



Annual News Conference 2008

Press release

The Bank promoting European objectives

Brussels, 28 February 2008

EIB renewable energy loans top EUR 2 billion in 2007

The European Investment Bank quadrupled its support last year for clean energy sources, signing loans of more than EUR 2 billion for renewable energy projects both inside and outside the European Union.

The figure capped an exceptional year for the EIB, in which it met, and in some cases exceeded, ambitious lending goals in support of EU policy priorities. **Total loans** signed in 2007 came to EUR 47.8 billion compared with EUR 45.6 billion in 2006.

Loans of just over EUR 41 billion were signed for projects within the EU, with the rest committed under the specific mandates granted by the European Council for EIB activities in other regions. In Turkey, the Western Balkans and the Mediterranean rim, the EIB remains the most active international financial institution.

To support this lending, the EIB raised nearly EUR 55 billion on the international capital markets – significantly higher than the EUR 48 billion raised in 2006 – through 236 **bond issues** in 23 currencies.

As it enters its 50th year, the European Investment Bank remains one of the largest capital market issuers, and its ability to tap those markets has held up strongly in the face of financial turbulence since mid-2007. Investors have been reassured by the EIB's prudent risk management policies and its first-class credit rating, underpinned by the Bank's sovereign shareholders.

“Energy Investment Bank”

The EIB's total loans in the energy sector rose to EUR 6.8 billion last year from EUR 3.8 billion in 2006, reflecting the impetus generated by the Bank's new energy policy. Endorsed last June by its Board of Governors, the policy clarified and strengthened the EIB's role in working towards tough EU targets on energy use and supply.

Responding to the gravity of the challenge posed by climate change, EIB lending for renewable energy accounted for nearly one-third of the EIB's total lending in the energy sector in 2007, and more than half its funding for electricity generation. It covered not only proven technologies such as onshore wind, hydro- or geothermal power, but also those still under development, for example photovoltaic and solar thermal generation.

The EIB has made energy efficiency an integral part of all its lending decisions, and actively supports the market in carbon credits through three existing funds. It is currently working with four national and regional public banks to finalise the Post 2012 Carbon Fund, the first to underpin the market value of carbon credits due to be delivered after the Kyoto Protocol expires in 2012.

“With climate change still high on the EU policy agenda, it is fair to say that we will keep a special focus on energy in 2008,” President Maystadt said. *“Indeed, some people are already starting to say that ‘EIB’ stands for ‘Energy Investment Bank’.”*

Innovation and transport

The EIB also kept up its significant contribution to research and development in 2007, particularly through flexible new financing mechanisms such as the Risk Sharing Finance Facility (RSFF), set up in mid-2007 with the European Commission. By the end of last year a total of EUR 459 million had been lent under the RSFF for projects in engineering, biotechnology and particularly energy, including pioneering solar technology.

By sharing credit risk between the Commission and the EIB, the RSFF extends the Bank's ability to provide loans or guarantees to projects whose promoters have a lower-grade risk profile – a concrete example of the EIB's relatively new strategy of financing higher-risk operations where this is justified by its strategic objectives.

Building efficient transport links has long been a major priority for the EIB, and in 2007 the Bank signed loans of more than EUR 8 billion to help build these trans-European networks. Another innovative financing collaboration with the Commission, a loan guarantee instrument known as LGTT, was also set up last month to encourage more private sector investment in transport infrastructure.

At the same time, the EIB has reviewed its approach to transport lending to make sure that it takes full account of climate change. The new policy puts a clear emphasis on railways, ports and inland waterways, taking a more selective approach to projects involving roads and airports and requiring rigorous checks on their soundness.

Energy, innovation and transport networks were three of the EIB's six priority lending areas in 2007, the others being to support economic and social cohesion across the EU's 27 Member States (particularly in the poorest areas), encourage small and medium-sized businesses (SMEs) and protect the environment.

More than 160,000 **SMEs** benefited from EIB Group support in 2007, be it through the Bank's lines of credit or the venture capital and guarantees provided by the European Investment Fund. Through a consultation exercise with its banking partners, public authorities and SMEs themselves, the EIB Group is looking at ways in which it can boost this support still further.

The EIB also continues to reinforce its efforts to increase **transparency** and engage fully with civil society. Last year the Bank concluded its second formal public consultation exercise, on its anti-fraud policy. This followed an earlier consultation on the EIB's public disclosure policy, and momentum will be maintained in 2008 with a new public consultation on the Bank's environmental and social ground rules for lending. The Bank has also extended the scope of its Economic and Social Impact Assessments for lending outside the EU, and is endorsing and supporting the Extractive Industries Transparency Initiative.

For further information, kindly refer to the briefing notes available on this page:
<http://www.eib.org/about/events/annual-press-conference-2008.htm>

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List of financing operations in 2007

The lists below show the main detailed figures for the EIB's activities in 2007. This information will be published in "Volume III – Statistical Report" of the EIB Group's 2007 Annual Report.

Loans concluded for capital investment in 2007 totalled EUR 47 820 million (see detailed breakdown in table below). These operations give rise to financial commitments for the Bank and are accounted for in its balance sheet.

The EIB cooperates closely with a large number of financial institutions and commercial banks, with which it concludes credit lines for financing small and medium-scale projects in the industrial, services, health, education and infrastructure sectors. It also grants loans earmarked for specific projects through the intermediary of financial institutions and commercial banks.

The EIB also provides direct loans for firms or public authorities where the projects are clearly in line with its priorities.

For further information on the EIB, visit its website www.eib.org.

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Geographical breakdown of loans concluded (EUR million)

	2007		2003-2007	
	Amount	%	Amount	%
Belgium (BE)	928	1.9	3 511	1.6
Bulgaria (BG)	1 108	2.3	1 298	0.6
Czech Republic (CZ)	1 599	3.3	5 573	2.5
Denmark (DK)	209	0.4	2 399	1.1
Germany (DE)	6 536	13.7	33 281	14.7
Estonia (EE)			150	0.1
Ireland (IE)	345	0.7	2 495	1.1
Greece (GR)	755	1.6	5 407	2.4
Spain (ES)	7 154	15.0	35 435	15.7
France (FR)	4 148	8.7	20 846	9.2
Italy (IT)	5 609	11.7	29 090	12.9
Cyprus (CY)	120	0.3	850	0.4
Latvia (LV)	35	0.1	364	0.2
Lithuania (LT)	20	0.0	218	0.1
Luxembourg (LU)	50	0.1	566	0.3
Hungary (HU)	1 217	2.5	5 411	2.39
Malta (MT)	40	0.1	53	0.0
Netherlands (NL)	265	0.6	2 920	1.3
Austria (AT)	1 070	2.2	5 237	2.3
Poland (PL)	2 281	4.8	9 510	4.2
Portugal (PT)	1 504	3.1	7 818	3.5
Romania (RO)	175	0.4	2 385	1.1
Slovenia (SI)	613	1.3	1 602	0.7
Slovakia (SK)	18	0.0	847	0.4
Finland (FI)	613	1.3	3 706	1.6
Sweden (SE)	713	1.5	3 480	1.5
United Kingdom (GB)	4 160	8.7	18 332	8.1
EFTA (1)	146	0.3	901	0.4
<i>European Union</i>	<i>41 431</i>	<i>86.6</i>	<i>203 685</i>	<i>90.0</i>
South-East Europe	2 926	6.1	8 904	3.9
Russia, Eastern Europe, Southern Caucasus	230	0.5	315	0.1
Mediterranean countries	1 438	3.0	6 960	3.1
ACP/OCT	756	1.6	2 945	1.3
South Africa	113	0.2	698	0.3
Asia, Latin America	925	1.9	2 745	1.2
<i>Partner countries</i>	<i>6 389</i>	<i>13.4</i>	<i>22 567</i>	<i>10.0</i>
Total	47 820	100.0	226 252	100.0

(1) Financing operations in the members of the European Free Trade Association (EFTA) equivalent to operations in the European Union.

The amounts relating to projects featured in this list are expressed in EUR million.

		M.EUR
European Union		41 285.0
Belgium		
Expansion and upgrading of Zeebrugge LNG terminal	SA Fluxys LNG	85.0
Extension of light rail network in Charleroi	Société de transport en commun de Charleroi	75.0
Construction of wastewater collection and treatment facilities in Walloon region	Société publique de gestion de l'eau	200.0
Upgrading and refurbishment of low-cost social housing in designated urban renewal areas in Wallonia	Société wallonne du logement	100.0
R&D investment in equipment and tooling for industrial production, construction and mining, mainly in Sweden and Belgium	Atlas Copco AB (publ)	107.6
Modernisation of radio and television broadcasting infrastructure for French-speaking community	Radio-Télévision belge de la Communauté française	60.0
Financing of small and medium-scale projects	Loan Invest NV	300.0
Bulgaria		
Repair and upgrading of some 1 535 km of priority transit roads	Republic of Bulgaria	380.0
Water supply and wastewater treatment facilities in Sofia and other regions	Republic of Bulgaria	12.0
Framework loan for financing operational and rural development programmes	Republic of Bulgaria	700.0
Closed-end microfinance fund aimed at fostering economic development in South-East Europe through provision of loans to micro and small-sized enterprises and to private households	Acceptable Corporate(s)	1.1
Financing of small and medium-scale infrastructure projects	United Bulgarian Bank	15.0
Czech Republic		
Equity fund to make equity and subordinated debt investments in renewable energy projects in Central and South-East Europe	Special purpose entity/fund	25.0
Extension of line C of Prague metro	Dopravní podnik hl.m. Prahy - Metro a.s.	225.0
Small-scale projects in transport (especially roads), health, education, social, cultural and tourism sectors in central Moravia	Olomoucký kraj	105.9
Road and rail investment schemes under operational programme for transport 2007-2013	Czech Republic	533.1
Financing of Pardubice Region's priority projects relating to first half of 2007-2013 EU Structural Funds programming period	Pardubický kraj	43.6
Construction of float glass production line in Teplice and expansion of automotive glass production facilities in Chudečice	Glaverbel Czech a.s.	71.0
Construction of industrial, logistics and business parks in several cities	CTP Property a.s.	462.0
Financing of small and medium-scale projects	SG Equipment Finance Czech Republic s.r.o.	7.5
	VB Leasing CZ s.r.o.	40.0
	SG Equipment Finance Czech Republic s.r.o.	64.0
	Českomoravská záruční a rozvojová banka, a.s.	22.2
Denmark		
Research, development and innovation activities aimed at discovery and production of new enzymes	Novozymes A/S	50.0
RDI focusing on development of innovative products and more efficient production processes in cement industry on Dania and Valby sites	FLSmith & Co. A/S	59.0
Financing of small and medium-scale projects	Ringkjøbing Landbobank A/S	50.1
	FIH Erhvervsbank A/S	50.0
Germany		
Development, construction and operation of 750 MW advanced coal power plant in North-Rhine Westphalia	STEAG-EVN Walsum 10 Kraftwerks-gesellschaft mbH	397.0
Creation of carbon credit fund for projects in line with Kyoto mechanisms to support European policy on climate change and greenhouse gas abatement	Special purpose entity/fund	50.0
Construction of section of A4 motorway (Eisenach bypass) in Thuringia	Freistaat Thüringen	89.0
Research and development activities, particularly concerning fixed, mobile and broadband telecoms services	Corporate	500.0
Expansion of network coverage and capacity and associated systems over period 2007-2009	Hansenet Telekommunikation GmbH	182.2
Upgrading and extension of wastewater treatment systems in Munich	City of Munich	13.9
Construction of waste incineration plant in Suhl (Thuringia)	Zweckverband für Abfallwirtschaft Südwestthüringen	9.1
Upgrading and extension of sewerage system of Entsorgungsverband Saar (EVS) in Saarland	Entsorgungsverband Saar	50.0
Rehabilitation and extension of water and sewerage networks and refurbishment and upgrading of water and wastewater treatment plants in Berlin and neighbouring areas in Brandenburg	Berliner Wasserbetriebe - Anstalt des öffentlichen Rechts	140.0
Reconstruction and upgrading of sewerage systems in Hamburg and surrounding areas and modernisation of Köhlbrandhöft and Dradenau wastewater treatment plants	Hamburger Stadtentwässerung	80.0
Cofinancing of urban renewal schemes in Saxony	Sächsische Aufbaubank - Förderbank	300.0
Financing of small and medium-scale RDI projects in automobile component sector	Acceptable Corporate(s)	50.0
Research and development activities in field of automotive components	Eberspächer Holding GmbH & Co. KG	30.0
R&D in field of brake systems for trucks and trains	Corporate	100.0
Improvement of energy efficiency and reduction of polluting emissions of paper mills in Germany; process and product RDI	Mylykoski Oyj	34.0
R&D activities in central Munich involving hybrid powertrains and new direct injection systems for petrol engines aimed at reducing fuel consumption	Corporate	500.0
Cofinancing of state support schemes in Saxony under EU Structural Funds for investment in period 2006-2008	Sächsische Aufbaubank - Förderbank	175.0
Research activities and investment in tangible assets at Heidelberg University (Baden-Württemberg)	Ruprecht-Karls-Universität Heidelberg	300.0

		M.EUR
Research activities and investment in tangible assets at Munich University (Bavaria)	Ludwig-Maximilians-Universität München	240.0
Research activities and investment in assets at Stuttgart University	Universität Stuttgart	250.0
Research activities and investment in tangible assets at Karlsruhe Technical University	Universität Karlsruhe (TH)	190.0
Cofinancing of national and EU programmes promoting productivity, SMEs and regional economic development in Brandenburg	Investitionsbank des Landes Brandenburg	340.0
Refurbishment, rebuilding and modernisation of schools and urban renewal in Bremen	Freie Hansestadt Bremen	50.0
Reconstruction and operation of major private hospital complex in Berlin-Buch	Helios Kliniken GmbH	40.0
Upgrading and rationalisation of hospital services in Saxony-Anhalt during period 2004-2007	Land Sachsen-Anhalt	72.0
Research activities and investment in tangible assets at Munich Technical University	Technische Universität München	240.0
Financing of student loans in Federal State of Hesse	LTH - Bank für Infrastruktur	20.0
Construction of new school buildings and refurbishment and upgrading of existing facilities in Rhineland-Palatinate	Public Entity (ies)	200.0
Financing of small and medium-scale projects mounted by private and public-sector promoters in Schleswig-Holstein, mainly in Objective 2 areas	Investitionsbank Schleswig-Holstein	30.0
Financing of small and medium-scale RDI projects in automobile component sector	Landesbank Saar	50.0
Financing of eligible small-scale i2i, environmental and healthcare projects	Landesbank Hessen-Thüringen Girozentrale	148.5
Financing of small and medium-scale infrastructure in North Rhine-Westphalia	NRW Bank	200.0
Financing of small and medium-scale projects	Investitionsbank Sachsen-Anhalt	50.0
	Deutsche Kreditbank AG	50.0
	Commerzbank AG	100.0
	Investitionsbank des Landes Brandenburg	40.0
	Bayerische Landesbank	100.0
Financing of projects in renewable energy sector	Landwirtschaftliche Rentenbank	200.0
Financing of small and medium-scale infrastructure, mainly in environment sector	Bayerische Hypo- und Vereinsbank AG - Hypovereinsbank	50.0
Financing of renewable energy schemes (mainly biofuel and photovoltaic projects)	Landwirtschaftliche Rentenbank	200.0
Financing of small and medium-scale infrastructure projects	Bremer Landesbank Kreditanstalt Oldenburg-Girozentrale	50.0
	Deutsche Bank AG	100.0
	Commerzbank AG	100.0
	Commerzbank AG	50.0
	Landesbank Hessen-Thüringen Girozentrale	300.0
	Deutsche Kreditbank AG	75.0
Ireland		
Upgrading of several sections of M50 motorway forming Dublin bypass	National Roads Authority	119.5
Construction and operation of toll dual carriageway between Galway and Ballinasloe	National Roads Authority	70.0
Construction and operation of toll motorway on TENs route (M8) between Portlaoise and Cullahill and M7 between Portlaoise and Castletown	National Roads Authority	115.6
Investment in urban renewal, environmental and tourism infrastructure fields	Cork County Council	15.0
Financing of public infrastructure projects implemented by Irish local authorities concerning water supply, wastewater and waste management facilities	Housing Finance Agency plc	25.0
Greece		
Upgrading of power plant in Aghios Dimitrios	Public Power Corporation	80.0
Construction of small electricity generation facilities on Greek islands	Public Power Corporation	75.0
Expansion of Greece's natural gas grid	DESFA S.A.	65.0
Construction of three sections of central-eastern Egnatia trunk road concerning in total 158km of motorway	Egnatia Odos S.A.	100.0
Construction of 36 km section of Egnatia trunk road between Panagia and Grevena in northern Greece	Egnatia Odos S.A.	140.0
Construction, operation and maintenance of motorway between Tripoli and Kalamata	Moreas Concession Company S.A.	150.0
Framework loan for financing small and medium-scale projects in Athens	Municipality of Athens	50.0
Framework loan for financing small and medium-scale projects undertaken by town of Kozani	Municipality of Kozani	20.0
Financing of small and medium-scale projects	Pancretan Cooperative Bank	25.0
Financing of small and medium-scale infrastructure projects	Emporiki Bank of Greece SA	50.0
Spain		
Upgrading and extension of electricity distribution grid in several Objective 1 and 2 regions	Unión Fenosa Distribución, S.A.	270.0
Upgrading and extension of national electricity transmission network and international interconnections	Red Eléctrica de España SA	75.0
Construction of two 50 MWe solar thermal power generation plants in wide valley north of Sierra Nevada, south-east of Granada	Andasol-1 Central Termosolar Uno S.A.	46.7
Construction of two concentrating solar thermal power plants in Sanlúcar la Mayor, west of Seville	Solar Processes SA	34.3
	Sanlúcar Solar S.A.	15.7
Construction and operation of second concentrating solar thermal power plant in Granada	Andasol-2 Central Termosolar Dos, S.A.	99.5
Investment in series of wind farms in regions of Castilla-La Mancha, Andalusia, Galicia and Cantabria	Iberdrola Energias Renovables II, S. A. U.	100.0
Construction and operation of storage tanks for strategic oil reserves	Compañía Logística de Hidrocarburos CLH S.A.	66.0
Participation in equity fund focusing on renewable energy projects	Special purpose entity/fund	25.0
Expansion of capacity of LNG import terminal in Sagunto	Planta de Regasificación de Sagunto SA	75.0
Investment programme concerning nine wind farms generating renewable energy in Castilla-La Mancha, Castilla y León, Andalusia and Galicia	Energias Especiales del Alto Ulla S.A.	55.3
	Parque Eólico de Padul S.L.	5.4
	Energias Especiales Montes Castellar	39.3

