

# **EIB loans: eligibility of Central Asian countries granting a Community guarantee to the EIB against losses under loans and loan guarantees for projects outside the Community**

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The Committee on Budgets adopted a report drafted by Esko **SEPPANEN** (GUE/NGL, FI) and made some amendments to the proposal for a Council decision on the eligibility of Central Asian countries under Council Decision 2006/1016/EC granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community.

The main amendments – adopted in the framework of the consultation procedure – are as follows :

- the guarantee agreement between the Commission and the EIB, as foreseen in Article 8 of Council Decision 2006/1016/EC, shall lay down the detailed provisions and procedures relating to the Community guarantee and shall contain conditions with clear benchmarks regarding respect for human rights. The Committee specified that it must be stated that EU policy goals with regard to human rights must not be undermined by Community guarantees for loans by the EIB in countries. An interim agreement of the EU with Turkmenistan on trade and trade-related matters is pending since 2006, due to accusations of systemic violations of fundamental rights by this country. EBRD operations in this country are focused on the promotion of private sector activities, particularly in the SME and micro-finance area, provided that it can be shown that the proposed investments are not effectively controlled by the state. EIB loans should be based on the same principles;
- on the basis of the information received from the EIB, the Commission shall produce an assessment and a report, on an annual basis, to be forwarded to the European Parliament and the Council, on the EIB financing operations carried out under this Decision. The report should include an assessment of the contribution of the EIB financing operations to the achievement of the external policy objectives of the EU and especially the contribution to the general objective of developing and consolidating democracy and the rule of law, the objective of respecting human rights and fundamental freedoms, and the observance of international environmental agreements to which the European Community or its Member States are parties;
- the EIB shall ensure that framework agreements between the Bank and the countries concerned are made available to the public and that adequate and timely objective information is made available to enable them to play a full part in the decision making process.