European Investment Bank EIB. Annual Report 2006

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The Committee on Budgetary Control adopted the own initiative report by Jean-Pierre **AUDY** (EPP-ED), welcoming the European Investment Bank's (EIB) annual report for 2006 and encouraging the EIB to continue with its activities to promote the development of the European economy and foster growth, job creation, and interregional and social cohesion. The Committee also welcomes the EIB's transparency and its total cooperation with Parliament.

The main recommendations contained in the report are as follows:

Budgetary control and management: MEPs invite the EIB to make every effort to retain the AAA rating which safeguards the bank's activities and the best rates for its loans. They also invite it to adopt a policy and antifraud measures including: i) an administrative debarment mechanism for companies found guilty of corruption by the Bank and other Multilateral Development Banks; ii) a whistleblower protection policy; and iii) a review of the existing procurement guidelines.

The Committee on Budgetary Control reiterates its desire to see the EIB subject to the same prudential rules as credit establishments and to **real prudential control**. It calls for an **independent regulatory mission** to be established to oversee the quality of the EIB's financial situation and ensure that its results are accurately measured and the profession's rules of good conduct observed.

The EIB is invited to apply to the Committee of European Banking Supervisors (CEBS) for an opinion on this supervisory mission, which should state who could carry it out pending the establishment of an official European banking regulator. MEPs suggest that every possible scenario should be envisaged, including, for example, involvement of the CEBS, of a national regulator or of a number of national regulators on an annually rotating basis.

Strategy and objectives: MEPs welcome the inclusion of promoting reliable, competitive and sustainable energy in the main features of the Bank's programme of activities (including alternative and renewable energy sources) and call for the development of **environmentally friendly funding criteria**. They encourage the EIB to reinforce its environmental and social policies, to further improve and update its current standards, in particular concerning its external lending activities.

The report encourages the EIB to give priority to funding **Trans-European Networks (TENs)**, including cross-border infrastructure that enables national networks to be interconnected. In this respect, priority should be given to infrastructure or transport projects with a lower or negative carbon footprint. Furthermore, MEPs suggest that the Commission should give the EIB the task of carrying out a strategic reflection on the funding of infrastructure.

The EIB is called upon to ensure that enough **venture capital** is made available to **SMEs** which experience difficulty in attracting venture capital. In this context, the Commission, the EIB and the EIF should promote the development of micro-credit in Europe in the framework of the new European initiative for the development of micro-credit in support of growth and employment. MEPs also emphasise the role of the EIB's expertise in **setting up projects**.

In terms of **operations outside the European Union**, MEPs welcome the call from the Council to develop the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) still further in order to

strengthen the Euro-Mediterranean partnership. They hope that the loans mandate given to the EIB for the period 2007-2013 will enable the process of regional economic integration to be speeded up.

Lastly, the EIB is encouraged to pursue its policy of diversified emissions in different world currencies, including the currencies of the emerging countries, while always continuing to cover itself against exchange risks.