		M.EUR
Construction and operation of light metro line in Greater Seville	Metro de Sevilla Sociedad Concesionaria de la Junta de Andalucía SA	200.0
Construction of high-speed railway line between Córdoba and Málaga	Administrador de infraestructuras ferroviarias	300.0
Series of small and medium-sized public transport projects in Barcelona metropolitan area and Catalonia	Generalitat de Catalunya	35.0
Construction of motorway linking towns of Eibar and Vitoria in Guipúzcoa and Álava provinces respectively (Basque Country)	Territorio Histórico de Guipúzcoa	300.0
Construction of high-speed railway line between Madrid and Valladolid	Administrador de infraestructuras ferroviarias	300.0
Acquisition of 142 metro train sets for Madrid region	Metropolitana de Madrid S.A.	256.0
Expansion of port of Gijón (north-west)	Autoridad Portuaria de Gijón	176.0
Expansion of port of Barcelona	Autoridad Portuaria de Barcelona - APB	70.0
Renovation and upgrading of road infrastructure in Castilla y León region	Comunidad Autónoma de Castilla y León	33.7
Increase of capacity of terminal and runways at Barcelona airport	Ente Público de Aeropuertos Españoles y Navegación Aérea - AENA	500.0
Extension of Madrid metro network	Comunidad de Madrid	99.1
Acquisition of rolling stock for high-speed and conventional railway lines	Renfe-Operadora	150.0
Construction of expressway, related road connections and by-pass in Galicia	Comunidad Autónoma de Galicia	50.0
18 small and medium-scale road construction and upgrading schemes in Catalonia	Generalitat de Catalunya	150.0
Four road schemes in Catalonia	Generalitat de Catalunya	25.0
Acquisition of suburban trains and ERTMS (European Rail Traffic Management System) equipment	Renfe-Operadora	340.0
Acquisition of air and maritime equipment for natural disaster prevention and alleviation	Sociedad de Salvamento y Seguridad Marítima	34.0
Expansion of new UMTS broadband mobile telephony network throughout Spain and coverage of poorly served rural areas	Telefónica SA	375.0
Construction and modernisation of wastewater treatment infrastructure throughout Valencia region	Comunidad Valenciana	50.0
Water supply and wastewater treatment schemes in region of Castilla-La Mancha	Comunidad Autónoma de Castilla-La Mancha	100.0
Water supply and sanitation infrastructure in Guipúzcoa province	Consorcio de Aguas de Gipuzkoa	30.0
Expansion and upgrading of water supply, treatment and transmission network in Barcelona province	Aguas Ter-Llobregat	160.0
Construction and refurbishment of social housing in urban renewal areas in Andalusia	Comunidad Autónoma de Andalucía	40.0
Modernisation and expansion of Barcelona trade fair facilities	Fira 2000 S.A.	98.0
Research and development activities in biopharmaceutical sector	PharmaMar S.A.	30.0
Research and development in four main business areas: bioenergy, environmental services, information technology and industrial engineering	Abengoa S.A.	109.0
Construction and operation of hospital in Toledo (Castilla-La Mancha)	Comunidad Autónoma de Castilla-La Mancha	205.0
Upgrading of primary, secondary and vocational educational facilities in Valencia region	Construcciones e Infraestructuras Educativas de la Generalitat Valenciana - CIEGSA	250.0
Construction of two hospitals in Murcia	Comunidad Autónoma de la Región de Murcia	50.0
Modernisation of hospital infrastructure in Galicia	Comunidad Autónoma de Galicia	80.0
Construction of general hospital and seven day-care centres in Asturias	Principado de Asturias	55.0
Investment in cultural, healthcare and social facilities and i2i infrastructure in Castilla-La Mancha	Comunidad Autónoma de Castilla-La Mancha	100.0
Financing of small and medium-scale projects in Galicia	Instituto Galego de Promoción Económica	30.0
Financing of small and medium-scale projects mounted by SMEs in Catalonia	Institut Català de Finances	50.0
Financing of small and medium-scale projects in Valencia region	Instituto Valenciano de Finanzas	50.0
Financing of small and medium-scale projects	Bilbao Bizkaia Kutxa	150.0
	Bankinter SA	200.0
	Banco Popular Español SA	200.0
	Banco Cooperativo Español, S.A.	16.4
	Rural Hipotecario IX, FTA	100.0
	BBVA Empresas 1 FTA	200.0
	Caja de Ahorros y Pensiones de Barcelona	200.0
Financing of small and medium-scale infrastructure projects	Banco Santander SA	100.0
	BBVA Empresas 1 FTA	200.0
France		
Framework loan for financing small and medium-scale renewable energy projects, mainly in wind power sector	Unifergie	100.0
Acquisition of rolling stock for regional express train (TER) lines of Loire region	Région des Pays de la Loire	50.0
Modernisation and extension of public transport network in Greater Lyon	SYTRAL – Syndicat mixte des transports pour le Rhône et l'agglomération lyonnaise	30.0
Construction of first section of tramway line in Toulon	Communauté d'agglomération Toulon Provence Méditerranée	75.0
Construction of first section of eastern branch of Rhine-Rhône high-speed rail line	Réseau Ferré de France	475.0
Second phase of financing of 2.5km toll bridge over Tam river at Millau	Compagnie Eiffage du Viaduc de Millau	143.3
Construction of north-west section of Tours ring road (Indre-et-Loire)	Département d'Indre-et-Loire	50.0
Creation of three dedicated bus lanes running east to west in Greater Rouen	Communauté de l'agglomération rouennaise	45.0

		M.EUR
Motorway safety improvement and environmental protection across networks operated under concession by ASF and ESCOTA and safety upgrading of 17 tunnels, particularly on A8	ASF - Société des Autoroutes du Sud de la France SA	250.0
Acquisition of rolling stock for regional express train (TER) lines of Nord/Pas de Calais region	Région Nord-Pas de Calais	150.0
Financing of urban and social regeneration operations throughout country	Special purpose entity/fund	250.0
Construction and rehabilitation of public buildings in accordance with higher environmental and energy efficiency standards than those currently in force	Caisse Nationale des Caisses d'Épargne et de Prévoyance	175.0
Construction and refurbishment of social housing stock throughout France	Caisse Nationale des Caisses d'Épargne et de Prévoyance	250.0
Participation in financing of research and investment programme for production lines to make engines compliant with EURO 5 emission standards	Peugeot Citroën Automobiles SA	250.0
Construction, modernisation and equipping of R&D infrastructure for group's pharmaceutical operations in Europe	Sanofi-Aventis	200.0
Modernisation of Fort-de-France University Hospital in Martinique	Centre hospitalier universitaire de Fort-de-France	15.0
Modernisation of Tours Regional and University Hospital	Centre hospitalier universitaire de Tours	20.0
Reconstruction and modernisation of Marseille hospitals (Provence-Alpes-Côte d'Azur)	Assistance publique - Hôpitaux de Marseille	30.0
Modernisation of healthcare institutions (hospitals and nursing homes) throughout France	Public entities in health sector	250.0
Creation of new medical establishments, including refurbishment and modernisation of existing infrastructure to provide care for dependent or aged persons	Public and private entities	350.0
Financing of small and medium-scale projects promoted by SMEs	Banque Fédérative du Crédit Mutuel	30.0
	BNP Paribas Lease	100.0
	BNP Paribas	300.0
	Société Générale	300.0
	Caisse Interfédérale de Crédit Mutuel	60.0
Financing of investment by very small and micro firms	Caisse Nationale des Caisses d'Épargne et de Prévoyance	50.0
Financing of small-scale public amenities in assisted areas	Caisse Nationale des Caisses d'Épargne et de Prévoyance	100.0
Financing of programme to support creation of micro-enterprises	OSEO financement	30.0
Participation in closed-end fund providing mezzanine finance to fast-growing or innovative SMEs	Avenir Entreprises Mezzanine	20.0
Italy		
Construction and operation of combined-cycle gas turbine power plant near Ferrara	EniPower S.p.A.	200.0
Upgrading and new investment in renewable energy generation units and investment in environmental improvements	Enel Produzione S.p.A.	450.0
Financing of small and medium-scale renewable energy projects	Intesa Sanpaolo S.p.A.	200.0
	Intesa Leasing S.p.A.	
Construction of line C of Rome's underground metro network and acquisition of rolling stock	Roma Metropolitana S.r.l.	280.0
Upgrading of six suburban/regional railway lines and implementation of seven road and urban bypass schemes in Veneto	Regione Veneto	180.0
Completion of Milan-Naples high-speed high-capacity rail line, including connections to existing conventional rail network	Treno Alta Velocità S.p.A.	1000.0
	Rete Ferroviaria Italiana S.p.A.	
Framework loan for financing small and medium-scale projects in province of Florence	Provincia di Firenze	32.0
RDI activities focusing on new technologies and advanced network architectures	Telecom Italia S.p.A.	200.0
Water supply and wastewater treatment facilities in province of Turin	Società Metropolitana Acque Torino S.p.A.	130.0
Upgrading of water and sanitation systems in province of Gorizia (Friuli-Venezia Giulia)	Intesa Sanpaolo S.p.A.	50.0
	Banca Opi S.p.A.	
Framework loan for financing credit to public and private promoters of infrastructure projects	Cassa depositi e prestiti S.p.A.	170.0
Infrastructure schemes supporting sustainable development undertaken by small local authorities in Tuscany	Banca Monte dei Paschi di Siena S.p.A.	75.0
Infrastructure schemes supporting sustainable development undertaken by small and medium-sized local authorities in Emilia-Romagna	Banca Monte dei Paschi di Siena S.p.A.	39.1
Credit line associated with Regione Marche's multi-annual regional development plan (which includes Regional Operational Programme 2007-2013) in support of SMEs operating in cultural heritage and tourism sectors	Regione Marche	200.0
	Banca delle Marche S.p.A.	100.0
Improvement of urban infrastructure in Venice	Società del Patrimonio per la Mobilità Veneziana S.p.A.	7.0
	Actv S.p.A.	27.0
	Insula S.p.A.	20.0
R&D activities in medical devices sector in centres in Saluggia/Vercelli, Mirandola/Modena (northern Italy), Paris (France) and Munich (Germany)	Sorin S.p.A.	100.0
Construction and operation of 300mm wafer plant in Italy (Catania)	STMicroelectronics M6 S.r.l.	255.0
Expansion of facilities and acquisition of specialised equipment for R&D and educational activities in Milan	Fondazione Centro San Raffaele del Monte Tabor	82.8
	Fondazione Centro San Raffaele del Monte Tabor	82.8
Investment programme for construction of healthcare and research facilities	Fondazione Don Carlo Gnocchi - Onlus	60.0
Framework loan for financing small and medium-scale projects in province of Florence	Provincia di Firenze	18.5
Financing of foreign investments of Italian midcaps in cooperation with SACE (Italian Export Credit Agency)	Banca Popolare di Milano S.c.r.l.	100.0
	Cassa di Risparmio di Firenze S.p.A.	
	Cassa di Risparmio di Ferrara S.p.A.	
	Banca delle Marche S.p.A.	

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	Banco Popolare di Verona e Novara S.c.r.l.	
Financing of small and medium-sized projects via medium or long-term loans or leasing operations	Mediocredito del Friuli-Venezia Giulia S.p.A.	20.0
	Unione Di Banche Italiane S.c.p.a.	30.0
Lease financing of small and medium-scale projects	Quarzo Lease S.r.l.	350.0
	BPU Esaleasing S.p.A.	
Financing, via term loans or leasing operations, of small or medium-scale projects in Veneto	Veneto Sviluppo S.p.A.	50.0
Lease financing of small and medium-scale projects	Agricart 4 Finance S.r.l.	350.0
Financing of small and medium-scale projects	Banca Popolare di Sondrio S.c.p.a.	50.0
	Banca Agricola Mantovana S.p.A.	200.0
	Banca Monte dei Paschi di Siena S.p.A.	
	Banca Toscana S.p.A.	
	MPS Banca per l'Impresa S.p.A.	
	MPS Leasing & Factoring, Banca per i servizi finanziari alle imprese S.p.A.	
Financing of small and medium-scale environmental projects	Dexia Crediop S.p.A.	150.0
	Intesa Sanpaolo banking group	350.0
Cyprus		
Expansion of sewerage and drainage systems and wastewater treatment plant in Pafos	Sewerage Board of Pafos	45.0
Extension of sanitation networks and increase in wastewater treatment capacity in Greater Larnaca on southern coast of Cyprus	Larnaca Sewerage and Drainage Board	75.0
Latvia		
Replacement of combined heat and power plant in Riga	AS Latvenergo	20.0
Financing of small and medium-scale projects in Estonia and Latvia	AS DnB NORD Banka	15.0
Lithuania		
Financing of small and medium-scale projects	AB SEB Vilniaus Bankas	20.0
Luxembourg		
Participation in fund investing in large-scale transport projects (e.g. roads, rail, tunnels and bridges) and other types of social infrastructure (e.g. hospitals and schools)	Special purpose entity/fund	50.3
Hungary		
Framework loan for financing environmental and transport projects supported by Cohesion Fund	Republic of Hungary	200.0
Research, development and technological innovation activities	Nemzeti Kutatási és Technológiai Hivatal (NKTH)	165.0
Financing of part of costs of university studies through loans to higher education students	Diákhitel Központ Zrt.	150.0
Programme to develop Debrecen University and expand its research and innovation activities	Debreceni Egyetem	50.0
Cofinancing of projects in fields of education, training and employment	Republic of Hungary	150.0
Partial counterguarantee to cover guarantees provided by financial intermediaries to municipalities, municipal associations or multi-purpose small-area associations	Hitelgarancia Zrt.	52.0
Financing of small and medium-scale projects	Central European International Bank Ltd	50.0
	OTP Bank Nyrt.	150.0
	UniCredit Bank Hungary Zrt.	30.0
	Raiffeisen Bank Zrt.	40.0
	Erste Bank Hungary Nyrt.	40.0
	Kereskedelmi és Hitelbank Nyrt.	40.0
	Magyar Fejlesztési Bank Zrt.	100.0
Malta		
Water supply, wastewater collection and treatment in Malta and Gozo	Water Services Corp.	40.0
Netherlands		
Construction of submarine power cable across North Sea to link Dutch and Norwegian power grids	TenneT TSO B.V.	140.0
Expansion of nuclear enrichment capacity of existing plants	Urenco (Capenhurst) Ltd	42.0
	Urenco Nederland B.V.	18.0
Energy infrastructure investment fund focused on renewable energy projects in north-western Europe	Special purpose entity/fund	25.0
Construction of solid biomass combustion unit in Alkmaar (North Holland)	Huisvuilcentrale Noord-Holland NV	40.0
Austria		
Construction and operation of underground pumped-storage hydropower plant near Kaprun in Austrian Alps	VERBUND-Austrian Hydro Power AG	200.0
Construction of priority TEN railway section between Vienna and St Pölten (Westbahn)	ÖBB-Infrastruktur Bau AG	200.0
Extension of municipal solid waste incineration plant to improve environmental quality in Zwentendorf/Dürnrohr, Lower Austria, south-west of Vienna	Abfallverwertung Niederösterreich GmbH	30.0
Rehabilitation of social housing and associated environmental improvements in Vienna	Stadt Wien - Wiener Wohnen	105.0
R&D in fields of powertrain technologies and related instrumentation and testing systems	AVL List GmbH	30.0
RDI activities focused on leading-edge technologies semiconductor manufacturing and thin wafer manufacturing processes and tools in Villach	Infineon Technologies Austria AG	60.0
Rebuilding of main regional hospital in Klagenfurt (Carinthia)	Landeskrankenanstalten Betriebsgesellschaft	50.0
Financing of small and medium-scale public sector projects	Kommunalkredit Austria AG	50.0
Financing of small and medium-scale renewable energy projects	Hypo Alpe-Adria-Bank AG	100.0
Financing of small and medium-scale projects	Raiffeisen Zentralbank Österreich AG	25.0
	Oberbank AG	20.0

		M.EUR
	Raiffeisen-Landesbank Steiermark AG	30.0
	Hypo Tirol Bank AG (guaranteed)	20.0
Financing of small and medium-scale infrastructure projects	Bank Austria Creditanstalt AG	150.0
Poland		
Construction of urban expressway in Katowice region	Republic of Poland	160.0
Rehabilitation of national road network	Bank Gospodarstwa Krajowego	300.0
Development of telecommunications infrastructure in Poland	Private company in the telecommunication sector	400.0
Framework loan in support of urban renewal in Gdansk	City of Gdansk	37.0
Restructuring and optimisation of retail fuel distribution network in Poland	Polski Koncern Naftowy ORLEN S.A.	210.0
Construction of new aromatics complex integrated into PKN Orlen's refining operations in Plock	Polski Koncern Naftowy ORLEN S.A.	300.0
Public scientific and academic research activities	Republic of Poland	475.0
Financing of small and medium-scale projects	Europejski Fundusz Leasingowy S.A.	80.0
	Bank Ochrony Srodowiska S.A.	50.0
	ORCHIS Sp. z o.o.	116.2
	Bank BPH SA	50.0
Financing of small and medium-scale infrastructure projects	BRE Bank Hipoteczny SA	52.4
	Bank BPH SA	50.0
Portugal		
Construction and operation of gas-fired cogeneration plant on site of oil refinery in Sines	Sinecogeração - Cogeração da Refinaria de Sines SA	19.0
Improvement of power generation, transmission and distribution infrastructure on nine islands of Azores archipelago	Electricidade dos Açores, SA	46.0
Construction and operation of five terrestrial wind farms in northern Portugal and installation of associated electricity transmission infrastructure	Ventominho - Energias Renováveis, SA	162.5
Construction and operation of 862 MWe natural gas-fired combined cycle (CCGT) power plant near Lares/Figueira da Foz in central Portugal	EDP - Energias de Portugal SA	150.0
Upgrading and modernisation of Lisbon-Porto railway line	Rede Ferroviária Nacional - REFER EP	100.0
Construction and widening of 25 km toll motorway and upgrading of 60 km of roads in Greater Lisbon	LUSOLISBOA - Auto-Estradas da Grande Lisboa, S.A.	105.0
Upgrading of port infrastructure at Funchal, Caniçal and Porto Novo on island of Madeira	Administração dos Portos da Região Autónoma da Madeira, SA	10.0
Construction and upgrading of road network in Azores	Região Autónoma dos Açores	60.0
Extension and upgrading of water supply and wastewater collection networks throughout country	AdP - Águas de Portugal SGPS SA	100.0
Extension and upgrading of water supply and sanitation networks	AdP - Águas de Portugal SGPS SA	100.0
Regeneration of city centres and refurbishment of social housing in urban areas in central Porto and western Lisbon	Instituto da Habitação e da Reabilitação Urbana I.P.	200.0
Improvement and environmental upgrading of three pulp and paper plants in Setúbal, Figueira da Foz and Cacia	Portucel - Empresa Produtora de Pasta e Papel, S.A.	80.0
Upgrading of three hotels, two in Fuerteventura (Canary Islands, Spain) and one in Tavira (Algarve, Portugal)	Quinta da Ria - Empreendimentos do Algarve S.A.	21.4
Financing of small and medium-scale projects	Banco Comercial Português SA	150.0
	Caixa Geral de Depósitos, S.A.	100.0
	Banco Santander Totta SA	100.0
Romania		
Priority water and waste management schemes in several municipalities	Romania	12.2
Construction and commissioning of vehicle tyre production plant in Slatina, west of Bucharest.	Pirelli Tyres România SRL	50.0
Construction and operation of hard discount retail outlets and regional distribution centre in Cluj	Plus Discount România S.C.S.	80.0
Closed-end microfinance fund aimed at fostering economic development in South-East Europe through provision of loans to micro and small-sized enterprises and to private households	Acceptable Corporate(s)	2.6
Financing of small and medium-scale projects	BRD - Groupe Société Générale S.A.	30.0
Slovenia		
Construction and operation of two run-of-river hydropower plants on lower Sava river at Blanca and Krsko in east of country	Soške elektrarne Nova Gorica d.o.o.	13.0
Construction of new 600 MW power plant to replace obsolete facilities near Velenje in north-east Slovenia	Termoelektrarna Šoštanj d.o.o.	350.0
Framework loan for financing small and medium-scale projects in energy and environment sectors	Ekološki sklad Republike Slovenije, j.s.	30.0
Upgrading of fixed telecommunications network of State-owned telecommunications operator in Slovenia	Telekom Slovenije d.d.	100.0
Financing of small and medium-scale projects	Banka Koper d.d.	50.0
	Nova Ljubljanska banka d.d.	50.0
Financing of small and medium-scale infrastructure projects	UniCredit Banka Slovenija d.d.	20.0
Slovakia		
Financing of small and medium-scale projects	SG Equipment Finance Czech Republic s.r.o.	17.9
Finland		
Development of major new port in Vuosaari, east of Helsinki	City of Helsinki	150.0
Extension of international terminal and construction of associated infrastructure at Helsinki-Vantaa airport	Ilmailulaitos Finavia	130.0
R&D activities in group's paper and pulp mills in Imatra (Finland) and Karlstad and Falun (Sweden)	Stora Enso Oyj	70.0
Research, development and innovation (RDI) activities concerning internal combustion engines in Vaasa	Wärtsilä Corporation	100.0

