that year.

In January 2008, the Commission proposed a number of changes to the scheme, including centralised allocation (no more national allocation plans) by an EU authority, auctioning of a greater share (60+ %) of permits rather than free allocation, and inclusion of other greenhouse gases, such as nitrous oxide and perfluorocarbons. These changes are still at the draft stage and are only likely to become effective from January 2013 onwards.

* The ETS enables companies that exceed individual CO2 emissions targets to buy allowances from "greener" ones to help reach the EU's targets under the Kyoto Protocol.

EIB reinforces commitment to fighting climate change at the 2009 Carbon Expo

The 2009 Carbon Expo (Barcelona 27-29 May) provided an ideal occasion for networking and information-sharing between sector specialists.

EIB Vice-President Simon Brooks was invited to speak on carbon finance and climate-friendly cities in the main plenary session on the opening day of the Carbon Expo conference. Speaking alongside high-level representatives from Costa Rica, Bangkok, Rotterdam and Barcelona itself, Vice-President Brooks outlined the EIB's priority focus on energy efficiency and financing of sustainable urban infrastructure.

Managerial Advisor, Environment, Operations outside the EU, EIB's Matthias Zöllner was a speaker at a World Bank side event devoted to the role of Multilateral Development Banks and their low-carbon financial instruments. EIB operations and projects staff members attended various conference sessions and discussed future cooperation and financing opportunities with other financial institutions and potential project promoters. The Supervisory Committee of the EIB's Post-2012 Carbon Fund took advantage of the three-day gathering of carbon specialists to hold one of its regular meetings and EIB staff also took the opportunity to sign a Memorandum of Understanding with KfW for a new EUR 100m carbon programme. The initiative with KfW builds on the success of the first joint carbon fund established by the two institutions in 2007.

The EIB information stand in the exhibition hall provided information on the Bank's financing activities and its work in the field of climate change and energy. Visitors were especially interested in the EIB's activities in the renewable energy and energy efficiency sectors as well as in the Bank's carbon funds, with a particular focus on Asia, Latin America and ACP countries. The Post-2012 Carbon Fund and the new EIB-KFW Carbon Programme were widely recognised as instruments that contribute to establishing a climate of certainty regarding a possible post-Kyoto regime. Similar initiatives are being established in various areas around the world. The EIB's only single country carbon fund – Fonds Capital Carbone Maroc – also attracted significant interest from the stand's visitors who suggested the establishment of other such national programmes for India, Thailand and Tunisia, amongst others, focusing on the post-Kyoto period.

Next year Carbon Expo will return to its usual location in Cologne and will take place at the end of May. ■

by Úna Clifford and
Viviana Siclari
Communication Department

Public Consultation

on the EIB's Complaints Mechanism Policy, Public Disclosure Policy and Transparency Policy

On 18 May, the Bank launched its fourth public consultation process on the EIB's Complaints Mechanism Policy, Public Disclosure Policy and Transparency Policy. Launching the three policies together makes sense as they are interlinked.

The EIB carried out its first public consultation on the Bank's Public Disclosure Policy in 2005. This was followed in 2007 by a second public consultation process on a review of the Bank's Anti-fraud Policy. Last year the third consultation process focused on a review and update of the EIB's Statement of Environmental and Social Principles and Standards.

Details on the consultation process, procedures and timetable can be found on the EIB's website. The first round will last until 24 July 2009. During this time all interested parties and individuals are invited to comment and provide suggestions on the draft policies. The public consultation will in principle include a second round of an additional 20 working days consultation, unless there is a lack of stakeholder interest. The consultative process will include online web consultation and, in parallel, a direct dialogue with stakeholders at workshops and public meetings. A public consultation meeting in Brussels on 22 June 2009 is already planned. A Review Panel will be set up within the EIB to consider the public contributions and to see the extent to which they can be taken into account.

After the consultation process, the draft revised policies will be presented, together with a report on the consultation process and public comments, to the EIB's Board of Directors. After approval, the revised policies will be published on the Bank's website, together with the explanatory report submitted to the Board. ■

by Matilde Del Valle
Communication Department

EIB's East building awarded "Excellent" ranking by BREEAM


breeam
The Code for Sustainable Buildings

This is to certify that

European Investment Bank,
New Headquarters,
96-98 boulevard K. Adenauer,
L-2950 Luxembourg

has achieved a score of 70.79%, and a BREEAM rating of

EXCELLENT

This Post Construction assessment was carried out under the Pre-2009 version of BREEAM Bespoke

