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**ANNEX TO THE**

**REPORT FROM THE COMMISSION TO THE COUNCIL AND TO THE  
EUROPEAN PARLIAMENT ON THE BORROWING AND LENDING ACTIVITIES  
OF THE COMMUNITY IN 2005**

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## 1. BORROWING ACTIVITIES IN 2005

### 1.1. Trends in borrowing and lending

EUR million

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>I. Borrowing</b>											
ECSC	386	298	474	-	-	-	-	-	-	-	-
European Community (1)	410	155	195	403	108	160	305	12	118	10	15
Euratom (2)	-	-	-	-	-	-	40	40	25	65	215
NCI	66	-	-	-	-	-	-	-	-	-	-
<b>Total Commission</b>	<b>862</b>	<b>453</b>	<b>669</b>	<b>403</b>	<b>108</b>	<b>160</b>	<b>345</b>	<b>52</b>	<b>143</b>	<b>75</b>	<b>230</b>
EIB (3)	12,395	17,553	23,026	30,098	28,355	29,038	32,172	38,016	41,911	49,865	52,707
<b>Total Community</b>	<b>13,257</b>	<b>18,006</b>	<b>23,695</b>	<b>30,501</b>	<b>28,463</b>	<b>29,198</b>	<b>32,517</b>	<b>38,068</b>	<b>42,054</b>	<b>49,940</b>	<b>52,937</b>
<b>II. Lending</b>											
ECSC	403	280	541	21	-	-	-	-			
European Community (1)	410	155	195	403	108	160	305	12	118	10	15
Euratom (2)	-	-	-	-	-	-	40	40	25	65	215
NCI	-	-	-	-	-	-	-	-	-	-	-
<b>Total Commission</b>	<b>813</b>	<b>435</b>	<b>736</b>	<b>424</b>	<b>108</b>	<b>160</b>	<b>345</b>	<b>52</b>	<b>143</b>	<b>75</b>	<b>230</b>
EIB (4)	18,604	20,946	22,958	25,116	27,765	30,644	31,184	33,443	34,187	39,661	42,276
<b>Total Community</b>	<b>19,417</b>	<b>21,381</b>	<b>23,694</b>	<b>25,540</b>	<b>27,873</b>	<b>30,804</b>	<b>31,529</b>	<b>33,495</b>	<b>34,330</b>	<b>39,736</b>	<b>42,506</b>

Note: The differences between total borrowing and lending by the Commission are due to borrowing operations undertaken for refinancing purposes and to changes in the balance of loans not assigned by the end of the year. The differences between borrowing and lending by the EIB are due to the fact that EIB lending operations are financed both from borrowings and from the Bank's own resources.

- (1) Mechanism for providing Balance of Payments support for Member States and financial assistance for non-member States.
- (2) The Euratom loans instrument is available for financings to Member States and certain non-Member States.
- (3) Total resources raised (after swaps). Of this amount, EUR 49.8 billion was raised under the EUR 50 billion global borrowing authorisation for 2005 and EUR 2.9 billion was attributed to the 2006 borrowing programme.
- (4) Loans signed from own resources (with and without guarantees from the EU budget), no account being taken of the guarantees provided by the EIB to promoters or operations financed out of NCI resources.

## 1.2. Borrowing of the European Institutions: outstanding at the end of each period <sup>(1)</sup>

EUR million

	ECSC	EC (NCI)	Euratom	European Community	Commission Sub-total	EIB (2)	Total borrowing
1982	6,178	1,747	1,272	591	9,788	16,570	26,358
1983	6,539	3,269	1,680	4,610	16,098	20,749	36,847
1984	7,119	4,432	1,892	4,932	18,375	25,007	43,382
1985	7,034	4,960	2,013	3,236	17,243	26,736	43,979
1986	6,761	5,202	2,168	1,890	16,021	30,271	46,292
1987	6,689	5,229	2,500	2,997	17,415	31,957	49,372
1988	6,825	5,514	2,164	2,459	16,962	36,928	53,890
1989	6,738	5,122	1,945	2,075	15,880	42,330	58,210
1990	6,673	4,542	1,687	(3) 2,045	14,947	48,459	63,406
1991	7,139	3,817	1,563	3,516	16,035	58,893	74,928
1992	7,327	3,326	1,338	4,026	16,017	67,784	83,801
1993	7,331	2,202	1,018	5,204	15,755	78,661	94,416
1994	6,548	1,570	779	7,697	16,594	83,673	100,267
1995	5,966	1,113	720	8,032	15,831	87,079	102,910
1996	4,677	748	572	6,666	12,663	96,649	109,312
1997	3,637	218	118	5,853	9,826	110,394	120,220
1998	2,806	168	28	4,166	7,168	123,767	130,935
1999	2,432	130	12	4,074	6,648	146,223	152,871
2000	2,039	90	-	1,566	3,695	159,860	163,555
2001	1,386	19	40	1,614	3,059	176,027	179,086
2002	713	18	80	1,361	2,172	181,167	183,339
2003	431	16	105	1,356	1,908	194,505	196,413
2004	423	0	170	1,214	1,807	214,825	216,632
2005	440	0	385	1,080	1,905	248,283	250,188