		M.EUR
Health-care investments in Uusimaa region (south)	Helsingin ja Uudenmaan Sairaanhoidopiiri	90.0
Investment in healthcare, social services and education sectors in Lahti and Kuopio	Kuopion kaupunki	19.0
	Lahden kaupunki	54.0
Sweden		
R&D concerning new range of low-emission engines at Södertälje site	Scania CV AB (publ)	215.2
R&D investment in equipment and tooling for industrial production, construction and mining, mainly in Sweden and Belgium	Atlas Copco AB (publ)	107.6
R&D activities in group's paper and pulp mills in Imatra (Finland) and Karlstad and Falun (Sweden)	Stora Enso Oyj	70.0
R&D concerning future low-emission engines for heavy goods vehicles	Volvo AB (publ)	320.1
United Kingdom		
Upgrading of national gas transmission network in south Wales and north-east England	National Grid Gas plc	557.9
Extension and upgrading of power transmission and distribution grids in Scotland	SP Manweb plc	110.4
	SP Transmission Ltd	110.4
	SP Distribution Ltd	220.8
Construction of natural gas-fired combined-cycle power plant, gas pipeline and associated electricity transmission infrastructure in Llangage (south-west England)	Centrica Plc	220.6
Expansion of nuclear enrichment capacity of existing plants	Urenco Ltd	140.0
Improvements to A1 and A4/A5 corridors and operation and maintenance of motorway and trunk road network in Northern Ireland	United Kingdom of Great Britain and North Ireland	169.4
Supply of new electric multiple-unit trains for use on London's overground network	Transport for London	181.9
Extension of Docklands Light Railway to Stratford international station	Transport for London	296.9
Capital expenditure to transform BT's network to deliver next generation of telecommunications services	British Telecommunications plc	445.1
Environmental upgrading of water supply and wastewater treatment infrastructure in Midlands (England) and central Wales	Severn Trent Water Ltd	220.6
Framework loan for urban renewal involving social housing in UK	The Royal Bank of Scotland plc	123.7
	National Westminster Bank plc	244.4
Construction of two bioethanol production plants in Wisington and Kingston upon Hull	Associated British Foods plc	167.9
Participation in equity fund active in various sectors, chiefly telecommunications and ICT, in Central and Eastern Europe	Acceptable Corporate(s)	35.1
Modernisation of hospital services in Stoke on Trent	University Hospital of North Staffordshire NHS Trust	202.3
	Stoke on Trent Primary Care Trust	25.0
Upgrading of hospital services in Wakefield and Pontefract (West Yorkshire)	Mid Yorkshire Hospitals NHS Trust	220.6
Construction and maintenance of nine schools in Newcastle (north-east)	Newcastle upon Tyne City Council	78.9
Construction of acute hospital in Forth Valley region	NHS Forth Valley	190.4
Upgrading of teaching and research facilities of Bristol University through new construction and refurbishment of existing buildings	University of Bristol	87.9
Financing of small and medium-scale projects	Alliance & Leicester plc	110.3
EFTA		
Iceland		
Expansion of Hellisheidi geothermal power plant	Orkuveita Reykjavíkur	146.0
South-East Europe		2926.0
Turkey		2152.7
Upgrading of 80 km section of suburban railway network to surface metro linking Izmir centre to Aliaga (north) and Cumoavasi (south)	Izmir Büyükşehir Belediyesi	150.0
Construction of high-speed railway line between Istanbul and Ankara	Republic of Turkey	437.2
Fleet renewal and expansion	BNP Paribas	25.0
Construction of first line of modern tramway system in Antalya	Antalya Büyükşehir Belediyesi	40.5
Construction of float glass production and coating lines and associated R&D in Bursa province, south-east of Marmara Sea	Türkiye Sise ve Cam Fabrikaları A.Ş.	55.0
Modernisation of factories in Kocaeli and İnönü for production of redesigned range of commercial vehicles	Ford Otomotiv Sanayi A.Ş.	95.0
Expansion and upgrading of large household appliance production facilities in Cerkeskoy	BSH Ev Aletleri Sanayi ve Ticaret A.Ş.	50.0
Strengthening of Turkey's science and research capabilities	Republic of Turkey	400.0
Lease financing of small and medium-scale projects	Garanti Finansal Kiralama A.Ş.	100.0
Financing of small and medium-scale projects	Akbank T.A.Ş.	150.0
	Türkiye Sınai Kalkınma Bankası A.Ş.	300.0
	Türkiye Vakıflar Bankası TAO	
	Türkiye Halk Bankası A.Ş.	
	Türkiye Kalkınma Bankası A.Ş.	
	Finansbank A.Ş.	100.0
	Denizbank A.Ş.	150.0
	Denizbank A.Ş.	100.0
Croatia		330.0
Expansion and modernisation of Croatia's gasline network	Plinacro d.o.o.	190.0
Construction of new ferry port infrastructure in Gazenica, south of Zadar	Lučka uprava Zadar	100.0
Financing of small and medium-scale projects	Hrvatska banka za obnovu i razvitak	40.0
Bosnia and Herzegovina		271.7
Rehabilitation of hydropower plants and distribution facilities	Bosnia-Herzegovina	103.0
Rehabilitation of pavement of number of sections of main and regional road network	Bosnia-Herzegovina	50.0
Closed-end microfinance fund aimed at fostering economic development in South-East Europe through provision of loans to micro and small-sized enterprises and to private households	The European Fund for Southeast Europe SA, SICAV-SIF	8.7

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Financing of small and medium-scale projects	Hypo Alpe-Adria-Bank a.d. Banja Luka	75.0
	Hypo Alpe-Adria-Leasing d.o.o.	
	Hypo Alpe-Adria-Bank d.d.	
	HVB Central Profit Banka d.d.	10.0
	Raiffeisen Bank dd Bosna i Hercegovina	5.0
Financing of small and medium-scale infrastructure projects	Unicredit Zagrebacka Banka Bh Dd	20.0
Serbia		143.7
Rehabilitation of roads and bridges throughout country	JP Putevi Srbije	33.0
Rehabilitation of E70/E75 motorway crossing Belgrade and of R251 ring road	JP Putevi Srbije	33.0
Construction of 47 km bypass, of which 27 km of motorway and 20 km of road, on Pan-European Transport Corridor X, west and south of Belgrade	JP Putevi Srbije	60.0
Closed-end microfinance fund aimed at fostering economic development in South-East Europe through provision of loans to micro and small-sized enterprises and to private households	The European Fund for Southeast Europe SA, SICAV-SIF	7.7
Financing of small and medium-scale projects	Raiffeisen Bank Kosovo J.S.C.	10.0
Albania		23.3
Construction of new expressway between Levan and Vlorë	Albanian Republic	23.0
Closed-end microfinance fund aimed at fostering economic development in South-East Europe through provision of loans to micro and small-sized enterprises and to private households	The European Fund for Southeast Europe SA, SICAV-SIF	0.3
Montenegro		3.2
Closed-end microfinance fund aimed at fostering economic development in South-East Europe through provision of loans to micro and small-sized enterprises and to private households	The European Fund for Southeast Europe SA, SICAV-SIF	3.2
FYROM		1.4
Closed-end microfinance fund aimed at fostering economic development in South-East Europe through provision of loans to micro and small-sized enterprises and to private households	The European Fund for Southeast Europe SA, SICAV-SIF	1.4
Russia/WNIS		230.0
Ukraine		200.0
Rehabilitation of final sections of M-06 highway between Kiev and Brody on Pan-European Corridor III	Ukraine	200.0
Moldova		30.0
Rehabilitation of trunk road network along main east-west and north-south routes	Republic of Moldova	30.0
Mediterranean Countries		1438.5
Regional operations – Mediterranean		30.5
Participation in private equity fund targeting certain Mediterranean partner countries	Byblos Ventures s.a.l. (Holding)	7.5
Participation in fixed-capital equity investment fund targeting private-sector companies in Mediterranean countries	Mediterrània FCR	15.0
Equity participation in compartment-type equity fund investing in minority shares of private sector SMEs in Mediterranean region	Altermed	8.0
Maghreb		728.0
Tunisia		389.0
Expansion of capacity of Transmed gas pipeline connecting Algeria to Italy via Tunisia	ENI S.p.A.	185.0
Local currency loan to Tunisian microfinance association Enda Inter Arabe to finance its growth	Environnement et Développement du Tiers Monde	2.0
Financing of small and medium-scale projects	Phenicia Seed Fund	2.0
	Arab Tunisian Bank	40.0
	Banque de l'Habitat	40.0
	Amen Bank	40.0
	Banque Internationale Arabe de Tunisie	40.0
	Union Bancaire pour le Commerce et l'Industrie SA	40.0
Morocco		336.0
Hydro-electric schemes and creation of supervision, control and data acquisition system	Office National de l'Électricité	150.0
Construction of Fez - Taza section of toll motorway linking Fez to Oujda	Société Nationale des Autoroutes du Maroc	180.0
Equity participation in private equity fund aimed at investing in SMEs via equity and mezzanine-type loans	Fonds CapMezzanine	6.0
Algeria		3.0
Modernisation of fruit juice production and distribution company in Rouiba, east of Algiers	Nouvelle Conserverie Algérienne	3.0
Mashreq		560.0
Lebanon		300.0
Private equity fund specialising in supporting development of technology and services sector SMEs and traditional innovative SMEs	The Building Block Equity Fund	5.0
Financing, through Banque de Liban, of investment aimed at supporting SMEs affected by recent conflict	Republic of Lebanon	100.0
Financing of small and medium-scale projects	Banque Libano-Française SAL	20.0
	Bank Audi sal - Audi Saradar Group	60.0
	BankMed S.A.L.	25.0
	Fransabank S.A.L.	30.0
	Byblos Bank Sal	60.0
Egypt		130.0
Construction of two natural gas-fired combined-cycle power generation units in El Atf and Sidi Krir	Egyptian Electricity Holding Company	130.0
Syria		80.0
Cofinancing of investment projects implemented by private sector SMEs	Syrian Arab Republic	80.0
Jordan		50.0

		M.EUR
Financing of small and medium-scale projects	The Housing Bank for Trade and Finance	50.0
Other		120.0
Israel		120.0
Construction and operation of desalination plant in Hadera on Mediterranean coast (about 50 km north of Tel Aviv)	H2ID Ltd.	120.0
Africa, Caribbean, Pacific (ACP) and OCT		756.4
ALL ACP COUNTRIES		3.0
Regional operations – ACP		3.0
Fund for investment in microfinance institutions providing financial services to poor rural populations	Rural Impulse Fund S.A., SICAV-FIS	3.0
AFRICA		685.9
Regional operations – Africa		8.0
Equity investment in regional microfinance investment company dedicated to creation and acquisition of commercially sustainable microfinance banks	MicroCred S.A.	3.0
Equity participation in regional investment company specialising in creation and acquisition of microfinance institutions	AFRICAP Microfinance Fund Ltd	5.0
<i>Southern Africa and Indian Ocean</i>		328.4
Madagascar		260.0
Development of open pit nickel mine in Moramanga and hydrometallurgical processing unit in Taomasina	Dynatec Madagascar SA	130.0
	Ambatovy Minerals SA	130.0
Zambia		29.5
Development of new underground nickel mine and construction of processing plant in Munali, south of Lusaka	Albidon Zambia Ltd	29.5
Angola		15.0
Construction of broadband and bi-directional digital network for provision of high-speed data transmission services to businesses (and multimedia services to individuals) in Luanda region	TVCabo Angola Lda.	15.0
Lesotho		14.3
Rehabilitation and expansion of wastewater treatment facilities in Maseru conurbation	Lesotho Water and Sewerage Authority	14.3
Botswana		5.0
Development of diamond mine near Lerala, eastern Botswana	Diamonex (Botswana) Ltd	5.0
Regional operations – Indian Ocean		4.6
Regional fund for equity and quasi-equity investment in private companies located in Indian Ocean region and East Africa	I&P Capital II Ltd	4.6
<i>East Africa</i>		148.5
Uganda		128.5
Construction and operation of dam and hydropower plant on Nile, 10 km from Lake Victoria outflow	Bujagali Energy Ltd	98.5
Long-term financing and guarantees for intermediary banks for micro-credit projects	DFCU Ltd	10.0
	Bank of Africa - Uganda Ltd	10.0
	Crane Bank Ltd	10.0
Kenya		20.0
Financing of small and medium-scale projects	Fina Bank Ltd	20.0
<i>West Africa</i>		128.0
Nigeria		50.0
Financing of small and medium-scale health and education projects	Intercontinental Bank Plc	50.0
Regional operations – West Africa		50.0
Investment in support of financial sector development	Ecobank Transnational Inc.	50.0
Senegal		15.0
First phase of PEPAM (Drinking Water and Sewerage Programme for Millennium) investment programme	Société Nationale des Eaux du Sénégal	15.0
Benin		13.0
Extension of water production and supply networks in Cotonou and suburban areas	Republic of Benin	13.0
<i>Central and Equatorial Africa</i>		73.0
Regional operations – Central Africa		55.0
Equity participation in bank holding company established as part of restructuring of Commercial Bank Group in Central Africa	Capital Financial Holdings Luxembourg S.A.	5.0
Guarantee facility to cover guarantees or loans granted by various banks to private or public sector commercial enterprises	BGFIBANK SA	50.0
Rwanda		7.0
Financing of small and medium-scale projects	Banque Rwandaise de Développement	7.0
Gabon		7.0
Financing of small and medium-scale projects	Banque Gabonaise de Développement	3.5
	Financial Bank Gabon	3.5
Cameroon		4.0
Financing of small and medium-scale projects	Pro PME Financement SA	4.0
CARIBBEAN		55.5
Regional operations – Caribbean		45.0
Creation of private equity fund	AIC Caribbean Fund Barbados LP	45.0
Trinidad and Tobago		10.0
Financing of small and medium-scale projects	Clico Investment Bank Ltd	10.0
Dominican Republic		0.5
Financing of small and medium-scale projects	Banco de Ahorro y Crédito Ademi SA	0.5
PACIFIC		2.0
Regional operations – Pacific		2.0
Financing of small and medium-scale projects	Development Bank of Niue	2.0

		M.EUR
OCT		10.0
French Polynesia		5.0
Financing of small and medium-scale environmental infrastructure projects	Banque Socredo	5.0
New Caledonia and dependencies		5.0
Financing of small and medium-scale environmental projects	Banque Calédonienne d'Investissement	5.0
South Africa		113.0
South Africa		113.0
Construction of high voltage power transmission interconnection between Johannesburg and Cape Town	Eskom Holdings Ltd	88.0
Expansion of particle board and medium density fibreboard factory in White River	Sonae Novobord (Pty) Ltd	25.0
Asia and Latin America		925.1
Latin America		365.1
Brazil		250.0
Installation, commissioning and operation of GSM overlay network operating in 850 MHz frequency range in areas of Brazil covered by promoter in order to migrate from CDMA to GSM network	Vivo S.A.	250.0
Peru		60.0
Purchase and installation of systems for provision of telephony, high-speed internet, data transmission, cable and satellite pay-TV and VSAT services	Telefónica del Perú S.A.A.	60.0
Uruguay		28.0
Expansion of private container terminal at port of Montevideo	Nelsury S.A.	5.4
	Terminal Cuenca del Plata S.A.	22.6
Panama		27.1
Improvement of sanitation and environmental conditions in Panama City through construction of sewerage network, collectors, interceptor and wastewater treatment plant	Republic of Panama	27.1
Asia		560.0
China		500.0
Framework loan to support series of investment projects contributing to avoidance or reduction of greenhouse gases and other polluting emissions	People's Republic of China	500.0
Philippines		60.0
Extension and upgrading of water supply and distribution infrastructure in Greater Manila	Manila Water Company Inc.	60.0
	Sum:	

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**Annual Press Conference 2008****Briefing Note No 01****The Bank promoting European objectives**

Luxembourg, 28 February 2008

Promoting convergence – economic and social cohesion

In 2007, the Bank revised its definition of regional development lending, in line with the renewed cohesion policy for 2007-2013. More than half of EIB lending within the European Union supported regional development objectives with an aggregate amount of EUR 22.2bn, of which 62% (EUR 13.8bn) was on convergence lending per se in the EU's designated convergence regions, newly defined under the renewed cohesion policy.

The EIB, though, in this transition year also financed projects under the previous cohesion criteria, mainly in the former objective 1 and objective 2 regional development areas.

Therefore, the 2007 nominal figures are lower than the relevant 2006 figures, as designated regional development zones encompassed a much wider area and population up until 2006.

Alignment with the convergence objective

For the 2007-2013 programming period of the Structural and Cohesion Funds, three objectives have been distinguished at EU level:

- Convergence: stimulate growth to achieve convergence of the poorest regions of the Union.
- Regional competitiveness and employment: outside the convergence regions, anticipate economic changes by strengthening competitiveness and support for the creation of more and better jobs.
- European territorial cooperation: cross-border, transnational and interregional cooperation to further develop integration of the EU.

Under this renewed cohesion policy, convergence receives the strongest support from the Structural and Cohesion Funds, while the regional competitiveness and employment objective is largely based on the Lisbon Agenda.

To reflect the new EU framework, the Bank replaced its traditional "social and economic cohesion" objective (previously referred to as "regional development") with the "convergence" objective in 2007. Outside the convergence regions, the EU's policy objectives backed by the EIB remained: support for innovation; environmental protection; trans-European networks; sustainable, competitive and secure energy; and support for SMEs.

The EIB's convergence lending covers the designated convergence regions, as well as phasing-out and phasing-in regions – in total 113 regions in the EU-27 with a population of 190 million. Over the seven-year period, EUR 308bn in grants from the Structural Funds will be allocated to EU convergence and regional competitiveness policy objectives. Additional support will be provided by the EIB, with an estimated 40% of total annual lending in the years to come. The convergence objective will remain, therefore, a core target for the Bank.

In addition to convergence lending, the Bank, in close cooperation with the Commission, provides advisory services as Joint Assistance to Support Projects in European Regions (JASPERS), for projects located in the new Member States and financial engineering, as part of the initiative for Joint European Support for Sustainable Investment in City Areas (JESSICA). JEREMIE, which is managed by the European Investment Fund, uses European Regional Development Fund money provided, on a voluntary basis, by recipient countries to transform it into new financial products, such as regional venture capital funds, guarantees for SME loan portfolios or global loans for micro-finance institutions with the objective of improving SMEs' access to finance, within EU cohesion policy.

Highlights

By constantly focusing on and prioritising projects benefiting assisted areas, the 2007 objectives were able to be achieved.

In particular, activity in the 12 new Member States continued to grow and reached a total of EUR 7.2bn (compared to EUR 5.7bn in 2006). Bulgaria (EUR 1.1bn), the Czech Republic (EUR 1.6bn) and Slovenia (EUR 0.6bn) experienced the highest percentage increase in their lending volumes compared with 2006.

Key projects in the five largest beneficiary countries under economic and social cohesion and the convergence objectives (Spain 24%, UK 11%, Germany 11%, Italy 11%, Poland 8%):

Spain: The construction of a motorway linking the towns of Eibar and Vitoria in the Basque Country received EUR 300m. EUR 250m went on the upgrading of primary, secondary and vocational educational facilities in the Valencia region. EUR 100m was for cultural, healthcare, i2i infrastructure and social facilities in Castilla-La Mancha.