breglobal

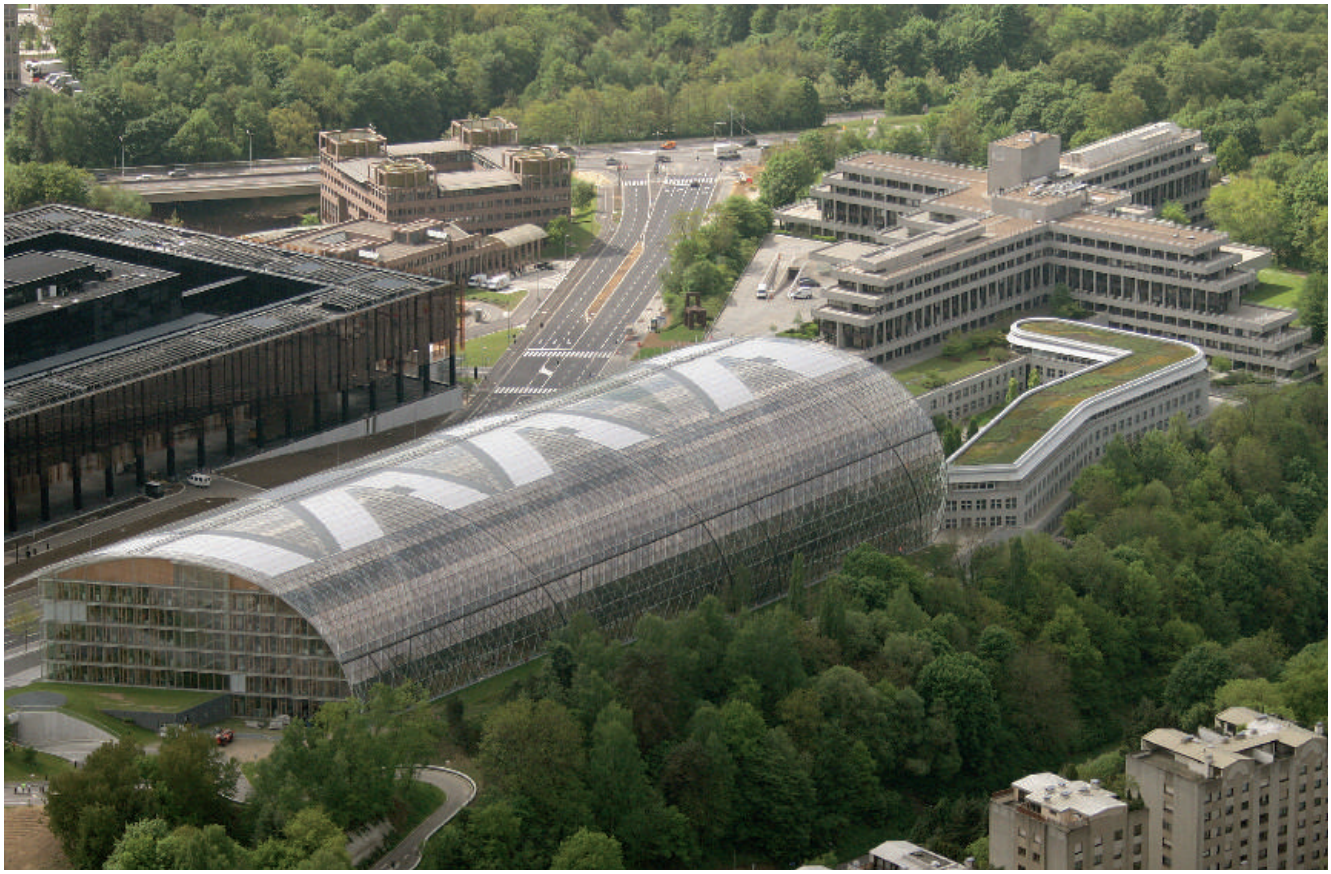
The EIB Group's New Building was granted an "Excellent" ranking by the BRE Environmental Assessment Method (BREEAM) in March 2009.

BREEAM aims to set the standard for best practice in sustainable design and buildings' environmental performance with a wide range of assessment criteria.

The new EIB building was given the award following a post-construction assessment carried out in March this year. It had already received a "very good" rating at the design stage in 2005 and was under the regular scrutiny of the BRE rating agency during construction between 2005 and 2008.

Faber Maunsell, the UK BREEAM rating agency said in their final report, "I think that this is very exciting news with it being the first BREEAM post-construction report in Europe and also to have improved on the design and procurement assessment so much so to move up one rating, it is really something to be proud about." ■

by Enzo Unfer
Head of Facilities Management Division
Head of New Building Task Force Coordination



EIB President Philippe Maystadt **awarded high Hungarian order**

by Dusan Ondrejicka
Communication Department

EIB President Philippe Maystadt has been honoured with the Commander's Cross with the Star of the Order of Merit of the Republic of Hungary.

The decoration was awarded by the Hungarian Finance Minister Péter Oszkó, on behalf of the President of the Republic of Hungary, László Sólyom, at a ceremony held at the Hungarian Embassy in Luxembourg on 8 June.

The prestigious Commander's Cross recognises "Mr Maystadt's valuable contribution to the improvement of relations between Hungary and the EIB and the development of the Hungarian economy facilitating Hungary's EU accession".

Mr Oszkó noted that the EIB is the most active international financial institution in Hungary, providing loans worth some EUR 10bn in the country since 1990.

In his expression of gratitude Mr Maystadt stated that Hungary and Poland were the first countries from Central and Eastern Europe in which the EIB started operating after 1989. Initially, the Bank focused on the development of basic infrastructure, then it gradually stepped into all important sectors of the Hungarian economy, supporting in particular SME investment.

In 2009, said Mr Maystadt, the EIB envisages providing in Hungary loans amounting to EUR 2.3bn. Mr Maystadt stressed that the EIB will do everything possible to support Hungary in the current financial and economic crisis. ■

From left to right: Finance Minister of Hungary, Péter Oszkó,Philippe Maystadt and the Hungarian Ambassador to Luxembourg, Tibor Kecskés

EIF: EUR 50m fund of funds facility in Bavaria

In May 2009, the Ministry of Economic Affairs, Infrastructure, Transport and Technology, the Landesanstalt für Aufbaufinanzierung Förderbank Bayern (LfA) and the European Investment Fund (EIF) launched the LfA-EIF fund of funds facility. This EUR 50m facility managed by EIF, will invest in venture capital funds based in Bavaria and target innovative early and development stage companies.

Richard Pelly, CE EIF, Michael Schneider, Chairman of the Board LfA, Martin Zeil, Minister of Economic Affairs and Matthias Kollatz-Ahnen VP EIB

The LfA-EIF Facility was signed on 4 May 2009 in Munich by EIF Chief Executive Richard Pelly and LfA Chairman of the Board, Michael Schneider. The launch was attended by the Bavarian State Minister of Economic Affairs, Infrastructure, Transport and Technology, Martin Zeil, EIB Vice-President, Matthias Kollatz-Ahnen, and Falk Strascheg, one of the most renowned and prominent European venture capital investors.

The LfA-EIF facility, which will be equally funded by LfA and EIF, will target the following market segments:

- Seed and early stage funds with a strong technology transfer emphasis, i.e. funds with access to and cooperating with major public and private research centres;
- Funds that target follow-on financing of innovative companies in their early, development and mid stages, i.e. investments that are typically undertaken in second and subsequent financing rounds.

The investment period of the facility will cover 5 years and divestments will span a period of 10 years.

This investment approach is in line with EIF's strategy of supporting EU objectives for innovation, entrepreneurship, growth and job creation.

The facility will also capitalise on EIF's strong knowledge of the German market acquired in particular through the ERP-EIF Dachfonds – a EUR 500m fund of funds which invests in high- tech German venture capital funds and has been managed, since its signature in 2004, by EIF on behalf of the German Federal Ministry of Economics and Technology (BMWi).