(1) The conversion rates used are those of 31 December of each year. As the majority of borrowings are denominated in national currency, the difference between two year-ends reflects on the one hand changes in the valuation of existing stock due to exchange rates fluctuations and on the other the net volume of borrowings during the year.

Original amount of borrowings, plus or minus repayments of the principal, cancellations, annulments and exchange-rate adjustments.

(2) As from 1989, including short term.

(3) As from 1990, including macro-financial assistance for non-member States.

### 1.3. Borrowing of the European Institutions in 2005 by currency

EUR million (rounded)

	EIB		European Communities (EC, Euratom) (3)	Total borrowing		2005 %	
	(1)	(2)		(1)	(2)	(1)	(2)
<b>EUR</b>	19,637	33,891	230	19,867	34,121	37.5	64.4
<b>GBP</b>	11,681	3,614		11,681	3,614	22.1	6.8
<b>HUF (4)</b>	236	53		236	53	0.4	0.1
<b>SEK</b>	174	468		174	468	0.3	0.9
<b>PLN (4)</b>	73	49		73	49	0.1	0.1
<b>CZK</b>		19			19		0.0
<b>Total EU</b>	<b>31,802</b>	<b>38,095</b>	<b>230</b>	<b>32,032</b>	<b>38,325</b>	<b>60.5</b>	<b>72.4</b>
<b>USD</b>	14,785	14,252		14,785	14,252	27.9	26.9
<b>JPY</b>	1,423			1,423		2.7	
<b>TRY</b>	1,375			1,375		2.6	
<b>NZD</b>	1,135			1,135		2.1	
<b>AUD</b>	756			756		1.4	
<b>CHF</b>	709	259		709	259	1.3	0.5
<b>ZAR</b>	251	63		251	63	0.5	0.1
<b>ISK</b>	243			243		0.5	
<b>MXN</b>	183			183		0.3	
<b>NOK</b>	38	38		38	38	0.1	0.1
<b>Sub-total</b>	<b>20,900</b>	<b>14,612</b>		<b>20,900</b>	<b>14,612</b>	<b>39.5</b>	<b>27.6</b>
<b>TOTAL(5)</b>	<b>52,701</b>	<b>52,707</b>	<b>230</b>	<b>52,931</b>	<b>52,937</b>	<b>100</b>	<b>100</b>
Fixed-rate	43,180	1,417	15	43,195	1,432	81.6	2.7
Variable-rate	9,521	51,290	215	9,736	51,505	18.4	97.3

(1) Figures before swaps.

(2) Figures after swaps.

(3) Macro-financial assistance to non-member States and Euratom.

(4) EU currency since 01/05/2004

(5) Difference before/after SWAP due to exchange-rate fluctuations

## 2.1 LENDING IN NON-MEMBER STATES IN 2005 – OVERVIEW

EUR million

	European Communities		EIB <sup>(2)</sup>		TOTAL
	Euratom <sup>(1)</sup>	EC Macro-financial assistance <sup>(1)</sup>	Budget and EDF resources <sup>(3)</sup>	Own resources	
<b>SEN - South Eastern Neighbours<sup>(4)</sup></b>	215 <sup>(5)</sup>	15 <sup>(6)</sup>		2,108	2,338
<b>MED - Mediterranean basin</b>				1,102	1,102
<b>ALA - Latin America and Asia</b>				256	256
<b>RSA - South Africa</b>				145	145
<b>ACP-OCT countries<sup>(7)</sup></b>			386	151	537
<b>Russia</b>				60	60
<b>Total</b>	<b>215</b>	<b>15</b>	<b>386</b>	<b>3,822</b>	<b>4,438</b>

