EIB loans: Community guarantee to the EIB against losses under loans and loan guarantees for projects outside the Community

2008/0268(COD) - 25/03/2009 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 582 votes to 9, with 25 abstentions, a legislative resolution amending, under the first reading of the codecision procedure, the proposal for a decision of the European Parliament and of the Council granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community.

The amendments were the result of a compromise negotiated with the Council. The main amendments were as follows:

- the Community guarantee established by the Decision should cover EIB Financing Operations signed during a period beginning on 1 February 2007 and ending on 31 October 2011(rather than 31 December 2013 as the Commission had proposed);
- the Commission’s mid-term report on the application of the Decision should be presented by 30 April 2010.

A number of recitals clarify Parliament’s views about the content and legal base of the new decision. They recall that he Court of Justice ordered in Case C-155/07 (Parliament v Council), that the effects of Decision 2006/1016/EC be maintained for EIB financing arrangements entered into before the entry into force, within a period of 12 months from the date of delivery of the judgment, of a new decision adopted on the appropriate legal basis, namely Articles 179 EC and 181a EC together. This judgment implies that the codecision procedure will now apply for the activation of the optional mandate, the eligibility of countries listed in Annex I, and the suspension of new EIB financing in a specific country in the event of serious concerns over the political or economic situation. A new Decision of the European Parliament and of the Council should therefore be adopted in order to provide for a continuous unchanged guarantee of the relevant EIB Financing Operations outside the Community. Nevertheless, the swift adoption of this Decision should be achieved whilst ensuring that the European Parliament's prerogatives are fully respected. For that reason, the Commission should present, before 30 April 2010, a proposal for a new decision taking into consideration the conclusions of the mid-term review.

The proposal for a new decision should address, amongst other things, the issue of greater scrutiny by the European Parliament and the Council of all budgetary and political decisions to be taken by the EIB and the Commission in the framework of that new decision, the issue of transparency of the whole financing mechanism, and the issue of the limitation of Community guarantee compared to disbursed appropriations.

The compromise underlined that EIB Financing Operations should be consistent with and support the Community's external policies including specific regional objectives and should contribute to the general objective of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the observance of international environmental agreements to which the Community is a party.

Lastly, in relation to developing countries in particular, EIB Financing Operations shall foster: sustainable economic and social development of these countries, more particularly in the most disadvantaged amongst them; their smooth and gradual integration into the world economy; the campaign against poverty; the general objective of developing and consolidating democracy and the rule of law; the general objective of

respecting human rights and fundamental freedoms; as well as compliance with objectives approved by the Community in the context of the United Nations and other competent international organisations.