This new fund of funds will enable EIF to commit additional resources to promising fund proposals and establish commercially viable investments in the Bavarian region and thus improve access to equity finance for innovative small and medium-sized companies (SMEs).

Matthias Ummenhofer, Deputy Head of equity fund investments, and responsible for EIF's equity investments in Germany, commented "We are happy to join forces with the Bavarian Ministry of Economics and LfA – one of our long-standing shareholders. Our cooperation will help to further develop the Bavarian venture capital sector, which, because of its location and connection to other European regions, plays an important role in the development of the German and European venture capital ecosystem. This facility comes at the right time as it will help to mitigate the effects

of the current economic crisis and provide excellent opportunities to invest in young innovative companies".

The presentation of the facility which followed the signature was very well received by professionals and investors from the German venture capital sector. The discussion which followed confirmed the case for supporting venture capital funds strongly linked to Bavaria and providing equity finance to young and innovative small and medium-sized companies in the region.

The LfA-EIF facility is already fully operational; first investments have been approved and are expected to be signed shortly. ■

by Matthias Ummenhofer, Head of ERP team, with the collaboration of Stefanie Kettenhofen

EIB launches urban development holding funds in Poland and Spain

Leszek Wojtasiak, Deputy Marshall of Wielkopolska, and Eugenio Leanza, Head of JESSICA Task Force.

Wielkopolska in Poland and Spain's Andalusia are the first regions to benefit from the innovative urban renewal instruments available under the JESSICA (Joint European Support for Sustainable Investment in City Areas) initiative.

JESSICA is a joint initiative of the European Commission and the EIB, set up in cooperation with the Council of Europe Development Bank, designed to foster investment in urban areas, speed up urban regeneration and improve European cities. To be eligible for financing, projects have to form part of integrated urban development programmes that ensure their consistency and environmental quality.

The JESSICA mechanism makes it possible to channel money from the EU structural funds into projects that are attractive to private enterprise but need public financial support. Once repaid, the funds, along with the return on the investment, can be re-used to finance new urban projects.

The EIB has been mandated by the EU through the enactment of EU Structural Funds Regulations to act as a JESSICA Holding Fund on behalf of those Managing Authorities that want to implement JESSICA structures in their constituencies. Acting as a JESSICA Holding Fund for Managing Authorities is therefore an integral part of the Bank's commitment both to JESSICA and to urban regeneration across Europe.

Recently, the EIB and the Board of Directors of Wielkopolska, acting as the Managing Authority for the region, signed in Poznań the first Holding Fund agreement.

The signature took place during a conference entitled "Five Years in Europe", commemorating the 5th anniversary of Poland joining the EU.

The Holding Fund, to be managed by the EIB, will invest approximately EUR 66m of the region's structural fund allocation in urban development funds supporting urban projects with equity, loans or guarantees. Urban projects in Wielkopolska will focus on the conversion of old or disused industrial buildings, on the regeneration of post-military and post-industrial areas, on the revitalisation of old and deprived sites and on investment in business infrastructure.

A similar operation was also concluded in Andalusia, where the EIB and the local government have signed a financing agreement to launch a JESSICA holding fund in the region. The agreement – establishing the fund's operating procedures and initial capital of EUR 85.7m from the European Union's structural funds – provides for the Holding Fund to invest in projects submitted by municipal and/or sectoral urban development funds focusing on household energy consumption reduction or historic city centre restoration schemes.

Memoranda of Understanding providing for the EIB to take up the role of Holding Fund have been signed with other countries and regions, including Galicia and Castilla-La Mancha in Spain, London and the North-West of England in the UK, Portugal and Greece, so that further Holding Fund agreements are expected to be concluded in the near future.

The JESSICA programme was created to address a perceived market failure in the urban sector and the scarcity of investment in integrated urban renewal and regeneration projects. In the current economic downturn, when this scarcity is even more evident, JESSICA will increase EU fund absorption and provide additional financing for urban projects, including PPPs, and ensure the sustainability and revolving character of investments in European cities.

Over the past five years the EIB has lent nearly EUR 30bn for urban transport and urban renewal projects in a number of EU Member States, gaining broad experience of putting together and financing such projects. ■

by Daniela Sacchi-Cremmer
Projects Directorate/JASPERS

EIB-ABI-Confindustria cooperate to **support SMEs and RDI in Italy**

The European Investment Bank, Associazione Bancaria Italiana (ABI) and Confindustria recently signed a framework agreement to increase EIB financing for Italian companies investing in research, development and innovation (RDI) and for small and medium-sized enterprises (SMEs).

In 2008, the EIB pumped finance totalling EUR 8.3bn into the Italian economy (+48% compared to 2007), thereby increasing outstanding loans to EUR 45bn. Of aggregate new lending, EUR 2.5bn went via the EIB's 25 Italian banking group partners to SMEs, kick-starting EUR 5bn worth of investment programmes co-financed by the EIB and partner banks. ■

by Marco Santarelli
Communication Department

The three institutions will make extensive use of the instruments created by the EIB, with particular emphasis on the measures to simplify EIB loans for SMEs – thereby providing the beneficiary enterprises with the best possible financing terms – and will encourage the swift deployment of the credit lines made available by the EIB to intermediary banks, helping to improve and standardise the related reporting procedures. The agreement also provides for active support for RDI projects promoted by private or public businesses and cooperation on Confindustria's North-South programme, whose purpose is to carry out high-tech projects throughout the country.

In order to periodically assess the results achieved and identify new initiatives to improve cooperation, an EIB-ABI-Confindustria working group will be set up.

The Italian Finance Minister Giulio Tremonti visited the EIB after the meeting of the Board of Governors on 8 June (see article on page 1). During his visit, he met with the senior Italian managers of the Bank and gave a speech to the Bank's Italian staff members.

First EIB loan for **renewable energy and energy efficiency** in Belgium and Luxembourg

The EIB recently advanced a EUR 150m loan to Dexia Bank to support the development of renewable energy and energy efficiency investment in Belgium and Luxembourg. This is the first operation of this kind that the Bank has mounted in the two countries.

The 'EIB Dexia Renewable Energy' programme, signed by Philippe Maystadt, EIB President, and Jean-Luc Dehaene, Chairman of Dexia, is aimed at businesses, public authorities and non-commercial sector players alike. It will serve to finance small and medium-scale projects in the solar energy, wind energy, biomass (excluding biofuels) and cogeneration sectors as well as measures aimed at improving energy efficiency, of public buildings in particular.