(1) Disbursements

(2) Signatures, excluding lending at own risk of the EIB

(3) Granted and administered by the EIB out of the budgetary resources of the EC or the European Development Fund (EDF)

(4) This new grouping follows council decision 2005/47/EC

(5) Bulgaria and Romania

(6) Serbia and Montenegro

(7) Africa, Caribbean, Pacific / Overseas Countries and Territories

## 2.2 LOAN DISBURSEMENTS FOR MACRO-FINANCIAL ASSISTANCE TO NON-MEMBER STATES 2000-2005

EUR million

	2000	2001	2002	2003	2004	2005	Total
Bulgaria	60						60
Romania	100			50			150
<b>Subtotal "Enlargement" countries</b>	<b>160</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>210</b>
Albania (1)							0
Bosnia and Herzegovina (2)		10			10		30
FYROM (3)		10	12	28			50
Serbia and Montenegro (4)		225		40		15	440
<b>Subtotal Other Western Balkan (5)</b>	<b>0</b>	<b>245</b>	<b>12</b>	<b>68</b>	<b>10</b>	<b>15</b>	<b>350</b>
Armenia (6)							0
Georgia (6)							0
Moldova							0
Tajikistan (7)		60					60
Ukraine							0
<b>Subtotal NIS</b>	<b>0</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60</b>
<b>Grand Total</b>	<b>160</b>	<b>305</b>	<b>12</b>	<b>118</b>	<b>10</b>	<b>15</b>	<b>620</b>

(1) A grant of EUR 3 million was disbursed to Albania in 2005.

(2) Disbursement of the loan was accompanied by disbursements of grants of EUR 10 million in 2000. A further grant of EUR 15 million was paid in 2001 and of EUR 25 million in 2003. In 2005 EUR 15 million grants were disbursed.

(3) Former Yugoslav Republic of Macedonia. Grants totalling EUR 20 million were disbursed in 2000, followed by a further grant of EUR 10 million in 2001, one of EUR 10 million in 2002 and another one of EUR 18 million in 2003.

(4) One grant of EUR 115 million was paid to Serbia and Montenegro in 2002, one of EUR 35 million in 2003, one of EUR 10 million in 2004 and another one of EUR 25 million in 2005.

(5) Grants of EUR 35 million and EUR 7 million were disbursed to Kosovo and Montenegro respectively in 2000. In 2001 EUR 35 million were disbursed to Kosovo and EUR 13 million to Montenegro, granted in the form of budgetary support. In the same year a further grant of EUR 15 million was disbursed to Kosovo, followed by another one of EUR 15 million in 2002.

(6) Exceptional financial assistance. These loan disbursements to Armenia and Georgia were supplemented by the disbursement of grants totalling respectively, EUR 8 million and EUR 10 million in 1998 and EUR 4 million and EUR 9 million in 1999. A further grant of EUR 6 million was made to Georgia in 2001. A grant of EUR 11 million was paid to Armenia in 2002. Further grants to Armenia EUR 5.5 million and Georgia EUR 6.5 million were paid in 2004. In 2005 1.5 million grants was paid to Armenia.

(7) This loan was accompanied by the disbursement of grants totalling EUR 14 million. A further grant of EUR 7 million was paid in 2003 (although decided in 2002) and in 2005 for the same amount.

2.3.1 *EIB loans signatures on Own Resources in non-member States (excluding any signatures at own risk of the EIB)*

**EUR million**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>1st half 2005</b>	<b>2<sup>nd</sup> half 2005</b>	<b>Total 2000- 2005</b>
<b>SEN (2000-2007)</b>	928	1 200	1 169	865	233	1 874	6 269
<b>Bosnia-Herzegovina</b>	40	0	0	0	0	0	40
<b>Russia</b>	0	0	25	0	60	0	85
<b>MED (Partenariat 2000-2007)</b>	910	1 000	1 322	1 436	270	832	5 770
<b>MED (protocols 3-4)</b>	115	0	0	0	0	0	115
<b>Turkey Terra</b>	75	0	150	0	0	0	225
<b>Turkey – Special Action</b>	0	130	100	220	0	0	450
<b>ALA (2000-2007)</b>	535	174	348	233	136	120	1 546
<b>RSA (2000-2007)</b>	152	50	260	100	30	115	707
<b>ACP (1996-2000)</b>	188	123	178	0	0	0	489
<b>COTONOU (2004-2005)</b>	0	0	0	68	0	151	219
<b>TOTAL</b>	<b>2,943</b>	<b>2,677</b>	<b>3,552</b>	<b>2,922</b>	<b>729</b>	<b>3,092</b>	<b>15,915</b>

