

**Annual Press Conference 2005****Briefing Note N°09**

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**Western Balkans region**

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**EIB achieves record lending in the Western Balkans<sup>1</sup>: EUR 461 million in 2004**

In 2004, the European Investment Bank achieved a record, with lending in the Western Balkans totaling EUR 461 million (a 20% increase on the EUR 372 million lent in 2003).

When the Bank started operations in the Western Balkans in 1999 within the framework of the Stability Pact, its lending was focused on reconstruction in the transport sector. Since 2001 its lending has gone to other sectors as well, but in 2004 the EIB concluded its first framework loan for local authorities supporting environmental schemes throughout Croatia.

**2004: continued focus on connectivity and strengthened support for the environment**

In 2004, the EIB concentrated its lending on transport and the environment, which absorbed a total of EUR 201 million (44%) and EUR 175 million (38%) respectively. Rehabilitation and modernisation of transport infrastructure as well as the new environment initiatives took place mainly in Croatia and Serbia & Montenegro. They brought the region closer to the EU, both by improving transport connections with the EU-25 and the Accession Countries, and by bringing environmental standards closer to those of the EU.

In the private sector, lending focused on small and medium-sized enterprises (SMEs) in Serbia & Montenegro in the form of a EUR 45 million global loan. In the energy sector, EUR 40 million went to the construction of a combined power plant at Vlore, in south-western Albania, with wider benefits for the Balkan power system.

**Outlook**

In the coming years, the EIB will remain an important source of finance for the Western Balkans, in cooperation with the European Commission, the European Agency for Reconstruction, and other international donors, including the World Bank and EBRD. The EIB plans to maintain lending at an average annual level of some EUR 400 million in 2005/2006. While continuing its support for reconstruction and upgrading of the regional and municipal networks of basic infrastructure (transport, energy and the environment), the EIB plans to increase its assistance to the private sector and lend more in the health and education sectors in the coming years.

*For more information on the EIB, visit the internet site [www.eib.org](http://www.eib.org).*

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<sup>1</sup> Western Balkans: Albania, Croatia, Serbia and Montenegro.