The projects will have to be submitted to Dexia Bank Belgium and those selected will be financed up to a maximum of 50% via the EUR 150m credit line provided by the EIB, with the balance being covered by Dexia Bank. The final beneficiaries will be duly informed of the EIB's involvement, of the form it will take and of the improved financial terms that it is offering.

"Thanks to this partnership – said Mr Dehaene – no less than EUR 300m will be advanced via Dexia Bank and Dexia Lease for such investments in Belgium and Luxembourg over the coming months and years. This underscores the central role of renewable energy in Dexia's strategy, a key sector supported both by conventional lending and by leasing, project finance and public-private partnerships."

"Having previously entered into this type of operation in ten other EU countries – commented Mr Maystadt – the EIB can now make its funding capacity and experience available to project and investment promoters in Belgium and Luxembourg". The EIB President added that he was also pleased "to be able to count on the EIB's long-standing partnership with the Dexia Group and Dexia Bank's political will and expertise, particularly in the fields of solar and wind energy. That cooperation is reflected in this framework loan and will facilitate investment by enterprises and public institutions in these fields". ■

JL Dehaene, Chairman of Dexia; S. Decraene, Retail & Commercial, Chief Executive Officer of Dexia; P. Maystadt, EIB President; P. Mariani, Chief Executive Officer, Chairman of the Management Board of Dexia.

EIB's support for Latvia's energy sector

On 6 May 2009, the President of the Republic of Latvia Valdis Zatlers and the King of Spain Juan Carlos I inaugurated Latvenergo's new thermal power plant TEC-2 in Riga.

Mr Mikelson, President of Latvenergo, King Juan Carlos I, V. Zatlers, President of Latvia and M. Kampars, Finance Minister

The new power plant has an electricity generation capacity of 400 MW and provides 270 MW for district heating, while meeting EU environmental standards.

The EIB has a long-standing relationship with Latvenergo and attaches particular importance to cooperation with the State-owned vertically integrated energy utility, to ensure a reliable energy supply for Latvia's citizens and the Baltic region as a whole.

Since the mid-1990s, the EIB has co-financed a number of Latvenergo's projects. In December 2005, the Bank lent EUR 60m for the replacement of Latvenergo's TEC-2 thermal power plant in Riga by a new state-of-the-art combined heat and power plant fuelled by natural gas; and in October 2008 it provided EUR 100m for upgrading the company's distribution network.

Operation of the TEC-2 power plant started in the late 1970s. As this old Soviet-era power plant did not meet current regulations on emissions and was inefficient, in 2005 Latvenergo launched a project to replace the old plant with a modern natural gas-fired combined-cycle gas turbine, which will supply hot water for the district heating network of Riga and electricity to the national grid. As the Ignalina nuclear power plant in Lithuania will be de-commissioned at the end of 2009, security of supply and new generation capacity are of the utmost importance to the Baltic countries.

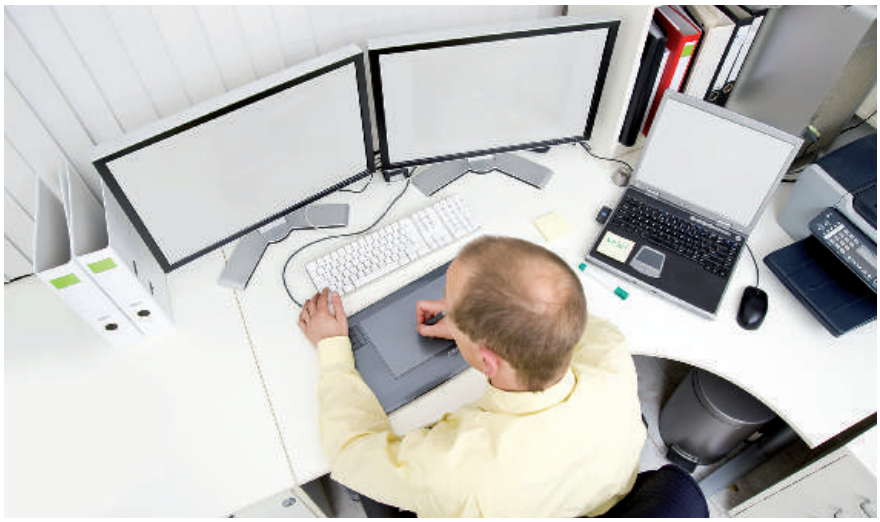
At the inauguration ceremony, where a commemorative plaque was unveiled, Latvenergo was represented by Mr Karlis Mikelsons, President, and Iberdrola S.A., the main contractor of the new plant, by Mr Ignacio S. Galan, Chairman and CEO. From the EIB, Tilman Seibert, Director of the Baltic Sea Department and Jaani Pietikäinen, Head of the Helsinki Office, participated in the ceremony.

In the five-year period 2004-2008, the European Investment Bank provided a total of EUR 934m for projects in Latvia. About 36.5 % of total EIB lending in the country in this period was for energy, transport, health and education, as well as other priority projects fostering the development of Latvia's economic and social infrastructure. ■

by Jaani Pietikäinen
Head of EIB's Helsinki Office

Supporting small businesses – the "logic of partnership"

Local demand for its industrial equipment and services is down by 15%, yet far from letting staff go, ETI is hiring extra people.



Équipements et Techniques Industrielles, a Le Havre-based company employing some 80 workers, is beating the economic crunch by expanding its business abroad with the help of EIB lending channelled through the local branch of Société Générale.

It's one of the huge list of small and medium-sized enterprises (SMEs) that receive EIB financial support through local banks – nearly one million businesses in 2008 alone.

The EIB increased its lending for SMEs, the bedrock of the European economy, by more than 42% last year to more than EUR 8bn, and is continuing to ramp up its support this year as part of its efforts to foster economic recovery.

A significant proportion of ETI's clients are industrial firms, especially in the surrounding region of Normandy, which are suffering the effects of the crisis. All local suppliers to these firms are feeling the strain, but ETI also caters to an international clientele, importing equipment from some 15 countries and exporting to the same number.