### 2.3.2 Breakdown by country and sector of EIB lending in 2005

#### a) South-Eastern Neighbours

EUR million

Country	Number of loans	Total loan signatures	Water Management /Infrastructure	Communi-cations	Education /Health	Global and Investment loans
<b>Romania</b>	6	949	313	550	66	20
		100%	33%	58%	7%	2%
<b>Turkey</b>	3	730	30	450		250
		100%	4%	62%		34%
<b>Bosnia/Herze govina</b>	5	211		151		60
		100%		72%		28%
<b>Serbia and Montenegro</b>	7	153		43	25	85
		100%		28%	16%	56%
<b>Albania</b>	1	35		35		
		100%		100%		
<b>Bulgaria</b>	1	30				30
		100%				100%
<b>Total</b>	<b>23</b>	<b>2,108</b>	<b>343</b>	<b>1,229</b>	<b>91</b>	<b>445</b>
		<b>100%</b>	<b>16%</b>	<b>58%</b>	<b>5%</b>	<b>21%</b>

In 2005, the Bank signed 23 loan contracts in the framework of the Council Decisions for an aggregate amount of EUR 2,108 million in 6 countries. Romania and Turkey absorbed 80% between them (45% and 35% respectively), the remainder going to Bosnia and Herzegovina (10%), Serbia and Montenegro (7%), Albania and Bulgaria (3%).

- Bank activity was directed principally towards the **communications sector**. Loans were made to Romania for the rehabilitation and new construction of parts of Trans-European Networks and to Turkey for the construction of the Bosphorus railway tunnel. Lending in Bosnia and Herzegovina was for rail and road infrastructure, in Serbia and Montenegro for the rehabilitation of roads and air traffic control systems and in Albania for rehabilitation of the North-South road axis. This sector accounted for EUR 1,229 million, representing 58% of total lending.
- **Global loans** in support of small of small and medium scale enterprises totalling EUR 445 accounted for 21% of lending activity, including loans of EUR 250 to

Turkey, EUR 85 million to Serbia and Montenegro, EUR 60 million to Bosnia and Herzegovina, EUR 30 million to Bulgaria and EUR 20 million to Romania.

- Loans of EUR 343 million (16%), went to the **water management and infrastructure sector**, including EUR313 million to Romania for the rehabilitation of road infrastructure damaged by floods in 2004 and 2005, as well as some infrastructure development in small towns, and EUR 30 million to Turkey for the rehabilitation and upgrading of wastewater collection and treatment works.

#### b) In the Mediterranean Countries

EUR million

Country	No. of loans	Total loan signatures	Energy	Communications	Water Management	Industry & Services	Health & Education	Global Loans
Syria	2	300 100%	200 66%	100 33%				
Tunisia	4	260 100%				80 31%		180 69%
Lebanon	3	170 100%		60 35%	60 35%			50 30%
Egypt	2	167 100%	167 100%					
Maroc	3	160 100%		130 81%				30 19%
Gaza- West Bank	1	45 100%	45 100%					
<b>Total</b>	<b>15</b>	<b>1,102</b> <b>100%</b>	<b>412</b> <b>37%</b>	<b>290</b> <b>26%</b>	<b>60</b> <b>6%</b>	<b>80</b> <b>7%</b>		<b>260</b> <b>24%</b>

Loans amounting to EUR 1,102 million were signed for 15 operations in six countries in 2005.

The balance of lending changed considerably from 2004 and was well spread throughout the region. Syria received 27%, Tunisia 24%, Egypt, Lebanon and Morocco around 15% each, with the remainder (4%) to Gaza-West Bank.

In the **energy sector**, EUR 412 million (37% of total financing) went towards the construction of gas-fired plants in Egypt and Syria and modernisation of the distribution network in Gaza/West Bank.

EUR 290 million (26% of total financing) was lent for projects in the **communications sector**. Projects covered the construction of a motorway section and reconstruction of rural roads in Morocco, extension of the fixed line telephone network in Syria and improvement of the electricity distribution network in Gaza-West Bank.