Italy: Treno Alta Velocita (TAV) received finance totalling EUR 1bn, for completion of the Milan-Naples high-speed railway line, including connections to the existing conventional rail network. Lines of credit with specific quotas for convergence areas went to Dexia Crediop Environment and Banca Agrileasing for a total of EUR 500m.

United Kingdom: Two loans totalling EUR 227m were provided for modernising hospital services in Stoke on Trent/North Staffordshire. The upgrading of the national gas transmission network in South Wales and North-East England received EUR 558m. The improvement and upkeep of the motorway and trunk road network in Northern Ireland was supported with EUR 169m.

Germany: EUR 500m went on research and development activities concerning fixed, mobile and broadband services. Co-financing of national and EU programmes promoting productivity and SMEs in the Federal State of Brandenburg received EUR 340m, while co-financing of urban renewal schemes in the Federal State of Saxony was supported with EUR 300m.

Poland: EUR 160m went on the construction of an urban expressway in the Katowice region, public scientific and academic research activities received EUR 475m, while EUR 116m, through Millennium Leasing Sp.z o.o., was for financing small-scale investments as well as micro-enterprises with less than ten employees.

Convergence showcase examples:

Bulgaria: EUR 700m to co-finance Bulgaria's national contribution to the implementation of investment priorities/measures with EU Cohesion and Structural Funds, over the period 2007-2013. The co-financing facility will initially be used for **transport** and **environment** sector investments but may be extended to the other EU Funds programmes for **regional development, economic competitiveness, human resources development and agriculture**, if requested by the Bulgarian Government. Total EU Cohesion and Structural Fund allocations to Bulgaria for this period amount to some EUR 6.8bn, and the EIB loan will provide funding to cover the Bulgarian share of the co-financing requested. The EIB finance will be provided in the form of a Structural Programme Loan. As well as bigger projects, the loan can also finance a large number of relatively small sub-projects which, due to their size, would not qualify for direct EIB financing. EIB activities in Bulgaria are focused on the following objectives:

- improving and upgrading the country's basic infrastructure in areas such as transport, the environment and energy, in combination where applicable with EU grants and other funding sources. This includes financing at national but also regional and municipal levels;
- promoting and strengthening economic growth and development in combination with EU grants and government and private funds;
- supporting private sector investment, including long-term foreign investment activity;

- closely cooperating in the implementation of projects financed by the Bank; providing technical support and expertise for selected EU Cohesion and Structural Fund projects defined in the JASPERS National Action Plan;
- assisting the government in the implementation of a national PPP programme.

Czech Republic: A loan of CZK 14bn (approx. EUR 530m) – as part of a lending authorisation totalling CZK 34bn (approx. EUR 1.3bn), the largest-ever approved by the EIB for transport in a Member State which joined the Union after 2004 – was for rail and road projects located on the European priority transport routes (TEN-T network).

Some 45% of the Operational Programme for Transport will target railways, including substantial modernisation and upgrading of the network, as well as the rehabilitation of certain sections. Railway projects in Czech corridors III and IV, radiating from Prague in the direction of Linz and Nuremberg, are expected to be supported from the Bank's loan. They essentially constitute a continuation of similar line upgrading and modernisation work started with Bank co-financing in Czech corridors I and II (Berlin-Prague-Brno-Vienna and Warsaw-Katowice-Ostrava-Vienna).

In the road sector the new construction work on the motorway and expressway networks includes mainly certain sections of the R1 (Prague Ring Road), the R6 and R7 expressways, as well as the D1, D5, D11 and other motorways. Some sections of these highways have already been financed by the Bank. The upgrading of several sections of Class I roads throughout the country is also expected to be undertaken.

The upgraded transport infrastructure will help the Czech Republic to cope with the increasing traffic levels since EU accession and promote integration with the EU single market.

Special attention paid to the 12 new Member States

JASPERS (Joint Assistance to Support Projects in European Regions) is an important tool for implementing the priorities of the European Union's regional policies in the area of economic convergence and social cohesion. It is a technical assistance/advisory facility for the 12 new Member States, to help them better prepare investment projects proposed for EU grant aid under the Structural and Cohesion Funds.

Through this initiative the European Commission, the EIB and the EBRD share their professional experience with the beneficiary Member States to help them use investment funds provided by the Union more rapidly and more effectively.

2007 was an important year for assembling JASPERS resources. Further progress was made with recruitment. Currently, JASPERS has a team at its disposal of some 55 staff (16 at the beginning of 2007) from or financed by the EU Commission the EIB and the EBRD, all managed by the European Investment Bank in Luxembourg.

Last year JASPERS established three regional offices (in Bucharest, Vienna and Warsaw), bringing JASPERS services closer to its clients in Central and Eastern Europe. The Bucharest Office provides assistance for project preparation in Bulgaria and Romania. The Vienna office is the base for JASPERS activities in the Central European countries (the Czech Republic, Hungary, Slovakia and Slovenia). And the Warsaw Office provides JASPERS services to Poland, Estonia, Latvia and Lithuania.

JASPERS identified 261 projects and horizontal tasks in the twelve beneficiary countries under the 2007 Action Plan. The majority of projects are in the transport and environmental/energy sectors. The portfolio remains balanced between the individual sectors, with 33% transport projects, 46% environmental and energy projects and 8% municipal development projects. Horizontal tasks dealt with by JASPERS involve providing expertise on public-private partnerships (PPPs), the financial analysis of projects and state aid issues.

It is expected that JASPERS will help to mobilise over EUR 32bn in grants over the next few years under the Cohesion and ERDF Structural Funds for the Member States that acceded to the Union in 2004 and 2007, as well as to create a pipeline of sound cohesion investments which, if so desired, can be co-financed by the EIB and EBRD partners in due course.

Special attention paid to cities as important components of the social and economic life of all EU regions

JESSICA (Joint European Support for Sustainable Investment in City Areas) is a joint Commission/EIB initiative, supported by the Council of Europe Development Bank. It is designed to help the authorities in all EU Member States to exploit financial engineering mechanisms to support more effectively investment in sustainable urban development, in all EU areas, including cohesion and increased competitiveness regions. Other international financial institutions, as well as the European banking and private sector, can contribute to this initiative.

Although not specifically designed for cohesion regions, it is meant to improve the economic and social conditions of some 80% of the EU population – or some 300 million citizens – who live and work in cities or in the densely urbanised areas surrounding them. While cities are often engines of innovation and economic growth, they are also sometimes the areas where serious problems – economic decline, unemployment, physical decay, social exclusion – may become concentrated. Pockets of deprivation may threaten the economic performance and challenge the social cohesion of even the richer cities.

JESSICA is a response to the request from several Member States and the European Parliament to give special attention to the need for renewal and/or regeneration of certain urban areas and is based on a perceived market failure in the urban sector or, more specifically, on the lack of investment funds to finance integrated urban renewal and regeneration projects in pursuit of more sustainable urban communities.

The Leipzig Informal Ministerial Meeting of 23-24 May 2007 reiterated the importance of the urban dimension as one of the key pillars of the European policy agenda. The Ministers responsible for urban development agreed on common principles and strategies (the “Leipzig Charter”). This Charter recognises the need for a multi-dimensional approach to ensure sustainable urban development that covers physical, socioeconomic and environmental aspects but also governance and financial issues. The Bank is determined to respond proactively to the evolution of Community policy and to the specific recommendations of the Charter in pursuit of more “Sustainable Cities and Communities” by establishing a coherent action plan for cities.

The Bank’s action will take into account the emerging features of growth and decline, as well as associated problems, in the European city system. Urban Development Funds (UDFs) dedicated to investing in sustainable urban transformation should be used as catalysts to promote an integrated approach to tackling urban issues and accelerate its implementation through adequate financing, including funding from private sources. This catalytic approach of UDFs is supported by JESSICA funds, in this case the Managing Authorities of Structural Funds.

The Bank recently completed a preliminary evaluation of JESSICA, undertaken on behalf of the European Commission (DG Regio). The aim of the study was to:

- review urban renewal and development schemes in a sample of Member States and to identify the existing financial vehicles for urban investment, also in non-convergence regions;
- analyse how financial engineering instruments can address any perceived deficiencies; and
- establish the interest in using UDFs to deliver these actions and products.

The key findings of the study are that a flexible approach is needed to adapt JESSICA to the diverse needs and institutional frameworks of the different Member States. In order to be successful, this tailored approach needs to redress the fragmentation which has too often blocked the timely implementation and effective funding of sustainable urban regeneration and development ventures. Further action required to complete the launch of JESSICA must therefore be adapted to country circumstances and appropriately phased, taking into account the proposals of the authorities concerned. A clear sense of “ownership” of the JESSICA tool needs to be established by Managing Authorities, and the Bank has launched implementation studies to launch pilot JESSICA operations in several Member States, including the United Kingdom, Germany, Italy, France, Greece and Bulgaria, with others expected to follow soon.

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Annual Press Conference 2008

Briefing Note No 02

The Bank promoting European objectives

Luxembourg, 28 February 2008

Promoting innovation

EU policy background

When the European Council met in Lisbon in 2000, it decided on an agenda to establish a competitive, innovative and knowledge-based European economy, capable of sustainable growth with more and better jobs and greater social cohesion. The EIB supports this ambitious objective through its Innovation 2010 Initiative (i2i) lending window. In 2000, the EIB pledged to lend EUR 50bn for innovative projects over the period 2000-2010. As it turned out, the Bank was three years early in reaching its objective. With EUR 10.3bn in loans under i2i in 2007, total innovation lending stood at EUR 56bn at the end of the year.

The EIB finances three areas of investment to support technological modernisation and the tailoring of education and training to a European economy as proposed in Lisbon:

- research, development and innovation (RDI) – private and public sector investment in research, the development of centres of excellence and academic research centres, as well as downstream investment (products and processes) in the private sector;
- education and training: support for all levels of education and training (primary, secondary, university, adult education), integration of research into education projects, upgrading related IT infrastructure, etc;
- the dissemination of technologies and development of information and communication technology (ICT) – involving the roll-out of fixed and mobile broadband networks and access technologies, the creation of networks in a number of sectors (e-health, e-transport, etc.).

Loans in 2007 were divided by sub-sector as follows:

(in EUR bn)	2007	2006	2000-2007
RDI	7.2	6.7	30.2
Education/training	1.3	2.1	12.9
ICT	1.6	1.7	11.9
Total	10.3	10.9	56¹

Of the EUR 10.3bn in innovation loans in 2007, EUR 9.8bn was for projects in the European Union and EUR 455m for investment in Turkey. For three consecutive years now, EIB lending for projects underpinning the Lisbon Agenda has exceeded EUR 10bn.

RDI

New financial instruments have a key role to play in RDI finance. The Risk Sharing Finance Facility (RSFF), set up jointly by the EIB and the European Commission and operational since mid-2007, is particularly relevant. The RSFF is built on the principle of risk sharing between the Commission and the EIB and extends the Bank's ability to provide loans or guarantees to projects carried out by promoters with a low or sub-investment grade risk profile. With a capital contribution of EUR 1bn each from the EU's 7th Research Framework Programme and the EIB's Structured Finance Facility, the RSFF is expected to leverage EUR 10bn of additional financing for RDI.

The take-up proved almost immediate. By September eight financing operations concerning renewable energy technologies, energy efficiency, automotive components, engineering and biotechnology projects had already been concluded for a total amount of EUR 359m. By year-end a total of EUR 459m had been lent under the RSFF for projects located in four Member States.

¹ Lending figures do not add up because, exceptionally, innovative projects at times do not fall within the three sub-categories.

Education and training

The bulk of the Bank's investments in the education sector to date have been in support of infrastructure – buildings, facilities and equipment – required for the acquisition of knowledge and skills. For instance, in 2007, in the region of Valencia, Spain, the Bank financed the construction, rehabilitation and extension, as well as furnishing and equipping of primary, secondary and vocational education facilities and other related educational infrastructure. More recently, a big effort has been made to promote education projects that will improve the quality of education more directly. This implies giving greater consideration to investments in demand side measures and intangible assets, such as student loans and academic RDI, that will widen access and enhance the quality of education. In Hungary for example, the Bank lent EUR 150m for a student loan scheme that is part of a wider national strategy to increase the quality of higher education, encourage participation and enhance equal opportunity of access. The future may also see the Bank financing investment in modern curricula, improved methods of instruction and, especially, better teaching at European schools and universities.

Information and communication technology

ICT is a key sector for implementing the Lisbon Agenda. ICT projects are normally on a large scale and require large loans. In 2007 British Telecom took up EUR 455m for investment in the next generation of telecommunications services, while Telefonica borrowed EUR 375m for the construction of a new UMTS broadband mobile telephone network in Spain.

A Memorandum of Understanding was signed between the Commission and the EIB in 2007 to support the EU regulatory framework for electronic communications and notably the EU policy to reduce the “broadband gap”. The investment requirements for next generation networks are potentially large and the Bank is expected to play an increasing role in encouraging private sector investment in such infrastructure. Moreover, the Bank is supporting the establishment of alternative broadband access platforms, which may include wireless technologies and require new types of financing options.

Some key projects

Automotive Energy Efficiency – AVL (Austria): One of the first loans under the Risk Sharing Finance Facility was to AVL, a leading, family-owned technology and engineering specialist focusing on powertrain/engine and related technologies. The EIB lent AVL EUR 30m for the development of clean and efficient automotive powertrains, as well as for research on hydrogen fuel cell technology, nanocomposites and engine technologies to increase energy efficiency and reduce the impact on climate change.

Strengthening of Turkey's science and research promotion: Turkey's progress in RDI will ultimately be important for its competitive position in the European Union. A EUR 400m EIB loan went to Tübitak, the Scientific and Technological Research Council of Turkey, for a range of investments including academic research programmes, laboratories and scientific equipment.

Slovenia Telekom Broadband: The EIB lent EUR 100m for the nationwide upgrading of the fixed-line telecommunications network in Slovenia in order to modernise the existing copper and fibre network, the backbone transmission systems and operational support systems. The loan also goes toward the roll-out of Digital Subscriber Line technology to enable the provision of advanced broadband services.

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**Annual Press Conference 2008****Briefing Note No 03****The Bank promoting European objectives**

Luxembourg, 28 February 2008

EIB transport policy and trans-European transport networks (TENs)**Policy context****EIB transport lending policy**

Mobility of economic factors, such as people and goods, is one of the basic precepts of the common market and as a consequence transport is and has been a key element in the development of that market. This has led the Bank to become an important financing partner in a large number of major transport projects

EIB transport lending policy is based on a number of EU policies, such as the cohesion policy, the development of the trans-European transport networks (TENs; see below), sustainable transport development and support for research, development and innovation (RDI). The Bank's transport lending policy is multi-dimensional and incorporates environmental concerns at all stages of the Bank's due diligence. The Bank also supports a range of transport projects where the explicit project aim is to achieve environmentally-friendly solutions and sustainable transport systems, substantially cutting CO₂ emissions and other pollutants. Over the last few years lending has increased, in absolute and relative terms, to projects for urban transport and for research and development aiming at lower emissions and to projects improving fuel efficiency and safety. Overall, the Bank has demonstrated a clear preference towards funding projects in the railway sector.

In addition to traditional policy objectives for the Bank's lending in the transport sector, a new policy context following the increased awareness of global warming risks has led to a sharper focus for transport lending in 2007.

EIB transport lending principles

The EIB's transport project selection is based on a carefully planned approach to meet transport demand with a balanced solutions mix of the most efficient, economic and sustainable ways, across all modes, controlling the negative environmental impacts.

The EIB remains committed to participating in the financing of TENs that are essential for the functioning of the internal market and continue to be the backbone of transport investment in the EU. The relationship between the stock of infrastructure capital and greenhouse gas emissions is complex. This does not, in itself, call into question the EIB's continued commitment to TENs. The long-term nature of these investments and their essential role in achieving an efficient and cohesive Community-wide transport system continue to make them the backbone of transport investment in the EU (for information on TENs, please see below).

Funding railways, inland waterways and maritime projects (in particular the "motorways of the sea") will continue to be a priority as these are the most promising in terms of reducing greenhouse gas emissions per transport unit. The same applies to urban transport and intermodal hubs.

Road and airport projects must demonstrate high economic value. Support will focus on improvements in safety, efficiency and reduced environmental impact.

In the rail, shipping, and urban transport sectors, financing the purchase of vehicles is consistent with climate change goals. The financing of aircraft purchase will be limited to exceptional circumstances where very strong value added can be demonstrated. Examples could be connections to convergence regions if air transport is essential to secure the territorial integrity of the EU and fuel efficiency is improved.

Further emphasis will be given to RDI activities with vehicle manufacturers, whatever the sector involved. This should focus primarily on ensuring energy efficiency, emissions reduction and safety enhancement. Support for automotive manufacturing should, however, be selective and be limited to projects in

convergence regions, where their contribution to employment and innovation diffusion, including through their links with the local mid-cap and SME network, is important.

Projects supported should be fully in line with the orientations of EU environmental and energy efficiency policies, achieving higher environmental standards and accelerating the achievement of the goal of reducing CO₂ emissions (as, for example, through the development of energy-efficient smaller cars and renewably fuelled vehicles).

TEN policy objective

In 1993, the European Council decided on a trans-European network (TENs) policy in support of European Union economic and social integration and development. Trans-European transport networks (TENs-T) facilitate freedom of movement of goods and persons, and help the development of less favoured areas. TENs provide interconnection and interoperability of existing national networks and high-quality infrastructure for the European Union. They also connect the EU to the wider European neighbourhood, specifically to its neighbours in the Accession Countries (Croatia and Turkey), the European Economic Area (Norway, Iceland and Liechtenstein), the Balkans, the new neighbours (Russia, Ukraine, Moldova, Belarus and the Southern Caucasus) and the Mediterranean partner countries. TENs represent one of the two elements of the European Action for Growth initiative (the other being RDI), which is aimed at strengthening Europe's long-term growth potential.

Policy background and future perspectives

Since the TEN's policy was established, the EIB has been a leading source of bank finance for these high-quality and critical transport networks. In the period 2000-2007, the EIB lent EUR 54.2bn for investment in transport TENs. Given the continuing need for investing in large infrastructure networks across the Union, the EIB has decided to provide at least EUR 75bn for trans-European transport projects in the period 2004-2013. In 2007, the EIB lent EUR 8.3bn for transport, driven notably by a strong development of lending in favour of priority TENs projects (EUR 3.4bn).

Tailored financial instruments

In addition to its usual large, long-maturity loans with fixed and variable interest rates, the EIB has developed tailored financial instruments to encourage investment in the major transport networks across the Union and beyond. These include the Structured Finance Facility, which aims to match the types of funding to the requirements of large-scale infrastructure projects. With this facility, the EIB can reach projects with a credit quality that previously might not have qualified for EIB financing.

PPPs play an important role for investment in transport TENs. In 2007, PPP projects accounted for 10% of EIB transport lending linked to the trans-European networks (EUR 857m). In addition to finance, the EIB has also contributed to the setting up of the Loan Guarantee Instrument for Trans-European Transport Network Projects (LGTT) facility with a EUR 500m contribution from the EIB's Structured Finance Facility and an additional allocation of EUR 500m from EU budgetary funds over the period 2007-2013. The LGTT was finalised in 2007 and the effective launch took place on 11 January 2008 (<http://www.eib.org/about/press/2008/2008-005-european-commission-and-european-investment-bank-launch-new-instrument-to-finance-european-transport-network.htm>). The LGTT is a financial instrument that will provide guarantees for stand-by facilities to cover traffic revenue risks up to five years after the start of operations. It is a tool specifically designed to allow greater private sector participation in TEN projects that are exposed to volume risk at the beginning of the operating period.