With a turnover of EUR 20m in 2008, ETI stocks some 15 000 articles at its Le Havre office and branch offices in Dieppe and Le Petit-Quevilly, the most expensive of which cost several million euros. But stocking is only an intermediate stage of the very specialised process in which the firm is involved: selecting equipment, diagnosing and advising on client needs, assembling, packing and shipping industrial toolkits – even the training that goes with their use.

ETI's strategy of expanding abroad to compensate for falling local demand is based on three main pillars, explains Yvon Kervella, Project Manager in ETI's Export Department. First there is the direct export of industrial equipment to a broad range of clients. Then there are technical workshops and laboratories set up on site for large projects. And finally, ETI offers vocational training.

Algeria is ETI's most important market for exports generally, and for vocational training in particular. The firm has an office in Algiers, and recently completed a project for the Algerian Ministry of Vocational Training, catering to 44 schools in all.

"After we won the tender, the process started with the selection of, in this case, plumbing tools and fittings, and compiling them into toolkits," Kervella said. "Then followed shipment to Algiers, clearing customs, delivery at the schools, checking quality and quantity, commissioning and start-up, and one-week training courses for the teachers, who in turn are now educating a younger generation of professional plumbers and fitters."

For this kind of project, which can take up to two years from start to finish, payment typically follows only on completion. This is why ETI needed additional working capital to finance its international expansion, and why Société Générale lent the firm EUR 375 000 from funds made available by the EIB.

Because ETI obtained a loan from EIB resources, the terms were better than it would be able to get from other sources of funding.

"We have confidence in ETI and we find it important to continue lending to our good clients, also in difficult times, with the help

of the EIB," said Yannis Faucillon of Société Générale's Le Havre office. "I call this *la logique du partenariat*."

It is precisely this "logic of partnership" that is at the core of the "EIB Loans for SMEs" initiative, of which ETI is a beneficiary. Not only is the EIB boosting the quantity of its finance for SMEs, but after a wide consultation last year with SME groups, banks and relevant public institutions, it has revamped its lending process to make it simpler, more flexible and more transparent.

Red tape has been cut, and loans can now be made for a wider range of needs such as investment in intangible as well as tangible assets, and to increase working capital.

A solid basis has been laid for a quantum leap in SME financing in the years to come. ■

by Cees Post
Communication Department

Serbia: EIB steps up lending to foster closer relations with EU

The European Investment Bank has launched a programme for 2009-2010 in Serbia aimed at combating the financial crisis and bringing the country closer to the European Union.

The Bank recently signed a new framework agreement laying down the details of EIB activity in the country. A EUR 250m loan for small and medium-sized enterprises (SMEs) and priority projects, via the National Bank of Serbia, was the first in a series of EIB operations that are expected to support Serbia's real economy in 2009-2010 with loans designed to fight the recession, support the recovery of Serbian economy and pave the way for European integration.

The EUR 250m loan will be disbursed via the National Bank of Serbia and on-lent by Serbian commercial banks. The amounts made available by the EIB will help to fund and support projects by SMEs and local authorities as well investments in industry, infrastructure, energy, environmental protection, the knowledge economy, health, education and services. EIB loans are available to all financial institutions in Serbia. In order to accelerate support for the SME sector, EIB loans may cover up to 100% of the cost of each project.

"The EIB has been active in Serbia for many years; however, with these agreements, our cooperation with the Serbian government has taken a huge step forward", said EIB Vice-President Dario Scannapieco, responsible for financing operations in Italy, Malta and the Western Balkans.

Overall, Serbia's projects currently being appraised by the EIB exceed EUR 1.4bn. They concern all sectors of the economy from the financial sector, motorways and rail (Corridor X) to education, energy, research and development and local infrastructure. ■

by Marco Santarelli
Communication Department

Managing water in a changing world

FEMIP Conference on Sustainable Water Financing

Following the request of the Euro-Mediterranean Finance Ministers who met in Luxembourg in October 2008, FEMIP organised a conference in the Principality of Monaco on 11 May 2009 tackling the issue of water scarcity in the Mediterranean region and the means to face it.
Prince Albert II of Monaco inaugurated the sessions in an assembly that brought together prominent experts in the field as well as policymakers and private operators.
The goal was to contribute to the further development of a Mediterranean Water Strategy in the framework of the Union for the Mediterranean (UfM) in order to create a common vision among partners on the future of water in the region.

P. de Fontaine Vive, EIB Vice-President, and Prince Albert II of Monaco

Water: a hallmark of FEMIP's action in the region

In times of uncertainty generated by the international crisis and the realities of climate change, the scarcity of water is adding a new dimension of complexity to the current situation. Studies focusing on the Mediterranean show that the region is and will be more vulnerable to climate changes than any other region in the world during the 21st Century[1]. Therefore, addressing the future of water is a must for the Mediterranean region. On the other hand, partner countries face difficulties financing their national water management programmes in a sustainable way, and therefore need additional external financial resources to implement adaptation measures in this regard.

Three main themes were addressed in Monaco. The first session of the conference studied the available financial resources, and the role of pricing in water management. In a second panel the issue of water scarcity and climate change in the Mediterranean was discussed and possible solutions to existing challenges examined. Finally, in a

[1] 'Climate Change and Energy in the Mediterranean': A study financed under the FEMIP Trust Fund and carried out by the Blue Plan, centre of regional activities, Sophia Antipolis. The study was developed under the umbrella of the Mediterranean Strategy on Sustainable Development, and is available on the EIB's website under EIB publications: www.eib.org/publications.

third panel, the role of the private sector in improving water efficiency and accessibility was recognised and highlighted.

How to ensure sustainable water services?

The participants were unanimous in identifying water scarcity as a possible source of instability and conflict in the region. Several economic sectors such as tourism, agriculture, fishing or the hydroelectricity industry could be affected as a result. Therefore, they agreed that the notion of climate – usually neglected – has to be taken into account in the project cycle in the Mediterranean partner countries. Moreover, the financial sustainability of water services must be assured by means of the three Ts (tariffs, taxes and transfers) in order to ensure the continuity of water services and access to external financing. Several participants stressed that sound water pricing mechanisms should be used to send a scarcity signal and help balance supply and demand. Thus, a pricing strategy should include direct pricing and taxes. Finally, the participants agreed that a balance should also be struck between the public and private water providers and that the governance of the sector was crucial for both.