**Global loans** of EUR 260 million (24% of total financing) were made in support of SMEs in Tunisia, Lebanon and Morocco.

A loan of EUR 80 million was advanced for construction of an industrial park representing 7% of total financing in the **Industry and Services** sector.

Finally, 6% (EUR 60 million) of total financing was lent to the **water management and sundry infrastructure sector** for the construction of a wastewater treatment plant in Lebanon.

### c) Asia and Latin America

EUR million

Country	Number of loans	Total loan signatures	Energy	Communi-cations	Industries& Services	Global loans
<b>Brazil</b>	2	94 100%			94 100%	
<b>Indonesia</b>	1	50 100%				50 100%
<b>Laos</b>	1	42 100%	42 100%			
<b>Regional-Andean Countries</b>	1	40 100%				40 100%
<b>Vietnam</b>	1	30 100%				30 100%
<b>Total</b>	<b>6</b>	<b>256</b> <b>100%</b>	<b>42</b> <b>16%</b>		<b>94</b> <b>37%</b>	<b>120</b> <b>47%</b>

The Bank signed six loan contracts for an amount of EUR 256 million in 5 countries.

**Global loans** in support of small of small and medium scale enterprises accounted for 47% (EUR 120 million) of lending activity, including loans of EUR 50 million to Indonesia, EUR 40 million to Regional Andean Countries and EUR 30 million to Vietnam.

Loans in favour of the **Industry and services sector** in Brazil accounted for 37% of total financing (EUR 94 million). Projects included the technical and environmental upgrading of a refinery and new production plant for the manufacture of vehicle tyres.

Finally, a loan of EUR 42 million (16%) was extended in favour of the **energy sector** for construction and operation of a hydroelectric plant in Laos.

### d) The Republic of South Africa

In 2005, the Bank signed three loans for a total amount of EUR 145 million. Two loans went to improving urban infrastructure while the third was for the co-financing of a water pipeline.

### e) Russia

Before expiry of the mandate in May 2005, two further loans were made for environmental projects in the St. Petersburg area, one for flood protection and one for the modernisation of a sludge treatment plant.

#### 2.3.3 Risk-sharing

##### a) 1st Mandate

1<sup>st</sup> Mandate: (Council Decision covering period 31.01.1997 to 31.01.2000)

No further loans were signed under the 1<sup>st</sup> Mandate in 2005 so the levels of risk sharing achieved under the 1<sup>st</sup> Mandate have not changed. In terms of lending compared to the total ceiling, these levels were 81% for ALA, 26% for CEEC and 3% for the Mediterranean.

**Table 2.3.3**

<b>EUR million</b>						
	<b>Mandate Ceilings 1<sup>st</sup> Mandate</b>	<b>Total amounts of loans signed at 31.12.2005</b>	<b>No. of loans signed with risk-sharing</b>	<b>Amount of loans signed with risk-sharing</b>	<b>Percentage of risk-sharing achieved (relative to mandate ceiling)</b>	<b>Percentage of risk-sharing achieved (relative to loan signature)</b>
<b>CEEC</b>	3 520	3 446	21	896	26%	26%
<b>Mediterranean</b>	2 310	2 310	5	71	3%	3%
<b>ALA</b>	900	900	17	730	81%	81%
<b>RSA</b>	375	374.6	0	0	0%	0%
<b>FYROM</b>	150	150	0	0	0%	0%
<b>TOTAL</b>	<b>7,255</b>	<b>7,180</b>	<b>43</b>	<b>1.697</b>	<b>24%</b>	<b>24%</b>

## b) 2nd Mandate

2<sup>nd</sup> Mandate: (Council Decision covering period 1.02.2000 to 31.01.2007)

The cumulative total for risk-sharing projects since the start of lending activity in the framework of the Council Decisions relative to the period starting 1.02.2000 was EUR 2,974 million at the end of 2005, i.e. 15.3% of the overall lending ceiling and 17.3% of lending to date.

In **South-Eastern Europe**, EIB lending based on risk sharing reached a total of EUR 830 million, or 9% of the lending ceiling for those countries and 11% of lending in the region to date.

In the **Mediterranean** countries, three loans were signed under the risk-sharing arrangement in 2005, bringing the total to EUR 601 million, representing around 9% of the mandate ceiling and 10% of total amounts signed. As expected, projects are often signed with governments or public bodies (in accordance with the programming procedures inherent in the **Euro-Mediterranean Partnership**), and thus the risk-sharing total for the Mediterranean countries still remains relatively low.