The Bank has built up wide experience and expertise in the field of PPP financing and is ready to share this with the Member States and the Commission. That is why it has worked to establish a European PPP Expertise Centre (EPEC), with the aim of facilitating the effective sharing of experience and best practice in PPPs. Following an analysis of inputs from Member States and the Commission to verify the demand for EPEC's services, the EIB decided in 2007 to go ahead with EPEC and also to finance it in the first instance. The Centre will start its work in 2008.

Cooperation with the European Commission

Close cooperation continues with the EU Coordinators (a group of six ex-Commissioners promoting transport projects that are seen as key to the development of the trans-European network policy), the Commission (DGTREN), Member States, industry associations and the banking sector to accelerate, where possible, the effective launch of TEN projects and their financing. In 2007, cooperation with the European Commission

intensified, with the Bank participating in a number of joint working groups and steering committees. Noteworthy EIB-Commission cooperation includes efforts to channel Structural and Cohesion Funds to trans-European network projects, specifically in the Member States of Central and Eastern Europe, and work on implementing European Rail Traffic Management Systems (ERTMS) in designated freight corridors.

JASPERS, the joint initiative between the EIB, the European Commission and the European Bank for Reconstruction and Development to aid the preparation of projects that receive Structural and Cohesion Fund resources, became operational in 2006. One of the sectors that will benefit most from the preparatory work offered by JASPERS is transport infrastructure (see also briefing note "Promoting economic and social cohesion").

Trends and highlights from 2007

Of the EUR 8.3bn that went to transport projects linked to trans-European networks in 2007, EUR 7.4bn was for projects in the EU, 46% of the loan volume going to priority projects as defined by the European Commission. As in previous years, Spain took up most of the financing for TEN projects (EUR 2.2bn). Italy was next with EUR 1.2bn, closely followed by Bulgaria with 1.1bn. The total lending volume increased moderately compared to 2006 and was fully in line with the long-term commitment to lend EUR 75bn over the period 2004-2013.

Rail, which is becoming an increasingly important priority sector for the EIB and the European Commission, accounted for 45% of overall trans-European transport network lending in 2007 (EUR 3.3bn), with roads and sundry infrastructure following at 40% (EUR 3bn). Lending in the aviation sector stood at 9% (EUR 630m), while loans for maritime investment reached 6% (EUR 434m).

Outside the EU the EIB lent EUR 916m supporting projects along major transport routes. Loans in the Accession Countries (EUR 540m) and the Balkans (EUR 150m) were signed, including a loan in Serbia for the Belgrade bypass in Pan-European Transport Corridor X, west and south of Belgrade. In the European Neighbourhood and Partner Countries, lending amounted to EUR 230m in Ukraine, and included a loan for the rehabilitation of the final section of the M-06 highway between Kiev and Brody, part of Pan-European Corridors III and V.

Key projects

K-T-K Motorway PPP

In Greece, the EIB provided a first Structured Finance Facility loan for the construction, operation and maintenance of the motorway from Korinthos to Elefsina and the Patras bypass in the trans-European transport network, which is partly a priority TEN and is also located in an Objective 1 area.

LGV Rhin – Rhône

In France the EIB signed the third and largest tranche yet of a loan for the eastern branch of the Rhine-Rhône high-speed rail line between Dijon and the German border. This is part of the pan-European priority project to improve rail traffic services along the Lyon/Geneva – Duisburg – Rotterdam/Antwerp line.

Autobahn A-4 PPP Project

In Thuringia, Germany, the EIB participated in the first German motorway PPP project – the construction of a section of the A4 motorway (Eisenach bypass) and the widening of an existing motorway to six lanes. The project uses an innovative financing scheme and is one of four motorway projects that will ultimately be financed from revenues generated by the toll road system for heavy trucks introduced in 2005.

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**Annual Press Conference 2008****Briefing Note No 04****The Bank promoting European objectives**

Luxembourg, 28 February 2008

Promoting small and medium-sized enterprises**• IMPORTANCE OF SMEs FOR THE EUROPEAN ECONOMY**

Small and medium-sized enterprises (SMEs) are a major source of employment, entrepreneurial skills, innovation as well as economic and social cohesion in the EU. The EU's aim is to promote successful entrepreneurship and to improve the business environment for SMEs, to allow them to meet the challenges faced in today's global knowledge-based economy and to realise their full potential.

• SUPPORT FOR SMEs IS ONE OF THE TOP PRIORITIES FOR THE EIB GROUP

Support for SMEs is a key operational priority for the EIB Group. This transversal activity involves both EIB financings through the EU banking sector (EIB lines of credit, by which the EIB provides funds to financial intermediaries at attractive rates, to be passed on in an appropriate manner to SMEs) and EIF support for SMEs both by providing equity (venture capital investments) and by facilitating access to finance (via securitisation and guarantee schemes). The EIF's capital was increased by 50% to EUR 3bn in 2007, strengthening the hand of the Fund in pursuing its role as the European body specialised in SME financing while ensuring its financial self-sufficiency until 2013. The EIB, as the largest EIF shareholder, demonstrated its ongoing commitment to supporting European SMEs by exercising fully its share of the capital increase.

• ACHIEVEMENTS IN 2007

The EIB Group's SME activity benefited more than 162 000 SMEs in 2007, with a specific focus on innovative SMEs with high growth potential, small renewable energy schemes promoted by SMEs, and micro-enterprises. EIB support was provided through lines of credit totalling some EUR 5bn, granted to its intermediaries throughout the European Union. The EIF's role as a major player in the European venture capital markets was confirmed, with 2007 venture capital operations totalling over EUR 500m. Guarantee operations amounted to EUR 1.4bn. A significant pick-up in this activity is expected in 2008 with the new EU Competitiveness and Innovation Framework Programme (CIP) mandate (see below), which was agreed towards the end of 2007. The EIF's credit enhancement activity reached record levels in 2007 both in terms of volumes and the number of deals. Under this activity, the EIF guarantees junior tranches of ABS transactions, making these tranches more attractive to investors and thus easier to sell for the originating banks. This in turn encourages the banks to develop their SME lending activity.

• KEY PROJECTS IN 2007

Besides continuing its traditional credit line activity with more than 100 partner banks throughout Europe, which was especially appreciated by the sector amid the market turmoil of the second half of the year, the Bank has continued to extend the group of partner institutions and diversify its product offering for SMEs to meet their financing needs.

In 2007, the EIB granted credit lines for the first time, for instance, to Isbank, Finansbank and DenizBank in Turkey, Hypo Tirol Bank AG in Austria, EFL and Millennium Leasing in Poland, and SEB Vilnius Bankas in Lithuania.

Smaller, regional banks play an important role in SME finance, due to the proximity to their clients. At the same time, these banks are more easily constrained in their lending activity by the size of their own funds than larger banks. Operations involving security structures such as the Spanish "cédulas hipotecarias" helped these banks in some countries to obtain further EIB funding for their SME lending activity. Packaging SME loans into ABS structures and selling them to investors is a way to free up own funds and thereby further develop lending activity for the benefit of SMEs. The EIB Group contributed to a number of securitisation structures in 2007. Noteworthy operations were concluded in Spain (Rural Coop Bank Sector and Bankinter SME; Banco Popular SME; BBK SME; SCH GL) and in Italy (Selmabipiemme). For the first

time, an ABS transaction was also signed in a new Member State: a EUR 200m operation with Millennium Leasing in Poland. This operation will particularly improve access to long-term financing for Polish SMEs and micro-enterprises with fewer than ten employees.

Following its strategy of taking more risk to provide more value added, the EIB also engaged in a number of risk-sharing transactions, where the EIB assumes part of the risk in respect of the SMEs themselves and thus encourages banks to develop their SME lending activity. Operations of this type approved in 2007 include, for example:

- RZB Group Risk Sharing Facility (SFF): a EUR 100m EIB Mid-Cap Loan in Austria, Hungary and Romania that will finance projects of limited scale carried out by mid-cap enterprises.
- Avenir Enterprises Mezzanine: a closed-end fund in France, which will finance SMEs with convertible bonds. The EIB subscribed to the fund (up to EUR 20m) alongside the sponsors OSEO and CDC Enterprises.
- KfW IPEX Risk Sharing Facility: a EUR 100m facility with KfW IPEX-Bank GmbH that provides a credit risk sharing scheme for small and medium-sized low/sub-investment grade transactions with companies of any size and ownership promoting RDI projects in Germany.

Another focus was on lending to very small enterprises or to SME investments linked to renewable energy or energy efficiency projects:

- CS Risk-Sharing Energy Efficiency GL: a risk-sharing credit line for the financing of small-and medium-scale projects in the Czech Republic in the field of rational use of energy, energy efficiency, renewable energy as well as research, development and innovation in energy.
- Rentenbank Micro GL Renewable Energy: a EUR 200m credit line to fund Rentenbank's dedicated special programmes to finance long-term investments in the fields of renewable energies in Germany (particularly biogas, biofuel, wind power and photovoltaic energy), and to a smaller extent rural development and forestry.
- CMZRB SME Credit Line: the EIB loan will co-finance programmes for SMEs handled by CMZRB under the Czech Government's Operational Programme Enterprise and Innovation, in particular the sub-programmes PROGRESS (subordinated loans for existing SMEs), ECO-ENERGY (loans to SMEs for energy efficiency and renewable energy sources) and START (loans for start-ups).

The Bank prepared the first structured finance operation in South-Eastern Europe in 2007, which was finally concluded in early 2008. This transaction will help to diversify the range of EIB products offered in South-Eastern Europe and sends a positive signal to the local financial sector and to micro and small enterprises, which are particularly important for the development of the Balkans:

- EFSE Southeast Europe: the EIB will invest EUR 25m in the European Fund for Southeast Europe, which will onlend the EIB funds via intermediary financial institutions to micro and small enterprises and private households. The EFSE intends to make the majority of its investments in the Western Balkan countries and the rest in Bulgaria, Romania and Moldova, and possibly other countries of South-Eastern Europe.

- **OUTLOOK FOR 2008**

To further strengthen its support for SMEs, notably by adapting it to the needs of modern SME finance, the EIB Group entered into a consultation process with representatives of SMEs and major partners in SME financing in the EU-27. The consultation process, results and preliminary conclusions are presented in a separate briefing note. The conclusions of the consultation process will be used in the course of 2008 to finalise a revised strategy for the EIB Group's product offering in favour of SMEs.

Increased cooperation with the European Commission: CIP

In 2007, the European Commission mandated the EIF to manage a EUR 1.1bn facility within the CIP, which will cover the period 2007-2013. The CIP aims to encourage the competitiveness of European enterprises, support innovation and provide better access to finance for SMEs. The CIP SME Guarantee Facility will comprise four main business lines: loan guarantees, micro-credit guarantees, equity guarantees and securitisation.

Its objectives will remain comparable to those of its predecessor MAP (the Multiannual Programme for Enterprise and Entrepreneurship 2001-2006), namely to generate economic growth and create more jobs as

well as boost productivity, competitiveness and innovation in the EU. The CIP, however, has been designed as a more ambitious programme than its predecessor. It should cover a larger geographical area and will extend the range of instruments to include new market segments and products.

JEREMIE

JEREMIE is a joint European Commission/EIB Group initiative, designed to give EU Member States the option of using a portion of their Structural Funds allocations in the budgetary period 2007-2013 to establish a revolving fund, managed by an intermediary, to improve access to finance for small enterprises, including start-ups, and provide microcredit in regional development areas through a tailored package of financial products.

During 2006 and 2007, the special JEREMIE task force created within the EIF conducted some 40 gap analyses, throughout the 27 Member States. Memoranda of Understanding have already been signed with the Slovak Republic, Romania and Bulgaria; a letter of intent was signed with Portugal in 2006 and the first JEREMIE funding agreement was signed with Greece in June 2007.

JEREMIE represents another innovative departure for SME financing involving the EIB Group, encompassing both significant leverage of Structural Funds and the establishment of a revolving facility through a holding fund. It creates new opportunities and represents a promising departure from the formerly exclusively grant-based financing approach of the Structural Funds.

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**Annual Press Conference 2008****Briefing Note No 05****The Bank promoting European objectives**

Luxembourg, 28 February 2008

The SME consultation process

In May 2007, after nearly two years of implementing the European Investment Bank Group's new strategy, the EIB Management Committee decided to launch a consultation process (the "SME Consultation") with banking partners, public authorities and SME representatives on modernisation of the Bank's product offering to SMEs in the EU-27, with the aim of increasing its value added for the final beneficiaries.

1. EUROPEAN CONTEXT

The timing of this review of the EIB Group's SME financing activity fits in well with European Commission initiatives. Besides the European Initiative for the Development of Microcredit in Favour of Growth and Employment launched in November 2007, a "Small Business Act for SMEs" should be finalised by June 2008, and will include chapters on how to improve SMEs' access to finance. At the same time, DG Competition is reviewing the existing range of exceptions on state aid applicable to SMEs in an effort to improve SMEs' access to public support where it is deemed necessary.

2. IMPLEMENTATION OF THE SME CONSULTATION

The SME Consultation took place from June 2007 to January 2008. It was initiated via an invitation letter, sent out to 104 interested parties in all EU Member States, comprising 67 banks or banking associations, 14 SME associations (including chambers of commerce or trade associations) and 23 government bodies (including European Commission DGs). The response to the Consultation has been generally good, with an overall response rate of 75%. By the end of February, all participants in the SME Consultation will have a chance to provide their comments on a first version of a report summarising the findings and proposing some preliminary conclusions on the future role of the EIB Group in European SME finance. A final version will subsequently be made available to the public in the first half of 2008, when the EIB Group will also start to draw its own operational conclusions and update its strategy for an appropriate footprint in SME finance for the Group.

3. PRELIMINARY FINDINGS OF THE SME CONSULTATION**3.1. Financing gaps persist in European SME finance and require in-depth knowledge of the target SME market**

At the beginning of the exercise, the general opinion was that in developed financial markets access to finance is not a major issue for SMEs. The SME Consultation shows that the analysis has to be much more specific and that indeed there is a lack of adequate financing tools in many countries for a variety of SME segments, e.g. micro-enterprises without business or personal assets to offer as security, young, fast-growing, innovative enterprises or those facing the challenge of transmission. This finding is important also because these SME segments are major contributors to growth, competition and innovation and thus to employment and the productivity of the European economy as a whole. It is of great importance for the future growth of Europe that these segments in particular are not constrained by lack of adequate financing tools. In some European Member States, it is even the scarce availability of long-term resources as such which could limit the development of SMEs.

The SME Consultation noticed the diversity of situations and interest among EU Member States and shows that there is no single European SME market. It is therefore important that the EIB's future activity in favour of SMEs moves away from the "one size fits all approach" and turns towards solutions that are the result of a deeper knowledge of the various national SME markets.

3.2. "Innovation" has a wide meaning in the context of SME finance and needs innovative financial products to realise its potential

With regard to modern SME finance, the market would like to see the EIB shift its emphasis from eligibility restricted to new fixed asset investment towards financing of soft investments that foster internationalisation, growth and innovation. Innovation with regard to SME finance has to be seen in a broader context, where for example expansion into new markets should become eligible for EIB finance.

SMEs continue to depend mainly on bank debt for funding. A large amount of debt on the balance sheet hampers their chances of obtaining further loan finance for expansion, which is why, in addition to maintaining a strong presence in traditional loan finance, the EIB Group must develop alternative financing tools. Mezzanine finance is a promising instrument, which may in future not be reserved solely for more sophisticated borrowers. In this context, the EIB Group could play a specific role in close cooperation with the European Commission. A market for mezzanine financing must be developed, including appropriate financial tools, but also based on increased awareness-building among SMEs through advisory and technical assistance programmes.

3.3. Modernisation of the EIB Group's product range: less bureaucracy, more added value for SMEs and more appropriate products

The EIB's global loan product and the underlying principle will continue to have their role to play. However, the global loan needs to evolve, taking account of the findings of the SME Consultation on the financing gaps and financing needs of today's SMEs. To reduce the bureaucratic hurdles for SMEs, a number of simplifications of the global loan product will be proposed, in terms of both eligibility criteria and the information required by the EIB. These simplifications should, however, not be viewed as a goal in itself. They are a way of reducing the administrative costs of managing the EIB's products and therefore increasing the financial value added available to SMEs.

EIF support, which is focused on young, highly innovative, and fast-growing SMEs, has been reinforced through the launch in 2007 of the the Competitiveness and Innovation Framework Programme (CIP), in which the EIF acts as the manager of European Commission funds. This has confirmed the EIF's business model as the European body specialising in venture capital, loan guarantees, micro-credit guarantees, equity and quasi-equity guarantees and securitisation.

The SME Consultation suggests that the EIB Group's product offering in SME financing should be strengthened and enlarged, particularly in the areas of:

- equity finance;
- mezzanine finance; and
- senior loan finance,

in whatever structure these products may be used, be it in the form of funds or ABS structures or simply intermediated loans with or without risk sharing, in order to cover the largest possible spectrum of SME financing needs. The whole spectrum will not be used in each market. Taking into account the view of the respective national government concerning the EIB's involvement in SME financing, each geographical team of the EIB Group will be able to have recourse to some or all of the range of the Group's products whenever they see a need in their specific market environment. These initiatives imply wide scope for complementary action by the EIB and EIF.

In those areas and markets where strong promotional structures exist, the EIB Group should team up constructively with public support institutions, wherever their schemes have proven to be successfully implemented and are in line with the EIB Group's priority objectives. Very close cooperation with the Commission and the involvement of banking and SME associations is necessary. In this context, the EIB Group is willing to contribute to the drafting of the Small Business Act currently under preparation by the European Commission.

3.4. Getting to know the SME market better and make the EIB better known to SMEs

One final important finding of the SME Consultation is that there is a lack of information among SMEs about the possibilities of EIB Group support, irrespective of the current extent of EIB activity in the market in question. It is worth mentioning, however, that this lack of information does not apply only to the EIB Group but is a problem common to many public support schemes. The EIB Group will have to reconsider its information policy towards SMEs. It should give a very clear message about its activities, through its intermediaries, but also through other channels with direct contact to SMEs. One option could be to initiate – for those countries that are genuinely interested – the creation of national round tables with participants from SMEs, banks and public support organisations to regularly evaluate improvements in SME finance and identify problems and solutions. The effectiveness of giving this aspect a higher profile will, however, largely depend on the financial value added the EIB Group may be able to offer in the future.

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Environmental sustainability

The protection of the natural habitat and the commitment to balanced development are at the core of the EIB's activities. The Bank has applied a broad definition of the term "environment" to include a number of related economic and social issues, and these are now being given greater attention as the general approach of the Bank evolves into a more holistic treatment of the interrelated environmental, social and economic strands of sustainable development. The European Investment Bank promotes environmental sustainability in support of EU policy on sustainable development. The general approach of the Bank in this regard is described in its "Environmental Statement" and "The EIB and its Contribution to Sustainable Development".

The EIB has three main objectives for defining its environmental responsibility:

The first and most important is that it ensures that the projects it finances are compliant with EU environmental principles and standards in support of EU policies.

The second main objective is that the Bank should promote projects that protect and improve the natural and built environments and foster social well-being in the interests of sustainable development. All projects must be economically, technically and financially viable, as well as environmentally sustainable. The EIB supports specific environmental investments that focus on climate change, protecting nature and biodiversity, dealing with the links between the environment and health, and promoting the sustainable use of natural resources and management of waste.

The third objective is for the Bank to assume environmental responsibility for its "corporate environmental footprint". Although the Bank's footprint in this sense does not have the same magnitude as its footprint from financing projects, the EIB works continuously to improve the environmental performance of its buildings and the housekeeping of its offices.

The EIB is guided by EU environmental policy, including EU environmental law. EU environmental policy is set out in the Sixth Environmental Action Programme (EAP) "Environment 2010: our future, our choice". The main areas for urgent action are climate change, protecting nature and bio-diversity, dealing with the links between environment and health and promoting the sustainable use of natural resources and management of waste.