Prince Albert II of Monaco

The results and conclusions of the conference will be presented during the 8th FEMIP Ministerial Meeting that will take place on 7 July in Brussels, and they will hopefully help to define the water strategy to be submitted to the Heads of State and Government of the UfM in 2010. Meanwhile, convinced of the priority that water in the Mediterranean represents, FEMIP will continue to play an important role in financing sustainable water management and will be sure to support actions and initiatives oriented towards this end. ■

Potential

Mediterranean countries have huge potential for renewable energy thanks to their geographical location in one of the world's sunniest regions, their windy sites and considerable geothermal resources. However, they are very vulnerable to climate change, and this reinforces the need to develop strategies for integrated management of water resources and energy, with a prospective vision.

Climate variability: a source of many hazards

20 million Mediterranean people do not have access to drinking water and 47 million to adequate sewerage services[1]. A study financed by the FEMIP Trust Fund has shown that climate change will deepen the gap between water demand and the available resources in the region. In fact, the Mediterranean countries' water demand doubled during the second half of the twentieth century, and is expected to increase by about 50 km3 by 2025 to reach some 330 km3/year.

[1] 'Regional Document Mediterranean', 5th World Water Forum Secretariat, 2009.

EIB develops carbon credits under its Climate Change Technical Assistance Facility: **supporting the enhancement of the Gambia river**

FEMIP: On the front

- Between 2003 and 2008, FEMIP supported access to water, lending EUR 692m to the sector in the region.
- Support for environmental protection is one of the six priorities set out in the EIB's 2009-2011 Corporate Operational Plan.
- Cleaning-up the Mediterranean is one of the six key initiatives that the Union for the Mediterranean fixed at its Paris Summit (July 2008). At its 8th Ministerial Meeting in October 2008 and in the framework of the Horizon 2020 initiative, FEMIP was requested to develop a consolidated pipeline of pollution-prevention investments addressing Hot Spots in the partner countries. These projects will be subject to the supervision and further follow-up of a working group led by the EIB.
- A Ministerial Conference on Water was held in Amman in December 2008, brainstorming ways to establish a water strategy for the region.
- The EIB was strongly represented at the Istanbul World Water Forum in March 2009, and was actively involved in the organisation and development of a number of sessions. It was also one of the lead authors of the Theme 5 Report on Finance (available on the World Water Forum website).

by Eefje Schmid
and Jihane Hakimi
Europe's Neighbour
and Partner Countries
Department

The EIB provided EUR 250 000 conditional grant funding in 2008 under the Climate Change Technical Assistance Facility (CCTAF) in the framework of a hydropower energy project developed by the OMVG (Organisation pour la mise en valeur du fleuve Gambie – Organisation for the enhancement of the Gambia river).

The project which will benefit from the EIB's CCTAF grant is of strategic importance to West Africa. As part of the development, a 1 677 km-long 225 kV interconnection line will be constructed to link the electricity grids of the four OMVG member states (Senegal, Guinea, the Gambia and Guinea Bissau). This will serve to strengthen regional cooperation and integration through the development and shared utilisation of the sub-region's hydro-energy resources.

The project also comprises two hydroelectric plants, one at Sambangalou (Senegal) on the river Gambia with an installed capacity of 128 MW, and the other at Kaleta (Guinea) on the river Konkouré with an installed capacity of 240 MW and 15 substations feeding load centres. Annual production from the two plants will reach approximately 1 348 GWh representing 17% of forecast demand in OMVG countries by 2014.

Under the CCTAF, the EIB has contracted an expert on the development of climate change projects under the Kyoto Protocol's flexibility mechanisms and on the carbon market. This expert will carry out the studies and procedural work needed to qualify the project for registration by the Clean Development Mechanism (CDM) Executive Board. The EIB requires that carbon credits produced by the project be fungible with emission allowances under the European Union Emissions Trading Scheme (ETS).

In addition to ensuring that the project meets CDM qualification requirements, the CCTAF-funded consultant will also estimate the projected flow of carbon credits, consult OMVG on likely prices and assist in incorporating revenues into project finance. A carbon credit sales strategy will also be developed to optimise the revenues derived from carbon credits under the project. ■

by Cristina Mejía García
Ops B/ACP-IF 2,
Dakar Office

Largest multilateral investors respond to financial crisis in Africa

Preventing the global economic crisis from reversing decades of progress, growth and investment in Africa is of the utmost importance to the international donor community. As such, the African Development Bank Group, the Agence Française de Développement Group, the Development Bank of Southern Africa, the EIB, the German Federal Ministry for Economic Development and Cooperation (BMZ) through the KfW Bankengruppe, the Islamic Development Bank Group, and the World Bank Group have joined forces for precisely this purpose.

by Úna Clifford
Communication Department

The seven IFIs have pledged to provide at least an additional USD 15bn to promote trade, strengthen the financial sector, and increase lending for infrastructure, agribusiness and small and medium-sized enterprises in the region affected by the global economic slowdown. Pooling resources and expertise will enable governments and institutions to more effectively reduce the humanitarian toll in the region.

In particular, the EIB expects to commit over, the next three years, more than EUR 2bn in loans, equity and guarantees in sub-Saharan Africa, and to step up its support for infrastructure and energy projects, notably through enhanced use of the EU-Africa Infrastructure Trust Fund.

The EIB will also further support Africa's financial sector, by contributing to the Microfinance Enhancement Facility and other relevant initiatives, granting lines of credit to banks with more flexible guidelines, and, where appropriate, providing equity. The EIB will continue to work on private sector initiatives with partner institutions, including the EFP programme with the European Development Finance Institutions (EDFIs).

Under the plan:

- **The African Development Bank** will use an emergency liquidity facility of USD 1.5bn to provide financial support to eligible countries and operations that are suffering from a lack of liquidity; introduce a new USD 500m trade finance line of credit and consider committing USD 500m to global trade finance liquidity programmes to support commercial banks and other institutions that finance trade; contribute to funds to support agribusiness and microfinance; and coordinate a platform for co-financing projects in Africa through the African Financing Partnership

- **The AFD Group** will contribute to investments and programmes totalling up to the equivalent of USD 3.1bn to focus on SMEs and infrastructure projects in Africa through Proparco, the Fonds d'Investissement et de Soutien aux Entreprises en Afrique, and loan guarantees. Launched with AfDB, the International Fund for Agricultural Development, the Alliance for a Green Revolution in Africa and AFD, the African Agriculture Fund will raise EUR 200m during its first phase and subsequently EUR 550m to target private companies and cooperatives to increase and diversify agricultural production.