In **Asia and Latin America (ALA)**, risk sharing in respect of EIB lending reached a total of EUR 1,463 million representing 59% of the mandate ceiling and 75% of lending in the region to date.

**Table 2.3.3 (bis)**

**EUR million**

	<b>Mandate Ceilings 2nd Mandate</b>	<b>Total amounts of loans signed at 31.12.2005</b>	<b>No. of loans signed with risk-sharing</b>	<b>Amount of loans signed with risk-sharing</b>	<b>Percentage of risk-sharing achieved to-date (relative to mandate ceiling)</b>	<b>Percentage of risk-sharing achieved to-date (relative to loan signatures)</b>
<b>SEN</b>	9 185	7 817	26	830	9%	11%
<b>Mediterranean</b>	6 520	6 272	11	601	9%	10%
<b>ALA</b>	2 480	1 942	32	1 463	59%	75%
<b>RSA</b>	825	757	2	80	10%	11%
<b>Turkey SAP</b>	450	450				
<b>TOTAL</b>	<b>19 460</b>	<b>17 238</b>	<b>71</b>	<b>2 974</b>	<b>15.3%</b>	<b>17.3%</b>

The regional tables at the end of section 2.3 (Tables 2.3.7 to 2.3.10) identify the risk-sharing loans.

### 2.3.4 Cofinancing in 2005 in the South-Eastern Neighbours

For **South-Eastern Neighbours** the Bank continued its active participation with the Commission and other IFIs in an Infrastructure Steering Group, to help with the upstream preparation of projects and policy coordination.

EUR million

Country	Project	Cost	EIB	PHARE/ ISPA	Multi/Bilatéral institutions	Other <sup>1</sup>
<b>Romania</b>	Investment in support of a comprehensive strategy for health care reform	168	66	65		37
	Support for programme to develop the infrastructure in small and medium sized towns	39	13	14	7	5
	Renewal and modernisation of a stretch of railway on TEN IV	820	300	500		20
	Construction of a motorway section and bypass on TEN IV	680	250		100	330
<b>Turkey</b>	Construction of a wastewater treatment plant and rehabilitation of the storm water drainage system	75	30		18	27
	Construction of a tunnel under the Bosphorus	2000	450		625	925 (inc. 200 EIB loan)
<b>Serbia and Montenegro</b>	Rehabilitation and modernisation of air traffic control system.	112	34		34	44
	Construction of eight pre-university schools and modernisation of a special school	50	25	13	9	3
	Upgrading of roads and bridges	79	9	3	14	53*
<b>Albania</b>	Upgrading and modernisation of a 70km stretch of road on the north-south axe.	101	35	3	35	28*
<b>Total</b>		<b>4 124</b>	<b>1 212</b>	<b>598</b>	<b>842</b>	<b>1 472</b>

<sup>1</sup> Including funds of states, promoters and commercial banks.

### 2.3.5 Cofinancing in 2005 in the Mediterranean countries

In the **Mediterranean** countries, the Bank's operations are conducted within the framework of EU policy and form part of a concerted approach that is pursued in close cooperation with the Commission and, as appropriate, with other IFIs, including through cofinancing operations. The contributions of these institutions to projects financed by EIB are shown below.

**EUR million**

<b>Country</b>	<b>Project</b>	<b>Cost</b>	<b>EIB</b>	<b>Multilateral institutions</b>	<b>Bilateral institutions</b>	<b>Other</b>
<b>Morocco</b>	Construction of a section of motorway to complete the link Casablanca-Settat	408	<b>70</b> <b>(in 2004 EIB loan 110)</b>	83	51	94
<b>Gaza/West Bank</b>	Technical improvement and reinforcement of the electricity distribution	98	<b>45</b>	0	53	0
<b>Lebanon</b>	Construction of a section of motorway	155	<b>60</b>	35		60
<b>Total</b>		<b>661</b>	<b>285</b>	<b>118</b>	<b>104</b>	<b>154</b>

### 2.3.6 Cofinancing in 2005 in the countries of Asia and Latin America

In **Asia and Latin America**, the Bank continues to finance projects that are of interest to both the Community and the country concerned and to the EU. The mutual interest of the loans signed in 2005 is described in table 2.3.6 bis below. The Bank cooperates with other IFIs in Asia and Latin America whenever possible (see table 2.3.6).

