

# European Investment Bank EIB. Annual Report 2006

2007/2251(INI) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 613 votes to 51 with 20 abstentions, a resolution welcoming the European Investment Bank's (EIB) annual report for 2006. The own-initiative report was tabled for consideration in plenary by Jean-Pierre **AUDY** (EPP-ED), on behalf of the Committee on Budgetary Control. Parliament also welcomes the EIB's transparency and its total cooperation with Parliament.

The main recommendations contained in the resolution are as follows:

**Budgetary control and management:** MEPs emphasise that the EIB pursue a "zero-tolerance" policy towards fraud and corruption, and welcome the rise in the number of investigations with the European Anti-Fraud Office (OLAF). They also call on the EIB to include measures leading to: 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.

Parliament 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, the involvement of the CEBS, of a national regulator or of a number of national regulators on an annually rotating basis.

Parliament hopes, with regard to the application of Basel II, that the EIB can show that it is able to carry out its mission with its own funds, amounting to EUR 33,5 billion, and to maintain the best rating of AAA.

**Strategy and objectives:** MEPs welcome the inclusion of promoting sustainable energy in the main features of the Bank's programme of activities and call for the development of **environmentally friendly funding criteria**. They encourage the EIB to reinforce its environmental and social policies, and to improve its current standards, particularly concerning its external lending activities.

Parliament 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. The EIB is asked to operate in developing regions in line with the principles of the Paris Declaration on Aid Effectiveness, and to ensure consistency with the EU Consensus on Development, particularly in delivering effective aid, enhancing mutual accountability, and adopting measurable development indicators.

Lastly, the EIB is encouraged to pursue its policy of issuing bonds in a diverse range of currencies, including the currencies of the emerging countries, while always continuing to cover itself against exchange risks.