



SÜDOSTEUROPA- GESELLSCHAFT

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Powers
Partners
Projects
EU and Black Sea Regional Cooperation
Common goals
Common interests

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WHAT IS THE EIB

The EIB is the project-financing bank of the EU, created 50 years ago under the Treaty of Rome, and established in Luxembourg. Its shareholders are the 27 Member States of the EU and its highest decision-making body is the Board of Governors comprising the EU's 27 Finance Ministers.

Its principal mission is to contribute to the implementation of the EU's policies in the economic and social field. This is achieved by providing LT loans at relatively low interest rates targeting 6 key objectives in the Member States as well as providing support for the EU's co-operation and development policies outside the Member States.

The 6 key strategic objectives in the EU are:

- Economic cohesion and convergence between MS
- SMEs
- Environmental sustainability
- Competitiveness of the European economy under the Lisbon Agenda
- TENs
- Sustainable, competitive and secure energy

In 2006, the EIB signed new loans to a total of some EUR 46bn, of which EUR 40bn in the EU-25. Of the balance of EUR 6bn, EUR 3.2bn concerned the Enlargement Countries, which, in 2006, included Romania and Bulgaria. In total, the countries surrounding the Black Sea absorbed EUR 2.5bn in new loans during 2006 for projects located in 3 countries: Turkey, Romania and Bulgaria.

HOW CAN THE EIB INTERVENE IN THE BLACK SEA REGION

Basically the EIB can finance projects in all the countries of the region, although the type of projects qualifying for finance can vary between countries.

In the countries which are Member States of the EU, that is Romania and Bulgaria, as well as in Turkey, which comes under the EU's Pre-Accession process, the EIB can finance projects contributing to one of the 6 strategic priorities mentioned previously.

The other countries in the region are eligible to EIB financing under the European Neighbourhood Policy, namely Ukraine, Moldova, Georgia, Armenia and Azerbaijan, or under the Strategic Partnership with the Russian Federation.

When operating outside the EU and the Pre-Accession Countries, the EIB's activities are governed by a decision of the EU's Council of Ministers establishing External Mandates for various regions of the world and providing a fall-back guarantee from the EU Budget for the EIB's lending in these regions. Hence, both the nature of the projects and the overall limit of the EIB's lending in these regions are specified in the Mandate decision.

In Russia and the Eastern Neighbourhood countries, total EIB lending is limited to EUR 3.7bn over the 7-year period 2007-2013 and projects eligible for EIB financing fall into two categories:

1. Environmental protection
2. Networks of EU interest, i.e. transport, energy and telecoms infrastructure on priority TEN axes where there are cross-border implications for a Member State.

In addition, the Mandate Decision provides for the EIB to operate in a co-financing relationship with the EBRD in this region.

EXAMPLE OF PREVIOUS REGIONAL CO-OPERATION

The EIB has been involved in the NDEP since the beginning of this decade. The NDEP is part of the Northern Dimension policy framework, which was set up as a joint initiative between the Russian Federation, the EU, Norway and Iceland.

The NDEP was set up to co-ordinate and accelerate the implementation of important environmental and nuclear safety projects in North West Russia and in the Kaliningrad

region. It is focused essentially on the protection of the environment in the Baltic Sea. It includes a Support Fund providing grant aid to selected projects and fed by contributions by the Northern Dimension Partners and other donors.

IFIs play a major role in the management of the NDEP. The main operative body is a Steering Group, created in 2001, which reports to the Assembly of Donors. The Steering Group is composed of representatives of the Russian Federation, the EC, the EBRD, the NIB, the EIB and the WB. The annually rotating chairmanship of the SG is held in turn by one of three IFIs: the EBRD, the EIB and the NIB. The main role of the SG is to evaluate the quality and viability of projects submitted for grant aid and to make proposals to the Assembly on which projects to support.

Since it was established, the NDEP's Assembly of Donors has approved grant support of EUR 56m to ten projects, representing a total investment cost of EUR 1.5bn.