**Table 2.3.6**

**EUR million**

Country	Project	Cost	EIB	Bilateral Institutions	Multi-lateral institutions	Other
<b>Brazil</b>	Technical and environmental improvement of a refinery	821	54	218	0	549
<b>Laos</b>	Construction of a hydro-electric plant	998	42	66	100	790
<b>Total</b>		<b>1 819</b>	<b>96</b>	<b>284</b>	<b>100</b>	<b>1 339</b>

**Table 2.3.6 (bis) Mutual interest of projects in the countries of Asia and Latin America**

Country	Project	Mutual interest
<b>Brazil</b>	Technical and environmental improvement of a refinery.	This project will consolidate the strategic presence in Brazil of the major European company that is one of the two shareholders.
	New plant for vehicle tyre production	As it is implemented by the subsidiary of a major European group, it will strengthen the position of the group in the NAFTA market. In addition, it will bring benefits to the region in terms of foreign direct investment and transfer of technology as well as domestic production and employment.
<b>Indonesia</b>	Financing of small and medium-scale ventures	The project will contribute to the economic development of Indonesia through the provision of long-term finance in foreign currency to profitable EU joint venture investment projects.
<b>Laos</b>	Construction of a hydro-electric plant	A European company is firmly committed to the project, acting as lead developer, lead shareholder and technical service provider. There will be a significant transfer of European technology and know-how.
<b>Regional Andean Countries</b>	Financing of small and medium-scale ventures	In a context where term financing is very scarce and costly, the project will enhance the support the Bank can provide to projects presenting a mutual interest for the host countries and the EU.
<b>Vietnam</b>	Financing of small and medium-scale ventures	The project would facilitate the implementation of projects featuring a mutual interest carried out by joint ventures between EU and Vietnamese entities.

### 2.3.7 Loans signed in 2005 in the South-Eastern Neighbours

Country	Description	Loan (EUR million)	Risk sharing
<b>Romania</b>	Renewal and modernisation of a stretch of railway on TEN IV	300,0	No
	Reconstruction of flood damaged roads	300,0	No
	Construction of a motorway section and bypass on TEN IV	250,0	No
	Investment in the context of the national strategy and reform of the health sector.	66,4	No
	Financing of small and medium-scale ventures	20,0	No
	Programme for developing the infrastructure in small or medium-sized towns	12,6	No
	<b>Total</b>		<b>949,0</b>
<b>Bosnia-Herzegovina</b>	Construction of several sections of railway on the north-south and east-west axes	86,0	No
	Construction of a stretch of 4-lane highway	65,4	No
	Financing of small and medium-scale ventures	30,0	Yes
	Financing of small and medium-scale ventures	20,0	Yes
	Financing of small and medium-scale ventures	10,0	Yes
<b>Total</b>		<b>211,0</b>	
<b>Turkey</b>	Construction of a tunnel under the Bosphorus	450,0	No
	Financing of small and medium-scale ventures	250,0	No
	Construction of a water supply plant and rehabilitation of the supply network	30,0	No
<b>Total</b>		<b>730,0</b>	
<b>Serbia and Montenegro</b>	Rehabilitation and modernisation of air traffic control system.	34,0	No
	Financing of small and medium-scale ventures	30,0	Yes
	Construction of eight pre-university schools and modernisation of a special school	25,0	No
	Financing of small and medium-scale ventures	25,0	Yes

	Financing of small and medium-scale ventures	20,0	Yes
	Financing of small and medium-scale ventures	10,0	Yes
	Upgrading of roads and bridges	9,0	No
<b>Total</b>		<b>153,0</b>	
<b>Albania</b>	Upgrading and modernisation of a 70km stretch of road on the north-south axe.	35,0	No
<b>Total</b>		<b>35,0</b>	
<b>Bulgaria</b>	Financing of small and medium-scale ventures	30,0	Yes
<b>Total</b>		<b>30,0</b>	
<b>Grand Total</b>		<b>2 108,0</b>	