Trends, highlights, new developments

A number of improvements were identified in 2007 and are currently being implemented. These include:

- The approval and publication of the EIB's "Environmental and Social Practices Handbook".
- Approval of updated Social Assessment guidelines, "Taking Social Issues into Account in Projects outside the EU".
- In 2007 the five signatory banks¹ decided to further develop the concept of European Principles for the Environment (EPE) by preparing a single reference document containing EU environmental legislation, principles and standards most relevant to the projects the EPE banks are financing.
- In 2007 the Bank established carbon funds with the EBRD, the World Bank and KfW.
- Further integration of environmental considerations into energy and transport sector lending policies.
- The Development Impact Assessment Framework (DIAF), which has been renamed the Economic and Social Assessment Framework (ESIAF) and was modified in 2007 in order to better meet the requirements of each individual mandate, aims at measuring the Bank's value added in the implementation of its external mandates.
- The Memorandum of Understanding with the World Conservation Union (IUCN)

¹ Council of Europe Development Bank (CEB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Nordic Environment Finance Corporation (NEFCO) and Nordic Investment Bank (NIB).

Results for the year

In 2007, the European Investment Bank signed loan agreements for 110 environmental projects, amounting to EUR 14.6 billion, which represents 31% of its total lending. The EIB finances a wide variety of activities, including renewable energy projects in the EU, programmes for environmental infrastructure improvements supported by EU funds, and water and sanitation programmes in the ACP countries. The Bank also provides finance through financial intermediaries for smaller projects which may also be dedicated to environmental objectives or contain environmental components.

Environmental individual loans in the EU

The bulk of environmental lending goes to EU countries: in 2007, the EIB provided direct financing for 98 environmental projects for a total of EUR 13 billion in the European Union, equivalent to 40% of the overall individual lending total in the EU over that period. This is fully in line with the COP objective for environmental lending of 30-35% of the EIB's overall lending in the EU. These figures do not include environmental components of projects where the overall objective is not directly related to the environment. This component is currently not recorded by the Bank.

Environmental individual loans in Accession and Partner Countries

In the Accession Countries the volume of environmental protection projects was EUR 628 million. In the Mediterranean partner countries, EUR 120 million in individual loans was advanced for environmental schemes. A further EUR 141 million went to environmental projects in the ACP countries, EUR 560 million to two projects in Asia, EUR 103 million to projects in the Balkans and EUR 27 million to Latin America, all contributing to the Bank's overarching goal of promoting environmentally sustainable development in the partner countries.

Some examples of "significant" projects

Solucar Solar Thermal Power project

The Solucar Solar Thermal Power project is closely aligned with EU energy policy to promote the use of indigenous renewable energy and thus contributes to both national and EU efforts to combat climate change. The EIB provided EUR 50 million to the project, which includes the construction and operation of two grid-connected solar power plants about 20 km west of Seville, in Spain. The plants have capacities of 11 and 20 MWe, and use solar concentration technologies with tower-mounted thermal receivers. The location of these plants benefits from one of the best solar resources in Europe, access to river water for cooling and ready access to high-voltage transmission lines nearby.

HVC Alkmaar Biomass, Netherlands

The Bank financed with EUR 14 million the construction of a solid biomass combustion unit next to an existing incineration plant. The biomass combustion unit will provide treatment capacity for construction and demolition waste wood, non-compostable wood fraction from green waste, bulky refuse delivered at bring sites, and wooden packaging material and pellets. The project contributes to meeting the renewable energy targets of the Netherlands and to achieving the national objectives for electricity produced from renewable energy sources set out in EU Directive (2001/77/EEC). The project will further support the reduction targets for biodegradable waste going to landfills, as set out in the Landfill Directive (99/31/EC).

Manila Water Company Project, Philippines

In 2007, the Bank provided EUR 60 million to the Manila Water Company for the expansion and improvement of water source and water distribution projects. Manila Water is a domestic publicly listed company that operates a water concession on the eastern side of Metro Manila, in the Philippines. Over the past 10 years, Manila Water has managed to significantly improve the water services to more than 5 million customers in the East Zone of Metro Manila.

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**Annual Press Conference 2008****Briefing Note No 07****The Bank promoting European objectives**

Luxembourg, 28 February 2008

EIB scales up its support for EU energy objectives**Policy objective**

The Bank's action in the energy sector seeks to contribute to the key policy objectives of the EU:

- sustainability – by promoting renewable energy sources, to reduce both dependence on the outside world and the negative impact of energy production and consumption on the natural environment, particularly through CO₂ emissions;
- competitiveness in energy supply – a key consideration for the economic development of the European Union given the central role played by energy in the modern economy; and
- security of supply – by promoting diversified sources of energy, reducing Europe's dependence on external supplies and the potential impact of the many international risk factors that affect the energy market.

Policy background

The EIB's policy stance on energy therefore fully reflects the prominence of energy in the European Union's policy agenda. The Commission's Energy Green Paper "A European Strategy for Sustainable, Competitive and Secure Energy" (March 2006) was followed by the adoption of an Action Plan at the Brussels European Council of 8/9 March 2007 and a commitment to achieve a 20% reduction in greenhouse gas emissions by 2020 compared to 1990. The European Council also endorsed a binding target of a 20% share of renewable energies in the overall EU energy mix, supplemented by a binding minimum 10% share of biofuels in petrol and diesel for transport. Furthermore, it stressed the need for a 20% reduction in energy consumption compared to baseline projections for 2020.

The EIB's contribution concentrates on five priority areas: renewable energy (RE); energy efficiency (EE); research, development and innovation (RDI) in energy; security and diversification of internal supply (including trans-European energy networks); security of external supply and economic development (concerning Neighbour and Partner Countries).

A reinforced contribution

Against this background, the Bank's Board of Governors (the EU's Economy and Finance Ministers) endorsed in June 2007 a number of measures to reinforce the EIB's contribution to EU renewable energy and energy efficiency, as well as a new multiannual EUR 3bn facility from own resources for energy sustainability and security of supply lending in Neighbourhood Countries, the ACP countries, South Africa and ALA until end-2013.

In addition, the Governors endorsed a set of screening criteria for the financing of coal/lignite power stations, in order to ensure that the use of carbon-intensive fuels is still compatible with the overall targets for emissions.

The Bank has also established carbon funds with the EBRD, the World Bank and KfW and launched in September 2007 a second-generation fund with a group of public financial institutions in order to also promote the long-term carbon market post-2012 (after the expiry of the Kyoto Protocol).

Activity in 2007

In 2007, the EIB signed loans totalling more than EUR 5.4bn for projects within the EU-27 (+Iceland) in the energy sector. Outside the EU, about EUR 1.4bn went to energy projects in China, the Mediterranean partner countries, Croatia, the Balkans, Uganda and South Africa.

In 2007, loans for renewable energy projects in the EU reached an all-time record of EUR 1.5bn, while loans for renewable energy outside the EU amounted to EUR 518m. This is significantly more than the level of financing provided for renewable energy projects over the previous five years, which averaged less than EUR 500m per annum, in and outside the EU combined.

Signatures for trans-European energy network projects in 2007 totalled EUR 1.4bn. The EIB is involved in most pan-European priority gas projects and hopes to also step up its involvement in electricity investment.

The Bank's Annual Forum held in Ljubljana in September 2007 focused on the topic "Investing in energy, mastering climate change" and addressed the key issue of Europe's new energy policy.

Case studies

Alto Minho Parques Eolicos (Portugal)

This EUR 162.5m loan concerned the construction and operation of five terrestrial wind farms, with a combined capacity of 240 MWe, in northern Portugal and the installation of associated electricity transmission infrastructure. The project is a response to initiatives taken at the national and EU level, which set a target for Portugal of 39% of total energy consumption to be produced from renewable energy sources by 2010.

The project will make use of a relatively strong local wind resource to generate renewable energy for supply to the public grid, replacing old generation fossil fuel-fired plants, thereby reducing the impact of electricity generation on climate change.

Facilité Haute Qualité Energie Environnement (France)

This project, the first of its type in Europe for the EIB, aims to support, throughout France, the financing of construction projects and refurbishment of public buildings – such as schools and colleges, crèches, administrative buildings, sports and leisure centres, and community centres – in line with energy efficiency and environmental standards that are more stringent than those currently in force.

As part of efforts by the French Ministry for the Environment and Sustainable Development to combat global warming and improve the management of the natural and urban environment, the project will be implemented in partnership with Groupe Caisse d'Epargne, via its branch network and through its subsidiary Crédit Foncier and with the support of the Agence de l'Environnement et de la Maitrise de l'Energie (ADEME). For each project identified, the Group will propose to the promoters, taking account of the EUR 350m funding from EIB resources, loans tailored to their specific requirements and favourable financial terms.

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Annual Press Conference 2008

Briefing Note No 08

The Bank promoting European objectives

Luxembourg, 28 February 2008

Reaching out to candidate and potential candidate countries

Record lending figures in the Accession Countries Croatia and Turkey. New heights of activity in the Western Balkans as well, including a first loan in Kosovo. The EIB is reaching out to candidates and potential candidates for accession to the EU.

Croatia

Bank financing in Croatia is focused on supporting projects that help the country to meet EU accession criteria. In 2007 the EIB lent EUR 330m in Croatia, which brings total lending in the country to EUR 1.3bn since 2001. The 2007 lending supported upgrading of the country's energy and transport infrastructure and indirect financing, via credit lines to financial intermediaries, of smaller projects carried out by SMEs and municipalities. The Bank provided EUR 190m for the second phase of the upgrading and expansion of the natural gas transmission system, involving some 930 km of new high-pressure gas pipelines. A EUR 100m loan for the construction of the infrastructure of the new ferry port for Zadar will create new opportunities for this historical city and at the same time improve its links with Croatia's islands as well as other countries in the Mediterranean area. In 2007 the Bank also provided an intermediated loan of EUR 40m in support of investment by SMEs and municipalities in Croatia.

Over the coming years the Bank intends to finance more railway projects in Croatia as well as expand its lending to municipalities and local authorities to improve infrastructure in the environmental and health and education sectors.

Turkey

The EIB plays an important role in Turkey's EU accession process, lending EUR 2.2bn in 2007, compared to EUR 1.8bn in 2006. As an Accession Country, Turkey will receive grant finance through a new Instrument for Pre-Accession Assistance for the period 2007-2013. The EIB complements these grant funds with loans made available under the External Lending Mandate and through its own Pre-Accession Facility, under which the Bank provides loans and guarantees at its own risk. The EIB cooperates closely with the European Commission and public Turkish bodies in defining priority investments in line with the national development plans and EU priorities.

In 2007, the EIB supported investment in both the public and private sector in Turkey. In the private sector, it financed the modernisation of Ford Otosan's factories in Kocaeli and Inönü, and the modernisation and capacity improvements at the Sisecam glass manufacturing plant in the province of Bursa. The Bank also stepped up its lending to small and medium-sized enterprises, which reached EUR 900m.

Efficient infrastructure is a prerequisite for further growth and the development of the country. In that spirit, a large share of the 2007 lending went to municipal transport infrastructure in Antalya and Izmir, the Istanbul-Ankara high-speed railway and the Turkish Airline fleet renewal.

The Bank has also invested in RDI. Turkey's progress in this area will be important for its competitive position in the European Union. A EUR 400m EIB loan went to Tübitak, the Scientific and Technological Research Council of Turkey, for a range of investments including academic research programmes, laboratories and scientific equipment.

Turkey is by far the largest recipient country of EIB financing outside the European Union, with a total lending volume of EUR 6.2bn for the 2003-2007 period. The upcoming opening of local offices in Ankara and Istanbul testify to the importance the EIB attaches to its activity in this country.

Western Balkans

The countries of the Western Balkans are considered potential candidate countries. EIB lending in Albania, Bosnia and Herzegovina, FYR of Macedonia, Montenegro and Serbia will help with their eventual integration into the European Union. More generally, European Union and EIB support helps to foster political and economic reform and encourages social reconciliation in the region. In 2007, EIB lending in the region reached a record EUR 443m, bringing the total lending since 1995 to some EUR 2.5bn.

More than two thirds of the lending supported the development of transport and energy infrastructure. In Bosnia-Herzegovina, EUR 103m went to the rehabilitation of hydropower plants and electric power distribution systems. The investment will result in better energy efficiency and increased quality and reliability of power supplies in the country. A loan of EUR 60m went to the construction of a motorway bypass for the Serbian capital Belgrade. The project will help to increase transport safety and capacity in Serbia, which is on the crossroads of the crucial trans-European corridors in the Western Balkans. Another loan in Serbia went to the rehabilitation of Belgrade's Gazela Bridge. The project was co-financed with the European Bank for Reconstruction and Development and the European Agency for Reconstruction. Other transport projects included a road rehabilitation programme in Bosnia-Herzegovina and the construction of an expressway between Levan and Vlorë in Albania.

The Bank lent EUR 120m to small and medium-sized enterprises in the region via credit lines to local intermediaries. One of these SME credit lines was made available in Kosovo and was the first loan in this part of the Western Balkans. In addition, the EIB invested EUR 25m in the European Fund for South-East Europe (EFSE), which will on-lend the funds via intermediary financial institutions to micro and small enterprises. The majority of EFSE's investments will be in the Western Balkan countries and the rest in Bulgaria, Romania and Moldova, and possibly other countries of South-East Europe.

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**Annual Press Conference 2008****Briefing Note No 09****The Bank promoting European objectives**

Luxembourg, 28 February 2008

FEMIP, serving our neighbours to the South**FEMIP stepped up its support for private enterprises in the Mediterranean region in 2007**

FEMIP is the EIB department responsible for the Euro-Mediterranean area. Of the finance totalling EUR 1.4bn provided in the nine southern Mediterranean countries in 2007, 68% went to the private sector. This unprecedented figure is in line with the priorities of the European Neighbourhood Policy.

The European Union has formulated a policy involving preferential relations with the countries on its borders to the south and east, the European Neighbourhood Policy. Accordingly, the European Council granted the EIB a new lending mandate for its activities outside the European Union, the largest ever. This EUR 8.7bn mandate – which covers the period 2007-2013 – is roughly double the amount of the previous mandate.

FEMIP's remit is to promote the development of nine countries: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia and Gaza/West Bank. Its two investment priorities are: support for the private sector, the driving force behind sustainable growth, and the creation of an investment-friendly environment by means of efficient infrastructure and appropriate banking systems. FEMIP has established itself as the main financial partner of the Mediterranean region, with more than EUR 7bn invested since 2002. It also encourages dialogue between the two shores of the Mediterranean, at the institutional level but also with the representatives of the private sector and civil society.

Significant support for small businesses and infrastructure improving everyday life

While the total volume of operations carried out in 2007 (EUR 1.4bn) was slightly higher than in 2006 (EUR 1.2bn), the type of project supported was very different, with 68% of that amount going to private enterprises, compared with 30% in 2006. This proportion of support for the private sector had never been achieved before by FEMIP and reflects its strategy, in line with the recommendations of the European Council.

Between 2002 and 2006, more than 1 600 **small businesses** received FEMIP loans via local banks. In 2007, this approach was maintained, with EUR 627m (44% of the total volume) being provided to support small businesses in Jordan, Lebanon, Syria and Tunisia. Also promoting the private sector, 3% of the total amount consisted of equity stakes in companies, as in Algeria, or in investment funds, in Lebanon, Morocco and Tunisia.

FEMIP also continued to support major **energy, transport and water infrastructure** projects to improve everyday life in the regions and develop the conditions for economic growth. Thus, FEMIP loans helped finance the construction of two natural gas-fired power stations in Egypt, the increase in hydroelectricity generating capacity in Morocco and the extension of the Transmed gas pipeline, which carries Algerian gas to Sicily via Tunisia, bringing its support for the energy sector to EUR 465m (32% of the total). With regard to transport, FEMIP lent EUR 180m for the construction of a section of motorway linking Fez and Oujda in Morocco. It also helped to improve the quality of drinking water in Israel by lending EUR 120m for the construction of a new desalination plant north of Tel Aviv.

With regard to the geographical breakdown, 51% of the total volume was allocated to the Maghreb region (eight projects, totalling EUR 728m), 47% to the Near East (seven projects, amounting to EUR 680m), while three projects had a regional dimension. For instance, the Altermed investment fund, in which FEMIP invested EUR 8m in December 2007, is dedicated to small businesses in both Tunisia and Morocco.

More sophisticated operations

In qualitative terms, 2007 was also a year of new initiatives. For the first time, FEMIP was involved in designing and financing a project bringing together a public and a private partner, the desalination plant in Hadera, near Tel Aviv, in Israel. Here, it was able to bring to bear the expertise the EIB has gained in the field of **public-private partnerships** within the European Union.

FEMIP also initiated and promoted the first investment fund specialising in business start-ups, managed by a private team in Tunisia. Dubbed the "Phenicia Seed Fund", this **seed capital fund** is devoted to innovative Tunisian companies that are in the process of being set up or have been established for less than five years.

Mediterranean States closely associated with the management of FEMIP

Every year FEMIP invites the Finance Ministers of the EU and Mediterranean States involved in its activities to discuss together the guidelines for the following year. In order to further increase Mediterranean States' involvement in FEMIP, a new consultative committee was launched in 2007, which now brings together high-level representatives of the two shores of the Mediterranean three times a year.

A study and a conference to provide a better understanding of the challenges facing the Euro-Mediterranean area

In 2007 FEMIP also financed a study on **Promoting private saving in Morocco**, which is available on its website (http://www.eib.org/attachments/country/femip_epargne_maroc_fr.pdf). Providing a better understanding of the challenges facing the Euro-Mediterranean area is also part of the role of FEMIP, which sees itself as a platform for dialogue and discussion. Accordingly, it organises one or two conferences a year, dealing with key topics. In March 2007, it brought together representatives of civil society and the private sector in Paris to discuss the subject of remittances made by Mediterranean migrants working in Europe to their countries of origin, which had been dealt with in an earlier study, also available on its website (http://www.eib.org/cms/htm/en/eib.org/attachments/country/femip_migrants_en.pdf).

In 2008, FEMIP will be holding a conference on tourism in the Mediterranean region on 6 March in Berlin and another on the subject of microfinance on 5 May in Tunis.

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**Annual Press Conference 2008****Briefing Note No 10****The Bank promoting European objectives**

Luxembourg, 28 February 2008

Russia and the Eastern Neighbours

EIB financing operations in Eastern Europe, the Southern Caucasus and Russia are carried out in close cooperation with the European Bank for Reconstruction and Development (EBRD) according to the terms set out in a tripartite Memorandum of Understanding between the European Commission, the EIB and the EBRD, which aims to bring together the expertise, capacity and comparative advantages of each participant for the successful implementation of the European Neighbourhood Policy and the EU-Russia Strategic Partnership. Under the new 2007-2013 mandate, EUR 3.7bn in EIB loans is available to finance investment in Russia, Ukraine and – subject to future Council agreement – Belarus in Eastern Europe, and in Armenia, Azerbaijan and Georgia in the Southern Caucasus. The EIB will provide long-term loans for projects that are of significant interest to both the EU and the country concerned in the transport, energy, telecommunications and environmental infrastructure sectors.

The first EIB loan for an environmental project in Russia, in St Petersburg, dates back to 2003. Two further environmental protection loans were signed in the following years, for projects also located in St Petersburg, for a total of EUR 85m. In 2007 no new loans were signed in Russia, but preparatory work was carried out on a number of PPP projects, notably the St Petersburg Western High Speed Diameter. The aim of this project is to implement a toll motorway across the western part of the city of St Petersburg, linking the northern and southern parts of the ring road and providing a direct connection to the city's Grand Port and with Finland.