- **The Development Bank of Southern Africa** will boost its development financing for priority infrastructure projects by injecting the equivalent of over USD 4bn of development finance in these and other development sectors, an increase of more than 100% compared to the development finance disbursed over the last three years. It will also increase its technical and grant assistance for project development and training to the equivalent of over USD 50m

- As part of **German Financial Cooperation** with Africa, the Federal Ministry for Economic Development and Cooperation (BMZ) through the KfW Bankengruppe (namely KfW and DEG) expects to contribute to initiatives and programmes amounting to over USD 1.4bn in Sub-Saharan Africa to support the financial sector, the private sector and infrastructure. The **KfW Bankengruppe** in addition expects to contribute to initiatives and programmes amounting to over USD 1.1bn in Sub-Saharan Africa to support the financial sector, the private sector and infrastructure.

- **The Islamic Development Bank Group** will, through the Islamic Corporation for the Development of the Private Sector, contribute during the next five years to investments and programmes totalling up to USD 250m. Despite the current crisis, the International Development Bank Group Islamic Trade Finance Corporation, through its own resources, will also maintain the same level of commitment of USD 150m to support and facilitate financing for Africa in 2009. To scale up its intervention, ITFC is targeting and has already been intensifying its interaction with IFC and AfDB to explore ways and means to leverage an additional USD 250m by the end of 2009

- As part of the **World Bank Group**'s support:

  - IFC will contribute at least USD 1bn to facilitate trade, strengthen the capital base of banks, improve infrastructure, increase microfinance lending, and promote agribusiness companies;

  - The International Bank for Reconstruction and Development will front-load and fast-track its International Development Association commitments and increase access to funds for non-IDA countries; accelerate fund disbursements; launch a concessional window to finance high priority, high return infrastructure investments that facilitate regional integration, asset preservation and urban development; and assist partners in analysing the impact of the crisis through knowledge products and outreach;

  - The Multilateral Investment Guarantee Agency will provide up to USD 2bn of investment guarantees to prioritise investor demand for African infrastructure investment, support for small and medium-scale investments, and support for the African financial sector, including banks and micro-finance institutions. ■

Creating a win-win situation for Ugandan SMEs

The EIB has developed a new technical assistance programme in Uganda which will serve a dual purpose. The Bank's advisory initiative aims to benefit small entrepreneurs wanting to expand their businesses, whilst simultaneously increasing the effectiveness of the financial instruments which they complement.

As is the case in many of its countries of operation, the EIB works with financial partners in Uganda to provide long-term financing to promote investment projects undertaken by small private enterprises. Nonetheless, the EIB has found that funding for small business projects is often more successful when accompanied by appropriate technical assistance to help with the planning and implementation stages of project development.

To add extra value to its SME financing operations in Uganda, the EIB has established an initiative which allows its banking partners in the country to recommend their clients to the Bank for project advice and assistance.

The services, part-financed by an EIB grant, will be provided primarily by Ugandan business advisors who will act as counsellors rather than suppliers of expert knowledge. Counselling involves all-round consideration of a business and continued presence before, during and after the investment process. The counselling service aims to enhance an entrepreneur's capacity to make sound decisions, relying in the first place on his own competencies and knowledge rather than on external experts' concepts. A preparatory study has revealed that such a mentoring approach should particularly fit the needs of small businesses.

The EIB will provide capacity-building assistance to the Ugandan advisors if needed and will team up with a Ugandan institution in administering this scheme. ■

by Marcel Gounot
Ops B/ACP-IF 2

The EIB supports China's reconstruction efforts

after the 2008 Sichuan earthquake

The European Investment Bank is providing a USD 160m loan to the People's Republic of China (PRC) to contribute to the financing of the reconstruction plan set up by the Chinese government for the areas hit by the May 2008 Sichuan earthquake.

The loan will be dedicated to the restoration of pre-existing forestry ecosystems destroyed by landslides, concerning some 100 000 ha of forest, and to consolidation works in irrigation and drinking water reservoirs, involving 528 dams. The European Commission is also involved in this plan, together with other multilateral institutions, such as the World Bank, the Asian Development Bank and the International Fund for Agricultural Development. In particular, the EIB facility will complement the grants provided by the European Commission.

The support for the reforestation component of the investment programme is in line with the EU's policy of mitigating climate change, while the reservoir repair component will contribute to promoting natural resources management. The repair of reservoirs is necessary to ensure an appropriate supply of both drinking water and water for agricultural production, and is therefore a high economic priority. Both components of the EIB-supported programme will contribute to environmental sustainability, one of the core objectives of the Bank's external lending mandate in Asia.

Under the current Asia and Latin America mandate (ALA IV), covering the period 2007-2013, the EIB is authorised to lend up to EUR 3.8bn for financing operations that contribute to climate change mitigation or support the EU's presence in those regions through foreign direct investment or the transfer of technology and know-how. The EUR 3.8bn regional ceiling breaks down into indicative sub-ceilings of EUR 1bn for Asia and EUR 2.8bn for Latin America. ■

by Mercedes Sendin de Caceres
Communication Department

EIB Senior Management

Agustín Auría has been appointed Head of the JASPERS Department, within the Projects Directorate, with effect from 1 May 2009. JASPERS (Joint Assistance to Support Projects in European Regions) is a partnership managed by the EIB with the EU Commission, the EBRD and KfW, set up in 2005 to help the 12 countries that have joined the EU since 2004 to prepare investment projects for funding under the EU's Structural and Cohesion Grant Funds

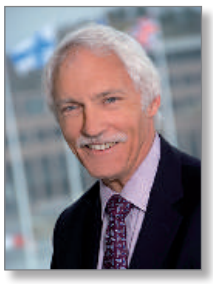
Mr Auría joined the Bank in 1994 as an engineer specialising in the fields of manufacturing, industry and research.

