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The Bank promoting European objectives

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Global External mandates overview for 2007-2013

For the period 2000-2006, the bulk of EIB lending outside the Union was governed by a series of mandates from the EU. The two main mandates were the one covering the pre-accession region (including Bulgaria, Romania, the Western Balkans and Turkey) and the one covering the Mediterranean partner countries. The EIB also had lending mandates for Russia and the Ukraine, South Africa, ACP under the Cotonou Partnership Agreement, and Asia and Latin America (ALA).

New mandates for the period 2007-2013 have been adopted by the Council in December and the second financial protocol for the Cotonou Agreement has been concluded for the period 2008-2013.

EU Policy/Mandate (in EUR million)	2000-2006	2007-2013
Pre-Accession countries	10 235	8 700
Mediterranean	6 520	8 700
Eastern Europe, Southern Caucasus and Russia	600	3 700
ALA	2 480	3 800
Republic of South Africa	825	900
Optional mandate	-	2 000
Total in EUR million	20 660	

On top of these mandates, EIB Governors can establish additional lending facilities for EIB objectives at its own risk. This was the case during the period 2000-2006 for the Pre-Accession Facility of EUR 14bn, the 2001-2006 Mediterranean Partnership Facility of EUR 1bn and the EUR 500m facility for priority projects in Asia. Proposals to renew and extend this facility will soon be presented to the governing bodies of the EIB.

Pre-Accession countries

EIB will be authorised to lend up to EUR 8.7bn (with a European Union guarantee) in candidate countries (Croatia, Turkey and the Former Yugoslav Republic of Macedonia) and potential candidate countries (Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo). EIB lending in pre-accession countries should reflect the priorities established in the accession and European partnerships, the Stabilisation and Association agreements and negotiations with the EU. The focus of EIB operations in the Western Balkans will continue to shift where relevant from reconstruction to pre-accession support in line with EU priorities.

European neighbour countries

EIB will be authorised to lend up to EUR 12.4bn (with a European Union guarantee) in Europe's Eastern and Mediterranean neighbours over the period 2007-2013. This represents the biggest mandate in its history for operations outside the Union. The EIB will continue to promote regional integration, economic modernisation and social stability in the region and support the European model to help make true partners of its geographical neighbours.

The overall mandate of EUR 12.4bn has been indicatively split to take into account the specific characteristics and priorities of each region:

- For the Mediterranean countries, the indicative ceiling has been set at EUR 8.7bn. This doubles the loan funds available to the 9 active partner countries compared to the previous mandate (which included Turkey). Within the framework, support for the private sector, which has tripled in absolute terms in the period from 2000-2002 to 2003-2005, will remain FEMIP's number one priority. FEMIP will also support partner countries in their quest to create a business environment more conducive to

private sector development by investing in infrastructure. Support to integrated transport, energy and telecommunications networks, including extension of the trans-European networks to the Mediterranean and investment in human capital will be part of this. FEMIP will implement its financing operations in close cooperation with the other institutions operating in the region (the European Commission, European national institutions, the African Development Bank, the World Bank Group).

- For Eastern Europe, the Southern Caucasus and Russia, the indicative ceiling will be EUR 3.7bn. The EIB started to operate in the Russian Federation in 2003 with a mandate for EUR 100m to support selected environmental projects in the Baltic Sea rim area. This was followed by a second mandate for Russia and Ukraine for an amount of EUR 500m for projects in the environmental sector, transport, telecommunications and energy infrastructure on priority Trans-Border, TEN-axes (Trans European Network axes). Building on this experience, the new mandate for the period 2007-2013 represents a novel challenge for the Bank by extending its competencies to new partners allowing these close neighbours to benefit from the EIB's experience in supporting economic transition and integration. EIB operations in this region will be carried out in close cooperation with the EBRD, in particular through a tripartite MoU between the Commission, the EIB and the EBRD.

Sub-Saharan Africa

EIB will be able to lend up to EUR 900m (with a European Union guarantee) in the Republic of South Africa over the period 2007-2013, which represents a small increase compared to the previous EUR 825m mandate for the period 2000-2006. The focus of the new mandate will be on infrastructure projects of a public interest and private sector.

For lending to Africa, the Caribbean and the Pacific Regions (ACP) please refer to the relevant separate briefing note.

Asia and Latin America

In Asia and Latin America (ALA) EIB will lend up to EUR 3.8bn in the period 2007-2013; a 53% increase compared to the mandate for the period 2000-2006. For the first time the ceiling for ALA is broken down into indicative sub-ceilings of EUR 2.8bn for Latin America and EUR 1.0bn for Asia and the geographical scope was broadened to include less prosperous countries and up to 10 additional countries from Asia.

EIB lending in Asia and Latin America will complement the EU cooperation strategy and this, in turn, will enhance the EIB's capacity to support the partnerships between the EU and Latin America, South-East Asia and in the Strategic Partnerships between the EU and China and India.

Lending objectives for Asia and Latin America will continue to support EU presence (through Foreign Direct Investment, transfer of technology and know-how) but will also include the protection of the environment (including climate change mitigation) and projects that contribute to the energy security of the EU.

Optional mandate

An additional EUR 2bn is kept in reserve for possible action in the period following 2010. The activation in whole or in part of this tranche and its regional distribution will be decided by the Council in 2010 based on the outcome of a mid-term review of EIB external lending.

See also:

- Briefing note "Preparing enlargement of European Union"
- Briefing note "Converging with Neighbours of European Union"
- Briefing note "Supporting Partners Countries in ACP and ALA"

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