The EIB became operational in Ukraine in 2006 and in 2007 signed its first loan in this country in support of motorway rehabilitation on the Pan-European Corridor between Kiev and Brody. 2007 also saw the EIB become operational in Moldova, where it signed its first financing operation, aimed at improving road connections with the European Union. The EIB lent EUR 30m for rehabilitation of roads linking the capital Chisinau to the EU border. This project, piloted by the World Bank (WB), is co-financed by the WB, the EIB and the EBRD. The WB and EBRD are also providing loans to rehabilitate the main North-South road axis in the country. The loans are closely coordinated with the International Monetary Fund and the European Commission.

The new mandate for 2007-2013 expands the EIB's activities in the EU's eastern neighbour countries to include the Southern Caucasus. In order for the EIB to become active in these new countries, Framework Agreements must be concluded between the Bank and the country concerned. In the Southern Caucasus, such a Framework Agreement was signed with Georgia in June 2007, while negotiations with Armenia and Azerbaijan are still ongoing, with a view to signing the agreements in early 2008.

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Annual Press Conference 2008

Briefing Note No 11

The Bank promoting European objectives

Luxembourg, 28 February 2008

The ACP partner countries

In Africa, the Caribbean and the Pacific the EIB has a development mandate to promote economic growth and reduce poverty. The EIB is active in these regions under the EU-ACP Cotonou Partnership Agreement.

EIB lends EUR 869m to promote sustainable development in the ACP countries

The European Investment Bank strengthened its presence in the **African, Caribbean and Pacific (ACP) countries** and in 2007 invested EUR 756m in the ACP region and the Overseas Countries and Territories (OCTs)¹. In addition, the Republic of South Africa benefited from EUR 113m in EIB funding.

The Bank lends from two sources – the EIB's own funds and the European Union Member States' budgets. 2007 was a record year for loans from the Bank's own resources, which amounted to EUR 432m.

The EIB contributes to the European Union's external cooperation and development policies in these regions to improve social well-being and work towards achieving the Millennium Development Goals. EIB support goes beyond loans to the ACP countries, as EIB staff also provide expert advice at the project preparation stage.

Important projects

In 2007, the EIB lent to 25 projects in Africa, the Caribbean and the Pacific, seven of which supported cross-border schemes. Two projects in the Overseas Countries and Territories also received financial support, as did a further two in South Africa. The EIB targeted **projects with a developmental impact**, such as environmental initiatives, major energy and transport infrastructure and private businesses. Key projects in the regions included:

- The first EIB targeted credit lines in the OCTs, which will focus specifically on **local projects in the fields of renewable energy and the environment**. Providing long-term funds will also help to boost the financial sector. Credit lines each to the value of EUR 5m went to Banque Calédonienne d'Investissement (BCI) in New Caledonia and Banque SOCREDO in French Polynesia.
- A USD 136m loan to the Government of Uganda to help ease the power shortages that are having a significant negative impact on the Ugandan economy. The Bujagali **hydroelectric project** involves the construction of a dam and hydroelectric power station on the Nile River. The project will largely replace polluting and expensive thermal power generation, and will double electricity generation in Uganda. The EIB participated in the project as part of an international financing consortium that includes the World Bank Group, the African Development Bank and European bilateral agencies.
- A EUR 25m loan to promote private companies in South Africa, namely Sonae Novobord. The EIB will finance the **expansion of a panel board factory** in White River, in Mpumalanga Province. The loan will help to increase the capacity of the plant to meet the strong growth in domestic demand from the furniture and construction sectors. The project boasts many social benefits – providing jobs in an area of high unemployment, enhancing professional skills through training and encouraging good health care and HIV screening.

¹ A group of beneficiaries linked constitutionally to four EU Member States (France, United Kingdom, Netherlands and Denmark).

EIB opens doors to new infrastructure fund and two regional offices

Cooperation with the European Commission and the EU Member States took pride of place on the 2007 EIB agenda thanks to the launch of a **joint initiative to foster infrastructure projects** in sub-Saharan Africa. During the year the Bank also completed its **network of regional offices** in the ACP countries, designed to ensure greater dialogue and partnership with local governments, the private sector, regional development banks and the European Commission delegations.

In April 2007, the EIB launched the **EU-Africa Infrastructure Trust Fund**, backed by 10 EU donors and the European Commission. The Bank acts as the Trust Fund's manager. The Fund supports the development of cross-border infrastructure in sub-Saharan Africa, providing grants for water, energy, transport and telecommunications initiatives.

The Trust Fund fuses the technical expertise and funding capacity of the Bank and other EU development financiers with European Commission grant resources. The Trust Fund stands at EUR 98m, EUR 16.2m of which has been approved for allocation to four infrastructure projects.

A project to establish a regional electricity market in West Africa was one of the first Trust Fund beneficiaries. The **West African Power Pool** received a EUR 3m grant to fund two pre-investment studies for power interconnection projects linking Ghana, Burkina Faso and Mali, and Ivory Coast, Liberia, Sierra Leone and Guinea. The projects will facilitate cheaper and more reliable energy supplies and demonstrate the EIB's commitment to reconstruction in post-war countries.

The EIB inaugurated **regional representations** in Fort-de-France, Martinique, in May 2007 and Sydney, Australia, in November 2007, serving the Caribbean and Pacific regions respectively. A network of five EIB regional offices now covers the whole ACP region. In 2005 offices were opened in Nairobi, serving East and Central Africa; Dakar, dedicated to West Africa; and Tshwane, covering Southern Africa and the Indian Ocean region. The presence of EIB staff locally allows them to visit projects regularly and facilitates communication and cooperation with project promoters, donors in the region and European Commission delegations.

Outlook for 2008

Projects to be signed in 2008 include:

- a EUR 18.5m loan to provide **clean drinking water** to inhabitants in Ouagadougou, Burkina Faso. The demand for drinking water in the capital has increased since the construction of the Ziga dam. This clean water project will improve the living conditions of the city's 1.2 million inhabitants and builds on a previous extension of the drinking water network which was completed in 2005. The EIB lent EUR 14m for the first clean drinking water project;
- a EUR 13m loan to provide 250 million Africans with **improved telecommunications access** and reduced costs. The East African Submarine Cable (EASSy) will transform the telecommunications and internet landscape along the eastern coast of Africa. 10 000km of fibre optic cable will run from Sudan to South Africa, with landings in Djibouti, Somalia, Kenya, Tanzania, Madagascar, Mozambique, Mayotte and the Comoros;
- a EUR 150m line of credit to fund **affordable social housing** in South Africa. This is the first EIB loan in South Africa provided directly to both public and private financing institutions. EIB funding will ensure better housing and living conditions for low-income households. The project will contribute to the country's main economic and social goals of poverty alleviation, job creation, crime reduction, social cohesion and empowerment of the poor.

Background notes:**EIB in the ACP countries and OCTs**

The European Investment Bank has been an active development partner in many African, Caribbean and Pacific countries since 1963 and in the Overseas Countries and Territories since 1968.

EIB lending in these regions is an integral part of the European Union financial support package under the ACP-EU Cotonou Partnership Agreement. The Agreement was concluded in June 2000 and will run for 20 years, with Financial Protocols defined for each successive five to six-year period.

In addition, the EIB has managed the Investment Facility (IF) under the first Financial Protocol from 2003-2007. The IF is a EUR 2.037bn risk-bearing revolving fund, established to support investment in private businesses and commercially-run public sector companies (including revenue-generating infrastructure). This was supplemented by up to EUR 1.7bn from the Bank's own resources, which is covered by a guarantee from the Member States.

In parallel, a EUR 20m Investment Facility was established in November 2001 for the 20 Overseas Countries and Territories and was supplemented by up to EUR 20m from the Bank's own resources, which is also covered by a guarantee from the Member States.

In certain cases, projects with an important environmental and/or social component or public sector projects in countries pursuing economic adjustment programmes have benefited from interest rate subsidies to soften the financing package.

Investment Facility – second Financial Protocol (2008-2013)

The second Financial Protocol (2008-2013) provides for an additional EUR 1.53bn allocation to the ACP and OCT Investment Facilities. This will be supplemented by increased EIB funding from its own resources of up to EUR 2bn for the ACP countries and EUR 30m for the OCTs.

The new Financial Protocol will come into force during the course of 2008, upon completion of the ratification procedure for the revised Partnership Agreement. The EIB will continue to use the remaining funds available under the first Protocol in addition to the Bank's own resources until this procedure is completed.

EIB lending in South Africa

South Africa is one of the ACP countries but receives EIB funding under a separate mandate. In October 2007, the EIB signed a Declaration of Intent with the Government of the Republic of South Africa, pledging financial support to the country until 2013. From 2007 to 2013, the EIB will lend up to EUR 900m to South Africa. The EIB cooperates with the South African authorities, public agencies, private enterprises and the financial sector to focus investment on infrastructure projects of public interest (including municipal infrastructure, power and water supply) and support for the private sector, including small and medium-sized businesses.

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**Annual Press Conference 2008****Briefing Note No 12****The Bank promoting European objectives**

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Partner countries in Asia and Latin AmericaEIB lends EUR 925m in Asia and Latin AmericaPolicy background

EIB lending in Asia and Latin America (ALA) is governed by European Union mandates. Under previous mandates, the Bank was authorised to lend up to EUR 4.4bn. The first mandate dates back to 1993 and the last mandate of EUR 2.48bn covered the period 1 February 2000 to 31 January 2007.

Since it began its operations in the ALA countries in 1993, the EIB has signed 100 projects totalling EUR 5.7bn in 23 countries. Of this amount, 52% has been allocated to projects in Latin America and 48% to projects in Asia. The funds have been utilised to finance productive investment of mutual interest to the EU and the country where the project is located in Asian and Latin American partner countries, in line with European Union cooperation policy objectives.

The new ALA mandate

Under its new mandate covering the period 2007-2013, the EIB can lend up to EUR 3.8bn for operations in ALA partner countries, with a guarantee from the European Union. This represents a substantial increase of 53% compared to the previous mandate for the period 2000-2007. The mandate has been subdivided into indicative ceilings of EUR 2.8bn for Latin America and EUR 1.0bn for Asia.

The Bank's activities in ALA complement the EU cooperation strategy with the regions. In sector terms, the lending objectives for Asia and Latin America have been broadened. EIB lending will target environmental protection, including climate change mitigation, and projects that contribute to the energy security of the EU, and will continue to support the EU presence through foreign direct investment, transfer of technology and know-how.

New developments

The Bank's Board of Governors (the EU's Economy and Finance Ministers), endorsed in June 2007 a number of measures to reinforce the EIB's contribution to EU renewable energy and energy efficiency, including a new multiannual EUR 3bn facility from own resources for energy sustainability and security of supply lending in Neighbourhood Countries, the ACP countries, South Africa and ALA until end 2013.

The facility will be used essentially when the Bank does not need the support of the EC guarantee to mitigate sovereign or political risk to protect its own credit standing (i.e. in investment-grade countries or when appropriate security can be provided). Conversely, the resources under the external lending mandate would be used when the support of the Community guarantee is needed to mitigate sovereign or political risks (mostly in lower-rated countries) or to support projects in other sectors.

Activity in 2007

In 2007, EIB lending for projects located in Asia and Latin America totalled EUR 925m, of which EUR 365m for four projects in Latin America (Brazil, Panama, Peru and Uruguay) and EUR 560m for two projects in Asia (China and the Philippines).

In Latin America for example, the Bank signed a USD 50m loan for the expansion of the container terminal of Montevideo (Uruguay).

In Asia, the EIB provided a EUR 500m loan to China for a large-scale multi-investment scheme designed to support investment projects in the energy and industrial sectors that will help to prevent or reduce greenhouse gases and other polluting emissions.

This was the first loan to be provided by the EIB under the EUR 3bn Energy Sustainability and Security of Supply Facility authorised in June 2007 by the Governors of the Bank to enhance EU action addressing climate change and security of energy supplies.

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**Annual Press Conference 2008****Briefing Note No 13****The Bank promoting European objectives**

Luxembourg, 28 February 2008

EIB capital market operations in 2007**FURTHER HIGHLIGHTS OF SIGNIFICANT THEMES IN 2007****A resilient sovereign class issuer**

- The EIB's funding activities were resilient during the turmoil that overshadowed capital markets in the course of 2007, benefiting from the flight to quality that characterised the market.
- The Bank's top-quality credit standing, its strategic and responsive approach to markets, and the liquidity and secondary market performance of EIB benchmark bonds helped sustain a bellwether appeal.
- In turbulent times the Bank benefited all the more from its ability to offer top-quality diversification through the EIB's ownership by all EU sovereigns, underpinning its positioning as 'The Way to Buy Europe'.
- Not only has the Bank been consistently rated AAA by Moody's, S&P and Fitch; it also enjoys a premium positioning within the AAA bracket.
- The market's positive reception for the EIB's funding strategy was reflected in an award for Sovereign/Supranational/Agency/Regional Issuer of the Year from the *International Financing Review*.

Significant growth vs. 2006 underscores bellwether role

- EUR 55bn¹ raised under the 2007 funding programme via 236 transactions in 23 currencies (including four in synthetic format). This represents volume growth of 14% vs. 2006, underscoring the Bank's resilience in turbulent times.
- Core currencies (EUR, GBP and USD) remained the main source of funding with 84% of the total, amounting to EUR 45.95bn. This is in line with their share last year (83%).
- Among non-core currencies the three largest contributors in these other currencies, each contributing funding for over EUR 1bn equivalent, were JPY (EUR 2.2bn), NZD (EUR 1.3bn) and TRY (EUR 1.1bn). Significant growth areas were JPY (+72%/EUR 921m equiv.), SEK (+189%/EUR 584m equiv.) and NZD (+44%/EUR 411m equiv.).

Benchmarks in strong demand

- The Bank's strong multi-currency benchmark capabilities were crucial in 2007.
- In this challenging environment the Bank benefited from the strength of its benchmark programmes in its core currencies (EUR, GBP and USD), which generated funding for EUR 38bn (69% of the total), an increase of over one third vs. 2006. Benchmark volumes grew in each of the three core currencies. The EIB is exceptional in offering highly comprehensive yield curves across EUR, GBP and USD.
- Strong demand for benchmarks was also evident in other currencies. The Bank benefited from this trend, as one of the leading international issuers of benchmarks in a broad range of markets. Non-core currency markets where the EIB strengthened its benchmark offering and achieved sizeable volume in 2007 were Canadian dollars (CAD), Japanese yen (JPY), New Zealand dollars (NZD), Swedish krona (SEK) and Turkish lira (TRY).

Innovation/development impact

- Within the EU, the EIB issued an innovative bond, the Climate Awareness Bond, with a unique combination of environmental features, reflecting EU leadership in tackling climate change. This bond was publicly offered in all 27 EU Member States, a first in the market.
- There was significant progress in contributing to the development of capital markets in new/future EU Member States and in EU partner countries in Africa. Such activities also provide a platform for potential future lending by the Bank in local currency, where benefits include the removal of exchange rate risk for loan customers.
- In Romanian leu (RON) the Bank offered a new 7-year benchmark for the market, which the Government used as a pricing reference for its own issuance. In Turkish lira (TRY) the Bank strengthened its leading

¹ Volume of EUR 54.7bn raised under the global borrowing authorisation given by the Board of Directors for 2007, including 'pre-funding' of EUR 77m completed in 2006 for 2007.

role in developing the international Turkish lira market by offering the largest single tranche Eurobond to date (TRY 1bn/EUR 535m).

- The Bank's debuts in Ghanaian cedi (GHS) and Mauritian rupee (MUR) added top-quality alternatives to markets with limited supply. This brings to six the number of African currencies in which the Bank has issued in the past two years, the others being Botswanan pula (BWP), Egyptian pound (EGP), Namibian dollar (NAD) and South African rand (ZAR).

HIGHLIGHTS BY CURRENCY

EUR: sovereign class and innovation

In EUR a total of 27 transactions were conducted in 2007, raising EUR 20.5bn in all, or 37.5% of the total funding programme for the year. Four new euro-denominated benchmarks or Euro Area Reference Notes ('EARN'TM) were issued, compared with the two typically issued in recent years. This provided the largest source of benchmark funding for the Bank (EUR 16bn). The transactions were two EUR 5bn EARNs in 5- and 10-year maturities, as well as two EUR 3bn EARNs, a long 17-year and an innovative 7-year issue, the latter offering a new benchmark maturity to the market. Two of these EARNs were launched following the outbreak of severe market turmoil over the summer.

The favourable market reception for the EARN benchmark transactions was supported by a consistent strategic approach, that has delivered a highly comprehensive and liquid yield curve. The Bank remained the only borrower to complement sovereigns with benchmark issues of EUR 5bn size outstanding in maturities from 3-years to 30-years. As of end 2007, EARNs outstandings reached EUR 74bn across 15 issues. Structured bonds in EUR amounted to EUR 1.4bn (roughly 30% of all EIB structures in 2007). In addition, a EUR 2bn targeted bond was issued in the two-year sector.

A significant innovation, reflecting EU leadership in tackling climate change, was the Climate Awareness Bond (CAB) under the Bank's EPOS (European Public Offering of Securities) format - the second of its kind launched by the EIB. This EUR-denominated structured issue offered a unique combination of environmental features, including earmarking of proceeds for projects supporting cleaner energy, as well as an option to purchase and cancel CO₂ allowances via the European Union's Emissions Trading Scheme. The CAB also offered a vehicle for ongoing EU financial market integration, as a first public bond offering across all 27 EU Member States, facilitated by the passporting mechanism in the EU Prospectus Directive and associated EPOS documentation. The issue was syndicated among an unusually large number of banks and reached an exceptional size for a structured issue (EUR 600m).

GBP: leading gilt alternative

In GBP the Bank maintained its position as the largest non-gilt issuer, with a total outstanding sterling debt representing over 9% of the total GBP non-gilt market at end 2007². The Bank made 58 transactions, raising a total of GBP 7.5bn (EUR 11bn) or 20.1% of the total programme for the year. During 2007, 13 different maturities were tapped and there were three new benchmark lines across the yield curve (2011, 2019 and 2044). As of end 2007, the Bank's sterling yield curve, which extends to 2054, amounted to GBP 39bn in 22 bonds.

In addition two new long-dated inflation-linked issues were launched with maturities in 2017 and 2022, both based for the first time on the gilt model in terms of maturity and calculation methodology of coupons and final redemptions.

USD: largest non-US issuer in Global format

The Bank remained the largest non-US issuer of Global benchmarks, raising a record volume of USD 15bn (EUR 11.3bn). In USD, 28 transactions were executed raising a total of USD 19.1bn (EUR 14.4bn), or 26.3% of the total programme for the year. Five Global USD 3bn benchmarks were issued across major maturities: 3-year (twice), 5-year and 10-year (twice). In aggregate this was the largest amount raised by the Bank in any single year through the issuance of USD Global bonds. With its second 3-year USD 3bn issue, the Bank reopened the benchmark USD market for triple-A rated issuers in the wake of the summer turmoil. 2007 also saw sustained interest for non-Global transactions, which included two 7-year Eurodollar issues, raising in total USD 2.25bn (EUR 1.7bn). Structured transactions amounted to USD 1.8bn (EUR 1.3bn).

² Source: Barclays Sterling Non-Gilt Index, 31 December 2007

Strong diversification: issuance in 23 currencies

Outside the three core currencies, EUR 8.8bn was raised in 16 other currencies. In addition, EUR 263m was issued in synthetic format in four additional currencies (booked under payment and settlement currencies in EUR and USD).