2.3.8 *Loans signed in 2005 in the Mediterranean countries*

Country	Description	Loan (EUR million)	Risk sharing
<b>Tunisia</b>	Construction of five regional techno poles.	80,0	No
	Financing of small and medium-scale ventures	70,0	No
	Financing of small and medium-scale ventures	60,0	No
	Financing of small and medium-scale ventures	50,0	No
<b>Total</b>		<b>260,0</b>	
<b>Morocco</b>	Construction of a section of motorway to complete the link Casablanca-Settat	70,0	No
	Upgrading of rural road network	60,0	No
	Financing of small and medium-scale ventures	30,0	Yes
<b>Total</b>		<b>160,0</b>	
<b>Egypt</b>	Construction of a second liquefied natural gas plant	117,0	Yes
	Construction of two gas pipelines	50,0	No
<b>Total</b>		<b>167,0</b>	
<b>Syria</b>	Construction of a gas-fired, combined cycle power plant	200,0	No
	Extension of the fixed-line telephone network in rural areas	100,0	No
<b>Total</b>		<b>300,0</b>	
<b>Lebanon</b>	Construction of a section of motorway	60,0	No
	Construction of a wastewater treatment plant	60,0	No
	Financing of small and medium-scale ventures	50,0	Yes
<b>Total</b>		<b>170,0</b>	
<b>Gaza-West Bank</b>	Technical improvement and reinforcement of the electricity distribution network	45,0	No
<b>Total</b>		<b>45,0</b>	
<b>Grand Total</b>		<b>1 102,0</b>	

2.3.9 *Loans signed in 2005 in Asia and Latin America*

<b>Country</b>	<b>Description</b>	<b>Loan (EUR million)</b>	<b>Risk sharing</b>
<b>Brazil</b>	Technical and environmental improvement of a refinery	54,0	Yes
	New plant for vehicle tyre production	40,0	Yes
<b>Total</b>		<b>94,4</b>	
<b>Indonesia</b>	Financing of small and medium-scale ventures	50,0	Yes
<b>Total</b>		<b>50,0</b>	
<b>Laos</b>	Construction of a hydro-electric plant	42,1	No
<b>Total</b>		<b>42,1</b>	
<b>Regional Andean Countries</b>	Financing of small and medium-scale ventures	40,0	No
<b>Total</b>		<b>40,0</b>	
<b>Vietnam</b>	Financing of small and medium-scale ventures	30,0	No
<b>Total</b>		<b>30,0</b>	
<b>Grand Total</b>		<b>256,5</b>	

2.3.10 Loans signed in 2005 in the Republic of South Africa

Country	Description	Loan (EUR million)	Risk sharing
RSA	Construction of a water pipeline	85	No
	Rehabilitation of urban infrastructure	30	No
	Cofinancing of an urban infrastructure programme	30	No
<b>Total</b>		<b>145,0</b>	

**2.4 BREAKDOWN BY REGION AND SECTOR OF EIB LENDING IN 2005 IN THE ACP/OCT**  
EUR million

	Total	Own Resources	Risk Capital	Energy	Communications	Water Management & Agriculture	Industry & Services	Global Loans
ACP/OCT (1)	537	151	386	184	10		207	137
Africa	449	111	338	179	10		207	54
West	188	91	97	11	10		134	34
Southern and Indian Ocean	123	20	103	43			61	20
East	126		126	126				
Central & Equatorial	12		12				12	
Caribbean	72	40	32	5				67
Pacific	13		13					13
OCT	0							
Multi-regional	4		4					4

<sup>1</sup> Africa, Caribbean, Pacific / Overseas Countries and Territories

**3.2 INTEREST SUBSIDIES PAID UNDER THE VARIOUS COMMUNITY MECHANISMS FROM 1995 TO 2005**

**ECU/EUR million**

Financial year	EC-subsidies		EIB-subsidies			
	Natural disasters	Trans-European Networks	EDF	MEDA	BOSNIA	FYROM
1995	6.1	25.0	28.1	15.2		
1996	4.3	18.0	28.6	22.4		
1997	4.0	37.0	56.9	48.2		
1998	2.8	20.0	24.5	30.3		2.7
1999	2.2	71.0	27.1	29.2		4.0
2000	1.7	54.0	18.7	17.4		1.1
2001	1.3	15.0	14.5	26.6		2.3
2002	0.9	14.3	19.9	19.1	1.0	2.5
2003	0.6	4.0	7.75	29.65		
2004	0.3	13.26 <sup>(1)</sup>	9.0	23.98	2.76	1.31
2005	0.2		0.39	21.95	5.5	

<sup>(1)</sup> Revised figure.