After a secondment to the Organisation for Economic Co-operation and Development (OECD) in 1998, he continued his career in the areas of health and education in the Bank's Projects Directorate.

From March 2000 onwards, Agustín Auría was Head of the Common Services and Facilities Management Division within the EIB's General Secretariat.

In July 2004 he was appointed Associate Director in charge of the Common Services and Facilities Management Division and in September 2005 he became Deputy Head of JASPERS.

A physicist, industrial engineer and holder of an MBA, Mr Auría worked as R&D Director and Technical Director in several multinational companies prior to joining the Bank. He is the author of 36 patents granted in Europe and the USA, some of which are still in commercial use.



Martin Curwen has been appointed Head of the Directorate for Lending Operations outside the European Union until 31 August 2010, when he will retire.

Mr Curwen joined the EIB in May 1974 as an Economist in the Economic Studies Department, focusing on ACP (Africa, Caribbean and Pacific) countries and projects.

From 1978 to 1984 he worked as a loan officer in the ACP Department, responsible for East and Southern Africa. In 1984 he became Head of Division for operations in the same region.

In 1987 he was appointed Head of the Coordination Division within the Directorate for Lending Operations outside Europe.

Between 1994 and 1997 he was Head of Corporate Affairs. In 1997 he was appointed Head of the ACP-Investment Facility Department, a post that he held until 2009.

During his long career at the Bank, almost entirely devoted to the Bank's activities in the ACPs, Mr Curwen was greatly involved in the negotiation of the successive Lomé Conventions and the Cotonou Agreement.

Between 1987 and 1994 Mr Curwen's responsibilities also covered issues relating to the Bank's activities in other regions outside the EU, including the start of operations in Eastern Europe. From 1994 to 1997 he was involved in the negotiation of the Tripartite Agreement between the EIB, the Commission and the Court of Auditors. He was also actively involved in the process of changing the Bank's auditors from PricewaterhouseCoopers to Ernst &Young.

Before joining the EIB, from 1970 to 1974 Mr Curwen worked for the Botswana Development Corporation.

Mr Curwen holds degrees in history from the University of Cambridge and economics from the London School of Economics as well as a diploma from the Johns Hopkins University School of Advanced International Studies.

Cadre Appointments

Jean-Christophe Laloux has been appointed Director within the Directorate for Operations in the EU. He will head the South-East Europe Department – covering Greece, Cyprus, Bulgaria, Romania and Turkey.

Mr Laloux joined the EIB in 1999 as a loan officer in the France-Benelux Department. In 2001 he was seconded to the EIF as a venture capital officer. He left this position in 2003 to become Advisor to the EIB President and was subsequently appointed Head of the Special Operations Division within the Europe's Neighbour and Partner Countries Department, where he was responsible for equity and quasi-equity operations in the Mediterranean partner countries.

Prior to joining the Bank, Mr Laloux worked as a consultant for PriceWaterhouseCoopers and for the Boston Consulting Group.

Mr Laloux graduated from the Catholic University of Leuven (Belgium) with a degree in Commercial Engineering and holds a postgraduate degree in Management from the University of Ghent (Belgium). He has also a Master's in Business Administration from the Kellogg School of Management – Northwestern University (USA).

Patrick Walsh has been appointed Director of the African, Caribbean and Pacific – Investment Facility Department, with effect from 1 May 2009.

Mr Walsh, an Irish National, joined the EIB in 1983, in the Monitoring Department of the Directorate for Operations outside the Community, working on the monitoring of development finance banks throughout the ACP and Mediterranean regions.

From 1986 to 1992, he worked as a loan officer for the former Federal Socialist Republic of Yugoslavia and Turkey, plus Cyprus and Malta, before moving to EIB Lending Operations in the Middle East, including the Palestinian Territories. He became Head of the Mashreq Division in 1995. Five years later, he became Head of the Western Balkans and Turkey Division, helping to launch the new "FEMIP" facility for the Euro-Mediterranean region in 2002-2003.

In 2004, he was appointed Associate Director, and was Alternate Director for the EIB on the Board of the European Bank for Reconstruction and Development (EBRD) during 2004/05. In September 2005 he became Head of the "JASPERS" (Joint Assistance to Support Projects in European Regions) technical assistance for project preparation facility.

Prior to joining the EIB, Mr Walsh worked for the Irish Development Bank (ICC), the Investment Bank of Ireland and the Irish Civil Service in various ministries. He is a Fellow of the Chartered Institute of Management Accountants (UK) and an Associate of the Irish Institute of Bankers.

Mr Walsh also currently represents the Bank's Senior Managers on the College of Staff Representatives at the EIB.

The information magazine of the European Investment Bank Group

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Please consult the Bank's website for the updated list of existing offices and their contact details.

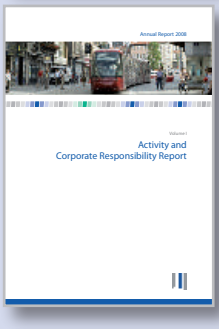
QH-AA-09-135-EN-C

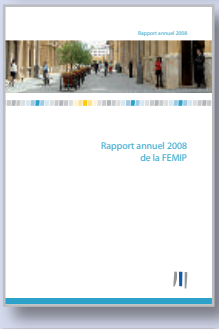
Dates for the Diary...

- **18 September 2009** – EIB Conference on SMEs. Paris
- **1 October 2009** – Conference "The European Investment Bank: partner to towns and municipalities". Frankfurt
- **8 October 2009** – Conference "Medina 2020". Marseille
- **October 2009** – EU Open Days of the Committee of Regions. Brussels

Details and registration at www.eib.org/events

New EIB publications





April 2009

- EIB Whistleblowing Policy
- EIB Diversity Strategy Leaflet
- European Investment Bank in Turkey
- Brief on implementation of the EIB's Public Disclosure Policy in 2008

June 2009

- EIB annual 18-K report 2008
- FEMIP 2008 Annual Report
- Activity and Corporate Responsibility Report 2008
- Financial Report 2008
- Statistical Report 2008
- Corporate Responsibility Development Report 2008
- Investment Facility Annual Report 2008

Coming soon

- JASPERS Annual Report
- EIB Diversity Annual Report

Brochures are available in various languages according to audience and business requirements. They can be downloaded free of charge at www.eib.org/publications.