Innovation in other European and neighbouring country currencies

The largest volume of issuance in this region was in Nordic currencies, for a total of EUR 1.5bn. A noteworthy result was the Bank's issuance in Swedish krona (SEK), where it raised a total of SEK 8.2bn (EUR 893m), nearly tripling the volume of 2006. The Bank strengthened and extended its SEK yield curve with new 17- and two 28-year issues, both plain vanilla and inflation-linked, and the 28-year maturity went beyond the longest sovereign tenor. Issuance in other Nordic currencies included the Icelandic króna (ISK), Danish krone (DKK) and Norwegian krone (NOK).

In Swiss francs (CHF), the Bank launched four transactions with maturities between 2019 and 2036 (totalling CHF 725m/EUR 445m), reflecting the demand for top-quality long-dated bonds.

The Bank maintained its developmental activities in new and future Member States and EU neighbouring country currencies. Volumes amounted to EUR 1.5bn equivalent, raised via 26 transactions, with Turkish lira (TRY) providing the bulk of the volume. Other issuance currencies were Bulgarian leva (BGN), Hungarian forint (HUF), Polish zloty (PLN), Romanian leu (RON) and Russian rouble (RUB).

The Bank made its debut in the domestic market for Romanian leu (RON), with a RON 300m (EUR 90m) 7-year bond. This was the longest-dated and largest RON bond at the time of issuance. The Bank also made its debut in the non-synthetic Russian rouble (RUB) market, where two bonds were launched: a RUB 2bn (EUR 57m) 10-year and a RUB 2bn (EUR 57m) 5-year bond.

Japan and Asian/Pacific currencies: leadership and scale

Among the non-core currencies in 2007, the largest source of funding - and hence the Bank's fourth-largest currency - was Japanese yen (JPY), with JPY 349bn (EUR 2.2bn) being raised. The Bank became the largest high-grade issuer of Global bonds in this currency. A highlight was the issuance of the first fixed-rate 5-year Global Yen bond from a supranational since 1992. This was also the largest yen transaction from a foreign issuer in 2007. The issue won an award for Yen Bond of the Year from the *International Financing Review*.

In Australian dollars (AUD) the Bank was the largest foreign ("Kangaroo") issuer, raising a total of AUD 1.6bn (EUR 941m). It attracted interest early in the year with two 10-year issues, and re-opened the Kangaroo sector in September, in the wake of the summer turmoil, with a shorter-dated AUD 500m transaction.

The New Zealand dollar (NZD) was a large source of funding in 2007, generating EUR 1.3bn equivalent. Among high-grade borrowers, the Bank launched the largest fixed-rate transaction in the "Kauri" bond market for foreign issuers, a NZD 800m (EUR 439m) 5-year issue.

Americas (ex-US): recognition for benchmark size in Canada

In Canadian dollars (CAD), the Bank issued the largest 30-year foreign ("Maple") transaction, for CAD 850m (EUR 560m), as well as some smaller similarly long-dated transactions. Total issuance in this currency amounted to CAD 1bn (EUR 659m). In Latin America the Bank continued its issuance activities in Brazilian real (BRL) in synthetic format, raising an equivalent of EUR 185m across eight transactions.

African currencies: developmental impact widens

In 2007 the Bank launched 13 transactions in four African currencies totalling EUR 311m equivalent. The largest contributor was the South African rand (ZAR) market, delivering EUR 234m equivalent. The Bank issued for the first time in Ghanaian cedi (GHS) and Mauritian rupee (MUR), in both cases providing top-quality alternatives for investors in markets with very limited supply. In MUR, the EIB was the first non-domestic issuer and provided a new benchmark for the market. Issuance in Botswanan pula (BWP), GHS and MUR (EUR 77m in total) was in synthetic format, with payment and settlement in EUR.

Borrowings signed and raised in 2007* vs. 2006 (EUR million)

	Before swaps:				After swaps:			
	2007		2006		2007		2006	
EUR	20 531	37.5%	17 439	36.3%	42 766	78.1%	31 820	66.2%
BGN**	28	0.1%						
CZK			18	0.04%			18	0.04%
DKK	134	0.2%	235	0.5%	134	0.2%	235	0.5%
GBP	11 023	20.1%	8 392	17.5%	6 123	11.2%	3 067	6.4%
HUF	108	0.2%	110	0.2%	108	0.2%	97	0.2%
PLN	27	0.1%	32	0.1%	27	0.1%	32	0.1%
RON	90	0.2%						
SEK	893	1.6%	309	0.6%	403	0.7%	309	0.6%
Total EU	32 835	60%	26 535	55%	49 562	91%	35 577	74%
AUD	941	1.7%	1 840	3.8%				
BGN**			102	0.2%				
CAD	659	1.2%						
CHF	445	0.8%	703	1.5%				
HKD			101	0.2%				
ISK	261	0.5%	501	1.0%				
JPY	2 198	4.0%	1 277	2.7%				
NOK	196	0.4%	424	0.9%	63	0.1%	88	0.2%
NZD	1 344	2.5%	933	1.9%				
RUB	115	0.2%						
TRY	1 097	2.0%	1 095	2.3%				
USD	14 400	26.3%	14 225	29.6%	5 099	9.3%	12 305	25.6%
ZAR	234	0.4%	312	0.7%			80	0.2%
Total non-EU	21 890	40%	21 515	45%	5 162	9%	12 473	26%
TOTAL	54 725	100%	48 050	100%	54 725	100%	48 050	100%

* Resources raised under the global borrowing authorisation given by the Board of Directors for 2007, including 'pre-funding' of EUR 77m completed in 2006 for 2007.

** Bulgaria joined the EU on 1 January 2007

Commercial paper programme delivers flexibility

The Bank's short-term borrowing activities (maturities less than one year) are conducted through a Global Commercial Paper programme. The Commercial Paper (CP) programme provides the Bank with the flexibility to meet its liquidity requirements and to accommodate borrowing and lending volumes. It also supports the Bank's strategy of offering investors attractive opportunities in short-term instruments.

The programme ceiling is currently EUR 15bn. Total CP issuance in 2007 amounted to EUR 56.9bn. Current outstandings are concentrated in tenors out to three months. Distribution in a large range of currencies is assured through the use of dedicated dealer groups on both sides of the Atlantic.

During 2007 the EIB became a 'STEP' issuer. The Short-Term European Paper (STEP) initiative, supported by the ECB, aims to integrate the European markets in short-term securities and thus increase liquidity. At the same time the opportunity was taken to change the format of the programme to that of a New Global Note, so that there was a consistency of approach with the Bank's MTN issuance. The EIB was in fact the first short-term issuer to adopt the NGN format, and this has helped address certain depositary and issuance concerns. Also, adherence to both the STEP and NGN projects ensures that EIB CP meets the Eurosystem's collateral eligibility criteria.

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**Annual Press Conference 2008****Briefing Note No 14****The Bank promoting European objectives**

Luxembourg, 28 February 2008

Transparency and relations with civil society**Introduction**

The EIB considers transparency on how it makes decisions, works and implements EU policies crucial to strengthen its credibility and accountability towards European citizens and citizens elsewhere affected by its operations. Transparency is an important expression of the corporate responsibility of the Bank. Promotion of transparency represents one of the key objectives of cultural change at the Bank and is also a major element of the Bank's external communication policy, which must be based on sound facts and not on spin.

Public Disclosure Policy

Public disclosure of information is a key reference point for implementing the Bank's commitment to transparency. The Bank's Public Disclosure Policy, dating back to 2002 and reviewed in March 2006, is founded on a presumption of disclosure, unless there is a compelling reason for non-disclosure. In 2007, the Bank evaluated the revised policy after its first year of implementation. The evaluation, published on the EIB website, primarily took stock of deficiencies to help correct the shortcomings and to achieve full compliance with the policy. Particular efforts concerned the following elements:

- Reducing the average time for processing enquiries of a certain complexity (around 10% out of some 30 000 written queries received in 2007);
- Publishing in a timely fashion Environmental Impact Assessments (EIAs) or other environmental information on the Project List ("pipeline") on the EIB website;
- Increasing the consistency in giving precise explanations for a refusal of information;
- Strengthening the external recourse mechanism where it concerns complaints of maladministration in the EIB from non-EU citizens residing outside the EU or a legal person with no established office in the EU.

An evaluation of the Public Disclosure Policy's implementation in 2007 will be published early in 2008.

In June 2007 the Public Disclosure Policy was revised to take account of the Aarhus Regulation on public access to information, public participation in decision-making and access to justice in environmental matters. The Regulation, which allows the application of the provisions of the Aarhus Convention to EU institutions and bodies, aims to help the public to be more involved in environmental matters and to contribute actively to the preservation and protection of the environment. The Bank's policy complies with and in some respects goes beyond the relevant provisions of the Regulation, in particular where it concerns the processing of requests for information. While the Aarhus Regulation obliged the Bank to tighten the time limits for responding to requests for *environmental* information, the Bank decided to apply these shorter deadlines also for other – *non-environmental* – information requests.

The Aarhus Regulation calls for public access to information either following a request or by active dissemination, in particular through the website. To ease public access to environmental information held by the Bank, a special section on environmental information was created on the EIB website.

A public disclosure highlight in 2007, in terms of transparency on the Bank's decision-making process, was the publication, on a rolling basis, on the EIB website of the edited agenda and provisional summary of decisions of the EIB Board of Directors.

In 2009, the Public Disclosure Policy will be reviewed, in accordance with the Bank's commitment to undertake formal reviews of the policy every three years.

NGO queries and requests for information

In 2007, the Bank received 75 extensive and/or complex queries and requests for information from NGOs, which required a certain amount of coordination within the Bank or with external parties such as the

European Commission, project promoters, borrowers, or co-financiers. These requests in particular focused on projects related to transport, nuclear energy, mining, hydropower and waste, the majority involving loans in the New Member States and ACP countries (*please note that a number of projects and issues attracted more than one request for information*). A growing number of applications were addressed to the President and some to the EIB Board of Directors. On one occasion, an NGO formally lodged a complaint with the EIB's Secretary General on the way its inquiry had been handled by EIB staff. No NGO complaints about maladministration at the EIB were lodged with the European Ombudsman in 2007.

Public consultation on EIB policies and strategies

The Bank aims to meet the highest European and international standards in public consultation on policies and strategies. Well-run public consultations can generate valuable stakeholder contributions and reinforce the Bank's transparency, accountability and credibility. Following public consultation on the Public Disclosure Policy in 2006, a second public consultation was run in 2007, focusing on the EIB's Anti-Fraud Policy. Both consultations included two rounds, lasting 45 and 20 working days respectively and extended whenever appropriate. To allow as full a consultation as possible, the Bank has adopted a very flexible approach in terms of timetable and procedures. A direct dialogue with stakeholders was held at public meetings and workshops, in parallel to an online web-based consultation. Before consideration by the EIB Board of Directors, the final draft policy document was published, for information, on the EIB website for 15 working days, together with a Public Consultation Report. The Report outlined how the consultation had been conducted and brought together all stakeholder submissions and the Bank's reasoned positions on the extent to which these had been taken into account.

The role that civil society played in the two public consultations was very much appreciated by the Bank. Advocacy groups which are scrutinising the Bank's policies and activities in particular made an important contribution to these consultations.

By the end of the first quarter of 2008 another consultation will be launched on the EIB's Environmental and Social Statement. Other consultations will follow, starting with the EIB Transparency Policy, Public Disclosure Policy, and Complaints Mechanism Policy (scheduled for 2009).

Interaction with civil society

At the EU's institutional level, the Bank has established a very open and constructive policy dialogue with the European Parliament, which primarily takes the form of discussions of the EIB's activity in support of the Union's objectives. It enables the elected representatives of the EU citizens to incorporate the Bank's activity into the discharge of their legislative, budgetary and political responsibilities, thereby making for greater consistency of all Union initiatives. In 2007, in the presence of the Bank's President, Parliament discussed and approved at its February plenary session the Report on the EIB's activities in 2005, drawn up by the Committee on Economic and Monetary Affairs.

The Bank also maintains a close relationship with the European Economic and Social Committee, which plays an important role as an interface between EU institutions and civil society.

The Bank's relationship¹ with CSOs/NGOs is based on the acknowledgment that these organisations can have a valuable input in its policy development. They can also contribute to the Bank's awareness of local issues and provide other useful information on projects. The current interaction is characterised by new ways of engagement:

- The Bank has engaged in cooperative partnerships with expert CSOs which share particular objectives with the EIB, such as the Lisbon Agenda, sustainable development, environmental protection, or poverty alleviation.
- At the project level, the Bank increasingly engages and works together with CSOs and citizens' groups, for instance on a number of water projects in Africa.
- While the Bank will further pursue targeted working relations with expert organisations, it is also keen on sustaining and improving its contacts with policy advocacy NGOs campaigning on the Bank's

¹ A Civil Society Unit within the Communication Department coordinates the Bank's contacts with CSOs/NGOs. As the EIB's interface with these organisations, its task is to ensure consistency and quality of communication and to engage with civil society in an active way. The Unit increasingly seeks closer contacts with organisations which can help the public and, more specifically, citizens affected by EIB operations, in obtaining information about the Bank. Inside the Bank, the Unit provides advice on civil society contacts and issues. It also runs, together with the Human Resources Department and external experts, in-house awareness and capacity building programmes on the Bank's interaction with civil society to build and improve the knowledge base and commitment among staff for communication with civil society representatives.

activities. Contacts with these organisations have increased in recent years and increasingly developed a dialogue component. The importance attached to these contacts was underscored by the Bank's participation in events organised by these NGOs, such as a conference on "The European Union's Financing in the Energy Sector in Africa. Which role for the European Investment Bank and Infrastructure Partnership Trust Fund?", held in Berlin² on 5 October. The Bank itself organised a roundtable discussion with European peacebuilding and conflict prevention organisations, under the umbrella of the European Peacebuilding Liaison Office (EPLO), and Amnesty International.

As part of its ongoing dialogue with civil society the EIB also held two workshops during 2007. Firstly, on 24 May in Paris, dealing with the topics "Partnering with NGOs in water and sanitation projects in developing countries", and "EIB environmental and social safeguards and appraisal guidelines". The second workshop was organised in Lisbon on the occasion of the European Development Days and discussed the Bank's Economic and Social Impact Assessment Framework (ESIAF) as well as standardisation of indicators. The CSOs and the EIB decided the programme together and provided the speakers for the workshops. The workshops also provide CSOs with an opportunity to arrange side events with EIB staff on bilateral issues, notably projects.

Another key event was the Annual CSO Briefing on 9 February, at which Vice-President de Fontaine Vive presented the first results of the previous year to Brussels-based CSOs. The EIB Forum in Ljubljana in September also provided an occasion for Mr de Fontaine Vive and members of senior management to discuss with NGO representatives.

In-house awareness and capacity building programme on interaction with civil society

In 2007, a new in-house awareness and capacity building programme on the Bank's interaction with civil society was launched, including introductory and in-depth training, both Bank-wide and tailored to the needs of individual departments, as well as presentations for, and discussions with, all interested staff members. Run by external consultants, the programme also covers related issues, including public disclosure of information.

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² Organised by CEE Bankwatch Network, the Bretton Woods Project, Both ENDS, WEED, Campagna per la Riforma della Banca Mondiale, Les Amis de la Terre, Terre des Hommes and Urgewald.

**Annual Press Conference 2008****Briefing Note No 15****The Bank promoting European objectives**

Luxembourg, 28 February 2008

The Post 2012 Carbon Credit Fund**Introduction**

The intention of a group of four leading European national and international financing institutions – the EIB, Spain's Instituto de Crédito Oficial (ICO), Germany's Kreditanstalt für Wiederaufbau (KfW) and the Nordic Investment Bank (NIB) – to establish the Post 2012 Carbon Credit Fund was announced with the signing of a Memorandum of Understanding at the EIB Forum in Slovenia in September 2007. The development of the Fund is now well advanced and the four original partners have been joined as participants by France's Caisse des Dépôts (CDC).

Background

The first Commitment Period under the Kyoto Protocol, during which EU Member States have an obligation to reduce greenhouse gas emissions by 8% from their 1990 levels, comes to an end in 2012. The Kyoto Protocol includes the so-called 'flexible mechanism', which enables signatories to meet greenhouse gas targets, in part, by buying emission reductions from elsewhere.

The EU's Emissions Trading Scheme was established to help the EU and its Member States meet their obligations under the Kyoto Protocol. The scheme is currently in its Second Phase, which runs from 1 January 2008 to 31 December 2012. The scheme has also helped to contribute to the development of a thriving market for project-based credits, helping the EU to meet its Kyoto obligations in the most cost-effective manner.

However, this market – and the environmentally helpful projects that have benefited from it - is currently threatened by uncertainties about the post-Kyoto period. This uncertainty makes it difficult for worthwhile projects to monetise fully the economic benefits of the emission reductions they could make post-2012.

Purpose of the Fund

The Fund is designed to help to address this uncertainty. It will operate by entering into agreements to buy the post-2012 streams of carbon credits from worthwhile projects. In particular, the Fund will buy these credits at prices above what could otherwise currently be achieved by the project companies. In this way, the Fund will contribute to EU climate change mitigation policies through the promotion of confidence in the emergence of a post-2012 carbon credit market. The willingness of the participants to commit to the post-2012 market in this way will provide a clear signal to the market, as well as support projects which could otherwise have suffered as a result of uncertainties relating to the post-Kyoto period.

The Fund will on-sell the Emission Reduction Purchase Agreements over time and, it is anticipated, principally to compliance buyers (that is, buyers seeking to meet statutory obligations) as the future shape of post-Kyoto emerges. The Fund will avoid taking delivery risks, or taking credit risk on buying or selling counterparts. In other words, it will not usually offer advance payments, nor will it offer delivery guarantees to purchasers.

The key risk, therefore, that the Fund will be taking will be regulatory – a risk that, for the reasons set out above, private players have found difficult to manage. For this reason, the banks' initiative in developing the Post 2012 Fund has been widely welcomed in the market.

Management of the Fund

The day-to-day activities of the Post 2012 Carbon Fund will be undertaken, within the terms of operating and policy guidelines established by the participants, by an independent fund management team.

The Fund Manager will also ensure that all underlying projects supported by the Fund will be fully compliant with the EIB's Environmental and Social Standards.

The appointment of the Fund Manager, who was selected after an open international tender, will be finalised shortly and the Fund expects to commence operations in March 2008. It is anticipated that the Fund will close with initial commitments of EUR 125 million, of which EUR 50 million will be subscribed by the EIB.

Relationships with other EIB Carbon Funds

The Post 2012 Carbon Credit Fund complements the EIB's three other carbon funds.

The Multilateral Carbon Credit Fund is designed to develop the carbon market in countries in transition and to help EBRD and EIB shareholders and other parties to meet their mandatory or voluntary emission reduction targets. The Fund only sources and purchases carbon credits from projects financed by the EBRD and/or the EIB in countries eligible for EBRD operations. The Fund also facilitates "Green Investment Schemes", in which the proceeds of state-to-state trading of carbon credits are used to finance climate-friendly projects in the selling country. The MCCF aims to stimulate and complement private sector participation in the carbon market. The size of the MCCF has aggregate commitments of EUR 190 million, of which EUR 150 million for project-based carbon credits and EUR 40 million for green investment schemes.

The Carbon Fund for Europe is co-managed by the World Bank and the EIB and has at its disposal EUR 50m, which may rise to a total of EUR 100m. It is designed to help European countries and companies in the EU Emissions Trading Scheme meet their Kyoto commitments. It helps to achieve sustainable development by fostering investment in clean technology projects. The Fund can also buy carbon credits generated after the end of the Kyoto commitment period in 2012, up to a limit of 40%.

The EIB/(KfW) Carbon Programme is a risk sharing arrangement between the EIB and KfW and focuses on helping EU-based small and medium-sized enterprises to access carbon credits for voluntary or statutory compliance purposes. It is directed at the market participants normally excluded from such funds due to their limited purchasing requirements and lower credit standing.

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